HL/T

SCHOEBERLEIN & LOBENHOFFER,

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CODES:
BENTLEY'S.
A.B.C. 5TH EDITION.
LIEBERS.
PRIVATE.

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

14th. October 1926.

Mr. D. L. Lacombe,

RIO DE JANEIRO.

Rec 30 Oct.
Rep

Dear Mr. Lacombe,

We wrote you last on the 5th. inst. and have yours of the 14th. & 18th. ult.

MARSEILLES. We have made investigations in Marseilles and can tell you that Pereira has never given Clairefond a proper chance to do business. Clairefond remarks quite rightly that he cabled a bid for Stock Lot Cesar @ 87/- and if only Pereira had at the time made a counter-offer at a reasonable figure he could have done the business.

GOMES. I am pleased that some business has already resulted and I hope that we shall do better and that this will be a lasting connection. To be quite candid it does neither you nor we any good if we change the Rio connection so often, and until the contract is properly signed and we see that the business is likely to develop favourably, we shall continue to call the shippers Messrs. F. Soares & Co's Successors. This we do to protect you and us.

SION. He seems to be doing fairly well and we have reason to believe that he is making a fair amount of money this year. It would, of course, be a good thing if he could open an Office in Rio, but we do not think that he can spare the necessary capital. We shall certainly strongly recommend him to concentrate his attention entirely on his Santos business, which, as far as we can see, is capable of great developments.

CROPS. We thank you for your interesting reports. The figures which you mention are certainly very bearish. From other quarters we have been told that the present Sao Paulo crop is about 10 million and the coming promises to be 15 million.

EXCHANGE. We should be very pleased to have your views. Here the report is current that the new President wishes the Exchange to go to a lower basis and that same will probably be stabilised at 6d. The Bank of London & South America Ltd.,who gave us this report, thinks however that they can hardly credit that as it would be opposed to the country's interest, although some Planters and Manufacturers might benefit, but the country on the whole would suffer very much by such artificial depreciation which could only be brought about by fresh inflations. This would be directly opposed to the Montague report & recommendations. Please let us know what you think on the subject.

We remain, dear Mr. Lacombe,

Yours faithfully,

Schoeberlein Lobenhoffer