

March 14, 1955

Mr. George S. Messersmith  
Sierra Paracaima 1285  
Mexico, D.F., Mexico

Dear Mr. Messersmith:

I have just received your letter of March 9th in which you ask me whether Sofina is interested in associating themselves with Olin-Mathieson in building a fertilizer plant in Mexico. You told me that Allen Ellis informed you that father and I had lunch recently with Mr. Hopkinson and Mr. Osborne of Olin-Mathieson to discuss the matter.

As you may know, for some time Sofina has been interested in entering the petrochemical business and, towards the end of last year, some friends brought to the attention of Sofina the possibility of taking an interest in Petrochemicals, Ltd. in Great Britain. This is a large plant built in the northern part of England in which private and government money has been poured and which has not been highly successful. The British Government is ready to write off its stake in Petrochemicals, Ltd. and the private investors are looking to sell the properties.

We had been told that Olin-Mathieson might have had an interest in this matter and I therefore got in touch with Bud Meissner, whom you know (he was formerly V.P. of I.E.M. in Mexico) to inquire from him whether there might be some points of common interest between Olin-Mathieson and ourselves. Meissner set up a luncheon on December 29th at which were present, other than myself, Mr. Russell Hopkinson, Dr. D. P. Morgan and Nat Samuels.

We had a very interesting talk, but shortly thereafter both parties decided that they were not interested in this particular venture. At the end of the conversation, it was mentioned that Olin-Mathieson was interested in going into the fertilizer business in Mexico, and that they were contemplating building a plant on the east and on the west coast. These plants would distribute their products locally but would have "Aguas Fertilisantes" distribute their products in the central region. These plans were just mentioned "en passant" and nothing more has been said about the matter.

While in Brussels recently, I informed Mr. Brosens of this conversation of December 29th, but I am at present unable to say what Sofina's interest in the fertilizer-petrochemical-chemical industry will be and, for that matter, whether Sofina will be interested in investing money in the fertilizer industry in Mexico.

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To my knowledge, Sofina has only made one investment in the petrochemical industry and that is in Antwerp in a company called "Petrochime" which is to make different kinds of petrochemicals. The company has an authorized capital of 400 million francs of which a little over 200 million has been subscribed. Sofina's participation is 30 million francs. "Petrochime" will be using the tail gases of the Petrofina refinery at Antwerp and, at present, negotiations are being carried forward with the Standard Oil Company to use some of the tail gases of Standard's Antwerp refinery. I understand that, due to very strong competition, particularly from Germany, of petrochemical products, the Belgian Government has undertaken to protect the Belgian petrochemical industry.

I am sorry I cannot tell you or Allen any more about Sofina's possible interest in associating themselves with Olin-Mathieson in Mexico. Actually, nothing more was said at the luncheon than what I have stated above, and that in no way constitutes an invitation by Olin-Mathieson to associate ourselves with them. I think the remark was made principally as a matter of personal interest to me since the Olin-Mathieson people knew that I had spent six years in Mexico.

Although the matter is of no concern of ours, I would, of course, be interested to hear from time to time how Olin-Mathieson's plans develop. I know that you are on the Board of Squibb's of Mexico and that there is actually no reason to tell me of how these matters might be carried forward. Should I hear anything on this end which might be of interest to you or Allen, I shall, of course, let you know.

Please give Allen my very best wishes, and with kind regards I am,

Very sincerely yours,

JHH: pm