

and commercial sections, on the floor above. Here they were made to feel at home by Dr. Eurico Pentado, chief of propaganda and editor of the *DNC Monthly Bulletin* and *Fortnightly Report*. The editor is planning to write a special article on the work of the "DNC," as it is known in Portuguese, these being the initials for the Departamento Nacional do Café.

There followed a luncheon by the Departamento at the Automovel Club. Dr. Armando Vidal, addressing the delegates, said in part:

ADDRESS BY DR. ARMANDO VIDAL

"The National Coffee Department received with the greatest pleasure the American coffee trade answer accepting our invitation for coming to Brazil. You are the leaders in your field. The fact of your leaving your business, in these stormy days, is a guarantee for the success of our move inviting you to come to Brazil. You are not coming just for the trip, but you are here to study the means which should make larger our common interests.

"Should Mr. Ukers insert in his great work, 'All About Coffee,' the actual status of coffee in Brazil; or should Mr. Nortz, or the *Spice Mill* and the *TEA AND COFFEE TRADE JOURNAL* tell to the coffee world trade what the DNC has already performed, as well as what is to be expected in the future, for coffee, so all of you, when back home in your great nation, will certainly be the best witness of our desires and of our endeavors to re-establish the coffee trade of the world in its normal place.

"In such a way, as we did when the European importers were our visitors, in May last, we will hide nothing from you. On the contrary, we wish to show you everything; indeed, I might say, to oblige you to see and to examine everything. The DNC has kept its rule of acting with clearness, and never being afraid of stranger inspection of its activities. Owing to this policy of ours, we have been sometimes criticised, as the case was when we engaged Brazilian official experts, as well as English chartered accountants, to inspect and verify the coffee stocks, and its real elimination.

"During your stay in this capital and the long way you have to make through the States of Minas Geraes and São Paulo, you will find a peaceful country; you will see the Brazilian people united, without racial resentments, and all at work. Instead of the problem of unemployment, you will often hear it said that there is a lack of workmen for the planters and for industry in general; you will not see abandoned farms, nor closed factories.

"The DNC invites you to make a thorough examination of coffee culture, handling, transportation, trade and elimination; to visit the regulating warehouses where you will see a part of the 48,549,318 bags directly acquired by the revolutionary government, or by both institutions created by the same, that is, the CNC and DNC.

"In these regulating warehouses (formerly called cemeteries) you will see 11,614,200 bags pledged to the £20,000,000 Realization Loan, made in 1930 by the State of São Paulo, this coffee stock being entirely out of commerce, held by the loan trustees, and which in September next will be reduced by 500,000 bags, in consequence of the sinking fund provisions of the loan. Besides the pledged stock, there was a total of 5,423,348 bags of private coffee in all Brazilian regulating warehouses to-

gether, on June 30, destined for the exporting ports.

"In all the regulating warehouses of Brazil there are 3,845,016 bags, the only coffees at the disposition of the DNC for elimination and bonus contract engagements. The DNC has already eliminated (up to July 31) 29,933,201 bags, of which 3,039,334 bags were eliminated in the months from May to July. Within two months at most, the elimination of coffee in Brazil will be finished, with the destruction in São Paulo of 2,481,008 bags and in the States of Parana, Minas Geraes and Espirito Santos of 1,364,008 bags, these being practically eliminated, as they have already been delivered to the officials charged with the destruction. From these two totals there are to be deducted only the quantities necessary for the engagements above referred to.

"So, the DNC achieves the principal part of its programme, that is to say, the re-establishment of coffee's statistical equilibrium. In fact, there is no coffee excess remaining in private hands. The DNC has obtained this good result, owing to the firm policy of the great Minister of Finance of the Revolution, Aswaldo Aranha (now our Ambassador to the United States) who, without vacillation, backed the orientation of the DNC.

"When, within two months, the flames of coffee burning in Brazil are extinct, far from saying that the DNC does not go on with the elimination, you will all be in a position to state in your country that the DNC has completely achieved its programme for the elimination of all excess coffee stocks.

"The inspection you will make of coffee in Brazil and the functioning of the DNC will place you in a position to refute rumors of huge quantities of coffee for consignments or purchases (nearly always being one million bags) sometimes to be sold by the DNC, sometimes by the Federal Government, and again by other entities. You can surely state that the pledged stock has already been delivered to the trustees of the loan; and that the DNC will not abandon its policy, and that no State, no Institute, or Cooperative in Brazil may dispose of even a 100,000-bag lot for consignment, this not being allowed by the DNC or the Bank of Brazil.

"The DNC has adopted as a fundamental rule that the best way of peacefully enlarging the coffee trade is to leave it to the channels which constructed the actual system of distribution. Consequently, the DNC endorses entirely the conclusions of the recent Chicago Convention, which condemned sales in the form of consignments. We endorse these conclusions because during the eighteen months of its existence, the DNC always acted likewise; and by means of accord and transaction, the DNC did rescind and abrogate the contracts of consignment which had been made with Argentina, Hungary, Czechoslovakia, Finland and Russia, and just now is moving to rescind the contracts with England and Greece. The contract with Poland is considered impracticable.

"The DNC recognizes as necessary an intelligent propaganda for coffee as a drink, with the indispensable advertising of Brazil's capacity for supplying all demands from her clients, not only in quality or variety but also as relating to price and quantity of production. According to its rule, the DNC does not attack other countries' production, when it advertises the capacity of Brazil as a producer. On the contrary, we shall be pleased