

János Pongrácz

II. Vérmező-u.6., Budapest, Hungary

Letter No. 27

26 May 1940.

My dear son,

Although the general situation is not very encouraging and although you have already written that there is no foreign currency available there to cover imports, I do not want to drop the threads I have picked up again.

Maybe there will be an opportunity at some point. So I have again spoken to the Creta Corporation about the locks. The company tells me that the information I obtained from the MNB (Hungarian National Bank), which I communicated in my last letter, that the bank does not allow licensing of the article in question because the factory exports the article itself, is incorrect.

The fact is that the factory is trying to sell everywhere and has secured a licence from the bank to do so. But it has not succeeded in achieving real results everywhere, and has not even made attempts everywhere. So in Aust. either, while for example in the Netherlands he really sold. So if the company now told the bank that this was the case, the latter would probably withdraw one licence and grant another, on the basis of a concrete offer.

So, if the situation there would still allow you to do business, you could get either the goods or the manufacturing licence. To make the calculations, the factory will provide the following cost price analysis in a letter to be sent to you in my next business paper mailing:

Raw material cold rolled bright strip iron, thickness from 0.3 to 4 mm /millimetres/, 14 different sizes, soft castings for key making, thread wires, 0.9 mm spring steels, iron rivets, brass gears, screws, adjusting material, nickel plating of key, chrome plating of key tag, all together per 0/00 piece lock, material weight 80 kg, material value	92.63 pence
Wage 120 working hours	95.58 pence
Amortisation of tool costs	80 pence
Regio	90 pence
Total production cost of 1000 pieces, based on domestic prices and wages	358.21 pence (Pengő)

Of course, if a deal is struck, detailed and accurate data are available. In view of the current fluctuations in other currencies, the factory will give the price of the production licence in dollars, and at 6 dollars cents per piece, with a minimum commitment of 100,000 pieces.

To my objection that this is a huge quantity, the factory says that if Budapest's annual turnover is not only in Intakt, but in all types - at least that much - then in the whole of Aust. and its surroundings, with sufficient propaganda, the quantity stated is not unattainable in their opinion. But he added that he could still be talked about it.

At a sale at perpetual price they ask \$8,000. If it were not a license but real goods that were wanted, the price would be \$1 per lock. Add 15 % for 2 freight charges. The above prices are given to me verbally by the company, saying that they are only indicative prices, which may be discussed when the matter becomes serious. If, in spite of all expectations, you really can do something about this, it would be well if correspondence between your client and the factory were henceforth to be by direct correspondence, so that the serious nature of the negotiation might be established. Of course, the letter to the factory could still come in an envelope addressed to me, but it would have to contain a direct communication, perhaps an offer.

I have also spoken to Dr Bátky. I told him that no deal is expected at present because of the foreign exchange difficulties, but that you will continue to keep an eye on the matter, which may yet be worthwhile. You don't have to worry about Bátky pulling out. I hear from you from various quarters, e.g. via Sziklai-Abonyi, or Körner-Feiks way. Everyone remembers you with great friendship.

Your gift vase on the desk is noticed by all visitors. By its nature, the napkin ring does not have such a large audience. But we are both terribly glad of these objects, which keep us in constant touch with your life there.

István, for a man of his years, is learning a great deal and, again relatively speaking, behaving very well.

It seems that the landlord has not brought a suit against us (we shall not know until the day after tomorrow), in which case we can stay here for at least another year. The only thing that makes us doubt our peace of mind is the mysterious work going on outside our windows, on the former ice rink.

No one knows for sure, but the rumour is that there will be some kind of "Beszkártindo" here. That would not be very desirable for our peace of mind.- Two volumes of Cassel and one volume of Ray Vance will be sent with the next print run.

Kisses my son

Apu (Father)