



I thought you would be interested in having this brief word about the situation, for it has been causing me a good deal of preoccupation both from the point of view of revenue as well as from the point of view of the repercussions on the company which new restrictions would have.

We have for several months now been having staff meetings which are attended by about sixteen of the leading executives of the company. They are held every Tuesday afternoon at four o'clock and usually run until six-thirty or seven. This is something that should have been done in the company long ago and I wanted to start it from the time I took on here, but with one thing or another and our many occupations we didn't do it. They have now been going for several months and the results of the meetings are already obvious in better coordination of the various departments of the company and in facilitating the solution of problems both pending and new.

The bids for the Patla tunnel are to be in on October 20. There will be about six or seven bidders, at least. The only American company that I am sure will bid is the Utah Construction Company, and they are good. Several good Mexican companies who have ample experience in tunnel construction are bidding. You know that the Soci t  Generale d'Entreprises is associated with a new company which has been formed here and in which I understand Larrea, an established firm here, and the Banco Nacional de M xico are interested. Of course they haven't any equipment here but they think they could get it here by the time they are obliged to start work under the contract which would have to be entered into. Most of their equipment would have to be brought from France. I am frankly not very keen about this firm getting the contract for a number of what I believe are good reasons. It is true that Sofina has a participation in the Soci t  Generale d'Entreprises and is naturally interested in the new company here in which Soci t  Generale d'Entreprises has a participation. On the other hand, in my opinion the principal interest of Sofina in Mexlight lies in two directions -- the consolidating of the position of Mexlight in the Mexican economy towards which we have done so much in the last few years and in the getting of dividends on the shares of Mexlight, and of course in the service fee which Sofina gets from Mexlight. The interest in the Patla contract is considerable and what I fear is that if this new firm in which the Soci t  Generale d'Entreprises is interested will get the contract, it will make the Mexican bidders very sore, as they have their equipment already here and ready to move onto the Patla site and can undoubtedly begin work earlier than the new firm. The fact that Sofina is interested in the Soci t  Generale d'Entreprises and therefore in the new company formed here is already known to a few people, and in case the new firm gets the contract it will be known to many more, and I am afraid that it would lead to the raising of old problems, which I believe is dangerous and unnecessary. I would have much preferred if the new company had not bid for this particular project, but I can't blame them for doing so. There will be those who will say that the new company was formed at the instigation of Sofina merely to get the contract for the Patla tunnel and for other work which Mexlight may do. Maryssael and I, however, have taken the position that this new firm has a right to bid and if they are the lowest and all around best bidder I do not see how we can avoid giving them the contract. One of the things

that

*Especially on the  
low bid, bidding has  
very been important  
here in the last  
few weeks.*

that bothers me is that if they do get the contract there are any number of ways by which these Mexican firms who wanted the contract and whose bid may have been just a little higher but who are in some ways better equipped and prepared to do the work, will make trouble for the new firm and they can do this in various ways. It is the easiest thing in the world for someone who wishes to make trouble for such a contracting firm to stir up the syndicates and labor groups, and not only may the costs of the contracting firm be increased but they may have serious delays in carrying through the job, and we are in many ways as much interested in the job being carried through on time and without trouble as we are in the cost of the work. Then, too, some of these Mexican contractors have close connections with the government or at least with certain government officials and there are ways in which difficulties could be put improperly in the way of a new firm which got a desirable contract.

We will see what we will see. So much will depend upon what the new firm will bid. One of the things that I fear is that they may not have the same experience in Mexico with this kind of work and they may submit a bid in good faith which is lower than it should be, and then the troubles will be as great for us as for the new firm.

I just thought I should give you these observations because I am always thinking of the long-range interest of Sofina and of Mexlight, as I am sure you are.

Things are going all right with the program. We naturally have all sorts of problems but these are to be expected in big construction jobs of this kind, but they are being ironed out. Le Paige is here and I am sure his stay will be very helpful.

Marion and I spent the weekend in the new house in Cuernavaca and the work is going along very rapidly. I am hoping that by the end of January everything that we are doing there will be finished. We could not be more satisfied with our purchase and with the new place. We can use it very comfortably while the new construction is going on. We are eager for you and Hettie to see it.

I had a letter from Donald a few days ago in which he mentioned that he had learned from Alley, with whom he apparently talked on the phone, that you have postponed your departure until the end of the month. I hope you are making satisfactory progress on the Barcelona matter. I wish I could be of help in that. I haven't heard anything further about the fuel situation of the CADE but just as soon as I get any material on which to work I will prepare the memorandum for the Eximbank and for the State Department which has been mentioned in previous letters.

This started out to be a very brief note and has grown into too long a letter already, but I did want to take this opportunity to chat with you. Marion joins in all good wishes.

Cordially and faithfully yours,

P. S. I do hope that Mrs. Jensen is getting on well and that Yvonne's mind can be more tranquil. Do give them our love.