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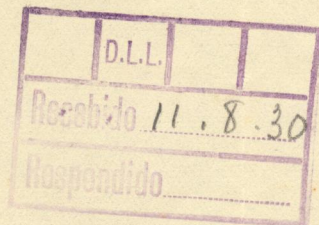
SCHOEBERLEIN & LOBENHOFFER,

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BENTLEYS.
A.B.C. 5TH EDITION.
LIEBERS.
PRIVATE.



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

23rd. July 1930.

Mr. D. L. Lacombe,

RIO DE JANEIRO.

Dear Mr. Lacombe,

I wrote you last on the 16th. inst. and have in the meantime received your favour of the 30th. ult. for which I thank you.

I am particularly grateful for your estimate of this season's Brazil crop. With a yield of 15,000,000 bags for this crop and Interior Stocks of 27,000,000 bags, against an annual Consumption of not more than 15,000,000 bags Brazil coffee, the statistical position is about as bad as it can be imagined, and unless something unforeseen happens prices are bound to go lower.

A few operators were somewhat impressed by the frosts news during the last few weeks, but in the absence of all news we must conclude that no damage has been done by the frosts. The critical period is not over yet, but if nothing untoward should happen during the next four weeks we may see another large production next season, and what will then happen to Coffee?

We shall have to continue to exercise the greatest care to avoid losses.

Thanks to our policy of care & circumspection I am pleased to say that we have so far escaped

Leaf 2.

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

without any losses worth speaking of, and have not suffered any decrease in our financial strength. There are very ^{few} Coffee Firms who can show such a record, but I can tell you it was not an easy task and entailed a great deal of thought & anxiety.

I am looking forward to the future of the Coffee Trade with considerable hope, as we have now arrived at a price basis which practically excludes the risk of further large depreciation, anyhow one cannot lose at the present price 40/- to 60/- per bag, this being the extent of the losses which some firms experienced last year.

COMPANHIA NACIONAL. TRIESTE. As we are particularly well placed in Trieste we cabled to the Cia. Nacional as per enclosed copy, and trust that you will be able to arrange the transfer of the Trieste agency, and if possible the whole of the Mediterranean agency, to us. It is of course impossible for us to do business in markets where you have a direct representative but if we have a clear field we can guarantee to the Cia. Nacional as good a result as any other Firm. Besides this we guarantee absolute security as we take upon ourselves the risk of buyer's solvability. This is surely a great thing as the Companhia has no doubt had last year a taste of Mediterranean buyers' attitude in falling markets. The business in the whole of the

London, E.C. 23.7.30.

Leaf 3.

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

Mediterranean requires the greatest circumspection and close supervision, and this can only be exercised^r by a Firm which is close by, and not by shippers who are so far distant. We can go so far as to say that there is no representative in Trieste or Genoa, let alone Naples, who can be absolutely relied upon without strict supervision.

We tried hard to do business for the Companhia Nacional the last few weeks, but every time we were cut out by Ornstein & others. We presume that Ornstein is simply selling short, trusting to luck to be able to cover in at a profit before the time of shipment comes round.

I remain, dear Mr. Lacombe,

Yours very truly,

H. P. Lobenhoffer