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Forma 291-S. M.L.F.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

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

DIRECCION TELEGRAFICA } "MELIPOCO"
CABLE ADDRESS }

2A. CALLE DE GANTE No. 20.

APARTADO POSTAL } 124 BIS
P. O. BOX }

MEXICO 1, D. F.

AIR MAIL

November 9, 1951.

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D. N. Heineman, Esq.,
Hotel Carlyle
76th Street & Madison Ave.
New York 21, N.Y.

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REPL: Purely personal and confidential.						
FILE: Messersmith						

Dear Dannie :

I was just about to write you when I had the opportunity of talking with you after giving some messages to Mr. Lorie over the telephone.

First of all, I am terribly sorry about this Clark business, abut we have no alternative except to keep him away from Washington. I told you about the situation before I left New York, and since that time I have been in touch with Washington and there is no doubt that we have to make this change, and of all the people in Amistas who are available, Mr. Euart is the best man to do the job. Mr. Lorie and Mr. Levitan could do it perhaps better than Mr. Euart, but I think they are much more needed in New York, so it is better to have Euart do the job.

I have written a letter to Mr. Vande Maele asking that the change be made as of November 25, and I have sent a personal and confidential letter to Mr. Lorie. Mr. Lorie will show you both letters.

What is wrong with Clark I do not know, but I have felt for months that there was something wrong. He is either suffering from megalomania or he has some mental disturbance, as that is the only explanation I can find. But what I do now know is that we have to make the change in the interest of the Company and of our program. I hope, with all that you have to do, that you will not bother about this matter and let Mr. Van de Maele handle it. Mr. Levitan will give you furtherbackground when he arrives around November 20, as I have given him full information beyond what I have put in my letter to Mr. Lorie.

We hoped after the visit of M. Lebailly that the situation at Patla would improve, but it has gone from bad to worse. We are more than ever preoccupied about this situation which is now approaching the disastrous. Messrs. Rabeau and Troy arrived yesterday and are talking with our people this morning and will then go to Patla and return here next week when Mr. Maryssael and

D.N.Heineman, Esq.
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November 9, 1951
Page 2.

I will talk with them. We have had nothing but promises of better performance for the last nine months and there has been no improvement at all. We are losing more and more time every day and, what seems incredible, these people do not seem to have any idea of how to handle such a job. This seems difficult to believe, but it is so. The things which they do and which they do not do, are so incredible that it makes my hair stand on end. We have had constant promises that the situation will improve and that they will make up the time and that everything will be allright, and we are now fed up with these promises because none of them has been met and we cannot depend on any more promises. We are going to have a first-class scandal here the way things are going, which will seriously affect this Company, and we cannot afford that. I understand from what you said over the telephone that M. Huvelin is coming here also. I do not know how long Messrs. Rabeau and Troy intend to stay, but I told Mr. Maryssael yesterday that, no matter how long they intend to stay, we will tell them frankly that they will have to stay until definite decisions are reached as to what is going to be done. If Rabeau and Troy have plans to leave here before we are ready for them to leave, I will telephone you so that you can tell Paris that this mess has to be straightened out and that these men must stay here until it is straightened out.

Before we signed the contract with the contractors, Mr. Maryssael and I had a talk with them and I told them how important it was from every point of view for us that this work be completed on time. I went into full details and gave them all the necessary background, so that the Paris people have known from the beginning the importance of the job and of its being done on time. I cannot understand therefore their attitude.

What the solution will be, I do not know, but while Rabeau, Troy and Huvelin are here, the whole thing will have to be thrashed out together with Larrea, who is their Mexican associate, and with the Banco Nacional, which is financially so interested as far as the Société Générale d'Entreprises is concerned. I hope that satisfactory arrangements can be made which will assure the French people doing the work, but unless we can make the most concrete arrangements which will assure to our satisfaction that the contractor is going to do the job, radical measures will have to be taken no matter how inconvenient that will be. I will keep you informed next week of developments.

I am glad that Colinet has arrived from Brussels and is leaving for Buenos Aires, and I appreciate the information which you gave me and which you have received from Brosens. It is meager and certainly not satisfactory. In any event Colinet can bring back some information which is needed. After Colinet is back, I would like to talk with you and him over the telephone as in that way I may be able to interpret what has been going on and what may happen

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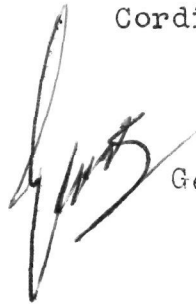
November 9. 1951
Page 3.

down there. I am not at all encouraged by the developments so far as I know them.

With regard to the matter of Clark I have already told you how important it is to keep Washington out of the picture. Clark must not know that the change is based on information from Washington. That would be very bad for us, as the friendly people who gave me this information would resent deeply our bringing them into the picture. I am ready to take the responsibility for asking Amintas to make the change.

Marion joins me in affectionate good wishes to you all.

Cordially and faithfully yours,



George S. Messersmith.

GSM/go