No. 7, which was a grade largely exported to the United States for the roasted coffee package trade, although large quantities of inferior grades were used in the same trade. In addition to the suspension or limitation of the export of grades below Type No. 7, coffee was to be bought and stored until it could be sold through accredited agents abroad at a satisfactory price. To do this, the state of São Paulo was authorized to float a loan of £15,000,000. Failing to accomplish this by itself, the state secured the endorsement of the national congress in December 1908, guaranteeing the above loan, to meet the service of which a surtax of 5 francs per bag was decreed. The guarantee was to endure for ten years, during which time all the transactions of the combination, which undertook to limit the sales abroad to 500,000 bags in 1910, 600,000 bags in 1911, 700,000 bags in 1912, 800,000 bags in 1913 and 700,000 per annum thereafter, were to be subject to the approval of the national government. Another measure was the imposition of an additional tax of 20% on all exports for the year above 9,500,000 bags. At the time this guarantee was obtained the state of São Paulo already held nearly 7,000,000 bags of coffee, the larger part on storage in foreign markets, and had apparently reached the limit of its resources, as the foreign markets had failed to respond to its expectations. At the end of the follow­ing year this reserved stock had increased to 8,400,000 bags, and the position had become desperate. The loan of £15,000,000 was floated in 1909, and the pressure was relieved, but the situation was then further complicated by a movement among the coffee planters to have the 9,500,000 bags limit on annual sales removed, and the loan service tax of 5 francs a bag reduced. There had been some improvement in the commercial situation in 1909, but the influence of a reserve of over 8,000,000 bags, increasing crops, and the reckless purpose of planters to realize on their crops regardless of the effect on the government, all conspired to make the situation critical.

The other agricultural products of the state include sugar, cotton, rice, tobacco, Indian corn, beans, mandioca, grapes, bananas and other fruits, and many of the vegetables of the temperate zone. Cereals can be grown, but climatic conditions have been considered unfavourable. Sugar cane was the first exotic to be cultivated in São Paulo, and was its principal product in colonial times. Cotton was largely produced, especially during the American Civil War, but the industry nearly disappeared, and now is again improving because of the demand for fibre by the national cotton factories. The cultivation of rice also is increasing, under the stimulus of protective duties. Although São Paulo is not classed as a pastoral region, the state possesses large herds of cattle, which are being improved by the importation of pure-bred stock from Europe. Butter and cheese are produced to a limited extent, and the supply of fresh milk to the cities is attracting some attention. Attention is also given, to a limited extent, to the breeding of horses and mules. The most general and profitable of the animal industries is the breeding of swine, which thrive remarkably on the plateau. The state has an excellent agricultural school and experiment station at Piracicaba, and there is also a zootechnie station near the capital.

The principal manufactures are cotton and woollen textiles, jute bagging, *aramina* fabrics, furniture, iron «and bronze, coffee machinery and agricultural implements, beer, artificial liquors, mineral waters, biscuits, macaroni, conserves, chocolate and other food products, glass bottles, glassware, earthenware, soap, gloves, boots and shoes, trunks and musical instruments. Steam power is generally used, though both electric and hydraulic power arc employed. There are several large cotton factories, which are chiefly employed in the manufacture of the coarser grades of cloth for the working classes. The iron mines and works at Ypanema, near Sorocaba, are one of the oldest industries of the state, dating back to the first quarter of the 19th century. It is a government enterprise and has absorbed an immense sum of money, but has never reached a self-supporting stage.

São Paulo is well provided with railways, which include the pioneer line from Santos to Jundiahy (an English enterprise) which has a double track from Santos to the city of São Paulo, the Pau lista lines which are a continuation of the English line into the interior, the Mogyana lines running northward from Campinas through rich coffee districts to Uberaba in Minas Geraes and farther on toward Goyaz, the Sorocabana running south-westward from São Paulo toward the Paraná frontier, the São Paulo branch of the Central do Brazil line which passes through the E. part of the state and provides communication with the national capital, and the São Paulo and Rio Grande which is designed to cross the states of Paraná and Santa Catharina to connect with the railways of Rio Grande do Sul. All these lines except the two last are tributary to the English line and the port of Santos. In addition to these many of the large planta­tions have private railways, of the Decauville type, for the transport­ation of produce and material to and from the nearest railway station, and all the large cities have tramway lines, many using electric traction. The ports of the state are Santos, which is visited by large steamers in the foreign trade, and Cananéa, Iguape, São Sebastião and Ubatuba which are engaged in the coasting trade only. Cananéa and Iguape are chiefly known for the rice grown in their vicinity. Ubatuba, near the É. end of the São Paulo coast, has a fine, almost landlocked bay, but is without good communication with the interior.

An important contributory element to the prosperity of the state

is the large number of immigrants. Between 1827 and 1900 the arrivals numbered 969,230, of which seven-tenths were Italians. A considerable part of the immigrant movement consists of itinerant labourers who go to São Paulo for the coffee-picking, just as they go to Argentina for the wheat harvest.

The capital of the state is São Paulo (*q.v.*) and its principal port and second city in importance is Santos (*q.v.*). The chief cities and towns, with populations in 1890 where not otherwise stated, are as follows, the enumeration being for municipalities, or parishes, in­cluding large rural areas and sometimes including separate villages: Campinas (*q.v.*); Guarantinguetá (30,690; estimate 45,000 in 1906), on the Parahyba, 120 m. E.N.E. of São Paulo; Piracicaba (25,275), 85 m. N.W. of São Paulo; Limeira (21,605), in a fertile thickly- settled district; Rio Claro (20,843), 135 m. N.W. of Santos, on a branch of the Paulista railway, in a fertile coffee-producing region, 2030 ft. above the sea ; Taubaté (20,773), one of the oldest cities of the state, on the Parahyba 80 m. E.N.E. of the capital, in a rich agricultural district, with works for refining oil from the petroleum- bearing shales in the vicinity; Braganza, or Bragança (19,787), 50 m. N. of São Paulo in a fertile country partly devoted to sugar production and stock; São José dos Campos (18,884); Tieté (18,878), on the Tieté river N.W. of S. Paulo; Pindamonhangaba (17,542; estimate 25,000 in 1906), on the Parahyba river and Central do Brazil railway 105 m. N.Ë. of São Paulo in a long settled district, 1770 ft. above the sea, producing coffee, sugar, rice, Indian com, beans, rum and cattle; Sorocaba (17,068; estimate 30,000 in 1906), a prosperous manufacturing and commercial town on the Rio Sorocaba and Sorocabana railway, 50 m. W. of São Paulo; Itú, or Ytú (13,790) about 70 m. W.N.W. of São Paulo on the Tieté river and Ituana railway, with water power derived from the Salto (falls) de Itú, and with important manufactures; São Carlos do Pinhal

(12,651); Casa Branca (13,482), in the N. coffee region; Parahybuna (13,395); Pirassununga (12,494); Batataes (12,438); Franca 12,425); Jacarehy (12,279); Botucatú (12,089); Jundiahy (12,051), 86 m. N. of Santos, an important manufacturing town and railway junction, 2320 ft. above sea-level; Ribeirão Preto (12,033), 197 m. N. of Campinas on the Mogyana railway in a fertile coffee-producing region; Iguape (11,888), a port on the southern coast of the state, on a tidewater channel of sufficient depth for coastwise steamers, with exports of rice and timber; Lorena (10,342), 130 m. N.E. of São Paulo, beautifully situated, 1760 ft. above the sea, a station on the Central do Brazil railway, and the junction of a branch railway to the Campos do Jordão where the national government has established a military sanatorium because of its dry, bracing climate; and Cruzeiro (8883).

São Paulo was settled in 1532 by the Portuguese under Martim

Affonso de Souza, who established a colony near Santos, at São Vicente, now an unimportant village. It was originally called the *capitania* of São Vicente (organized 1534) and covered the whole of southern Brazil from Rio de Janeiro south. After the suppression of the captaincy grants, parts of this enormous territory were cut off from time to time to form other captaincies, from which developed the present states of Rio de Janeiro, Minas Geraes, Matto Grosso, Paraná, Santa Catharina and Rio Grande do Sul. In 1681 São Paulo succeeded São Vicente as the capital of the captaincy, and the original name of the latter gradually fell into disuse. The people of the state have always been distinguished for their energy and enterprise, especially during the colonial period. The early population was largely composed of half breeds, known as *Mamelucos,* and the exploration of the greater part of the interior of Brazil is due to them. Their exploring parties, called *bandeiras,* dis­covered the first gold mines of Minas Geraes and Matto Grosso, drove the Jesuit missions from Paraná, and traversed the interior northward into Piauhy, north-westward almost to Quito, westward into Bolivia and southward into Rio Grande and Paraguay. They were slave-hunters by profession, and were noted for cruelty as well as energy.

SÃO PAULO, a city of Brazil, capital of a state of the same name, and seat of a bishopric, on the Tieté river 49 m. by rail N.W. of the port of Santos and 308 m. by rail W. of Rio de Janeiro. Pop. (1890) 64,934; (1902, estimate) 332,000. São Paulo is connected with Santos, its port, by a double-track railway built, owned and worked by a British company (S. Paulo Railway Co.); with Rio de Janeiro, by the São Paulo branch of the Central do Brazil line; with Campinas and other inland cities by the São Paulo and Paulista railways; with the N.E. part of the state, Minas Geraes, and Goyaz by the Mogyana line starting from Campinas; and with Sorocaba and the southern parts of the state, Paraná, and with Santa Catharina and Rio Grande, by the Sorocabana line and the São Paulo and Rio