

March 24, 1955

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

Dear Mr. Messersmith:

I would like to bring you up to date on the most recent developments in Sofina.

During the weekend of the 13th and 14th of March, the principal shareholders of Sofina met in Brussels to discuss the future of the company in the light of father's resignation. After two full days of discussion, they came to some general agreements among themselves concerning the future policy of the company. They signed some papers about the general basis of their agreements.

Brosens had not yet returned from B.A., which he did two days later, and I understand from Andre Meyer that he was in agreement with what had been done. Parenthetically, Brosens' trip to B.A. was successful in so far that an understanding has been reached with the government and that an agreement, although not too satisfactory, has been negotiated.

On Tuesday, the 22nd, a Board Meeting of Sofina was held in Brussels and the following measures were approved:

- 1) Mr. Van de Vyvere becomes Honorary Chairman.
- 2) Mr. Brosens becomes Chairman of the Board and Chairman of the Standing Committee.
- 3) Mr. Wilmers succeeds Mr. Brosens as Administrateur-delegate
- 4) Mr. De Boeck remains as one of two Administrateurs-Directeurs Generaux, and a new man will fill the other position of Administrateur-Directeur General left vacant by Wilmers.
- 5) The Standing Committee has been reduced from its previous membership of 16 to 6. It is composed of the following:
 - Mr. Linder, representing Credit Suisse, with Mr. Delachaux (Credit Suisse's House Counsel) as his alternate.
 - Mr. Valensi, representing Lazard Freres, and Lucien Boel as his alternate.

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- Baron Leon Lambert, with Mr. Camille Gutt as his alternate. (Mr. Gutt was elected to the Board on Tuesday.)
- Mr. Brosens as Chairman of the Committee.
- Mr. Wilmers
- Mr. Spindler, Administrateur-Delegue of Electobel, in a personal capacity.

Mr. Andre Meyer returned from Europe this last weekend and I had a long conversation at his offices last Monday. He told me that all of the principal shareholding groups had reached agreement in ~~the~~ warm spirit of friendship and cordiality, and that they were determined to follow father's spirit which had animated Sofina these last 50 years. Some changes, however, will have to be made, particularly as concerns the reducing of the overhead in Brussels as well as in New York. The mandatory retirement age limit for directors will hence forward be 70. However, those directors who are now 70 or over, and not yet 75, may complete their six-year tenure of office, not to exceed 5 years from now. The present directors who are over 75 may continue for another two years.

The company under the Administrateur-delegate will have two principal sections. The first will be Operations under Mr. De Boeck, and the second will be an Industrial Section under a person yet to be named. The Industrial Section will occupy itself, as I understand it, with all phases of Sofina's operations not concerned with public utilities. I have good reason to believe that the person who will be named to this post will be a Mr. Jacquemain, who is presently with the Cokerill Steel Company. You may have heard that Cokerill and Ougre-Marihay Steel Companies have merged. Apparently, Mr. Jacquemain is not too anxious to remain with the merged companies. On my two recent trips to Brussels, Baron Lambert spoke to me about the high qualifications of Jacquemain.

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Andre Meyer told me that there will, of course, be some basic changes made in the New York offices. I asked him what these would be but he told me he preferred not to answer that question at this time since he said that he was not sure in his own mind yet what he wanted done.

The policy statement signed by the principal shareholding groups - unfortunately I do not have a copy in front of me - states that Sofina will remain a Belgian and an industrial company while maintaining its international character; that Sofina will have to reduce its overhead in keeping with its activities; that Sofina will have to streamline its setup; that Sofina will have to look for new fields in which to enter, but in this connection, it should also bear in mind that any investment it makes should be easily realizable. As I said before, the shareholders have stated that, "although ~~we~~ ^{they} want to maintain the spirit which Mr. Heineman has infused in the company," we nevertheless are now under New Management and there are now fewer engineers at the head of the company than there were before, and the company's thinking will possibly vary in some respects."

I think I have mentioned the main points to you. There are a great number of details which Mr. Meyer has mentioned to me, but I do not want to burden you with them in this letter.

Praet arrived a couple of days ago from Caracas and Havana. I mentioned to him again the question of Mr. Saladriegas, and I suggested that he write directly to you about him and about his trip.

I assume that Sofina will be in touch with the management of Mexlight, informing it of the changes in the management of Sofina. Their letter to you will undoubtedly be more complete than this note. However, I just wanted to get this off to you in case you had not yet heard from Sofina since I know of your interest in all matters dealing with the companies. If you feel that Messrs. Draper and Maryssael may be interested in the above, please feel free to communicate it to them.

I look forward to seeing you and Mrs. Messersmith here around the 15th of May. Do these plans still hold, or are you thinking of coming up sooner?

With best wishes to you both, I am,

Very sincerely yours,

JHH: pm

James H. Heineman