This has to be a brief note. I am writing this early this morning and it is almost certain that we will have a strike at 12 o'clock noon today, and under the best circumstances we will be working under certain physical disadvantages for some days. The syndicate's attitude has been so totally arbitrary and illegal that it has of course been impossible to reach any settlement with them and the attitudes of the syndicate in the conversations in the Ministry of Labor have been so arbitrary that a settlement there has been impossible. In many ways the syndicate leaders have placed themselves outside of the law, and while there are many things that can happen in a situation of this kind, it is very likely that what will take place will be that within a few hours after the strike is effective at 12 o'clock today the Junta de Conciliación y Arbitraje, which is the Labor Board, will declare the strike non-existent or illegal, which means that the workers have to return to work within 24 hours or their labor contracts terminate. There is also the possibility of an intervention of the company, which I consider unlikely as it has in my opinion as much if not more disadvantages for the government than for the company. The syndicate leaders have indicated that even in case of an intervention, they would not return to work but would resign en masse. The syndicate has obliged the workers of the company to present their resignation in blank, but this of course they have done under duress and we have reason to believe that the overwhelming number of our workers are not in sympathy with the actions of their leaders.

Needless to say, we have kept the government fully informed concerning all aspects of the situation of the company and of developments in this labor matter, for we have reason to believe that the government was fully understanding of the
position of the company and is in sympathy with it. Of course in everything these days political considerations have such an improper bearing in action, but we have reason to believe that in this particular matter the government understands the importance of the company in the economy of Mexico; that the company has been carrying on in really a magnificent way; and that the government will take these factors into account.

In any event, it is absolutely essential in the interests of the company that this labor situation be settled in a completely satisfactory manner and that the position of the company be maintained and that we be put into a position where we can really manage our business. We could not continue to operate more than a few years under the circumstances which the syndicate has imposed during the last few years and particularly during the last weeks. I think that not only the government but the public is increasingly understanding of the whole situation and of the really arbitrary and impossible attitudes of the syndicate leaders and of the entirely proper and correct position taken by the company.

With all good wishes from Marion and myself,

Cordially and faithfully yours,

Chairman of the Board

GSM/cbc