

not allowed use bonus as price reduction, but simply supposed to transfer same to buyers whom Department wishes to encourage increase purchases Brazilian coffee. Bonus coffee will be delivered monthly to exporters in Department warehouses ready for shipment. Buyers receiving such bonus coffees must pay fifteen shillings tax besides shipping expenses, which latter roughly forty cents per bag plus ocean freight and insurance. Figuring present market prices and rate of exchange, bonus coffee worth Santos minimum 4.20—Rio minimum 4.00 per pound. No additional charges at this end. Appreciate your cooperation in radiating this definite plain statement."

#### PROPAGANDA PROPOSAL

After numerous private cable exchanges the Associated Coffee Industries returned to the argument on April 28 with the following cable to the National Coffee Department:

"As the Associated Coffee Industries is still emphatically of the opinion that the bonus coffee plan will in the United States prove detrimental to the coffee industry here, it is now planning to induce all of its members to donate their bonus coffees to one agency for the purpose of defraying the expenses of the intended advertising campaign. The consent of importers and roasters controlling over fifty per cent of the importation of Brazil coffees has already been secured and the officers of the Association feel that they can enlist all but a small portion of the trade in support of the plan. Before going further we would like to get the reaction of the National Coffee Department, since if the National Coffee Department would cooperate in the execution of the plan by selling the bonus coffee through established export channels in Brazil the operation of the plan would be immediately feasible."

This was construed as an attempt to translate the bonus coffee into a propaganda scheme to be conducted by the Associated Coffee Industries and caused further complications and misunderstandings as a result of which the Associated Coffee Industries felt called upon to make clear its real intent. This it did in the following statement to the press:

#### "UNFORTUNATE DISRUPTIVE INFLUENCES"

"This cable, insofar as it commits the Association on a matter of trade policy expresses no opinion new or different from that already expressed in the communication approved by the Board of Directors. It merely reaffirms the opposition of the trade in this country to the export bonus plan as announced, and the desire of the trade to have the bonus coffees sold through regular export channels in Brazil, in order not to disrupt the distribution of coffee in the United States.

"The only other statement in this cable is the indication that the members of the Executive Committee as individuals, together with a number of other companies who were approached are willing to forego any profits that might accrue from their share of the bonus coffees in order to provide funds for an advertising campaign greatly needed in the United States.

"The cable makes it clear that any plan developed to carry out this purpose, would be submitted for the consideration and approval of the Board of

Directors and membership at large. It is, of course, to be hoped that action by Brazil will make it unnecessary for the trade in this country to work out an internal plan to prevent the unfortunate disruptive influences, which the trade as a whole is agreed would result from the operation of the export bonus plan in the United States.

"On May 2nd the Green Coffee Association of New Orleans by a divided vote disapproved of the plan suggested by the Executive Committee without expressing any opinion concerning the export bonus plan as such, and while expressing hearty agreement concerning the value of an advertising campaign.

"Since the Executive Committee cable made it clear that only part of the trade had been approached on this plan, there could, of course, be no question of its action having committed any section of the trade in advance."

#### BRAZIL STANDS PAT

On May 8, it was announced that the National Coffee Department had advised Chairman Delafield of the Associated Coffee Industries that it must refuse to rescind or change the bonus regulations.

#### BONUS GUARANTEED

On May 9, a news dispatch reached New York from Rio de Janeiro stating that the National Coffee Department would definitely guarantee a ten per cent bonus on all coffees sold, provided the necessary declaration is given within twenty-four hours from the time of sale, eight days being allowed for declaring the name of the buyer and the port of destination.

In special cases where exporter is unable to give said details within 24 hours small lots of bonus coffees can be grouped by exporter and sent to agents abroad for distribution, provided said lots do not exceed 100 bags.

#### NEW COFFEE DRYING MACHINE

##### Special Correspondence

LONDON, May 2, 1933.—The African Marine and Engineering Company, of Mombasa, has built a new mechanical coffee drying machine, invented by Mr. C. Deutschan, of Messrs. Naumann, Gepp, Deutschan & Company, of Nairobi, says *East Africa*. It is claimed that its use reduces the drying process between twenty-four and fifty hours, and "blind" tests carried out on the first machine, erected in the coffee factory of Messrs. Gifford & Norton, Kyambu, showed that beans dried by the machine realized considerably more than those dried in the usual way.—MINING LANE.

#### COAL BARTERED FOR COFFEE

##### Special Correspondence

LONDON, April 24, 1933.—An additional 200,000 tons of Ruhr coal are to be exchanged for Brazilian coffee under a new contract which, according to the *Times* has been concluded between the Rio de Janeiro agents of Messrs. Haniel and Co., Duisburg, and the German coal depot at Hamburg. Deliveries of the coal are to be made during the next six months and are expected to be completed by the beginning of October. A similar transaction, involving 350,000 tons of Ruhr coal, was concluded last year.—M. L.