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## THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

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

4.7369

DIRECCION TELEGRAFICA

RECIBO

CABLE ADDRESS

MELIPCO

2A. CALLE DE GANTE No. 20.

MEXICO 1, D. F.

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March 12, 1952

REPL:

FILE: Messersmith

APARTADO POSTAL  
P. BOX

124 BIS

AIR MAIL

D. N. Heineman, Esq.  
C/o Sofina, Brussels  
Belgium

Personal

Dear Dannie:

This is just a hurried note. I had a note from Hettie saying that you were delayed in returning, I think she expected you this last week-end.

I had a letter from Cauwelaert introducing Brasseur, the Head of the Belgian Economic Mission which has just been in Mexico. I am sending you herewith a copy of the letter from Cauwelaert as well as a copy of my letter to him of March 10, both of which are self explanatory.

The Belgian Economic Mission was so busy that I could not see much of Brasseur, but I did have several good talks with him and he struck me as being a very good man and intelligent. I think it was a good thing to have this Belgian Mission come here. The immediate results will not be apparent but I think the men on the Mission were here long enough to get some real ideas about the country.

We are very busy here, I am sorry to say that I am working harder than ever and I just can't keep up at this pace. Rembert, of the World Bank, who is a very good man, has been taking the baths at Ixtapan for his arthritis and will return Sunday and will be here on Monday and Tuesday and then return to Washington. We are deep in this financial problem for 1952, and thereafter, and I will write you fully when I can give you an adequate picture.

We want to finish up this matter of Mextrams and in order to do so I asked Graydon and Guest to come down here and they will be here all this week and we will be able to settle a lot of things while they are here. There will be a meeting of the Board of Mextrams on Wednesday, March 19, and we can have a meeting of the shareholders, I feel sure, in April. We will put the finishing touches on the circular to the shareholders today. On the whole we are getting out of this Mextrams matter very well. It has taken over four years to clear it up but it has been worthwhile.

There will be a Board meeting of Mexlight in Toronto before the end of March as there is a big agenda of things to be taken care of but they are really of routine and it will not

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D. N. Heineman, Esq.

be necessary for me to go up. The Toronto Directors can take care of these things, but I have told Graydon that if Donald Duncan can go up for the meeting towards the end of March, it will be useful.

Sometime in April and not later than May, we will have to have an important meeting of the Board to consider financial matters, as by that time these financial problems will be in such a form that we will know what can and what cannot be done. I will, of course, have to go up for that meeting and if you are on that side of the water by then I hope very much that you can be there. The date of this meeting to discuss financial matters, will depend entirely upon how rapidly we can determine what the Mexican Government will do. It is a difficult problem and it has to be solved now rather than later and we have some good friends who will help us to get the right solution. There is no use in the Company undertaking new obligations unless its earning capacity is completely assured and unless its earning capacity is increased. We have learned that the present rate of return of 8.73 gross and 6 net is not sufficient. The Government will have to make the decision as to whether the private companies are going to do the job and it being made possible for them to do the job, or whether they will buy us out. I feel sure they will do the right thing by us because they do not want the electricity problem to be another Pemex or Ferrocarriles, and whatever the shortcomings in Mexico may be, I think that the responsible people here know that this industry must remain in private hands.

I have a very full day before me, but I want to get this note off to you before I get started. I hope that you are feeling well and not working too hard and that it may not be long before we see each other.

With every good wish from Marion and myself,

Cordially and faithfully yours,

  
George B. Messersmith

GSM ra.

Encs.