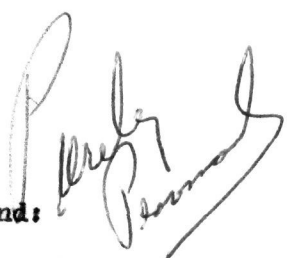


1330

*Copy further.
Heineman*



Sierra Paracaima 1285
México, D. F.
February 18, 1955

My dear Friend:

You have by this time received the confidential note dated February 14 which Draper has sent, I understand, to all the Directors. I am dictating this letter hurriedly as I am leaving for Cuernavaca and I am asking my personal secretary to send you the letter without my signature.

I have no comment to make on Draper's letter to the Directors except that I think he has a misunderstanding of the word "consensus". I had a long talk with him this morning and told him that his letter to the Directors gave the impression that all of the Directors in Mexico were entirely in favor of a stock dividend. I had told him that my own feeling about the matter of the stock dividend was that we should not do anything about it this year. I said that there were many reasons why I did not think it was necessary to do it before the end of the year and that we would have the same effect so far as financing was concerned, without the stock dividend now or at least until next year. I think Maryssael felt much the same way, although I do not know just exactly what took place in the conversation between Draper and Maryssael and Martinez. I told Draper this morning that I thought his letter to the Directors gave a wrong impression in the sense that all of us were in complete agreement on the stock dividend and that I had made my position very clear. I told him that in my opinion the stock dividend was not necessary now and should be delayed until next year, but that if the other Directors of the company at a meeting decided on a stock dividend, I would certainly not oppose it if a majority seemed to be in favor of it. Draper said he was very sorry that he had had a misunderstanding of the word "consensus" and that he had understood that the word meant just a general impression or agreement. I told him the word went really further than that, but that as he had written this letter I certainly was not going to raise any further question about the matter.

The most important thing is that he will not make any recommendation and that there will be no action with regard to a statement of dividend policy. This was the most important thing to avoid at this time and I am sure during the remainder of this year until some of the imponderables are out of the situation.

I can see how troubled you were by the further letter that you wrote to Draper, which is a good letter, and I am glad that you expressed your views so frankly as I think it is the duty of all of us to do so. Mr. Brosens and Mr. Snyder and Mr. Heineman had all written to Draper making it clear that they were not in favor of any declaration of dividend policy. On the other matters they were more or less inclined to go along with his recommendations.

E. A. Graydon, Esq.,
Everglades Hotel,
Everglades Avenue,
Palm Beach, Florida.

I am writing you this hurried word because I told Draper that under the circumstances I did not see that it was necessary to disturb your holiday in Florida unless you feel that you want to do so. It is always useful for you to be at Board meetings because of your very deep and broad and sound knowledge of the company's activities. On the other hand, you are taking a holiday which I am sure you need very much and unless you feel that it is indispensable for you to be at the Board meeting, I doubt whether it will be necessary as most of the matters seem now to be fairly clear that will be treated at the meeting. Draper quite understands and he will be very understanding of your not making the trip to New York for the Board meeting. I think he has probably been in touch with you by this time on that already.

I am keeping very busy these days with all sorts of things. We are going down to Cuernavaca tomorrow morning. I am doing a good deal of dictating in Cuernavaca on my memoirs, or rather in making notes for my memoirs. I do not intend to publish anything in anything like the foreseeable future, but I think it is time that I sit down and really do some dictating on these and I am doing it now in a rather active way.

There are so many things concerning which I would like to talk with you that I can't go into any further in this letter. By the time you get back to Toronto I will have made some notes on certain matters in which I think you are interested. I do hope that you and Isabel are enjoying the sun and the rest, as I am sure you are. I wish that you could take a longer holiday. I wish that you were spending it with us here, although I must say that we have been having some really cold weather at Cuernavaca for this time of the year. I hope you are having better fortune in Florida than you would have had here this year. Marion joins me in affectionate good wishes to you and Isabel.

Cordially and faithfully yours,



George S. Messersmith