

NEW INSTITUTE ORGANIZATION

Details of Plan for Reorganization of São Paulo Coffee Institute as Decreed by the Federal Interventor

Special Correspondence

SANTOS, February 22, 1933.

THE Federal Interventor has signed a decree covering the reorganization of the São Paulo Coffee Institute. In accordance with this decree the Institute will continue in charge of the defense of the coffee growers in this State and the improvement of its conditions. It provides that the Institute, until its definite organization, will have a provisional directorate, composed of one president and two directors, of free nomination and dismissal by the Government. The Government will also appoint an inspector, who will have the right to avoid the acts of the directorate considered as being contrary to the object of the Institute and the laws and decrees in force, as well as to fiscalize the collection and application of revenues.

All financial operations will be made through the intermediary of the bank which is to be established for the financing of the farming interests. Within the term of 30 days the mayors must send to the Institute a list of all coffee growers of the municipality. After that the provisional directorate of the Institute will arrange for the foundation, in each coffee producing district of the State, of an Association of Coffee Growers, in the form of an agricultural syndicate. This will be organized within three months, as well as the Union of the Syndicates. The syndicates duly formed will have the incumbency, at once, of fiscalizing the services of the Institute in the districts. The provisional directorate, within 30 days, will organize the by-laws and the plan of action of a central entity—the Union of the Syndicates of State of São Paulo Coffee Growers.

In order to help in this work the provisional directorate will appoint additional names of farmers, among whom the Government will select six.

After the municipal syndicates, the project of the by-laws, and the plan of action of the Union of Syndicates have been organized, within the period of three months, the provisional directorate will convoke the municipal syndicates for a general meeting which will be held in the Capital by July 20 of this year, definitely deciding upon the by-laws and the plan of action of the Union of Federations, as well as electing its first directorate.

Once the Union of Syndicates has been definitely organized, the representatives of municipal syndicates will resolve upon the organization which should be given to the Institute, establishing its by-laws. After these by-laws have been approved by the Government, the same meeting will elect the administration and fiscal council of the Coffee Institute.

The decree also determines that the patrimony and the income of the Institute will, under no circumstances, be included in the patrimony of the State, nor invested for any purposes other than those which regard the farming interests. It ends

by maintaining on their posts the present directors of the Coffee Institute and revoking decrees Nos. 5,137 and 5,138, of July 24, 1931, as well as the present by-laws approved by the latter of those decrees.—FERNANDES.

GUESSING AT COFFEE POLICIES

Staff Correspondence

SÃO PAULO, February 15, 1933.—No regrets are expressed at the passing of the National Coffee Council, although Drs. Mucio and Roquette, ex-members, are reported to have expressed "amazement," and have betaken themselves to Bello Horizonte to confer with the President of Minas. Various newspapers comment, as far as they dare, on the development. The *Jornal do Brasil*, a Rio paper, throws out a guarded clue as to what the intentions of the present government may be, by stating that many people think a loan is to be obtained, secured by the export tax on coffee. Other newspapers feel it wiser to compliment the members of the government now in power, on their manner of carrying out the doctrines preached in the campaign of 1929, when the then government was soundly berated for the iniquity of interfering in trade matters.

An official communiqué from the Ministry of Finance says that "It may be anticipated that any administrative change that may be effected by the Government in the machinery of the Council will carry out the program of the immediate purchasing of stocks and of the excesses of crops, so as to re-establish the statistical equilibrium and the widening of world consumption by 'direct understandings with governments' and also the efficient protection of producers."—PAULISTA.

COFFEE PROPAGANDA CONTRACTS

Special Correspondence

SÃO PAULO, February 8, 1933.—The Legal Counselor of the Sociedade Rural Brasileira, in a lengthy exposé refuted the common opinion regarding the subject and, with legal texts, showed that the National Coffee Council could not make any contract for coffee propaganda, as the 15/- tax—in accordance with all decisions of the conventions of coffee producing States—is collected for the exclusive purpose of eliminating the crop surpluses. He ended his exposé saying that: "They constitute monopolies, and monopolies are to be condemned under all points of view; unjustified and illicit, because they proportionate exaggerated profits in transactions which cannot be controlled. Only competition benefits the consumer, because it limits the profits of the producer and of the brokers, thus cheapening the product and promoting the increase of its consumption. Monopoly, on the contrary, irritates the consumer and enslaves him to uncontrolled manoeuvres of the monopolizer, who will impose any price he deems fit, until the limit of compression stimulates the action of competition."—MEDEIROS.

SUGAR INSTITUTE SUIT

Business, in general, and trade associations, in particular, have a direct interest in the outcome of the Government's anti-trust action against the Sugar Institute, Inc., final oral arguments on which were heard the latter part of January by Judge Julian Mack in the District Court of the