

SCHOEBERLEIN & LOBENHOFFER
LONDON.

TELEGRAMS:
PELOPIDAS, LONDON.

Market Buildings,
29 Mincing Lane,

London, E.C. 3. 4th September,
1918.

Mr. D. L. Lacombe,

Rio de Janeiro.

Sept 7/11/18

Dear Mr. Lacombe,

I wrote you last on the 23rd ult., and regret to say that so far I have not been able to find the pens of which you sent us a sample; we are however continuing our enquiries.

SWEDEN. I am sorry to say that we could not cancel the old contracts. Owing to the Swedish official regulations under which licences are granted for old contracts, ^{only} you can imagine that no buyer will release sellers. We have however done the best we could as regards carrying charges and I have no doubt that the prices including the carrying charges will show Messrs. Jessouroun a fair profit. You have been allotted 6,000 bags out of a total of about 70,000 bags. This is not an unsatisfactory percentage. As regards the remaining sales which have to be shipped off later on, we have every reason to hope that we shall succeed in arranging considerably higher carrying charges for you. We have also obtained the promise of a whole sailer's cargo for Sweden consisting of 500 tons Beans 500 tons Mandioca and 500 tons coffee. A special application for this business has been made to the British Foreign Office and there is a fair prospect that the permission will be granted. Don't you think that the present coffee prices ruling on your side are absolutely absurd and dangerous and that a downward course

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Mr. D. L. Lacombe, Rio.

is practically inevitable? In former cases, rises have sometimes been maintained for a longer period because consumption eventually consented to pay these prices, but under the present circumstances and with the present scarcity of tonnage, the crop cannot be shipped off and the Brazilian producer cannot count on the support of the consumer. The terminal engagements must consequently be liquidated exclusively on your side and we expect periods of considerable excitement when the time of liquidation comes round. It appears to us that at the present moment the Brazilian speculators ^{simply} are taking in each others washing and this is bound to lead to a crisis.

It may interest you to hear that the Buying Committee of the Wheat Commission had a message from one of Messrs. Jessouroun's competitors reporting that the Wheat Commission had paid Jessouroun for 20,000 bags Beans against dock warrants and requesting a similar accommodation. We were ^{naturally} rather amused at this telegram and explained to the Buying Committee privately that we had made a special banking arrangement in favor of Messrs. Jessouroun but that ~~naturally~~ this was simply a private arrangement and that we assumed full responsibility towards our bankers; but ^I ~~we~~ must say I should have thought that your Santos office would have kept this financial transaction quiet and I consider it somewhat indiscreet on their part that they should have mentioned the

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Mr. D. L. Lacombe, Rio.

matter publicly. I did not refer to the matter in the official letters as I did not wish to hurt the feelings of your Santos people, but I do wish they would exercise for the future a little more discretion. Such gossip may have unpleasant consequences.

I remain, with kindest regards, dear Mr. Lacombe,

Yours very truly,

Schoeberlein Lobenhoffer