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Forma 291-S. M.L.F.

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November 28, 1952

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FILE: <i>Hessersmith</i>							

Purely Personal and Confidential

Dear Dannie:

I think you know John Wiley, who is now Ambassador to Panama. I have had several letters from him asking my counsel and some information in a matter which he has to deal with in the Embassy there. The American and Foreign subsidiary in Panama seems to be having some trouble. As a matter of fact, I am sure you know that the American and Foreign subsidiary troubles are not confined to Argentina, but they seem to be in trouble all over Latin America where their interests are so widely spread. These troubles are an excellent example of how a company can make trouble for itself. While there is no doubt that the American and Foreign, by the way it has tried to run these subsidiaries, has caused a good deal of its own troubles, there is of course also no doubt that they have not been getting the proper treatment from governments. This situation has existed for a number of years and it has been growing steadily worse. You know that I have the definite conviction growing out of first hand knowledge that American and Foreign has not handled its problems in Latin America very well in any number of ways, and I think it is increasingly apparent that the greater problems, as well as the greater number of problems, have arisen out of the American and Foreign trying to run these companies in these countries arbitrarily from New York and giving the local management little authority and paying little attention to the recommendations of local management.

In any event, the situation is serious because I don't know of a single country in Latin America in which the American and Foreign subsidiaries are not in one form of trouble or another. This is the reason why I have paid so much attention to the inquiries which I have received from Wiley in Panama, who is trying to straighten out the situation there, and I have

D. N. Heineman, Esq.,
Amitas,
Suite 1700, 50 Broadway,
New York 4, N. Y.

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Mr. Heineman

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given him background which I have thought would be helpful. This letter to Wiley will be considered by him as purely a personal and confidential letter and will not be for his official files in Panama, and I would appreciate your considering this letter as entirely personal and for your own background and not for distribution. I am enclosing an extra copy of the letter which I would appreciate your giving to Brosens when he arrives in New York on his way to Mexico, but I would be particularly appreciative if you would ask Brosens to consider this letter as an entirely personal and confidential one and for his background only.

Remis NY.
Jan. 53

With all good wishes,

Cordially and faithfully yours,



GSM/cbc

Enclosures