

Rio de Janeiro, 9th May 1920

Dear Mr Lobenhoffer.

My last letter was dated April 6, of which I enclose copy, and since then I have received your valued favors of April 5 and 7, contents being duly noted.

Vidal & Cox.

I was glad to read your letter of 5th April, as you have the same opinion of Vidal as I have, and feel sure that if he has to work Paris for us, he will bring us any amount of trouble & losses, he is not the man for the place and although Davidson would not like to separate from him, I consider it would be good for the firm to get rid of him.

Cox is a good man for business and ought on his return to put the coffee business in Santos on a good footing.

Your last telegrams stating you definitely refused the agreement proposed by Vidal, did not surprise me but David believed that matters were settled, according to Vidal's cables, and that he would work Paris, and also Havre. I must confess I fear Vidal in Havre will be saddled by the buyers and we will suffer a great deal

From a cable from Cox from Marseilles, I understand that Vidal and Cox are returning to London, on 10th instant, and will see you again as they think we are handicapped not working direct the French markets. You will, of course do what you think better in your judgement, but I hope you will not let him have Havre in any case.

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I consider Vidal honest and hard working, but he has not got the necessary experience to deal with such keen buyers as those in Havre and I fear another case of the Marne, for which I am convinced Vidal is the only one to blame.

Mario Lacombe.

My son Mario will be leaving New York as soon as Cox returns to Brazil from New York, which I suppose will be about the first week in June.

I instructed him to write to you for instructions, which he has no doubt done.

I hope he will not worry you to try to get a good boarding house to live and also as to what he must do and how to live.

I would like him to look well into the trade of coffee & cotton, also cereals, but principally coffee so as to be able to have an ideal exact of the qualities & gradings.

Quality.

I was aware of the dissatisfaction given by our shipments to Smyrna and Constantinople, but not to Sweden.

The Smyrna shipment was wrong, the quality sent as not the one ordered and Mr Jacques insisted that the sale for this market, as color and style of no importance, as well as for Constantinople. You can however tell buyers that we will see that the exact quality is sent, but from November (end of) and December we can never guarantee green coffees and we will do all possible to ship so, but as a general rule, we can only guarantee

even color of greenish.

I know too well the annoyances and troubles you have when bad shipments are sent and the bad reputation we get, and you may be sure I will do my best to avoid this and have had long conversations with Mr Marques on the subject.

Types.

We cannot make good and convenient types before July or August, but you may depend upon our sending them as soon as possible.

Washed.

I do not anticipate a rivals of washed for the new crop will be large, I expect only small quantities will reach this market, prices are good and planters do not care to take trouble to prepare washed coffees.

Business.

I have done my best to keep you well supplied with offers as low as possible, but the market has not helped me to any extent and then the violent fluctuations in exchange make me nervous and do not care to risk large offers.

The option market here is now working with the Coffee Exchange (Centro de Café do Rio de Janeiro) and Johnston, who have the Brazilian Warrant and the Cia Registradora, who register the contracts of options, have been bulling the market and the putting it down as it suits them. It is reported that Johnston have sold largely on the basis of 14\$500 for n.7 and the market

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has gone now against them as some speculators have come in and have pushed the market up, and commissaries are also bullish & are buying.

We have decided on the following estimates:

3.500.000 Bs for Rio

8 1/2 to 9.000.000 " " Santos.

With present outlook of demand for foreign markets, I should think that prices are high enough, but the Americans are now stating in loud voice that the United States alone will require 10. million bags? Will it be so, in any case the prices they will pay now is not encouraging, their limits are about 5/ per cwt below the market here.

Exchange.

The rates on London seem to be on the upward turn, and it is expected to see them improve now, but rates on Paris declined to 228 reism, but suddenly yesterday turned round and closed at 250 reis, it being reported that France and England had made some financial arrangements the rates are bound to rise a great deal. We have no interest in the speculation here and do not care to take any part in it.

As regard options we buy only when we have to cover sales not otherwise.

Remittances.

I would feel obliged if you would keep £.100. for expenses for my son, and remit me as usual through the London & Braz Bank
With best regards for Mr Schoeberlein & yourself,