

HL/T

SCHOEBERLEIN & LOBENHOFFER,

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*Market Buildings.
29. Mincing Lane.
London, E.C. 3.*

4th. February 1932.

Mr. D. L. Lacombe,

RIO DE JANEIRO.

Dear Mr. Lacombe,

I wrote you last on the 14th. ult.

I am downright depressed that in spite of our efforts I have not been able to do anything worth mentioning with the Companhia for several weeks, but I can assure you that the fault is not ours. I can furnish documentary evidence that

others offered persistently lower, even without taking our own small commission into consideration. Take, for instance,

Trieste. Our arrangements down there are now such that we are sure of the business if prices are competitive, but every time we were cut out by Ornstein, Wille, Vivacqua and others. There is always a difference of 25 - 30 Cents. How is that? As a rule the Companhia is very competitive, but of late their prices have been decidedly too high.

ELIMINATION OF SURPLUS IN BRAZIL BY THE
NEW SCHEME OF THE NATIONAL COFFEE COUNCIL. We know the broad outlines of the scheme and have also exchanged opinions with the Manager of the Bank of London & South America Ltd. The Scheme,

Mr. D. L. Lacombe, Rio de Janeiro.

and the financial part, seem to be feasible for a little while, but whether this Scheme can be carried on for an indefinite period is open to doubt. It is argued that the Scheme is not a cure but at the best only a palliative, which will only put off the evil day of reckoning, and that sooner or later the weight of the over production, which appears to be colossal, will break all schemes down, and prices must fall to a much lower level.

Our best authoritative informants hold that there is only one cure for over production and that is a fall of the prices to below a level at which it pays to grow coffee. We have been told that there is great enthusiasm on your side about the present Defence of Coffee, but on this side, as well as in the United States, there is no confidence in the permanent success of the Scheme.

Astonishment is also felt that the Council has not given out any official estimate of the coming crop, although this was supposed to have been issued towards the end of last year already. It is argued that absence of contrary news means another good crop! One leading authority also pointed out to us that it is strange that the English Companies which issue reports in this country, such as the Dumont & Agua Santa Companies, etc., also expect larger crops next season.

We should greatly appreciate your opinion on the

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Mr. D. L. Lacombe, Rio de Janeiro.

Coffee Defence Scheme, as well as on the size of the next crop.

I remain, dear Mr. Lacombe,

Yours very truly,

Schoeberlein Lobenoffer

T. & H.
KENT