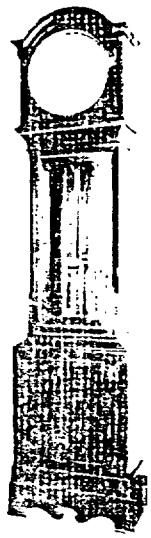
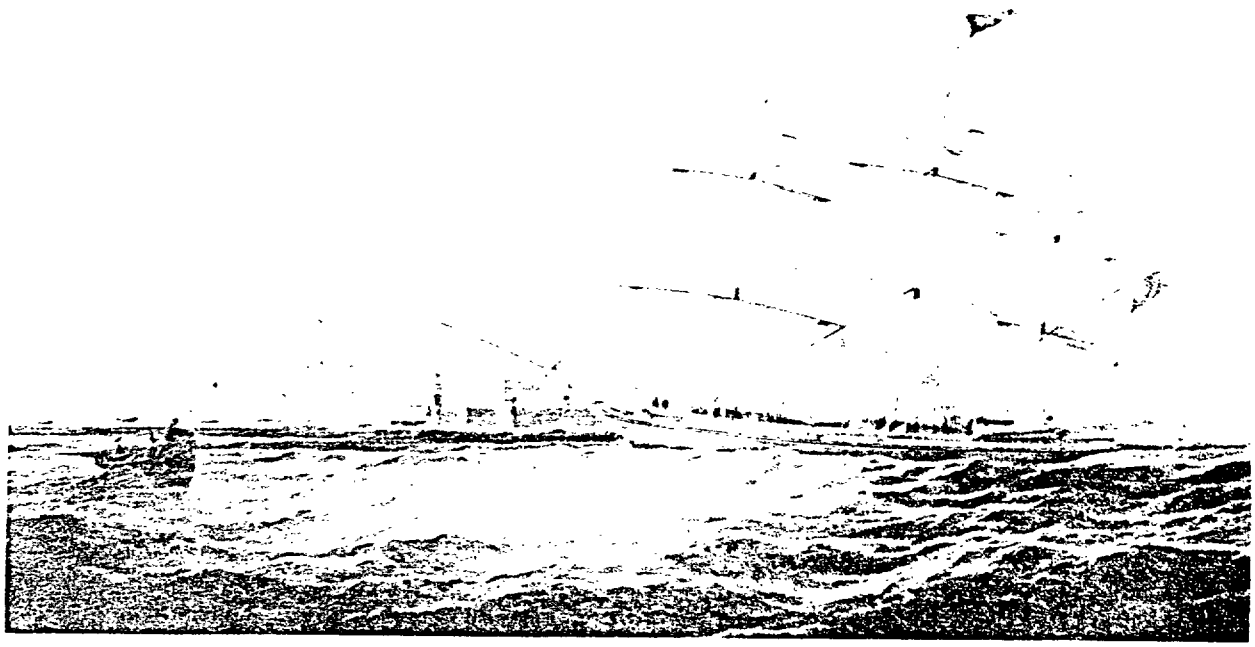
PLAINTIFF'S EXHIBIT
UC-471

1824  1974

Watson Phillips y Cia. Sucs., S. A.



THE "RAFAEL" AND THE "BERAZA"

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THOMAS PHILLIPS
1800 - 1875



JAMES LYON GEAVES
FOUNDER

1824 1974

ONE HUNDRED AND FIFTY YEARS OF BUSINESS IN MEXICO OF

WATSON, PHILLIPS & CO. SUCS, S. A.

IMPORTERS – EXPORTERS – MANUFACTURERS

San Francisco Cuautlalpan 101 - 103
Naucalpan de Juárez, Edo. de México

Union Carbide trial exhibit UC-471: Watson, Phillips y Cia. Sucs., S.A.: One Hundred and Fifty Years of Business in... Published by AsbestosClaims.Law
ACL Doc 15714 · Page 4 of 26 asbestosclaims.law/library/15714/4

WATSON PHILLIPS & CO., SUCS., S.A.

The Firm was Founded by

JAMES LYON GEAVES, Esq.,

in partnership with RICHARD EXTER, Esq.

of

LONDON, MEXICO AND BUENOS AIRES

In the Year 1824.

1824 to 1829	Exter, Geaves & Co.
1830 to 1855	McCalmont, Geaves & Co.
1856 to 1867	Graham, Geaves & Co.
1868 to 1872	Graham, Watson & Co.
1873 to 1875	Graham, Phillips & Co.
1876 to 1889	Watson, Phillips & Co.
1889 to 1945	Watson, Phillips & Co., Sucrs., S. en C.
1946	Watson, Phillips & Co., Sucrs., S.A.

Partners 1824 to 1946

Richard Exter	1824 to 1829
James Lyon Geaves	1824 to 1867
Richard Geaves	1841 to 1867
Robert McCalmont	1830 to 1857
Hugh McCalmont	1830 to 1857
James Lyall	1830 to 1865
James Graham	1858 to 1875
Robert Brown Watson	1868 to 1889
Charles O. Phillips	1873 to 1896
John Hill	1873 to 1889
Charles J. Stewart	1885 to 1893
Thomas R. Phillips	1893 to 1936
James Phillips	1897 to 1912
Edwin Brook	1926 to 1946
C.H.E. Phillips	1926 to 1946

Presidents 1946 to 1974

C. H. E. Phillips	1946 to 1960
Walter B. Irvine	1960 to 1971
D. Kenneth Morgan	1971 to

Managing Directors 1946 to 1974

C. H. E. Phillips	1946 to 1960
Walter B. Irvine	1960 to 1971
Robert D. Young	1972

Board of Directors 1974

D. Kenneth Morgan – President.
Ignacio Galindo G. – Secretary.

Robert D. Young
Andrew W. Irvine
Charles G. Paterson
Shelby W. Darbishire – Auditor
Mario Velázquez C. – Auditor

The firm was founded by James Lyon Geaves in partnership with Richard Exter in the year 1824, with offices in London, Mexico City, Veracruz and Buenos Aires.

It was shortly before this date that Thomas Phillips, whose descendants were later to become partners in the firm, landed in Veracruz. It is believed that this was in the year 1820, and legend has it that, as he entered the offices of a firm on the harbor front, he was greeted by a cannon ball which had been fired from the Fort of San Juan de Ulua, in the bay of Veracruz, which was still occupied by the Spaniards! In 1821, the independence of Mexico from Spain was declared. Thomas Phillips represented Roskell & Son of Liverpool (later Hunt and Roskell, now J.W. Benson & Co. of Bond Street London). He came out to Mexico to sell their jewelry and clocks, many of which are still to be seen in Mexico.

In 1829, Richard Exter retired from the firm, which then became known as McCalmont, Geaves & Co. the partners being Robert McCalmont, Hugh McCalmont, Richard Geaves, James Lyon Geaves and James Lyall. The McCalmonts' belonged to the London firm of McCalmont Brothers and Partners. Some of our early deeds show that the London house got a large share of the profits, while the working partners had to use their share to put up the local capital. Any capital, put up either by London or the working partners, first bore interest at 5 per cent per annum. The partners in Mexico received an

allowance or salary of $4,000 (Dollars) per year for living expenses. The Company was given an allowance of $5,000 per year to cover the cost of rent, employees' salaries, and general offices expenses: and if this sum were exceeded, the resident partners had to cover the excess from their share of the profits.

In these early days, and, in fact, until the turn of the century, it was the custom for partners in the business to live in the upper part of the office building. An interesting description of the Veracruz office, and of Veracruz of that time, is contained in a book written by William Parish Robertson entitled *A Visit to Mexico*, from which the following extract is taken:

"Veracruz, 1849, February 20/21

On the day following the packet's sailing, we made the acquaintance of Mr. L-(Ledward), partner, in the house of M'C-, G-, and Co., and a principal personage in the port. He had been unwell since the day of our arrival; but he dined with us on the 16th, and afterwards, with the addition of Mr. H-(Howie), we all proceeded to occupy Mr. J-'s box at the theatre. The comedia was in the usual style, tiresome enough; but we had some Spanish boleros which somewhat enlivened the entertainment.

"This arranged, we went to Mr. L-'s (Ledward) to dinner, on Saturday; and such a mercantile residence as his, for form and size, I do not think you ever saw in

England: and indeed I scarcely think there is the same kind of house, in Europe. It contains, under one roof counting-houses, warehouses, vaults, servants' offices and rooms, drawing rooms (three or four), antechambers, dining-rooms, breakfast-room, bed-rooms, corridors, balconies, all, including the open courts, on a gigantic scale, and of course, occupying, as a whole an immense area. The corridor, on the first floor, cannot be less than one hundred and fifty to two hundred feet in length, the drawing-rooms are of magnificent proportions: and the other rooms are in handsome keeping.

Mr. L-(Ledward), having only just got into this commercial palace, is fitting it up with every convenience, comfort and elegance. Of the larger reception rooms, only the dining-room was finished: and we sat down at four to a recherché dinner. The cuisine, I assure you, is in Veracruz excellent: while the well-cooled wines are of the best. So, when we rose at seven from dessert, I could not help saying to myself: 'Greatly, O Vera Cruz, art thou belied'."

The Mr. L- and Mr. H- mentioned in that extract are Mr. Ledward and Mr. Howie, the Veracruz partners at that time.

The principal business of the Company up to 1890 was the import of Manchester goods (cotton and linen materials) and hardware, and the export of Mexican silver dollars, bul-

lion, and cochineal, the insect dye which was much sought after in those days. Mercury, although obtained locally, was also imported on a large scale for the old "Patio" process in the mines.

Travel in the early days was either by "litera" (a sort of swinging chair slung between two bearers) or, later, by mule, horse, or "diligencia" (stagecoach). All goods were carried by "conductas" (mule trains).

A notable character at this time was Rafael Beraza, who was the British Legation Courier for a great many years, and who used to accompany all the "conductas" of bullion from the interior to Veracruz, and took up to Mexico all the Packet correspondence, etc. About 1846, two vessels were built for the trade between Liverpool and Veracruz by Joseph Cunard to the design of William Rennie. An engraving and a painting of these vessels hang in the offices of the firm, the engraving being dedicated to the Merchants of Mexico. These vessels were named the "Rafael" and the "Beraza" after the Legation Courier. It is interesting to note that the trip from Liverpool to Veracruz was made by these ships in a period of about six weeks, which is not very different from the time now taken by vessels making the run.

Another interesting feature of communications at that time was the form of postage to Great Britain. Shortly after diplomatic relations were established with Mexico in 1825, a British Postal Agency was set up in the British

Consulate in Veracruz. There were various changes in the postal arrangements over the years, and according to popular belief, Mr. Ledward, the Acting British Consul and partner of the Company, actually issued British postal stamps. Subsequent investigation has not borne out this fact, however.

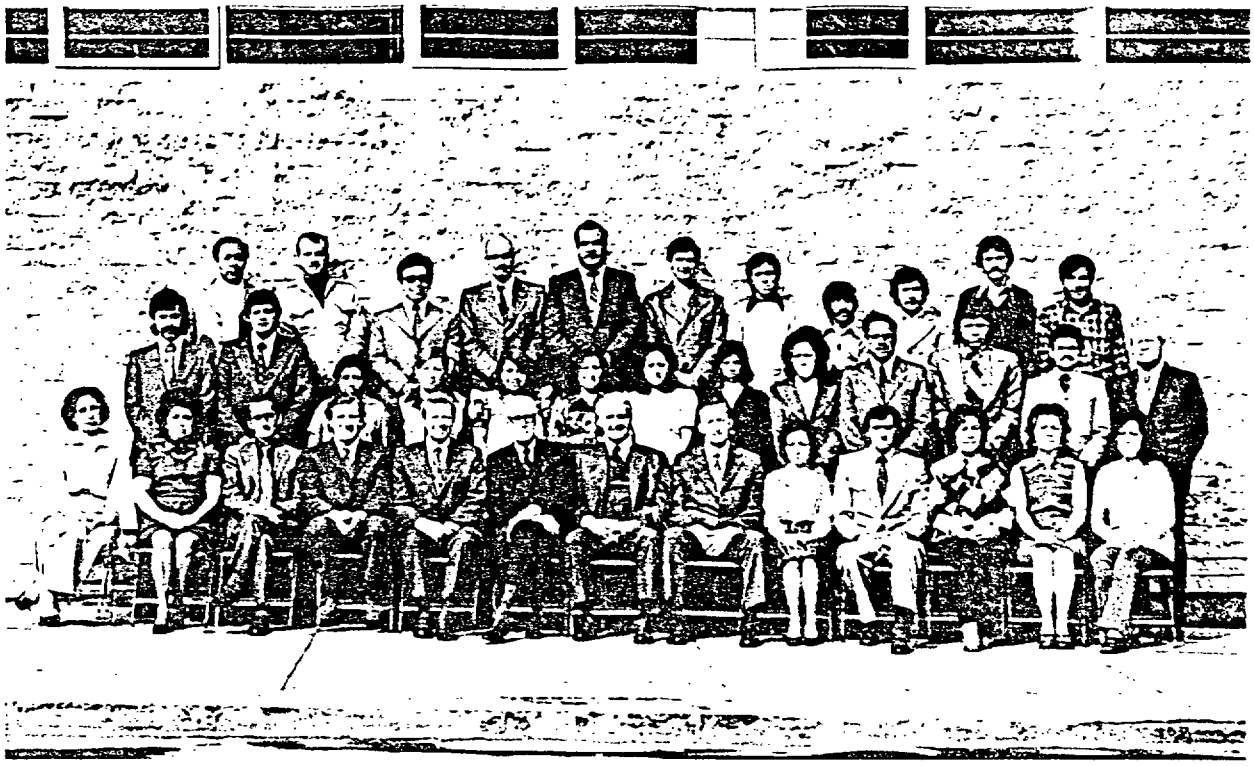
In 1856, the McCalmont brothers retired from the firm, which then became known as Graham, Geaves & Company. This firm continued until 1867, when Robert Brown Watson entered into the partnership, and the firm became Graham, Watson & Co., until 1872. At this time, there were offices of the parent firm in Glasgow, Liverpool and London.

In 1873, Charles O. Phillips, the son of Thomas Phillips, previously mentioned, was made a partner, and the firm became known as Graham, Phillips & Company. In the early partnerships of the firm the main financing was done by the house in England by means of credits and consignment accounts, while the Mexican partners furnished the work and a certain amount of capital. This went on until 1889, when the firm became a "S. en C.", that is, a limited partnership. In this case, the liabilities of the silent partners (female members of the Phillips family) were limited to their capital, and the active partners' liability was unlimited. In 1893, Thomas R. Phillips, son of C.O.Phillips, became a partner, and in 1897, his brother, James Phillips, joined the firm.

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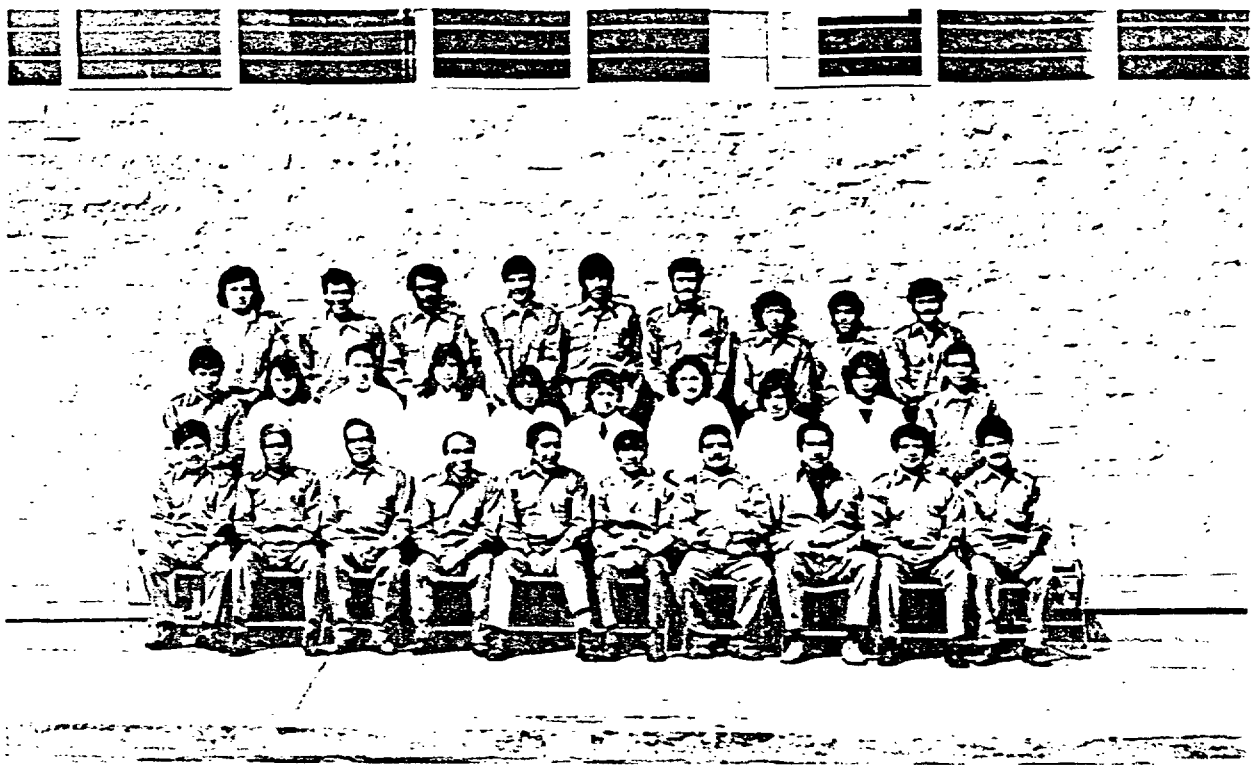


1924
OFFICERS AND STAFF - 100 YEARS
FRONT ROW, (LEFT TO RIGHT) THOMAS OGDEN, EDWIN BROOK, THOMAS R PHILLIPS, C. H. E. PHILLIPS, FELIPE TORRES



1974
OFFICERS AND STAFF - 150 YEARS

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1949
OFFICERS AND STAFF - 125 YEARS

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The office in Veracruz was known as Graham, Barrow & Company, in 1875, when it was closed. In 1948, the firm again opened an office in Veracruz, for the primary purpose of representing Lloyd's and the Board of Underwriters of New York, the local Manager being James V. Papworth. Apart from being a renewal of the firm's association with Veracruz, it was also a renewal of Lloyd's Agency at the port, as this was held by the firm from 1851 to 1875, and again from 1948 until 1974, when arrangements were made to transfer the Agency to Mr. Andres Castro who had managed the Veracruz office since James V. Papworth moved to Mexico City in 1954. In Mexico City, Lloyd's Agency has been in our name since 1905. The Mexico City office became Watson, Phillips & Company in 1876, until 1899, when Robert Brown Watson died. The firm then continued to carry the name of Mr. Watson, and became Watson Phillips y Co., Sucrs. S. en C., until 1945.

In covering this period, mention should be made of Arthur Drew, who entered the firm in 1912, and who, although not a partner, was left in sole charge of the business from 1914 to 1919, during the absence of T.R. Phillips on War service in England. In 1920, a reorganization of the firm was made, and Arthur Drew was to have been made a partner, but unfortunately, he died of typhoid fever before the partnership deeds were drawn up. In 1926 Edwin Brook, who had been with the

firm in the Insurance Department since 1918, was made a partner, as was also T.R. Phillips' son, C.H.E. Phillips, who had joined the firm in 1920.

During the 1939/45 War, C.H.E. Phillips was absent on War service, and it is remarkable to note a coincidence between the services of father and son, in that T.R. Phillips served the duration of the first war in the Ministry of Munitions in charge of the purchase of wolfram and molybdenum; whilst C.H.E. Phillips, after a short period with the forces from 1939 to 1941, entered the service of the United Kingdom Commercial Corporation, and was, for almost all the rest of the war, connected with Economic Warfare Activities in Spain and Portugal, which included the preemptive purchase of wolfram in those countries.

In 1946, upon the retirement of Edwin Brook, the firm was again reorganized, but this time as a *Sociedad Anónima* (Limited Company). S.H.E. Cocks, who had been with the firm since 1934, was made a Director, as was W. B. Irvine who entered the firm in 1946.

During the many years of the firm's life, the commercial side of the business varied considerably. From 1900 to date, the principal activity has been that of importing, although at various times, exports were also undertaken. Imports in the early days were mainly textile machinery, steel, belting, and bicycles. These last were given up in about

1910 but, since 1945, bicycles have represented an important part of the business of the firm which now holds a licence from Raleigh Industries of England for the manufacture and sale of their line, in Mexico.

In recent years the product line has changed frequently, keeping pace with the rapid industrialization of Mexico. Through imports, the firm developed a market for companies such as Phillips Lamp of Holland and Hercules Powder Co. of the U.S.A., before they established their own facilities in Mexico. A long involvement with the wines and spirits industry ended recently when representations of Williams & Humbert of Jerez, Spain and Arthur Bell & Co. of Scotland were relinquished. Many other long-standing representations, such as those of W.R. Grace & Co., Davison Chemical Division and Dunlop Rubber Co. of England, continue to this day. While imports of some specialized products continue to be made from T.J. Smith & Nephew in England, their line of plaster of paris bandages is now manufactured under licence in Mexico, by the firm. This trend to manufacture and away from importation will probably bear heavily in planning for the future.

From about 1850 until the early 1930's, the firm also represented a number of British banks, including Coutts & Co. in 1863, and the London & Westminster Bank (now National Westminster), Drummond & Co., Child & Co., The Bank of Australasia, and various others. It also acted for the House of Roths-

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child after their direct representative, Nathaniel Davidson, left the country in 1864 with the fall of Maximilian. An interesting item of this period was the sale in 1879 on behalf of N.M. Rothschild & Co., to J.H. Robertson & Co. (then known as the Ferrería de San Rafael), who immediately sold the property to Ahedo & Co., who formed the company which is today known as Fábricas de Papel de San Rafael y Anexas, S.A.

One of the principal activities from 1892 to 1936 was insurance, although the first trace of this is a policy of the London & Lancashire signed by C.O. Phillips, as Agent, in 1875. The Mexico City office has been Lloyd's Agents since 1905. The firm represented as General Agents during the first mentioned period, the Lancashire Insurance Company, Royal Exchange Assurance Corporation, Alliance Assurance Company, National Fire Insurance Company of Hartford, Tokio Marine & Fire Insurance Company, British America Insurance Company, and La Foncière of Paris. This part of the business was closed in 1936, when all the foreign insurance companies operating in Mexico retired from the field. The insurance portfolio was then transferred to "El Mundo", S.A., a Mexican Insurance Company, and control of this company was bought by the partners of the firm in 1938. This Company continued operating as a healthy and growing insurance business until sold to Seguros La Comercial, S.A., in 1961. It was decided, at that time, to separate the

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insurance brokerage department from Watson Phillips & Co., forming a new and entirely distinct brokerage firm by the name of Phillips & Asociados, in 1962. This business was managed from 1962 until his death in 1967 by J. M. Adams, and it has since been carried on with increasing success by D. Kenneth Morgan (a nephew of C. H.E. Phillips), in partnership with Shelby Darbishire, Desiderio Jiménez Iglesias who retired in 1973, Guillermo Aguilar, Jaime Saborío & Alejandro González Baez.

There are still in the firm's keeping all the Account Books from 1824 to date, and also many interesting books containing letters which passed between the Mexico partners and their English houses, from the year 1828 onwards. These books and letters reveal interesting comments upon the history of Mexico, and conditions in this country during all those years; an interesting entry in Richard Exter's letter book of the 26th May, 1828, refers to the arrival of General Wavell, believed to be the grandfather of Field Marshal Sir Archibald Wavell, who commanded British troops in Egypt during the 1939/45 War, and who was later Viceroy of India. General Wavell travelled to Mexico in connection with the purchase of a sugar estate.

The history of the firm is also closely linked with that of Mexico and of the British Colony in Mexico. References are made in correspondence to such historical figures as Iturbide, Santa Ana, Hidalgo, Morelos, Ma-

ximiliano, Juárez and Díaz. The annexation of Texas is commented upon, and the state of the country, during the various uprisings, directly affects the progress of mining and other business in the interior, and interferes with the passage of "conductas" bearing minerals and bullion to the coast for export. There were several other British firms operating in those times, and there is much reference to the expulsion from Mexico, in 1856, of Messrs. Barron & Forbes, of the firm of that name in Tepic, for suspected political activity in a revolution that year. Relations between England and Mexico were broken off for this cause at that time, and other British merchants were placed in a difficult position. Needless to say, the firm has never been involved in any political activity; on the contrary, it has always endeavored to identify itself with the country, and to maintain its laws. It can truly be said that, all active partners of the firm since 1873 died in Mexico, and most were born here. Pride can be taken in the fact that, unlike many others of the present day, the endeavour has always been to spend in Mexico the money made in Mexico, and to live in the country that has been so hospitable.

As early as 1828, there was a British Circulating Library, and, at this time, the principal British merchants were members of a Club called "La Lonja". This condition continued until 1867 when the social activities of the foreign colony were suspended due to all di-

plomatic relations being broken off. The books belonging to the Circulating Library were placed in the hands of a Committee, which continued to change books for members at Calle Profesa 6, which was the residence of M. C. O. Phillips. A room was also placed at the disposal of the British Colony in this house, and the nucleus of a Club was based there until 1883, when the Albion Club was formed. In 1899 this became the British Club which catered to British residents and their friends until closing in 1970.

C.O. Phillips was one of the founding members of the Albion Club, and he was also Treasurer of the fund for the building of Christ Church. T.R. Phillips was one of the founders of the Reforma Athletic Club which intr[illegible]ed tennis and football to Mexico, which two sports are now very widely played by excellent players.

During the lifetime of the Company, it has occupied only five office premises in Mexico City. The original office was in Calle Seminario, near the Cathedral, until 1873. From 1873 to 1936, the firm was in an old Spanish building in Avenida Uruguay 103 (originally Don Juan Manuel 10, and later Calle San Agustín). In 1936, on being forced to leave the premises in Avenida Uruguay, it was thought that the firm should move into more up-to-date premises, and a floor was taken in a modern office building in San Juan de Letrán 37. This meant that separate premises had to be found for warehouses, and "El

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Mundo" was in another office building in a different part of town. It was soon found that this was not in the least satisfactory so, in 1938, a move was made to what was then a residential district, and the home of Mrs. C.O. Phillips, Dinamarca 55, was taken, where there was room for warehouses and for "El Mundo". Although this was considered by some to be a revolutionary move at the time, the subsequent movement of business to the area has made it one of the leading commercial zones of the city and the now famous Zona Rosa shopping center.

In 1969, it was again found that the location was too expensive for warehouses, of which there were now three in various parts of the city. It was decided to bring everything under one roof again, and in 1970 the firm moved to very spacious premises on the outskirts of the city, Calle San Francisco Cuautlalpan No. 101-103, Naucalpan de Juárez, in the adjoining State of Mexico.

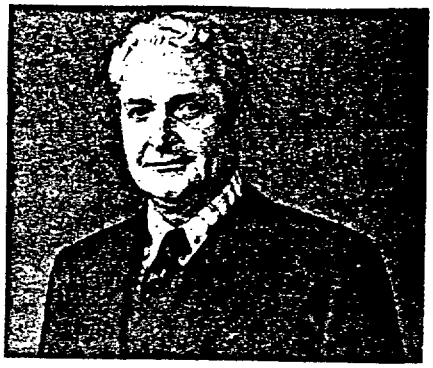
Mexico is in an enviable position with regards to many countries, in facing the economic problem of the world today. Watson Phillips, with the accumulated knowledge of 150 years of trading to back the efforts of its experienced staff, led by Robert D. Young, looks to the future with confidence and enthusiasm.



D. K. MORGAN



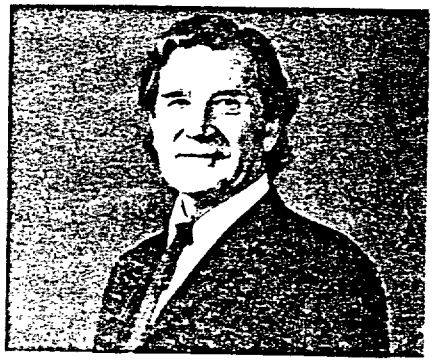
C.H.E. PHILLIPS, O B E



ROBERT D. YOUNG
GENERAL MANAGER



G. A. E. BAXTER
FINANCIAL MANAGER



JAMES V. PAPWORTH
MANAGER - LLOYD'S AGENCY



MANUEL LOIS
SALES MANAGER - BICYCLES

LA CAMARA NACIONAL DE COMERCIO DE LA CIUDAD DE MEXICO

en ocasión del 1er. Centenario de su fundación
otorga el presente



Diploma

a Watson Phillips y Cia., Sucs. S.A.

en reconocimiento a sus 150 años dedicados a la actividad mercantil.

México, D. F., noviembre 29 de 1974.

Javier Martínez Peña
Presidente

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