Burns, Arthur-Fed. Reserve, 12/77

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~~CONFIDENTIAL~~

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN HJ

RE: CALLS REGARDING THE FEDERAL RESERVE CHAIRMAN

Using a group of people, we have made the following calls today in order to gain good support for and reaction from the business and political community to the announcement about Bill Miller.

Business Community - Mike Blumenthal, Juanita Kreps, Reg Jones and Irving Shapiro

Banking Community - Mike Blumenthal and Bert Lance

Economists - Schultz

Congressional Leaders - Vice-President and Frank Moore's staff

Labor Leaders - Landon Butler

Democratic Party Leaders - Ken Curtis and John White

Blacks - Landon Butler

Business Organizations - Steve Selig

Cabinet Members - Jane Frank

Governors and Mayors - Jane Frank

All total, we will make over two hundred calls in advance of or simultaneous with your announcement.

BLUMENTHAL

Tom Murphy
General Motors Corporation
313/556-3517

Henry Ford, II
Ford Motor Company
313/322-3000

John Riccardo
Chrysler Corporation
313/956-3113

Ellmore Patterson
Morgan Guaranty Trust Company of New York
212/483-2323

William Batten
New York Stock Exchange
212/623-3000

Robert J. Birnbaum
American Stock Exchange
212/938-6000

Felix Rohatyn

George Schutz
415/768-1234

Bill Simon
(former Secretary of Treasury)
212/697-1900

Henry Fowler
212/676-8322

SHAPIRO

Walter Wriston
Citibank
212/559-1000

Krome George
Aluminum Company of America
412/553-3363

Rawleigh Warner
Mobil Oil Corporation
212/883-4242

Edgar Speer
United States Stell Corporation
412/433-1121

Frank T. Carey
IBM
914/765-1900

Arthur Wood
Sears, Roebuck and Company
312/875-2500

John D. Harper
Aluminum Company of America
412/553-2358

William Sneath
Union Carbide Corporation
212/551-6448

Howard J. Morgens
Procter & Gamble Company
513/562-3701

JONES

John D. deButts
American Telephone & Telegraph Company
212/393-4800

Lewis W. Foy
Bethlehem Steel Corporation
215/694-

Fletcher Byrom
Koppers Company, Inc
412/391-3000

David Packard
Hewlett-Packard Company
415/493-1501

Richard Riley
The Firestone Tire & Rubber Company
216/379-7000

George A. Stinson
National Steel Corporation
412/471-5600

Don Reagan
Merrill, Lynch, Pierce, Fenner
212/766-1212

John Weinberg
Goldman Sachs & Company
212/676-8300

Ralph Lazarus
Federated Department Stores, Inc
513-882-3000

BERT LANCE

Paul Austin
Coca-Cola
404/897-2547

A.W.Clausen
Bank of America
415/622-3456

Gabriel Hauge
Manufacturers of Hanover Trust
212/350-3300

Bob Abboud
First National of Chicago
312/732-4000

Dick Kattel
C & S National - Atlanta
404/

BUTLER

Vernon Jordan
National Urban League
212/644-6511

Ben Hooks
NAACP
212/245-2100

Rev. Leon Sullivan

Coretta King

Sandy Trowbridge
Allied Chemical
212/391-5000

PERSONAL AND CONFIDENTIAL

11/77

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN HJ.

RE: FEDERAL RESERVE APPOINTMENT(S)

You asked me Friday to give you some information on the options we have regarding the Federal Reserve appointments.

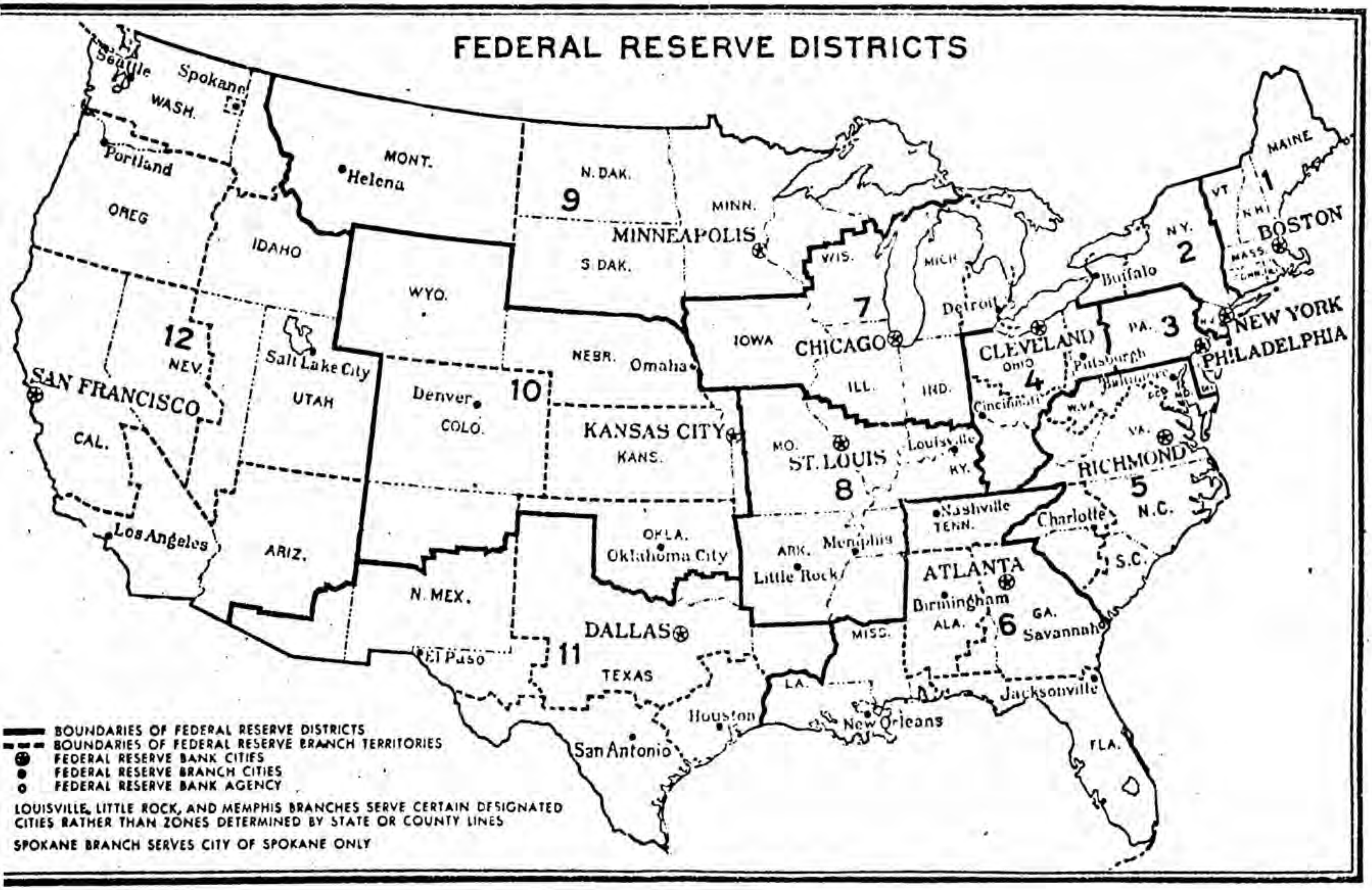
As you can see from the attached sheets, your options are very limited. If you decided not to replace Dr. Burns, you would have a little flexibility. If he decided to continue as a Board member and not as Chairman, you would have very little flexibility in selecting another Chairman.

If Dr. Burns continued as a Board member, you would have to select a person for Chairman who is:

- -Someone from the Board
- -Someone from an area of the country not presently represented on the Board. This means that if you decided to replace the person from the 9th District whose position is vacant as of January, 1978, you would have to select someone from the 4th, 7th, 8th, 9th 10th or 12th districts as are indicated on the attached map in yellow. This would preclude consideration of persons from the Northeast and South.

If Dr. Burns resigned his board membership, the 2th District (New York) would be opened up.

Regardless of your final decision on Dr. Burns and his replacement, the law needs changing so as not to limit the options of the President to find the best person in the country. I would think that a simple bill that merely gives the President the right to designate "the Chairman of the Federal Reserve Board from any region of the Federal Reserve System" would pass quite easily through the Congress. Particularly if it were enabling legislation for the replacement of Dr. Burns. As our provision on the co-terminus term of office of the Chairman was deleted by the Congress, this would be a good opportunity to have it passed by the Congress.


FEDERAL RESERVE DISTRICTS
Seattle
Spokane
WASH.
Portland
OREG.
IDAHO
MONT.
Helena
N. DAK.
9
MINN.
MINNEAPOLIS
S. DAK.
WYO.
12
NEV.
Salt Lake City
UTAH
SAN FRANCISCO
CAL.
Los Angeles
ARIZ.
Denver
10
COLO.
NEBR.
Omaha
KANSAS CITY
KANS.
OKLA.
Oklahoma City
N. MEX.
DALLAS
11
TEXAS
El Paso
San Antonio
Houston
IOWA
WIS.
7
CHICAGO
ILL.
IND.
MICH.
Detroit
MO.
ST. LOUIS
8
Louisville
KY.
ARK.
Memphis
Little Rock
Nashville
TENN.
ATLANTA
Birmingham
ALA.
MISS.
LA.
New Orleans
6
GA.
Savannah
Jacksonville
FLA.
CLEVELAND
OHIO
4
Cincinnati
Pittsburgh
W.VA.
VA.
RICHMOND
5
N.C.
Charlotte
S.C.
Baltimore
MD.
PA.
3
PHILADELPHIA
NEW YORK
N.Y.
2
Buffalo
1
BOSTON
MAINE
VT.
N.H.
MASS.
CONN.
BOUNDARIES OF FEDERAL RESERVE DISTRICTS
BOUNDARIES OF FEDERAL RESERVE BRANCH TERRITORIES
FEDERAL RESERVE BANK CITIES
FEDERAL RESERVE BRANCH CITIES
FEDERAL RESERVE BANK AGENCY
LOUISVILLE, LITTLE ROCK, AND MEMPHIS BRANCHES SERVE CERTAIN DESIGNATED CITIES RATHER THAN ZONES DETERMINED BY STATE OR COUNTY LINES
SPOKANE BRANCH SERVES CITY OF SPOKANE ONLY

ORDER

\- - - -

By virtue of and pursuant to the authority vested in me by Section 10 of the Federal Reserve Act (38 Stat. 260), as amended by Section 203(b) of the Act of August 23, 1935 (49 Stat. 704), I hereby designate Arthur F. Burns, as Chairman of the Board of Governors of the Federal Reserve System, to serve as such for a term of four years from February 1, 1970, unless and until his services as a member of said Board shall have sooner terminated.

RICHARD NIXON

THE WHITE HOUSE,

JAN 31 1970

NAME	POL.	STATE	DATE APPOINTED	TERM EXPIRES

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (7)

David M. Lilly	R	9 Minn.	6/1/76	1/31/78
Philip Edward Coldwell	D	11 Tex.	10/18/74	1/31/80
Philip C. Jackson, Jr.	D	6 Alab.	6/26/75	1/31/82
Arthur F. Burns (CHAIRMAN) until Jan 31, 1978	R	2 N.Y.	1/20/70	1/31/84
J. Charles Partee	I	5 Va.	12/22/75	1/31/86
Henry C. Wallich	R	1 Conn.	2/22/74	1/31/88
Stephen S. Gardner (VICE CHAIRMAN) until Jan 31, 1980	R	3 Penn.	1/29/76	1/31/90

FEDERAL RESERVE SYSTEM, BOARD OF GOVERNORS OF THE

Independent

AUTHORITY: P.L. 95-188, Title II, Sec. 204, November 16, 1977
12 U.S.C. 241, 242

METHOD: Nominated to the Senate

MEMBERS: SEVEN- not more than ONE of whom shall be selected from any one Federal Reserve District and the President, in selecting the members shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country.

CHAIRMAN: Designated by the President
VICE CHRMN: for terms of four years. Effective January 1, 1979, the Chairman and Vice Chairman shall be designated by the President, by and with the advice and consent of the Senate, for terms of four years.

TERM: FOURTEEN YEARS from the expiration of the term of predecessor, unless sooner removed for cause by the President.
Each member of the Board shall within 15 days after notice of appointment make and subscribe to the oath of office. Upon expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Not eligible for reappointment after having served a full term of fourteen years.

SALARY: CHAIRMAN: Level II ~~P.L. 88-426,~~ 5 U.S.C. 5313(10)
MEMBERS: Level III ~~August 14, 1964~~ 5 U.S.C. 5314(43)

THE WHITE HOUSE

WASHINGTON

December 15, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz
Hamilton Jordan

SUCJECT: Dr. Arthur Burns, Supplementing Earlier Memorandum of this Date

At various times and in a number of ways Arthur Burns has, during the past years, expressed his great interest in human rights and his concern about the preservation of human rights in this country and elsewhere. As an immigrant himself, who knew of hardships afflicting human beings elsewhere, he has always been troubled by man's inhumanity to man and has been willing to say so clearly and forthrightly. Because he is, however, known and acclaimed as an economist, his public addresses have dealt with economics rather than human rights, and only rarely has he spoken in public about his concern with respect to human rights.

For a number of years, Dr. Burns has been a strong supporter of Israel and has made known in unmistakable terms his conviction that unwavering United States support of Israel is in our highest national interest. He has spoken to high officials of our Government expressing his deep interest and commitment. In recent years he has conveyed to the American Jewish community his deep concern as a Jew for the well-being of Israel. Once again, he has not made public pronouncements or speeches on this, but before such groups as the American Jewish Committee and other organizations he has stated his position clearly and forcefully.

December 15, 1977

TO: PRESIDENT CARTER
VICE PRESIDENT MONDALE

FROM: HAMILTON JORDAN HJ
BOB LIPSHUTZ

RE: DR. ARTHUR BURNS

As we mentioned to you earlier, we think that a good and proper use of Dr. Burns if you decide to appoint another Chairman of the Federal Reserve would be to use him in the area of international human rights. He has - as we think you know - a deep and continuing interest in human rights.

As President, you have the right to bestow the rank of Ambassador-at-Large on any person you choose. You and Secretary of State Vance could use Dr. Burns selectively to deal with major problems around the world. If some nation challenged our assessment of their situation and/or if you wanted to be more aggressive and visible in this area, we believe that Dr. Burns would be excellent. He could make speeches around the country and the world.

The advantages of using him are:

- we would have him on our team instead of on the outside criticizing our policies;
- I believe that he would react to this as a serious attempt to utilize him and not an effort to get rid of him;
- this would remove him from the Board where his presence would be an obstacle for his replacement;
- he could make a real contribution to the human rights effort;
- he could enlist otherwise untapped major support for our human rights position from the American business community, which frequently is the most obstructive in this area.

The disadvantages would be:

- Cy would have to agree on his role in a way that causes minimal problems with his State Department bureaucracy;
- Some Democrats might not like it.

We would think that we could develop a modest work program that takes into account Dr. Burns' age and personality and that he could be used very effectively.

We are developing some information on Dr. Burns' activities in the human rights area. His concern here has been great.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO JAMES SCHLESINGER

FROM: LANDON BUTLER

DATE: DECEMBER 28, 1977

SUBJECT: FEDERAL RESERVE BOARD

Attached is a list of names to call about the Federal Reserve Board plus a bio.

It is important that news of this appointment not leak before the New York Stock Exchange closes at 4:00pm.

Mr. Robert O. Anderson
Chairman
Atlantic Richfield Company
515 South Flower Street
Los Angeles, California 90071

Mr. Robert V. Sellers
Chairman
Cities Service Company
P. O. Box 300
Tulsa, Oklahoma 74102

Mr. Howard W. Blauvelt
Chairman
Continental Oil Company
High Ridge Park
Stamford, Connecticut 06904

Mr. Clifton C. Garvin, Jr.
Chairman
Exxon Corporation
1251 Avenue of the Americas
New York, New York 10020

Mr. Jerry McAfee
Chairman
Gulf Oil Corporation
Gulf Building
Pittsburgh, Pennsylvania 15230

Mr. Rawleigh Warner, Jr.
Chairman
Mobil Oil Corporation
150 East 42 Street
New York, New York 10017

Mr. J. Hugh Liedtke
Chairman
Pennzoil United, Inc
Pennzoil Place
(P O Box 2967)
Houston, Texas 77001

Mr.William F. Martin
Chairman
Phillips Petroleum Company
Phillips Building
Bartlesville, Oklahoma 74004

Mr. John F. Bookout
President
Shell Oil Company
P O Box 2463
Houston. Texas 77001

Mr. John E. Swearingen
Chairman
Standard Oil Company (Indiana)
200 East Randolph Drive
Chicago, Illinois 60601

Mr. H. Robert Sharbaugh
Chairman
The Sun Company
100 Matsonford Road
Radnor, PA 19087

Mr. Wilton E. Scott
Chairman
Tenneco, Inc
P O Box 2511
Houston, TX 77001

Mr. Maurice F. Granville
Chairman
Texaco, Inc
135 East 42 Street
New York, New York 10017

FOR IMMEDIATE RELEASE DECEMBER 28, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

BIOGRAPHY OF G. WILLIAM MILLER

Mr. G. William Miller is Chairman of Textron, Inc., a diversified company headquartered in Providence, Rhode Island, with 180 plants and facilities in the United States and in several foreign countries. Textron employs 65,000 persons and had sales in 1976 of $2.6 billion.

Mr. Miller is a director of the Federal Reserve Bank of Boston and Chairman of the Conference Board and Chairman of the National Alliance of Businessmen.

Mr. Miller is a native of Oklahoma, born in Sapulpa in 1925, and was raised in the Southwest. He graduated from the U. S. Coast Guard Academy in 1945, serving as an officer in the Far Pacific and China.

In 1952, Mr. Miller received his J. D. degree from the University of California and practiced law in New York with the firm of Cravath, Swaine and Moore before joining Textron in 1956 as Assistant Secretary.

In June of 1960, at age 35, Mr. Miller was elected President of Textron and in 1968 he assumed the additional post of Chief Executive Officer. In 1974 he was elected Chairman of the Board.

Mr. Miller is a Director of the Allied Chemical Corporation, Con Rail and Federated Department Stores. He is a member of the Business Council and the Business Roundtable. He is also Chairman of the President's Committee for HIRE (Veterans' employment).

He is Co-Chairman of both the US-USSR Trade and Economic Council and the Polish-U.S. Economic Council. In 1977, Mr. Miller was Chairman of the U.S. Industrial Payroll Savings Bond Committee and has served as the first Chairman of the Industry Advisory Committee of the President's Committee on Equal Employment Opportunity and as a member of the National Council on the Humanities.

Mr. Miller is married to the former Ariadna Rogojarski.

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