

El Salvador, Nicaragua, and Venezuela—have created an agency designed for the good of coffee which reflects credit on the whole industry. In the hardest times the trade has ever seen, they, with genuine statesmanship, have made it possible for us to work with them in an aggressive and practical way to improve the acceptance of coffee by the American public. Nothing approaching this can be found in any other food industry. It is the one optimistic note in a very bad world situation, because we cannot help but feel that countries capable of such constructive policies in the midst of a destructive situation, are capable also of eventually solving all their problems in the same spirit of constructive cooperation.

"Now this is the important point: The Bureau is not a closed corporation. Any producing country is welcome to join. Yet the ones who have joined and the ones who are making possible the steady increase in coffee consumption are, to repeat,—Brazil, Colombia, Cuba, El Salvador, Nicaragua, and Venezuela.

"Every pound of these coffees sold in the United States contributes to the expansion of our own business. We should and must in our own interest, as well as in the interest of fair play, see to it that they are given every possible preference. To do so is not to discriminate against other countries, because those now outside the Bureau can readily come in if they really desire to improve their market here. To work with those who work with you is not only a matter of fair play, but a matter of good common sense.

"And now, the second point:—the coffee industry's support of its National Association. To those members of the industry who are now members of the Association and who have given it their active support, I wish to express my sincere thanks and to voice my confidence that we can count on the continuation of that support in the future. To those firms who are not at the present time members of the National Association, I would like to promise a continuation of our efforts to do everything possible for the benefit of the industry as a whole, and to hope that we can look forward to their eventual support which the work of the Association deserves.

"In the nature of things, every one in the coffee industry must benefit directly or indirectly from the many accomplishments of the Association under the capable leadership of Messrs. Boardman, Delafield and Sharpe.

Association Accomplishments

"There are other things. Let us suppose that there had never been a National Association. How then would the industry ever have been in a position to present a united front in matters concerning governmental relations? It is almost impossible even to conceive of such a condition. Let us briefly review a few of the Association's activities in the past. First, successful opposition to Federal taxes on coffee, an accomplishment which has been equalled by very few other industries; second, the prevention of two extremely important national freight rate increases; third, the abandonment of the destructive coffee bonus system; fourth, the negotiation and writing of an equitable contract for the disposition of government-owned coffee acquired through the coffee-wheat barter; fifth, the organization and operation of a coffee code in such a way that ours was one of the few industries which really profited from the NRA; finally, the contribution of the association in assisting in the creation of the coffee promotion campaign which has already produced for us a new market in this country of nearly two hundred million pounds a year."

Brazil Coffee Exports Declined Due to the War

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the various matters.

According to the terms it becomes apparent that the quota of sacrifice, which for the present crop was 30% for common coffees, is now reduced to 25% for the future crop, and that for preferential coffees there will not be any reduction of the quota as occurred in the last two crops.

This measure had been requested by traders and growers alike, due to the surplus of preferential coffees received, particularly in Santos. Preferential coffees were not subject to retention in the interior and only paid 15% as "quota of sacrifice."

The price payable in the interior of São Paulo for the coffees of the "isolated quota" and also for those of the "complementary quota," must be higher than 50\$000 per bag.

It is noted that the greatest interest of the Council was in maintaining the equilibrium between the production and exports even reduced, on account of the European conflict.

No official communication has been issued as yet regarding the estimate of the future coffee crop. It is believed, however, that it will not exceed 20 to 21 million bags, in accord-

ance with reports received from the interior, but this production will consist only of well grained beans of good quality.

The "quota of sacrifice" of 25% on the general crop of 20 millions will reduce it to 15 million bags.

São Paulo's crop is estimated at 14 million bags. The "complementary quota" to be imposed in São Paulo may oscillate between 25 and 30%, therefore about another 4 million bags will also be withdrawn from the market. Thus—the commercialized crop will be even more limited, falling to only about 11 millions bags.

The number of bags of coffee which will be exported by Brazil during the next crop is thus problematical. No estimate is possible in view of the present international situation, but even if exports are reduced from 16 millions bags to 12 or 10 million bags, the statistical equilibrium is guaranteed beforehand, and with it, as a consequence thereof, the stability of quotations is also assured.

Tea Association Works For Tea Act Enforcement

The regular monthly meeting of the board of directors of the Tea Association of the United States of America, held on May 14th, was devoted to a discussion of ways and means to insure the continuance of the proper enforcement of the Tea Importation Act, which becomes a dead letter as of July 1st, because of the failure of Congress to provide funds for its enforcement.

In accordance with a resolution adopted, President R. A. Lewis appointed a special committee fully empowered to consult with the proper authorities in Washington, in relation to some practical method whereby the enforcement of the Tea Importation Act may be continued.

The committee appointed was: George F. Mitchell, chairman; R. B. Smallwood, and J. J. McNamara.

Ceylon Ass'n Objects To U. K. Tea Policy

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til 1850 the company maintained its own fleet of sailing ships.

The report of the Mazawattee Tea Co. Ltd. for 1939 shows a trading profit of some \$110,000—an improvement, despite the disturbance in the tea trade caused by the war and the government's requisitioning of tea stocks in bonded warehouses. In view of the incidence of E.P.T. (excess profits tax), and the need to conserve the company's resources, no dividend is to be paid.