

RESOURCES *of* BRAZIL. *Presented by* JAMES HEYWOOD, M.A.,
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BRAZIL is a vast, fertile, and thinly peopled country, occupying nearly one-half of the continent of South America.

About half a million of Indian inhabitants still remain, connected principally with the vast forests of the northern provinces: the collection and preparation of India rubber affords occupation to many of the aborigines in the neighbourhood of the River Amazon.

A desire to reach the East Indies by sailing westwards from Portugal led to the discovery of the eastern coast of South America in 1500: the territory thus discovered was taken possession of by the Portuguese naval commander, Pedro Alvares de Cabral. Jesuit missionaries early established themselves in Brazil, and entered into commercial enterprises with the aid of the natives, whose services and industry they skilfully obtained for the aggrandisement of their order.

During the sixteenth, seventeenth, and eighteenth centuries, Brazil was a colony of Portugal.

In 1807, the invasion of Portugal by the army of Napoleon I, under Junot, led to the retirement of the Prince Regent of Portugal with his family to Brazil; a British squadron escorted the Portuguese fleet, and a court was instituted at Rio de Janeiro.

Portugal afterwards became a sort of dependency of Brazil, and was governed by a council of regency, the royal family remaining in South America until the restoration of peace.

In 1821 a constitution was granted to Brazil, and in 1822, Don Pedro, son of the King of Portugal, was chosen Emperor by the Brazilians, and Brazil became an independent State.

A fresh constitution followed this change.

The Emperor has authority to select ministers of state, to withhold, temporarily, his sanction from legislative measures, and to dissolve the Chamber of Deputies. The country is divided into electoral districts, and the privilege of voting is conferred on all persons possessing an annual income, of any sort, of a hundred milreis, which is a little more than 10*l.*, but minors, monks, and servants are not allowed to vote.

The 10*l.* voters choose electors, each of whom must have an income of 200 milreis, or a little more than 20*l.* a-year, as a qualifica-

tion; the electors choose the deputies, who must have an income of 400 milreis each, or about 45*l.* per annum.

A somewhat different system is pursued in the selection of candidates for the Senate. Each candidate for that office must have an income of 800 milreis, or about 90*l.* a-year; and in the case of a vacancy, three persons are elected for the province by the system of double election. From the three candidates so chosen, the Emperor selects one as a senator, which office is tenable for life.

The general Legislative Assembly consists of two houses, the Senate, consisting of 55 members, and the Chamber of Deputies, comprising 122 representatives. Each deputy is paid for his attendance, 2,400 milreis, or about 270*l.* a-year besides travelling expenses; and the pay of the senator is 3,600 milreis, or about 400*l.* a-year. All persons born free in Brazil are Brazilian citizens; thus the Indians are citizens; slaves, as soon as they are freed are qualified to be primary voters for the election of deputies and senators, if they can make out the revenue of 100 milreis; the free born son of the freed man has all the rights of Brazilian citizenship.

There are seven Ministers, of the Empire or Interior, Justice, Foreign Affairs, the Marine, War, Finance, and Agriculture Commerce and Public Works. One of these is president, and considered chief of the ministry. The ministers are named by the Emperor, and are, in practice, dependent on majorities in the Legislature. Changes of ministry have latterly been very frequent—almost annual.

The Emperor's ministers are assisted by a Council of State, consisting of twelve ordinary and twelve extraordinary members, all named by the Emperor for life. The twelve ordinary members are constantly consulted on matters of administration and international questions, and are indeed a regular part of the system of Government. The whole twenty-four are convened on graver occasions. The Councillors of State, ordinary and extraordinary, are mostly ex-ministers.

The Brazilian titles of nobility (marquis, count, viscount, and baron) are only for life, and do not confer any political position. They are given as rewards of public service, as well as for electioneering influence.

At the head of each province is a president appointed by the central Government; and in each province there are district Chambers and a general Council (the Legislative Assembly of the province), the members of which are elected by the same voters as for the election of deputies and senators; and the same voters elect the justices of the peace for the municipal districts. All these provincial elections are for four years.

Population.

Mr. Christie, Minister at Rio de Janeiro, in a report to Earl Russell, 5th August, 1860, estimates the whole population of the empire of Brazil at about $7\frac{1}{2}$ millions, the aborigines being included, who are under a million, and the slaves also included being about three millions.*

The superficial area of the empire is calculated by some writers at 3,000,000, and by others at 2,500,000 square miles: on the latter supposition, there would be three persons, on an average, to each square mile. Brazil, in its extent of territory, is second only to the colossal empires of China and Russia, and is about the size of the United States of America previous to their separation into the Federal and Confederate States.

Large tracts of Brazil are uninhabited, or peopled only by a scattered population. The masses of inhabitants congregate near the coast, and around the chief sea ports; thus the district of the municipality of Rio de Janeiro comprises about 450,000 inhabitants, and the slaves in that district are rather less than half of the number. In the province of Rio de Janeiro, the slaves exceed in number the free population.

Bahia contains but a small proportion of whites, and the black inhabitants are so numerous, that it resembles an African city. Out of 125,000 inhabitants of Bahia, seven-eighths are said to be blacks, and nearly all the negroes are slaves.

Pernambuco has a population of about 80,000, of whom one-third are estimated to be slaves; one-third coloured free blacks; and remaining one-third are Brazilians and foreigners.

Whilst Brazil remained a colony of Portugal, but few women accompanied the emigrants to South America: the earliest European settlers intermarried and mixed with Indian women: afterwards an extensive intermixture of race occurred with the Africans who were bought for slavery.

The mixed population increases continually and rapidly in Brazil, and many of the so-called whites hardly deserve the appellation.

In the northern provinces the Indian element preponderates. In South Brazil the negroes are numerous. The greater part of the population of the Brazilian empire probably consists of mixed breeds, each of which has a distinguishing name; thus Mulatto denotes the offspring of a white with a negro; and Mameluco, that of a white with an Indian; Cafuzo denotes the mixture of the Indian and negro; Curiboco, the cross between the Cafuzo and the Indian; Xibaro, that between the Cafuzo and the negro. These are seldom,

* "Slave Trade Correspondence, B," presented to Parliament, in 1861, p. 44.

however, well demarcated; and all shades of colour exist in the country.*

Slavery.

Brazilian merchant ships contain a large proportion of slaves in their crews, which may be a reason for such ships seldom touching at any British ports, as slave sailors landing in Great Britain would immediately become free.

In 1826 a treaty was made between Great Britain and Brazil, providing that at the expiration of three years from the exchange of ratifications, the carrying on of the slave trade by any Brazilian subject, should be unlawful, and should be deemed and treated as piracy.

During those three years, terminating in 1830, a considerable increase of the trade in slaves took place; much Brazilian capital was embarked in slave traffic, and the greatest possible use of that source of profit was made as long as it was permitted.

In 1828 the number of slaves imported into Rio, amounted to 43,555;† and during the twelve months ending 30th June, 1830, the same port received 56,777 negroes, besides which, there were 21,554 imported into other parts of Brazil, making a total, in that year, of 78,331 imported slaves.‡

For twenty years, after 1830, the slave trade continued without abatement, and during that period a million of slaves were imported into Brazil. Lord Howden, Minister at Rio de Janeiro, reported an importation of upwards of 60,000 negroes in 1847.§ Slavers were seized in 1850 by orders of the British Government in the Brazilian ports and rivers, and this decided measure led to such active efforts on the part of the Brazilian Government to suppress the slave trade, that in 1851, Sir James Hudson reported that only 460 slaves had been imported into Brazil during the first quarter of that year. The slave trade has not been continued in Brazil since 1851, but there are upwards of three millions of slaves now in that empire.

Coffee plantations have been so profitable, that they have much increased in number, and many slaves have been brought from the northern or equatorial provinces of Brazil to the coffee grounds of the more southerly provinces.

An internal slave trade is thus kept up, involving some of the worst cruelties of forced removal of slaves from homes and separation of families. Mr. Westwood, the Consul at Rio de Janeiro, wrote to the Earl of Clarendon, 22nd January, 1857, "During the

* "The Naturalist in the River Amazon," vol. i, p. 35.

† "Walsh's Notices of Brazil," vol. ii, p. 322.

‡ "Sir T. F. Buxton, Slave Trade," p. 5.

§ "Slave Trade Correspondence, B," presented in 1849.

“ last year, the value of slaves increased so much in this province, “ that large numbers were purchased in Bahia, Pernambuco, and “ other parts, by unfeeling speculators, and brought to this city for “ sale. Many of these unfortunate beings were brought from “ estates where they were born, and torn away from relations and “ old associations in the most inhuman and cruel manner possible.” “ Amongst the slaves transported from the north,” lately said a Brazilian senator in the Senate, “ I have seen some in the market of “ Rio de Janeiro, who are children of 10 and 12 years old, who have “ left their parents in the north, and are sold here. A slave from “ the north told me that he was married in the province where he “ was sold, and that his wife remained there, and he was sent here.”* Mr. Scarlett, Minister at Rio de Janeiro, made a strong appeal to the Brazilian Government to stop this traffic in 1858, but without effect. According to recent reports from Mr. Christie, about 5,000 slaves a-year have been imported in this way for sale into Rio Janeiro during the last twelve years.†

This large deportation of slaves from the northern provinces is necessarily causing a dearth of labour in the north, where the heat being greater than in the south, African labour is not so easily replaced by Portuguese or German immigration.

The Brazilian nation is the owner of slaves estimated in the last annual report of the Finance Minister at 1,520. These are located on different national estates. The unproductiveness of these estates under slave labour has been the subject of complaint for some years past, in the Finance Minister's reports, and it is an economical point of interest on account of the dearness of slave labour. The Finance Minister stated in 1860, “ The gross receipts of the Piauh estates “ were, in the financial year 1858-59, 3,931*l.* 10*s.* 4*d.*, which, dis- “ tributed among 807 slaves, gives a result of about 4*l.* 17*s.* 5*d.* per “ annum for each slave, which is little more than the monthly “ wages of a slave! And from this sum no deduction is made for “ rent, or for increase of cattle. The receipts of the Pará estates “ during the same year amounted to 3,126*l.* 15*s.* 3*d.*, which, dis- “ tributed among 127 slaves, gives the annual sum of 24*l.* 12*s.* 3*d.* “ for each slave.”‡ The Finance Minister recommended the sale of some of the estates and the removal of the slaves. In the last report he recommended the emancipation of slaves who from old age or permanent illness are unable to do any work, and he begs the Legislature to authorize their gratuitous emancipation; but he does not explain how they are to subsist after emancipation. “ The

* Speech of Senator Silveira da Motta, 17th May, 1861, in “ Slave Trade Correspondence, B,” presented 1862, p. 51.

† “ Slave Trade Correspondence, B,” presented 1863, p. 112.

‡ *Ibid.*, presented 1862, p. 40.

“ Government not considering itself authorised to grant emancipation, except by depositing in the public coffers the price at which the slaves may be valued by the proper authority, you will see that, in the impossibility of the slave’s acquiring freedom, his lot becomes much worse, he is condemned to a perpetual captivity and has no benefit from his long previous services and the fidelity and devotion with which he gave them. In such circumstances humanity implores you to resolve on the gratuitous emancipation of slaves of the nation when, by reason of advanced age or permanent infirmity of a grave character, they become unable to do work for the nation.” But how are these infirm slaves to maintain themselves?

Since the commencement of the present year, a Brazilian senator has introduced into the Senate a bill for compulsory emancipation of all slaves held by the Brazilian nation, as well as all slaves owned by convents and by foreigners (as for example Englishmen) from countries in which slavery is illegal. The bill has been rejected. The same senator has of late years unsuccessfully proposed bills for abolishing public sales of slaves by auction, and preventing the separation of husband and wife, parents and children by sale, and for other mitigations of slavery.

The following are the last published consular returns of prices of slaves in Brazil, 30th June, 1862:—

Rio de Janeiro: Slaves for agriculture and mining, males, 107*l.* to 193*l.*; females, 107*l.* to 160*l.*; for domestic service, males, 129*l.* to 214*l.*; females, 107*l.* to 193*l.* Rio Grande do Sul: for agriculture, males and females, 130*l.*; for domestic service, males, 151*l.*; females, 135*l.* Bahia: African males, 180*l.*; African females, 108*l.*; Creole males, 108*l.* to 162*l.*; females, 65*l.* to 86*l.* Pará: males, 133*l.* to 177*l.*; females, 111*l.* to 144*l.*; males, with trades, 166*l.* to 222*l.*

The cessation of the slave trade has necessarily increased the price of slaves. It may be presumed also, in the absence of all statistics, that the number of slaves has diminished and is diminishing, after a loss for twelve years past of importations at the rate of 40,000 to 60,000 a-year. Cholera and other epidemics have carried away a large number of slaves since 1850; cholera alone is said to have carried away 16,000 in 1855. On the other hand, there will necessarily be more care of slaves, more attention to breeding among them, and fewer manumissions. But as regards breeding, there is the strong prejudice of the slave women against bringing up their children to be slaves to contend with, which leads to abortions, infanticides, and large mortality among slave children from neglect.

It is calculated that there are under the control of the Brazilian

Government about 10,000 free Africans (including progeny) who have been rescued in former years from slavers by British cruisers, and confided to the care of the Brazilian Government under the provisions of the Slave Trade Treaty with Brazil, the Brazilian Government guaranteeing their freedom. The treatment of these free blacks has been for the last twenty years a subject of unpleasant correspondence between the English and Brazilian Governments; and these 10,000 free blacks are said to be kept in a state of virtual slavery. As late as the 8th January, 1863, Lord Russell remonstrated against the application of regulations to these free blacks which, he said, "practically consign to six years forced servitude, men, women, and children, who are free according to the showing of the Brazilian authorities themselves."

Commerce.

The values, sterling, of the imports and exports of Brazil for the year 1861-62, were, imports, about 12,376,000*l.*; exports, about 13,600,000*l.*

During the same financial year, 1861-62, the sterling value of the imports from Great Britain to Brazil amounted to about 5,918,646*l.*, and the value of the exports to Great Britain to about 6,127,718*l.*

The Brazilian import duties have since 1844 been placed on a general basis of 30 per cent. *ad valorem*. Treaties with Great Britain and other countries, limiting import duties to 15 per cent., expired in 1844.

Mr. Baillie's report of January, 1861, states "that after the expiration of all these treaties, Brazil introduced a general and highly restrictive tariff in 1844, by which an import duty of 30 per cent. was imposed on foreign goods in general, while on certain articles, duties were levied ranging from 2 to 50 per cent. *ad valorem*. The export duties remained as they had been fixed in 1835, viz., 17 per cent. on the most important Brazilian products, and from $\frac{1}{2}$ to 17 per cent. *ad valorem* on others."* In 1858 the excessive dearness of provisions led to a great reduction in the duties on the chief imported articles of food, dried fish, jerked beef from the River Plate, and wheat flour, which were reduced to 5 per cent. There was also at this time a reduction of one-half of the duties on the principal imported manufactures. In 1860 the import duties were increased from 2 to 5 per cent., and the export duties by 2 per cent., to bring increase of revenue.

The provincial Assemblies of Brazil are permitted to levy export duties. Thus in Pará, one of the northern provinces of Brazil, the export duties vary from 5 to 10 per cent., the most productive

* "Reports of Secretaries of Legation," No. 4, p. 461.

article being Indian rubber: the import duties vary from 18 to 80 per cent.

On the southern frontier of Brazil, near the River Plate States, a great deal of smuggling is carried on, which, according to the report of the Minister of Finance of 1860, is rapidly increasing. The duties imposed in the Brazilian port of Rio Grande are so much higher than those of Monte Video, that British manufactures passing the frontier of the River Plate States can be furnished to the interior of the province of Rio Grande do Sul, 20 per cent. cheaper than the regular merchant can afford to sell them. The Brazilian duties vary from 50 to 80 per cent. on the cost price in England.*

Long and vexatious formalities characterise the Custom House system of Brazil. Merchants must pay the Custom House agents if they wish to get easily through the multitudinous forms required in the ports of that country. Portuguese habits are retained in Brazil, and the same ordeal of health visits, police, and Custom House searchers is insisted upon before a passenger is allowed to leave his ship.

A long string of regulations is provided, and a ship master or merchant, who innocently contravenes them, is liable to heavy fines, and even confiscation of the ship, or its property, although there has been no fraudulent intention.†

All the foreign trade with Europe and the United States is conducted in foreign vessels, the Brazilian vessels confining themselves to coasting voyages and to the River Plate.

The following are the number of vessels, tonnage, and crews which entered and left the Brazilian ports in 1861-62 on foreign voyages:—

	Entries.	Departures.
<i>National—</i>		
Vessels	190	126
Tons	31,308	29,129
Crews	1,719	1,365
<i>Foreign—</i>		
Vessels	2,572	2,463
Tons	904,936	1,052,402
Crews	41,542	41,153
<i>Total—</i>		
Vessels	2,762	2,589
Tons	941,244	1,052,531
Crews	43,261	42,523

* "Reports of Secretaries of Legation," No. 4, p. 461.

† "William Hadfield's Brazil," London, 1854, p. 157.

The following are the numbers of vessels and tonnage of the coasting trade for 1861-62:—

	Entries.	Departures.
Vessels	3,308	3,062
Tons	232,587	621,569

Productions.

Coffee, sugar, cotton, and tobacco, constitute the principal productions of Brazil; as well as India rubber, Paraguay tea, rum, and cocoa.

During five years, 1852-57, the annual average value of the exports of these products was as follows:—

	Mitreis.	£
Coffee	43,990,620	= 4,948,945
Sugar	20,099,740	2,261,220
Cotton	5,518,850	620,871
Tobacco	2,162,200	243,247
India rubber	2,336,780	262,888
Paraguay tea	1,335,684	150,264
Rum	943,887	106,186
Cocoa	758,472	85,328

The quality of Brazilian cotton greatly deteriorated some years ago from want of care, and from the mixture of inferior qualities with the finest descriptions of that product.

During the Civil War in the United States of America, Brazilian cotton has obtained an important position, being regarded as similar, for fine numbers, to the cotton of New Orleans and Texas. A remarkable increase in the export of gold and silver bullion from Great Britain to Brazil has taken place during the American war; the value of these exports being—

	Exports of Bullion from Great Britain to Brazil.
	£
In 1861	169,813
„ '62	452,392
„ '63	1,731,037

The estimate of the supply of cotton from Brazil for the year 1864, to different countries, is given in the “North American Review,” for April, 1864, as follows:—

Brazil.—Supply of Cotton for 1864.

Bales.	Average Weight.	Pounds Weight Avoirdupois.
155,000	180	27,900,000

The reviewer remarks, that there is a larger proportional supply of fine Egyptian and Brazilian cotton than of any other.

Paraguay tea is exported to the River Plate, where it is an habitual beverage in Buenos Ayres. The only Brazilian provinces which export it are those of Rio Grande do Sul and Parana.

Companies have been formed in Brazil for the purchase of articles of food, such as salt fish, wheat, flour, and fresh meat; and when there is no deficiency in the market, these articles are sold at high prices.

Tables of the average official prices of articles of food in Brazil, according to weekly returns, from 1850-51 to 1858-59, show that the seven principal articles of public consumption, viz., rice, sugar, dried meat, mandioca flour, beans, Indian corn, and bacon, have doubled in price in the eight years, 1850-51 to 1858-59, and since the population has not increased in so great a proportion during that time, nor the produce diminished, it is evident that the monopoly of these food companies must affect so extraordinary a rise in price.

Fresh meat has also risen enormously in price, notwithstanding that the breeding of cattle and pigs has undergone no diminution. The trade in dried meat has diminished, whilst the prices have increased, notwithstanding a reduction in the import duties on this article.

*Revenue and Expenditure.**

The Minister of Finance estimates the receipts for the financial year, 1864-65, at 51,000,000\$000, fifty-one millions of milreis (thousand reis). The value of the milreis in English money constantly fluctuates; it is at present a little above 2s. 3d., but in this paper it has been calculated always at that value, 27d. The estimated revenue, therefore, for 1864-65, is about 5,737,500*l.* The expenditure estimated for 1864-65 is 57,846,407\$766 or about 6,504,720*l.*

We may say, roughly, that the estimated revenue for 1864-65 is 5¾ millions sterling; and the estimated expenditure 6½ millions, showing a deficiency of three-quarters of a million. In addition to the 51,000,000 milreis revenue, there is an estimate of Government deposits to the amount of 3,340,854 milreis, or about 375,846*l.*, which may be used in aid of revenue, but which will of course be strictly a debt.

In the financial year, 1861-62, the revenue was higher than any previous year, and reached the sum of 52,078,085 milreis, exclusive of deposits. This amount has not since been attained. The Finance Minister had calculated 51½ millions of milreis of receipts for 1863-64, with a surplus of 470,946\$362. But this estimate has

* The following particulars about revenue are taken from the "Annual Report of the Minister of Finance," presented to the Legislative Assembly in May, 1863.

proved fallacious, and instead of a surplus there is a deficit; and another deficit is announced for the coming year, 1864-65. Up to the year 1856-57, the revenue annually exceeded the expenditure, but since then it has been constantly the other way, even in the year 1861-62, when the revenue reached its highest point. In 1860 a Committee of the Chamber of Deputies reported an accumulation of deficits for the end of the financial year, 1862-63, estimated at 10 millions of milreis (1,125,000*l.*), and the Legislature authorized the issue of treasury bills to the extent of 8 millions of milreis. At the same time the customs and export duties were increased. According to Mr. Baillie, the Secretary of Legation at Rio de Janeiro, in his reports on the commerce and finance of Brazil, laid before Parliament, the annual estimates of expenditure never include everything, and are always exceeded, and the deficits are probably understated.* Loans raised by the Brazilian Government during the last year, 1863, to the extent of four millions sterling, have cleared off the treasury bills issued under the authorization of 1860, and all deficit up to the end of 1863, and added to the permanent national debt. The Minister of Finance, in his annual report of 1863, urgently invites the Legislature to provide for future equalization of revenue and expenditure by economy or new taxes.

The chief item of revenue is customs' duties, more than half of the estimate for 1864-65, viz., 29,650,000\$000, or about 3,335,625*l.* The export duties amount to 7,759,576\$000, or about 872,552*l.*; that is, the import duties amount to about 3½ millions sterling, and the export duties not quite 900,000*l.*

The expenditure is distributed as follows among the different ministries:—

Ministry of the empire or interior	4,781,494\$730
„ justice	3,209,595\$835
„ foreign affairs	767,430\$553
„ marine	7,752,091\$920
„ war	13,206,274\$349
„ finance	19,131,198\$512
„ agriculture, commerce, and public works	8,998,321\$867

The estimate for the ministry of the empire includes the allowance to the Emperor (800,000 milreis, or about 90,000*l.*), Empress (96,000 milreis, or about 10,900*l.*), and the other members of the imperial family, the ministers, council of state, presidents of the provinces, senators (275,550 milreis, or about 31,000*l.*), and deputies (410,480 milreis, or about 40,174*l.*) The chief part of the estimate for the ministry of foreign affairs, is for the diplomatic and

* "Reports of Her Majesty's Secretaries of Legation," &c., No. 5, presented 1862, pp. 84 and 258.

consular services, the whole expense of which is 597,430 milreis (or about 63,210*l.*). The estimate for the ministry of finance, includes the interest on national debt and sinking fund payments.

There has been a very great increase both of revenue and annual expenditure of late years. Compare the estimates for 1864-65 with the revenue and expenditure of 1855-56 :—

	Revenue.	Expenditure.
1855-56	38,634,356\$	40,242,648\$
'64-65	51,000,000\$	57,846,407\$

In the year 1848-58, the revenue was little more than 25 millions of milreis, so that it has more than doubled since. The expenditure for the year 1844-45, was 25,458,230\$334.*

The national debt of Brazil may be roughly stated at about 21 or 22 millions sterling. It is made up as follows, as shown by the last annual report of the Minister of Finance :—

		£
Foreign debt, up to 31st December, 1862	—	7,205,000
National funded debt „	69,658,000\$000	7,836,525
In Great Book	137,553\$445	15,413
In provinces (not in Great Book)	220,477\$323	24,804
Debt anterior to 1827 (not inscribed)	108,743\$139	12,234
Treasury bills to 30th April, 1863	6,576,000\$000	738,800
Government paper money in circulation, March, 1863	35,340,469\$000	3,975,802
Public deposits	1,767,345\$521	198,826
Orphans' fund	9,161,904\$342	1,029,464
Dead and absentees' fund	3,056,698\$716	342,878
Passive debt	1,473,177\$105	165,627
		<u>21,545,373</u>

Since this estimate was published, a loan of 3,300,000*l.* has been raised in England, and another of 600,000*l.* in Rio de Janeiro : total, 3,900,000*l.* But with these loans 2,855,500*l.* of the foreign debt and the 738,800*l.* of treasury bills are to be paid off; total, 3,544,300*l.*, so that there will be only an increase of 306,700*l.* to the national debt, which may be estimated roughly at 22 millions sterling.

In addition to this debt, liabilities of the Brazilian Government by guarantees of interest to railway undertakings, should be mentioned. There are guarantees of 7 per cent. interest (5 per cent. guaranteed by the imperial Government and 2 per cent. by the

* Mr. Baillie's report, July, 1861, "Reports of Secretaries of Legation," No. 5, p. 83.

respective provincial Governments) on the following amounts of capital for the following undertakings :—

	£
Don Pedro II railway (in province of Rio de Janeiro)....	3,000,000
Pernambuco „	1,200,000
Bahia „	1,800,000
San Paolo „	2,000,000
	<u>8,000,000</u>

The imperial Government have therefore guaranteed for these useful public undertakings 5 per cent. on 8 millions sterling, or 400,000*l.* a-year. These guarantees of 7 per cent. are of course not guarantees of interest to the shareholders, irrespective of profit or loss in working the railways; loss in working has first to be provided for out of the 7 per cent. guaranteed.
