

per Asturias.s.s.

Rio de Janeiro, 18th September 1926.

Private & confidential.

Dear Mr Lobenhoffer.

My last was dated Sept 3rd, copies enclosed and have since received your valued favors of 19th and 25th August, contents having by best attention.

Pereira & Co.

For some time past Pereira is complaining of the laziness of your sub agents in Antwerp and Marseilles and I tried all the time to speak in your favor and of the agents, but he all the time assured me that Perrin in Marseille would do business, when Clairefond did move a straw to get bids especially for the stock lots, and the last letter of the firm I condensed the reasons of complaints of Pereira.

I was away for two days with gripe and on my return I found a copy of telegram to Jos Perrin ask for bids for a private type of C.S. & C Caber, strict Sul de Minas soft and business closed, I argued with him that he could not do such a thing he had signed a contract with you and he could not work through another agent in Marseilles, he refused to listen to me and said he was the Senior partner and could do what he liked and that he was not obliged to keep on with a sub agent of yours when he did nothing and from other party he could find buyers.

The sales were 250 Bs Caber at 90/ & 89 Per Mendoza and to day 125 Bs same type Sul de Minas strictly soft at 88/6 per Alsina.

To day a cable has reached us asking for offers N.Y.7 double bags Shipment Oct/Nov/Dec. but no reply has been sent yet as Pereira has gone home already it being Saturday and Monday is a holiday.

Yesterday Perrin cabled that London agents were working also & asked what to do, and Pereira at last hour gave the enclosed note to cable to Perrin "We appoint you our agent, Balio"

You cannot imagine how annoyed I am with such conduct of Pereira and I wired you to await my letter before going to the Continent, as I am inclined to believe you may chuck up the agency.

He will not understand that without types, with higher prices than other shippers you cannot do business, and you will see from the list of shippers that business is pretty active for others, because they are following the market and calculating on lower prices for the future.

Even towards me Pereira is not acting correctly he is not telling me all the business and will not admit anything that he does not have his own way. As regard Eliakim, I wrote to you about his behaviour with and now we have heard he has sailed for Europe and never called on us to good bye and I suppose he will tell the story in his fashion. Now I

say he was not entirely wrong, because Pereira made up the telegram with him and later altered the price and he should have advised him that he had done so. All prices contain 1 3/4 % commission except for Havre, Marseilles & Trieste. The discount of 1 1/2 % cannot continue and the official 10 % I give the reasons.

I do not agree with you with regard to grading for n.19 I think it is about 10 points below N.Y.6.

Codes. Some have arrived and I have handed them to Pereira and I am asking him to wire but he does not wish to do so yet.

Perrin. wants the Bordeaux agency as well the North of Africa Pereira has not given him these agencies but has mentioned to me that others are selling to Oran, Alger and Carlos Martins sold to Constantine.

Pereira has a peculiar character and is not the same man I know at Castro Silva, and he thinks that business should come to him at such prices that it suits him to sell at and he never believes that others can sell cheaper than he can.

I can assure you it is necessary for me to be very patient with him not give up the business, but I must work and have been long enough without making money, but should you get a cable from me that I have got a better job, you must not be surprised.

Last week Sion came to Rio and asked him to open here and give the management of his Rio house, but he explained to me he cannot start here with a larger capital, as the situation in Santos is very difficult and Banks do not assist shippers and he would require you to let him have the credit he had I think in Recife of \$15 or 20.000

He is shipping some of his coffees through Rio, chiefly Sul de Minas and North of S. Paulo.

As it has been my custom to keep you posted with regard to business where I have something to do with, I have exposed all matters to you very frankly. I must add that Pereira pays me a miserable salary, but as I was out of place and hoping that business with him would be in a better situation I accepted.

The financial situation of the firm is good the registered capital is 300 contos, but both partners dispose of properties and shares which amount to about same sum. The Bank of London has all the details and told me they would be sent on to London.

Reis & Co. Ltd.

I was approached to give certain details to this firm with regard to coffee business and furnished them and await if they will come back to me.

They are very important commissaries and reported to be very wealthy, they bought and sold largely on the option market but have been rather quiet lately and one of the partners told me that they are doing nothing at present as they are bears and believe in prices below 30\$000 per arroba.

I myself am also inclined to think prices will reach this basis before end of the year.

They told me the Bank of London or British could furnish references about them.

Crops.

The Institute of Coffee still keeps back supplies but I was informed by a person well posted that the Institute held a stock of 600.000 Bags and has disposed of same, and will no doubt increase of the arrivals in Santos shortly.

The actual Santos crop, I hear from good sources, is 12.000.000 Bags and not before end of November or early in December will it begin to arrive in Santos.

The blossom is just out and from all quarters it is reported magnificent. I hear some S. Paulo planters say it may reach in that State 18.000.000 Bags. Here and in Minas I hear that 4.500.000 Bags or more is to be expected and as regard Victoria it is very good.

With such large crops in view, I cannot see how prices can be maintained, even on the actual basis and I think that we may see sterling prices about 70/ per cwt or even less. Do you agree?

With best regards to Mr Schoeterlein, Mrs Lobenhoffer from all my family, I remain, Dear Mr Lobenhoffer, yours very sincerely,