

SCHOEBERLEIN & LOBENHOFFER

LONDON.

TELEGRAMS:

PELOPIDAS, LONDON.

Market Buildings,
29 Mincing Lane,

London, E.C. 3 21st April, 1920

Mr. D.L. Lacombe,

RIO DE JANEIRO.

Dear Mr. Lacombe,

I wrote you last on the 7th inst., and have to thank you for your favor of the 17th March with cheque for:-

Marks 1,000.-

which we have given to our bankers for collection and for which we shall credit you in due course.

We shall write a line to your son Mario and shall be pleased to welcome him in England.

We are having considerable trouble with Mr. Vidal. In the interest not only of ourselves but of yourself and your partners, we do not wish to have bad blood or any ill-feeling on the part of Mr. Vidal and in order to satisfy him we have made him a proposal of the conditions under which he could start the Paris business, but this proposal did not satisfy him and he now makes a counter-proposal in which he, first of all, claims for the Paris Company the right to offer in your name for the Buenos Aires office to any market he chooses, and secondly, he wants to do business with you direct for exportation from Europe. We must say that we are greatly disappointed at Mr. Vidal's attitude. He requested verbally our help to organise the Buenos Aires business on safe and sound lines, and now he claims for himself the right to

London, E.C.3. 21.4.1920

Leaf 2.

Mr. D. L. Lacombe, Rio.

interfere in every market on the ground that our agreement with your firm is for the Brazils only, and the Buenos Aires office does not come under our agreement. You can imagine that we were rather annoyed at this counter-proposal, but so far we have not replied to Mr. Vidal as Mr. Schoeberlein is unfortunately ill and will not be back in the office for a little while. In the meantime, you will see for yourself that it will never do to have a dual control. The activities of the Paris office in all markets for Buenos Aires would greatly impede our business with the Brazils. Moreover, as true friends, we must warn you once more against the dangers of the Buenos Aires business. Unless you have a surplus capital at your disposal to devote to Buenos Aires, you cannot stand up against the old-established competition which works on scientific lines. The Buenos Aires business could not possibly be conducted on satisfactory lines without a capital of minimum £500,000.- sterling, and if the Paris office were to initiate large business for Buenos Aires without the necessary organisation and the most experienced management at Buenos Aires end as well as the European end, disaster would surely follow which would involve not only the Buenos Aires business but the whole of your Brazil business. We go further and say that we could not continue to back your contracts and take the great risks which we now take in your interest if we

London, E.C. 3. 21.4.1920

Leaf 3.

Mr. D. L. Lacombe, Rio.

knew that Mr. Vidal's Paris office were to attempt a large Buenos Aires business on speculative lines with your present capital resources. Why on earth do Messrs. Jessouroun not confine their activities to the Brazil business which if organised on proper lines ought to show a splendid result.

We thank you for your telegraphic expression of confidence and we shall certainly make it a point to take up a very firm attitude towards Mr. Vidal's proposal. We know that Mr. Vidal is nominally head of the firm, but in strict confidence, I wish to tell you that I consider Mr. Vidal a danger to your firm unless he is kept under strict control.

I remain, dear Mr. Lacombe,

Yours very truly,

A. P. Lobenhoffer