

SCHOEBERLEIN & LOBENHOFFER
LONDON.

TELEGRAMS:
PELOPIDAS, LONDON.

Market Buildings,
29 Mincing Lane,

London, E.C. 3. 19th April, 1917.

Mr. D. L. Lacombe,

RIO DE JANEIRO.

Dear Mr. Lacombe,

I wrote you last on the 12th inst, and have in the meantime received your valued favor of the 4th March, and thank you very much for all your interesting news.

Please assure Messrs. Jessouroun that we look after their interests as if they were our own; in fact, our policy is to encourage shippers as much as possible and build up a lasting business from which you, as well as we and Messrs. Jessouroun, will benefit permanently.

As regards beans, I refer you to our to-day's official letter giving the full position. Personally, I feel that the prices have been pushed too far by speculators and our big buyers ~~feel~~ have the same feeling and will not follow the latest rise. It may of course be that this is only a lull and that business will soon resume larger proportions again. Messrs. Jessouroun, Santos, cable us that their neighbours have realised 52/-. Such a ~~price~~ ^{price} was possible for small quantities near at hand, but not on your terms with distant shipment. We also know that fancy prices have purposely been cabled to the Brazils, but these prices ^{which} first of all include very large return commissions, are without any responsibility, as regards extra freight and are on cif. terms landed weight, with

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insect damage guaranteed within 1%. The War Risk alone varies from 3-5%, to this you must add the Marine Risk, return brokerages, banking charges etc., before a single ld is left to us. We can assure you that we have always endeavoured to obtain the highest price possible, but in Messrs. Jessouroun's interest we confine ourselves to the large legitimate traders and not to outside speculators who are prepared to pay fancy prices in rising markets but do not hesitate to repudiate their engagements in falling markets. We have no doubt that Messrs. Jessouroun have made a lot of money out of the bean business.

SALE NO.578 SANTOS is quite an exception and not a criterion of the market and we had great trouble to pull this business off and have done so only as a special encouragement to Messrs. Jessouroun, Santos. But privately, we wish to point out to you that Messrs. Jessouroun have no right to use available steamers-room for fresh offers before having completed the shipment of the sales on their books. Our buyers put to us some very awkward questions about this offer and we had to excuse ourselves by pleading that this is a second-hand lot. Our buyers are furthermore, very much upset that your Santos office should have declared so very few shipments, whilst Rio has declared the greater part of its shipments. How is it that Santos has not succeeded in obtaining freight-room on the "MONMOUTHSHIRE", "AMAZON", "RAEBURN", "REMBRANDT" etc? Your neighbours at Santos seem to

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have no difficulty with freight-room and even make regular bean consignments. Can you tell us how this is? I have taken the liberty to cable you about this matter and thank you for your reply. The remaining contents of your message were very interesting. Of course, ^{if} Allied Governments are buying very heavily and on the other hand, the crop in the Northern Brazils is a failure, the position is very strong, but you must admit that the prices are now very high; this is the feeling shared by all our friends. I have also taken the liberty to give you a confidential order for 20,000 bags, shipment latest end of June, but have not had any reply and have now decided to cancel this order as it looks uncommonly like a lull in the business and there may be opportunities of buying cheaper.

In the last mail we found a letter addressed to Messrs. Thos. Nelson & Sons Ltd. which we have immediately forwarded to its destination.

FREIGHT. Please impress on your Rio and Santos offices that shipments of beans to England have to be made out in 1,000 bag lots except where we sell in tons. If, for instance, we sell in 200 ton lots, please make out Bills of Lading of 100 tons each. As regards freight, it is understood that we sell on basis of the freight stipulated in your cable. We have added the following clause to our contracts:-

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"Buyer to pay any difference in freight above 305/- per ton or to have the benefit of any reduction on this figure."

You will see that this cuts both ways and buyers expect to receive the benefit if the freight should be below the basis of your offers. It must also be distinctly understood that you engage all freight as soon as possible and charge only the rate at which you made your freight engagement. If, for instance, you engaged freight by the s/s "RAEBURN" @ 320/- per ton and gave us advice of shipment, it is understood that you ~~ship~~ invoice at the 320/- rate even if at the time of departure the freight should have gone higher. We told our buyers that they may be absolutely certain of this. Messrs. Jessouroun's object is exclusively to secure themselves from loss, but it goes without saying that they do not speculate with the freight and will not charge to buyer a higher freight than the freight ~~at~~ which they paid themselves.

Trusting that you are in good health,

I remain, dear Mr. Lacombe,

Yours very truly,

Schoeberlein & Lobenhofer