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Buenos Aires, Argentina  
February 5, 1951

E. A. Graydon, Esquire  
Mexican Light & Power Company, Ltd.  
25 King Street  
Toronto, Canada

Dear Graydon:

I had intended to write you a long letter today but I have been dictating for hours and this has to be short. I am sending you herewith copies of letters which I have written to Mr. Binder, Heineman, Maryssael, and Leeper and they will give you a great deal of what you will be interested in. I appreciate very much the letters you have written me as well as the copies of the correspondence you have sent me. I have not been getting copies of correspondence from Mexico City and I am asking for it. I have, beside the copies of the letters which you sent me, your letters of January 18, 23, 24 and 26.

I cannot begin to cover the things which you have mentioned in your letters and in the copies of correspondence today. If you want my opinion or my decision with regard to anything, please write me. You will note from these letters I send you herewith that we sail from here on March 2nd and I think we should arrive in New York around May 20 or 21. I will undoubtedly have to spend a few days in New York and also a few days in Washington before returning to Mexico City, and if you and Allen think it would be useful or desirable for me to come to a Board meeting in Toronto before I return to Mexico City, as you suggest in one of your letters, I will be glad to do so. I want to get back to Mexico City, naturally, as soon as I can.

With regard to the resignation of Menschaert, I really don't understand why he resigned. It is probably because he has taken over these duties in Lisbon. His action must be a well considered one and I think Mr. Heineman must know of it, but without further background than purely the information of his resignation, I am not in a position to form any judgment. I gather that he must have had some good reason but I, myself, do not see any conflict of duties and he is a very good man. I think we can defer action on this matter until I return and undoubtedly in the meantime you and I will be having further information, most likely from Mr. Heineman, concerning the reasons for the resignation.

I am very much interested in the matter of the reduction of interest on Mexican Government bonds from 6% to 5%. This could cause us many complications although I do not believe it will. Even though the law says that the rate of return for the private companies in our business cannot be less than the highest rate of interest paid on Federal Government bonds, it is quite obvious

that changing our rate of return to 5% would interfere with the bases on which the loans were made and we could not get along on it. I am not too seriously concerned about this but it is a matter which we have to think over and I am sure that Maryssael is thinking of it and I do not see how anything can disturb our rate of return for the five-year period of tariffs. There will be some, however, who will endeavor to monkey with our rate of return.

I think the action you have taken in connection with publicity, as shown in the exchange of letters with *supma* is entirely sound and correct.

I am sorry that I will not be in Mexico City while Colonel Gow is there but I am sure that Mr. Conway will look after him as well as Mr. Maryssael. If we are not there when Mr. and Mrs. O'Connor make their trip I shall be very sorry but I am sure that Mr. Maryssael will look after them.

I have noted your correspondence with Jeffry. He is a nice person but apparently exceedingly nervous.

I have noted with particular interest your letter No. 1672 PMX of January 16th to Maryssael with regard to the expenses of Barmex and the allocations, et cetera, you and Allan have in mind. I would like to answer this letter in full but I do not feel it is necessary as I find myself in accord with your thinking and planned action in this letter.

I must close this letter. I will write you as soon as I can and appreciate your keeping me continuously informed. I hope that the appended letters will fill the gaps in this letter.

My wife joins me in very best wishes to you and your wife. Please give our best to Allan and his wife and to Guest and his wife and to the boys in the office.

Cordially and faithfully yours,

George S. Messersmith

Enclosures:

Copies of letters to Mr. Binder  
Mr. Heineman  
Mr. Maryssael  
Sir Reginald Leeper