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H 376 M - 17 OCT 1950

Forma 291-S. M.L.F.

AIR MAIL**THE MEXICAN LIGHT AND POWER COMPANY, LIMITED**

(COMPAÑIA MEXICANA DE LUZ Y FUERZA MOTRIZ, S. A.)

H. 5625 DIRECCION TELEGRAFICA } "MELIPOCO" 2A. CALLE DE GANTE No. 20. APARTADO POSTAL } 124 BIS
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 REPLY: 17 Oct.
 FILE: Messersmith

Mr. W. J. Messersmith
Samuel
De Beck
Colinet

Dear Dannie:

I am going to try to make this a brief note. I have been wanting to write you every day for the last days but I have been a good deal occupied and I have been taking things a little bit more easily. I am glad to say that I am feeling a whole lot better.

We have been so much distressed about the news we got about Mrs. Jensen, but apparently, according to the last news, the situation is not as bad as we feared. I do hope that she will have many more years and comfortable years. It was fine of you and like you to stand by and I am sure it was a great comfort to all the family.

The last news I have is that you are leaving Brussels this coming Sunday a week. I am ashamed to say that neither Marion nor I has written to Hettie since I returned, but we have been getting news of her from Jimmy and I am sure he has been giving her news of me. I have been just a little lazy about correspondence during the last couple of weeks. I know that Hettie is eagerly looking forward to your return.

One of the aftermaths of the reorganization of the company's capital structure is certain inter-company agreements which have to be made and which are pending and which must be settled before the end of the year. They are an inter-company agreement between Pachuca and Mexlight and one between Mexelectric and Mexlight. We decided during the Board meetings in Toronto in September that the best way to work out these matters would be for Guest to come to Mexico City, rather than for our lawyers to go to Toronto, so Guest has been here for several weeks. A satisfactory arrangement has been worked out between Pachuca and Mexlight, but so far the many complicated problems involved in the agreement between Mexlight and Mexelectric have not been definitely cleared up to everybody's satisfaction, so that Maryssael and I have asked Guest, who was planning to leave Saturday for Toronto, to remain over a few days. I am sure that a satisfactory arrangement in both cases will be worked out. I am not entering into details, for they are so complicated, and while the agreements are of importance, more particularly because of tax situations which we have to keep in mind, they are not of sufficient importance to burden you with the details. It has, however, taken a good deal of our time during the last weeks.

Le Paige

D. N. Heineman, Esquire,
 c/o Sofina,
 38, rue de Naples,
 Brussels, Belgium.

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How
L. Paige
the morning
of the first week
later.

L. Paige arrived two days ago but he had the grippe and the doctor simply had to order him to stay in his room for a couple of days. I understand he will be permitted to go out tomorrow. Jimmy tells me that he saw him yesterday in his hotel room and that he had his bed and the other bed in the room covered with papers, and he was complaining bitterly that the doctor was not letting him out.

We have all been a good deal concerned that we might have restrictions again during the next months. The water situation was really most discouraging. Up until a few days ago we had only 67,000,000 at Necaxa and the prospects were getting pretty dim. A cyclone from the Gulf came along and although it deviated its course and we did not get the full benefit of the storm, we gained 6,000,000 yesterday and had this morning 80,000,000 at Necaxa. It was really a terrible storm and this afternoon I had information from Necaxa that it had been raining hard over most of the watershed since early morning, so that there is a good chance that we may gain another 6,000,000 today. Our engineers are very optimistic and they think that there is a possibility of our getting 100,000,000 before the end of the rainy season. This, of course, is just a pious hope.

The ground level
is 90 ft. more
than 90 million
after the storm.
We are able to
avoid restrictions!
Hurrah!

We can't expect to get much more at Lerma, where we now have about 180,000,000, which is less than we had at this time last year. The storage at Ixtapantongo is around 135,000,000. Our people feel sure that even if the storage at Lerma and Ixtapantongo does not increase materially by the end of the rainy season, if we can get 100,000,000 at Necaxa and keep the units we have rented from the Navy there will not have to be any restrictions. For the first time since the beginning of September there is real hope that we may get something like reasonable storage at Necaxa. If we end up after this present storm with 90,000,000 in Necaxa, which is quite possible, there is a full month left in which we may be able to benefit by further storms in the Gulf of Mexico.

We have all been very much concerned about what seemed to be almost a certain necessity for further restrictions, because it would have been bad for the company from every point of view. It is still too early to say that there will not have to be restrictions, but at least the prospects are better than they were up to a few days ago.

The first unit at Santa Barbara of the Federal Power Commission will be fully connected and be giving about 15,000 k.w. early next week.

Marion and I are very much interested in the house in Cuernavaca and we are leaving Friday evening to spend the weekend there for the first time in the house. We are doing some building, as I think I told you, and I want to see that it gets a good start.

We think of you a great deal and we do hope that we may be seeing you all down here very soon after your return to New York. Marion joins in love and good wishes. Do give our very best to Yvonne and to her mother.

Cordially and faithfully yours,

We gained 9 million yesterday and now have 90 million at Necaxa. We may be able to avoid restrictions. Hurrah!

[Signature]