

492 H.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

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

AIR MAIL

DIRECCION TELEGRAFICA } "MELIPOCO"  
CABLE ADDRESS }

2A. CALLE DE GANTE No. 20.

APARTADO POSTAL } 124 BIS  
P. O. BOX }

H. 3104

MEXICO, D. F. November 7, 1948.

REC'D NOV 10 1948					
<del>M</del>	Sp	Eh	Wm	VI	YJ
Em	Vdm	Vh	Sm	Clm	Sh
Col	Ge	Io		Bh	B
Th	Hul	Lv	Ad	Clk	
REPI: 4/2. Messermitz					

*Yours truly  
Dannie*

Dear Dannie:

I have been wanting to write you ever since I returned, but these last two weeks have been hectic ones indeed. I have wanted more than once to call you on the phone but for some reason or other I don't like long distance conversations except when they are unavoidable. I wanted very much to go north while Brosens was there as I would have so much enjoyed talking with both of you and I would have done it in spite of my occupations here had it not been that Marion was not feeling too well.

On my return on October 22 I found that she had not been feeling very well while I was gone and I never saw her so happy to see me back as she was this time. She is feeling very much better now.

Jimmy and June are both well. Jimmy's attack of lumbago which I mentioned over the telephone was apparently very short-lived. He told me yesterday as we came back from the office that he might be able to sign a lease for a house before the day was out. I am hoping that they may be able to find a comfortable house because I think they will be happier in a house than in an apartment, even though their present apartment is a pleasant one and well located.

I am not going to go into detail about business, as I am sure that Lorie has informed you fully of developments in the last weeks. Last Monday and Tuesday were holidays here and I spent them here at the house but hanging onto the telephone most of the two days with Washington. They were rather bad days, for all sorts of difficulties seem to arise which were utterly useless and which seemed to me not understandable, but I think they were the last gasps of some of those in the World Bank who don't seem to be able to make a decision with regard to any kind of a loan, although that is their business. It was most helpful to have Lorie in Washington and he did a good job while he was there. It is a very fortunate thing that we have him, for he is intelligent, quick and understanding and he has an excellent memory and a power of coordination which is above average. He is a very useful servant of the companies.

I was ready to go north if it was necessary and I called McCloy to tell him that, but I gathered from his conversation that it would not be necessary and he said that if I was needed he would let me know. I could tell from his conversation that he was determined to carry this matter through.

As I

D. N. Heineman, Esquire,  
Hotel Carlisle,  
76th and Madison,  
New York, N. Y.

As I said before, I will not go into any details about business because Loris has kept you informed of the developments, particularly this last week. As it now stands, the drafts of the loan contracts which the World Bank is preparing should be sent down here to Carrillo, of the Nacional Financiera, on Wednesday of next week. These loan contracts are very stiff documents and are really too exigent so far as the guarantees of the government are concerned, but they seem to be the standard practice of the World Bank and there is no way out of it and this is the way I think the Mexican Government looks at it. There is no doubt, however, that if it were not that these new plants of the company and of the Power Commission were not absolutely indispensable, and that there is no other way to get the money, that they would not agree to some of these really extraordinary conditions in the loan contracts, one of which is that in guaranteeing our loan the Mexican Government agrees that it will not contract any other loan of any kind in the exterior without consultation with and agreement of the bank. I do not anticipate too great trouble with regard to the loan contracts because the Mexican Government has been familiar for some time with the principal provisions of the contract. On the other hand, when some of the Ministers here who have to give their agreement to these guarantees, etc. see the full document it will undoubtedly be very difficult for them to swallow but I believe they will do it.

As it now looks we should be able to finish up the loan contracts by December 1 or at least very soon thereafter.

While the negotiation of this credit has been a long and difficult process and as difficult a task as I have ever tried to carry through, I am in many ways not unhappy that it has taken so long. Without going into detail, I think it is not too much to say that during this negotiation the Mexican Government has learned that there must be adequate treatment of the private companies and they are prepared now to give it. This does not mean that we are not going to have a continual struggle, but certainly from some of the letters that I have written recently and of which I have sent you copies it is obvious that some very definite and exceedingly important decisions of policy have been taken here which are promising for the company.

I will make a trip north as soon as the circumstances make it necessary. I do not know where the loan contracts will actually be signed but the probabilities are that the bank will wish them signed in Washington.

I gather that Brosens will be returning from Brussels to the Argentine around the middle of December and will not be returning to New York, so that I will not have an opportunity of seeing him. I am sure that it must have been very satisfying to you to have these talks with him and I hope that things are progressing satisfactorily.

I have not had any further information concerning developments with regard to the visit of Maroglio and the work which he and Hecht have been trying to do, but I believe that one of the effects of the election may be to facilitate these commercial and financial arrangements with the Argentine. I will be in touch with Hecht in the next week and if there is any information of interest I will let you know.

The result

The result of the election was astounding. I do not think I have ever been so surprised in my life. I do not know one Democrat who knew what was going on or who thought he knew what was going on who had any hope of their winning. In spite of the gallant struggle which President Truman made, and there is no gainsaying that he did make a gallant struggle, I do not believe that he had any hope of winning. I do not think his friends thought there was any hope. Everybody is trying to explain what happened, but the long and short of it seems to be that the farmers knew what they had and were not going to take any chances with a change and an overwhelming majority of the industrial workers knew what they had and were not going to take any chances. There will be a lot of reproach that the Republicans were too certain of victory but I do not think this is well-founded, for so far as I could see they did not show that too great confidence. While I am not particularly interested in what Walter Lippman writes, I think his article the day after the election was a good one and he credits the result of the election to the adherence of the masses to the Roosevelt tradition.

What I am hoping is that the President will get rid of some of his advisors who have been leading him astray and that he will not indulge in any vengeance. He is a very human person and has all the weaknesses of a human being, but I am hoping that the small-town virtues which he has will be controlling and if they are things will not be too bad. He is going to lose some of his best collaborators and it will be interesting and significant to see whom he will bring in. It is a case of hoping for the best.

I know that you and Hettie and Edna are missing May very much and all we can do is to hope that she will be happy in her new life and surroundings.

This is a very rambling note but I did want to get a word off to you this morning.

Marion joins me in love and good wishes to you and Hettie *Edna + you*

Cordially and faithfully yours,

*George*