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THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

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

DIRECCION TELEGRAFICA }
CABLE ADDRESS }

"MELIPOCO"
H-8004

2A. CALLE DE GANTE No. 20.

APARTADO POSTAL }
P. O. BOX } 124 BIS.

MEXICO T. D. F.

AIR MAIL

REC'D: DEC 29 1952						
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REPL: 12/29						
c/o E: Messersmith						

D.N. Heineman, Esq.,
Amitas
50 Broadway
New York 4, N.Y.

Purely personal and confidential.

Dear Dannie :

I have your personal and confidential note of December 16 referring to a personal and confidential letter I wrote under date of November 26 to Mr. Graydon about the possibility of the First Boston Corporation and perhaps also Ed Love in conjunction with them, making a short study and expressing an opinion on the return which we have asked for in our application as adequate to meet the situation for future financing. I have noted with interest what you say. I am glad to know you think so well of Ed Love.

I do not think we can eliminate the First Boston Corporation from this matter. It would be unwise from many points of view. It will be a very difficult matter for us to get the rate of return we have asked for, and half-way measures will not solve the problem, and it is a problem which has to be solved. I anticipate that the next three months will be exceedingly difficult ones for us in the Company because we have so difficult a job of convincing to do. I somehow feel that we will succeed, but it would be unrealistic not to take into account that it is going to be exceedingly difficult. If it were a question of just succeeding in getting some half-way solution, that would still be difficult, but much less so. The circumstances however are such that it has to be an altogether adequate solution.

I am doing a great deal of thinking about this and we are doing some very careful planning in the Company as to the approaches to the matter. It will not be our fault if we do not succeed. There are any number of reasons why it would be difficult to take up this matter with the First Boston Corporation and with Ed Love in a concrete way by correspondence, and much as I dislike the idea of a trip, I am thinking of making a trip north for a few days between January 12 and 20 in order to talk with the First Boston and with Ed Love. If we are going to do anything in that connection, we would want them to get started by the end of January, and it would not really take them more than a little time here to

1131
D.N.Heineman, Esq.,
New York, N.Y.

December 23, 1952
Page 2.

reach their conclusions. I am examining the situation here to see whether I can get away, and I will keep you informed. In the meantime, of course, I would appreciate your not saying anything to either the First Boston or to Ed Love or anyone else.

We have of course seen the alignment charts prepared by Mr. Kraitchik. You will appreciate that whatever value any of these things done by us in the Company or in Sofina, may have to the Company, whatever opinion we use to reinforce the opinion of Mexlight, has to come from an outside and disinterested party. Sofina, as the principal stockholder in the Company and therefore so interested in it, could not be used in this connection.

With reference to the postscript in your letter concerning John Snyder, Lovett etc., I think this is something we can talk over when I see you. I have no idea as to what the plans of Snyder are, and I wonder whether he knows anything definite himself. It is something which would have to be carefully considered. We can talk this over when I see you.

When Brosens was here, he said something about the possibility of returning to Brussels from Buenos Aires via New York, and passing through New York around January 15. I have told him that there was a possibility of my having to make a trip north for just a few days, and that we might be able to see each other there as well as talk over various matters with you that might be of interest. I cannot make any plans as to whether I will be able to make this trip now. I will know early in January and I will keep you and of course Brosens informed.

I am hoping to spend a number of days in Cuernavaca during the holidays, and if I can possibly get away, I shall do so late tonight. We have a talk with the new director of Nacional Financiera in the early evening, and in the late evening with the new Minister of Economy, but I am hoping to get through by about 10.30 p.m. and go down. I can come up during the holidays any time I am needed for a day, as on the new road it takes me only about an hour and ten minutes from the house in Cuernavaca to the house in Mexico City.

I hope that you and the family have had a very happy Christmas and I need not tell you how much Marion and I hope that the new year will be filled with a very full measure of all good things for you all.

Marion joins me in love to you and Hetty and Edna and Yvonne and to the children.

Cordially and faithfully yours,


George S. Messersmith.

GSM/go