

December 3, 1951.

Charles Wilmers, Esq.,
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Bruxelles

Purely personal and confidential.

Dear Charles :

I have your confidential note of November 26 in reply to mine of November 5 with regard to Petrofina , and have noted with interest what you say.

As you will have perceived, the only reason why I took the initiative in writing you about this Petrofina matter was that I wished to supplement a letter which Mr. Maryssael had written to you in reply to an inquiry from you. I think in some respects I know the petroleum situation in Mexico as well as any foreigner because I have had to follow it so closely for years, and while I have naturally not followed it in detail during the last years, as I told you in my letter of November 5, I am still interested because in many respects petroleum developments in Mexico are of interest to the U.S. and in the world petroleum picture, and of course Mexlight is interested in petroleum developments in Mexico particularly from the point of view of supply for our thermal plants, which are becoming increasingly important. We are already among the most important consumers of petroleum products in Mexico.

I knew that Vicomte Van de Vyvere is chairman of the Board of Petrofina and I know a good deal about Petrofina from the old days and also of some developments which took place during the war and immediately after the war in Belgium with regard to Petrofina. I have knowledge of what Petrofina is doing here because this is natural for anyone who follows the petroleum situation. The manager or representative of Petrofina in Mexico is a Rumanian by birth, although I do not know his present nationality, but like many Rumanians and certain Europeans he tries to look like an Englishman and his monocle is always in evidence. I have no idea what kind of a man he is, because it has not been my business to know and I have not had any personal touch with him.

No doubt Petrofina will need money for what it is doing and has been doing in Mexico under this contract which it has, or in which it has at least the largest participation. Pauley got out of this contract and if he maintains any participation,

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it is a very small one. He had great hopes about what he could do in the oil picture in Mexico because he felt he had an inside track. He got out because of disillusionment and because he found the contract really unworkable.

There is no doubt that Petrofina has been able to export a bit of oil and that is what Petrofina is interested in. I can readily understand its refinery needs in Europe and its interest in the sources of crude. I understand, as I told you in my previous letter, that Petrofina is encouraged by developments here. I think Petrofina thinks that because it is a European Company and neither British nor American, it may be able to get some preferential treatment from the Pemex Administration and the Government here. I think that that is an illusion and a dangerous one to nourish. Petrofina may be able to get a certain amount of oil from here, but it is not a place that Petrofina should depend upon for its crude requirements even in part. I am glad to note that Petrofina is interested in the Canadian picture because that situation is really developing in an extraordinary manner - viz., the development of the Canadian oil resources. Whether Sofina should participate in any Petrofina operation in Canada is something I am unable to answer because it depends upon the character of the operation, but I do know that there are operations in Canada which are bound to be profitable in oil developments. Major oil companies usually lose in one field at least some of the return which they get from another field. That is a part of the oil business and a reason why oil business is really something for private enterprise which has widely-spread activities. The oil business is one of the most difficult and risky and at the same time most profitable there are, but it requires a wide knowledge of factors in every part of the world. I have friends who during a lifetime have followed the oil business in every part of the world and are considered experts, and are experts, but I find them in reality very humble.

My only thought is that if Sofina is going to invest any of its resources in any oil company, it has to be borne in mind that this is a very highly specialized business subject to all kinds of political factors, and it requires the most careful investigation. If there are any developments in the Petrofina aspect here of interest to you, I would be glad to write you. So far as the Mexican oil picture is concerned, it is extremely complicated, and one cannot make oneself any illusions with regard to oil developments in any country today. I do believe that the two fields which are safe for oil and gas investment in the world today are the U.S. and Canada.

With all good wishes,

Cordially and faithfully yours,

George S. Messersmith.

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