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24 February 1948.

Mr. George S. Messersmith,
Suite 1700,
50 Broadway,
New-York City. 4. N.Y.

Dear Mr. Messersmith,

I learned this morning from Mrs. Messersmith that you are not expected back in Mexico to-morrow night as we had hoped, but that your return has been postponed possibly another ten days to two weeks. I am very sorry to learn that you will not be here before another delay, but can well understand the importance it is to the company for you to be in Washington while the matter of the credit is being discussed. It is good to hear that you are so hopeful as to the final outcome of your negotiations, since I am learning all the time the necessity to the company of such a loan.

Yesterday the representatives of the syndicate visited the office to deposit their "brief" concerning their demands for the renewal of the collective contract, which, as you know, comes up for negotiation and signing in April. I will not go into this matter at present since I do not know too much about it and since I believe such matters can be better discussed "viva voce". However from what I have heard some of the demands are really exorbitant, and cannot be reconciled with either the position of the company nor with the cost of living although it is high. From all I hear and understand there will be a very bitter fight indeed, and it appears to me that unless we can obtain some governmental support we will be faced with a serious strike.

As I told you before you yourself make a separate issue, quite apart from the usual issues the syndicates bring up/. The name Messersmith is synonymous with dollar imperialism, power politics, wall street hierarchy and State Department facism. The syndicate this time appears to be really making a test case of the renewal of the contract, not only to obtain what it wants from management, but also to prove that it will not subordinate itself to and be bamboozled by the corrupt power of capitalism of which you are the epitome. This thought is borne out in the editorial of the last number of the syndicate's monthly publication called "Lux" in which much of what I have stated appears and in which your name is mentioned in very unflattering tones. It is my feeling that a few members of the company might be reluctant to tell you that your

415

- 2 -

appointment has somewhat aggravated the tension between the syndicate and the company, however I feel it proper to mention to you these facts, although you are probably well aware of these circumstances anyway.

My own thoughts and ideas as concerns yourself on the one hand and the negotiations with the syndicate on the other can wait until you return here. My suggestions are of principle and not of detail, and they are the result of not sharing the general gloom concerning these matters which has become ever more prevalent. Of course I am under the disadvantage of not having lived through previous negotiations and of not knowing all the details, however I believe such disadvantage can also be an advantage since my judgement may be more objective. Although not being overly optimistic about the outcome, I feel fairly confident that grosso modo our stand will prevail due to the importance to the national economy of our obtaining the loan, a fact which cannot be disassociated from the negotiations with the syndicate.

I am continuing to orient myself with the affairs of the company and have visited the work being performed at Tacubaya for the installations of the Diesels. The engineers are fairly confident that the work will be finished on time, although many an unforeseen development such as strikes might occur. I hope to visit Noncalco sometime this week. However general orientation becomes tedious, and, therefore if it were only out of selfish motives, I am anxious to see you back here.

To-night June and I are having dinner with Mrs. Messersmith and Grace and Sam Katz who have invited the Chinese Ambassador for dinner. We are looking forward very much to this event. Next Thursday June and I are luncheoning with the Belgian Minister whom I met last week and who seems most pleasant.

This last week-end June and I flew down to Acapulco and back and now like Mexico still more than before.

Paul Genachte is back in Mexico and he too is back in the old harness. He had a pleasant drive down here.

I hope that you will be able to return here sooner than you expect and that you will be able to move straight into your new house which should be ready, I understand, at the end of this week.

With kindest regards,

Sincerely yours,