

## BRAZIL EXCHANGE DEALINGS

### Free Rein Given to Marketing All Commodities Except Coffee With Which Latter Certain Restrictions Are Lifted

Special Correspondence

RIO DE JANEIRO, September 10, 1934.

**A** RESOLUTION of the Banco do Brasil reads: "In accordance with the proposal of the Director of the Exchange Department of the Banco do Brasil and the approval of the Federal Foreign Trade Council, complying with the terms of Decree No. 24,432 of June 20, 1934, the operations of buying and selling exchange, dating from today, shall be effected in the following manner:

#### (1) EXPORTATION

"**COFFEE.**—Coffee exporters shall secure export permits through delivery to the Banco do Brasil of 155 francs (or the equivalent in other money) per bag, it being permitted to sell in the open exchange market the excess value thereto accruing. Under these conditions there is no need of presentation of the commercial invoices and there is done away with the necessity of examining the selling price.

"Current exchange contracts shall be completely liquidated and in the regular way; to new export negotiations, however, the present measures shall be made applicable.

"**OTHER COMMODITIES.**—The banking authority shall furnish export permits independent of the sale of exchange to the Banco do Brasil. These may be negotiated without restriction in the open exchange market.

#### (2) IMPORTATION

"All merchandise already cleared at the Customs House on the present date and for whose payment the application for exchange has already been covered shall receive the necessary and total receipt at the official rate of the Banco do Brasil, in accordance with the chronologic order of these applications and in accordance with the rates of the exchange market.

"For goods not already cleared, or for the payment of which no application for exchange has been made, the Banco do Brasil shall furnish 60 per cent of cover according to the official rate, according to the same chronological order and classification in the corresponding class.

"The remaining 40 per cent shall be bought in the open exchange market by those interested whenever they are called upon to liquidate the corresponding business.

#### PURPOSES OF THE PRESENT MEASURE

"Taking as a basis the official statistics covering the first six months of this year, the means now adopted represents an annual liberation of exchange amounting to £14,800,000, of which £6,400,000 represent coffee and £8,400,000, other products. On the other hand, through the payment of £14,800,000 (40 per cent of the imports) passing through the open market, we shall have—as is seen—an exact equivalent of values delivered to the open exchange market, with the object, principally, of facilitating exportation and simplifying the processes of ac-

counting; we shall as greatly as possible, from now on, attend to the desires of the exporter classes; correct, at least partially through the law of supply and demand, the eventual lack of equilibrium of the balance of payments.

"The banking authority, on solicitation of the Banco do Brasil, shall exercise particular vigilance relative to the fulfillment of the law that prohibits private banks from maintaining rates for exchange bought for more than 24 hours."

#### TO FACILITATE EXPORT TRADE

The means today taken by the Government relative to exchange operations, according to the *Diario da Noite*, is fully detailed in the note of the Banco do Brasil (above reproduced). They are aimed—as may easily be verified—at favoring the export trade of the country, guarding it against the exchange workings to which it has been subject up to now. The official rates of the Banco do Brasil, as is known, are much lower than the current open market rates. Due to this, that establishment (the Banco do Brasil), by order of the Government, created certain obstacles in the supplying of the exchange that in general was required by trade. These hindrances now are in part to disappear, since the Banco do Brasil will furnish 60 per cent of the exchange necessary for the import trade, at an official rate, through the presentation of the necessary documents in the matter. Importers shall be subject to the purchase of 40 per cent of the exchange that they require, in the open market, which fact, without doubt, will entail much advantage to the economy of the country.—CARIOCA.

## COFFEE VISITS ARE APPROVED

Special Correspondence

RIO DE JANEIRO, Sept. 5, 1934.—The Departamento Nacional do Café makes public the contents of a letter received by Dr. Armando Vidal, President of that organization, from Dr. Arthur Torres Filho, First Vice-President, acting as President of the Sociedade Nacional de Agricultura, as follows:

"I have the pleasure of stating to you that the Directors of the Sociedade Nacional de Agricultura resolved at their last meeting to congratulate you and this Department on the visit made to this country by the American coffee traders, which we consider to be an event of unquestionably great foresight to the advantage of our principal product and the growth of its greater consumption.

"On this all the members of the Directorate agreed at the same meeting that the policy of inviting foreign delegations to visit this country has proven to be a good one, preferable to that of sending our delegations abroad—the former having the advantage of affording the consumer opportunity to come in contact with conditions here. With this new policy we avoid the great cost of expensive delegations which oftentimes do not bring about efficient results."—CARIOCA.

## BRAZIL DROUGHT AFFECTS COFFEE

Special Correspondence

RIO DE JANEIRO, Sept. 14, 1934.—Continued reports of damage to the coffee trees through the general drought make it certain that the coffee crop will be curtailed—greatly so in some regions. This, it is expected, will favorably influence coffee prices.—CARIOCA.