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8 Mar -

Sierra Paracaima 1285
México, D. F.
March 2, 1955

Dear Dannie:

I was very glad to hear your voice on the telephone and to talk with you briefly. Frankly, I do not like to talk on the long distance telephone. I have been wanting to talk with you during the last ten days. I am delighted to know that you are up and feeling more fit. I do hope that you will take care of yourself. I gather from what you said that you are not planning to go to Brussels for the Sofina meeting. In one way I am sorry that you are not going, and in another I am very happy that you are not doing it. We just can't disregard the years. You said that Bill Draper said to you that I looked better than ever. That is one of those off-the-cuff statements. As a matter of fact, I am feeling very fit. The ulcer is not giving me any trouble, but I know that I am 71. We simply cannot disregard the years that creep up on us, and there are certain things that we can't do. While I would have liked in many ways to keep on with Mexlight, it was the best thing that I could do for myself, and we all have a right to think of ourselves. There are some of us, and I hope that I am in that category and I know that you are, who are always doing things for others and are thinking of others more than we are of ourselves. That is all very fine, but there comes a time when we really have to think of ourselves. I would have been very happy to see this big celebration in Brussels, as I am sure everyone of importance in Belgium would have been there and a lot of people from other parts, and you know what a satisfaction it would have given me to be there as well. On the other hand I think it is much more important to take care of yourself and I am glad that you are not planning to make the trip.

I think it is wonderful that the Belgian government has awarded you this decoration of the Great Cross of the Order of Leopold II. It is really a great distinction and there is no one who I am sure has ever merited this distinction from the Belgian government more than you. When I think of all the services that you have rendered not only to the royal family but to Belgium in so many ways over these many years, it seems like a very poor recompense, but on the other hand governments are not usually very generous in their recognition and I think this time the Belgian government has gone all out in showing its high regard for you and its gratitude for what you have done. I know that you do not pay any attention to this sort of thing and intrinsically really they do not have so much value, but in the minds of a lot of people they do mean a great deal and I am really very happy that the government has taken this action. I congratulate you from the bottom of my heart, as it is one case in which a government has shown in as adequate measure as it can, its recognition of service rendered.

I called Jimmy yesterday because I wanted to find out about the movements of Praet. I was very anxious to be helpful to him in any way that I could in Cuba. President Batista is really my good friend, and my best friend

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in Cuba is Dr. Carlos Saladrigas, who is now the Minister of Foreign Affairs, and as such, together with his other duties he is really the No. 2 man in the country. At Praet's request I had written to Carlos asking him to see Praet. Saladrigas called me on the telephone yesterday morning to say that he had twice endeavored to get in touch with Praet at the hotel in Havana but that he was out both times and that he had called him that morning again and found that he had left. Saladrigas was much disturbed because he did not wish me to think that he was not paying attention to a letter which I had sent him. He said that Praet had arrived in Havana when he was very busy in making the preparations for the inauguration of Batista and with all sorts of things, and that when the inauguration was over and he endeavored to get in touch with him, he was not able to do so. He wanted me to know that if Praet came back to Cuba that he would be very glad to see him.

I gather from Jimmy that Praet had some difficulties in connection with the matter that he went to Cuba on and while we did not go into this on the telephone, I am not at all sure that this idea of making newsprint out of bagasse is yet an entirely commercially feasible one. It is something that is well worth looking into, but I am not sure that the processes which have been found so far are adequate. In any event, in any way that I can help Praet in Cuba I want to do so. I have written a letter to Lorie sending him some copies of material with regard to the uses of bagasse. I gather that Praet has gone to Caracas and after he returns from there he will go to New York and from there may come to Mexico. I shall be very glad to see him here if he gets here before May 15.

We had so little time together when I saw you on my way back from Boston to Mexico City in January that I would love to come up and see you again. I would have liked to stay longer in January, but as I had left Marion alone I thought that I ought to come back. We are definitely going north around May 15 and I look forward to seeing you shortly thereafter. If there is any reason why you would wish to see me, do not hesitate to let me know and I will come up and spend a week. I frankly prefer not to go up before the 15th of May as I am getting very averse to travel, but you know that if there is anything in the world that you wish to talk over with me and think that it would be useful to talk it over with me, I will only be too happy to come up.

I think that on the whole things in the company are going on satisfactorily. I think it was all right to declare the 37 1/2 cent dividend to be paid in May. Of course the Board should have declared the dividend on the Preferred Stock. I am glad that the question of the statement on dividend policy has been discarded. Draper, against his will, found that there was convinced opposition and he realized that the Board would not approve it. I think he has now given up the idea so that he will not raise it again during the rest of this year, but unless things change he will be raising it again next year, for it is a set idea with him. I am sorry that the Board voted for the declaration of a 5% stock dividend. None of the reasons which were advanced for declaring a 5% stock dividend at this time convinced me of its desirability or necessity and I am convinced that from the point of view of our position here, that we should not have done it. However, it has been done and that is that.

There are many problems that we have ahead of us. The most important problem that we have ahead of us is getting the new rates to be effective

around October 1 this year. This is not only important from the point of view of our financial position, but it is important from the point of view of principle and practice. The President and the Minister of Finance have committed themselves to this not only to the company but they have informed the bank that they are going to do this. Their whole attempt will be not to do it. This is natural. It has to be done and it should not be delayed beyond October 1. We are having a lot of trouble in connection with the adjustments we are asking for from the Tariff Commission. This is a sign of the difficulties we can expect. Our attention has to be concentrated on this. One thing we can be certain of and that is that the Bank, that is the World Bank, is not going to lend us money or to the Power Commission for electricity and it is not going to lend money in Mexico for any purpose unless the government keeps its word about these things on which it has given these promises. All this is to the good so far as the company is concerned. It is, however, absolutely essential for the credit of Mexico that whenever it engages its word that it keep it. I am making mention of this because while we have many problems which we have to solve, this question of the additional increase to be effective October 1 this year is in many respects a major one, not only for the company but also for the Mexican government.

This question of the electricity study which is being made and which I referred to as one of the principal imponderables in the situation in Mexico in the long letter which I wrote to Draper and of which I sent you a copy, is really the most important thing of all. I have told you about the importance of this study. The Bank is very much interested in it. You will recall the conversations several years ago, the first one being in the offices of the First Boston Corporation, when the question of such a study was first raised. There have to be changes in the electricity law in Mexico in order to make the situation more secure for future financing and for the long range position of the companies. The study is well advanced. Consolo and Rembert and Rippman of the Bank are down here now and are going to stay until next Wednesday. Rembert came down and spent Sunday with me at Cuernavaca. Consolo and Rembert are coming down on Friday to spend a long weekend with me there. I think I need not tell you that the Bank people have a great deal of confidence in Maryssael. They consider him a very sound, steady person. Draper makes the mistake of thinking he can settle these things by just talking with Black. It is true that Black is head of the bank and as such has a tremendous influence in the bank, but whether loans are made depends upon the technical and financial studies and upon the general economic studies. This means that we have to maintain the close contact with the other people in the bank, and I am doing my best to see that this is kept on an even keel. The bank people are really trying to be helpful to the company. I think this electricity study is coming out all right, but there are people in the government still who are very anxious to get the private electricity companies out of business and to get everything into the Federal Power Commission. The President, I think, and other high officers of the government want to see the thing done right. I have lived, however, long enough in these countries to know that you are never sure of what is going to happen until it happens. Without mixing up into any operational affairs or anything of that kind, I am doing the best I can to be helpful in these matters and to maintain my touch with my friends in the government.

I want to mention a very confidential matter to you. I think that Federico Consolo is getting a good deal fed up with his work in the bank and would prefer to return to his own country. He has, as you know, many family connections in Italy, but it is difficult to find the right kind of a job in Italy. Federico likes our country and I think he in many ways would not mind

living in the United States. In many ways he likes his work in the bank. I do think he would prefer, however, to live in Europe. I do not think he necessarily wants to live in Italy. He spoke to me about three weeks ago about the possibility of something with Sofina. He said it was the kind of company that he would be glad to work for. He said that he would be glad to live in Brussels and if his work involved a lot of travel, he would be glad to do that. I told him that so far as I was concerned, I thought it would be wonderful if Sofina had a man like him with his background and his experience. Aside from his knowledge of languages (he knows French and Spanish as he does English and his own native language) he has real competence as an engineer. He was trained, you know, as an engineer and worked as an engineer in Belgium in the early part of his career. He has a very good knowledge of financial matters and very sound judgment. The most important thing about Federico, however, is his knowledge of persons and his capacity to make friends. He has very good judgment about persons as well as about things, and he has a very real capacity for making friends. His field, as you know, at present is Mexico and the Central American countries. In every one of these he has been able to establish really very unusual connections from the top down, and it has proved very helpful to these countries, as well as to the companies concerned.

I told Federico that I thought the situation in Sofina was in somewhat of a state of flux and that while I did not know too much about the organization I thought that a big company like Sofina always needed new people and while it was difficult to get people in at the top he was in my opinion a natural for a position of very real importance in Sofina. He said that he had never talked with you about the idea because he did not like to approach you about it and he was only asking me what I thought about it. I told him that if I saw you I would talk the matter over with you, but as we have not seen each other I have not had that opportunity. I think, however, I should at least mention to you that he would entertain at least this idea. If you decide to mention it to Brosens it should be done in confidence, because I am sure Federico would not wish it to be known that he was carrying on conversations of this kind. He would not mind your knowing about it of course, and Brosens, but I doubt whether he would wish it to go further before he knew what your ideas are. Anytime you might want him to come to see you, he will be glad to come to Greenwich to see you. If you think it is not worth while talking about it, he will quite understand if you do not get in touch with him. I have covered this matter only in a very inadequate way but I did want to mention it to you as he spoke about it some weeks ago. You should not be bothered with matters of this kind, but I think you know what my one interest is, and that is that Sofina have the people that it really needs and if I were looking into the field for a financial and general man, I don't know where I would find a better man than Federico. He gets along with people very well.

Jimmy has told me very little about his trip to Brussels, and I did not like to talk with you about it on the phone yesterday, but I gather from Jimmy that he is going back again and that not too much progress has been made. I wish that I were younger and that I could help you in this. You know what affection I have for you and what gratitude I feel for our friendship and association over these many years. There is nothing in this world that I would not do for you that I could do. If there were any way in which I could lessen any of your burdens, I would certainly want to do it.

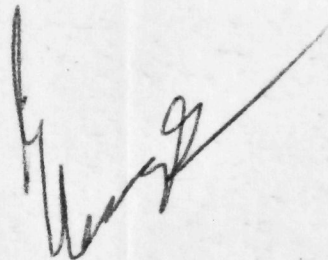
I am spending a number of hours every day now dictating notes and memoranda in connection with the possible publishing in the future of a book

on Europe and one on Latin America. I have been so pressed to do this that I feel that I have to begin to put my notes in shape. I am getting a lot of pleasure out of doing it. Whether any of it will ever be published I haven't the slightest idea, and I am certainly not thinking in terms of publishing now. I do feel, however, that I should get these notes in shape, As I work on this my memory begins to crowd in on me and I have made lists of notes and memoranda that I should dictate which will keep me busy for months. By the time I come north in May I will have 600 or 700 pages of notes dictated and you may wish to look at some of them. I shall be interested in having your judgment as to whether you really think they are worth while publishing. The trouble I find is that I am not at all certain that I can publish anything during my lifetime, because I am going to tell the truth as I saw it and see it now, or else am not going to publish a word. Sometimes one can do more harm by publishing than by not printing anything. In any event, I am getting the material in shape and what is going to be done with it is going to be another matter. The University of Delaware wants my papers and I have a letter from the President of the University saying that they want them, so I am going to make provision in my will that they shall have them. I am hoping, however, that I may be able to do something with them before I die.

I understood that Edna had more trouble with the hernia of the esophagus after I saw you all in January. I hope by this time she is well over everything and that the family is well. This is a rambling letter. I am really looking forward to the time when we can spend a good deal of time together and not be hurrying. I was delighted with the news from Germany the other day and Adenauer really has done and is doing a wonderful job. I know that the counsel that you were able to give him from time to time meant a good deal for his orientation, and I am sure he must appreciate it very much. You ought to have a great deal of satisfaction because you have helped so many people and your influence has always been for the good. These are the things that we can look back to with satisfaction, and after all they mean more than money and anything else. I often think what a satisfaction it must be to you and Hettie to have the family all so close by. It is seldom with three children in the family that parents can hope to have them so close.

I have to go out to dinner with Marion this evening, so I have to put an end to this rambling letter. She joins me in love and good wishes to you all.

Cordially and faithfully yours,

A handwritten signature in dark ink, appearing to be 'H. H. H.' or similar, written in a cursive style.