

DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

DOCUMENT NUMBER	DOCUMENT TYPE	SUBJECT/TITLE OR CORRESPONDENTS	DATE	RESTRICTION
1	Ltr	To: Robert H. Finch - "Dear Bob" [2 pages]	2/10/71	D
2	Ltr	To: Robert H. Finch - "Dear Bob" [2 pages / duplicate of Doc. No. 1]	2/10/71	D

FILE GROUP TITLE

BOX NUMBER

WHCF: Subject Files: FG 267

FOLDER TITLE

Ex FG 267 Presidential Commission on Financial Structure and Regulation 1/1/71

RESTRICTION CODES

- A. Release would violate a Federal statute or Agency Policy.
- B. National security classified information.
- C. Pending or approved claim that release would violate an individual's rights.
- D. Release would constitute a clearly unwarranted invasion of privacy or a libel of a living person.

- E. Release would disclose trade secrets or confidential commercial or financial information.
- F. Release would disclose investigatory information compiled for law enforcement purposes.
- G. Withdrawn and return private and personal material.
- H. Withdrawn and returned non-historical material.

FILE MEMO:

NS/dg
2/8/71

EXECUTIVE

FG 6-11-1/Flanigan, Peter

FI 4/FG 12

FG 12

FG 267

PR 10

BE 5

FG 6-3

FG 22

FG 6-16

Four (4) Notebooks filed 2/8/71.

1. Treasury Department 1972 Budget
2. Commission on Financial Structure
3. Names for the Commission on Financial Structure
4. Meeting with Secretary Kennedy, Secretary Shultz,
Dr. McCracken and Director Mayo re. the National Economy, 3/25/70

Filed: Oversize attachment # 4869.

fyel

EXECUTIVE

FG 267

EdgERTON, J. HOWARD

THE WHITE HOUSE
WASHINGTON

FEB 18 1971

February 18, 1971

John:

Thought the attached might
be of interest to you.

Bob Finch

Bob Finch
Counsellor to the President

cc: Geo Shultz
P. Hainigan

NIXON PRESIDENTIAL MATERIALS PROJECT
DOCUMENT CONTROL RECORD

ITEM REMOVED FROM THIS FILE FOLDER

A RESTRICTED DOCUMENT OR CASE FILE HAS BEEN REMOVED FROM THIS FILE FOLDER. FOR A DESCRIPTION OF THE ITEM REMOVED AND THE REASON FOR ITS REMOVAL, CONSULT DOCUMENT ENTRY NUMBER 1 ON EITHER THE DOCUMENT WITHDRAWAL RECORD (GSA FORM 7279 OR NA FORM 1421) OR NARA WITHDRAWAL SHEET (GSA FORM 7122) LOCATED IN THE FRONT OF THIS FILE FOLDER.

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February 19, 1971

EXECUTIVE

FG 267

FG 12

FG 6-16

EDGERTON, HOWARD

MEMORANDUM FOR SECRETARY CONNALLY

FROM: PETER FLANIGAN

The attached letter regarding the President's Commission on Financial Structure and Regulation from one of its members will be of interest to you.

With regard to the financing of the Commission, this matter, I am told by George Shultz, has been substantially taken care of. However, you will be interested in the comments on the staff and the Commission Chairman.

Attachment

RECEIVED

MAR 18 1971

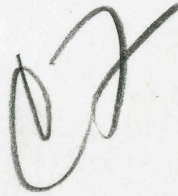
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON

Date 2-19

For Peter Flanigan

From John Ehrlichman

A large, stylized handwritten mark, possibly initials or a signature, consisting of a large 'O' followed by a diagonal stroke.

REC 12 11 33 AM '71
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NIXON PRESIDENTIAL MATERIALS PROJECT
DOCUMENT CONTROL RECORD

ITEM REMOVED FROM THIS FILE FOLDER

A RESTRICTED DOCUMENT OR CASE FILE HAS BEEN REMOVED FROM THIS FILE FOLDER. FOR A DESCRIPTION OF THE ITEM REMOVED AND THE REASON FOR ITS REMOVAL, CONSULT DOCUMENT ENTRY NUMBER 2 ON EITHER THE DOCUMENT WITHDRAWAL RECORD (GSA FORM 7279 OR NA FORM 1421) OR NARA WITHDRAWAL SHEET (GSA FORM 7122) LOCATED IN THE FRONT OF THIS FILE FOLDER.

A sanitized copy substituted for an original item which contains information restricted under the Privacy Act.

ms THE SECRETARY OF THE TREASURY
WASHINGTON

File (2)
MAR 11 1971

EXECUTIVE

FI 4/FG 267

FG 267

FG 12

MEMORANDUM FOR THE PRESIDENT

Subject: Financing of Commission on Financial Structure and Regulation

In June 1970, you established a commission to study and report on appropriate changes in financial structure and regulation. The Commission, under its chairman, Mr. Reed O. Hunt, is making good progress, and the final report is expected to be submitted to you before the end of 1971.

The Commission has, however, been plagued with difficulties in its own financing. In February you authorized a \$100,000 advance to the Commission from your Special Projects fund to keep the Commission going. This was a stop-gap action, and I hereby recommend an approach which will fully solve the Commission's problems.

Up to this time, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board have contributed \$50,000 each. I believe that each agency would agree to an additional contribution of \$122,000 if an additional \$172,00 from White House funds could be obtained. This would bring the total White House contribution to \$272,000, or less than 30 percent of the total projected expenditure of \$888,000.

A contribution from your funds of \$86,000 now and an additional \$86,000 in July, to fall in fiscal year 1972, would adequately meet the Commission's needs.



THE UNDER SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

423 A file
EXECUTIVE
24267
2412
①

March 22, 1971

MEMORANDUM FOR THE HONORABLE PETER M. FLANIGAN

Subject: Progress of Commission on Financial Structure
and Regulation

Last week I talked by telephone to some 12 or 13 members of the Commission on Financial Structure and Regulation to get a firsthand impression of its progress. The responses ranged from moderate optimism to outright enthusiasm.

All agreed that the chances were good to excellent that the Commission would come forth, by December, with a set of proposals which would be "both constructive and achievable."

Members are highly complimentary of the professional staff, and they should be. When Professor Sam Chase joins Professors Almarin Phillips and Donald Jacobs this Spring, the Commission will have the top three men in the country for this type of job. (I think that one time or another I have tried to hire each of these men for major research jobs.)

I would not have received similar comments two months ago. At that time, several members were unhappy with the Commission's progress and pessimistic about its prospects.

In January, the presidents of Morgan Guaranty and American Express called on me personally to express their concern. They sincerely believed that the Commission was floundering and that the chairman was unwilling or unable to give it proper direction.

Although Pat Patterson still is concerned that there is not a single staff director (Jacobs and Phillips are co-directors), he now admits that the Commission is moving and things look

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CENTRAL FILES

much better.

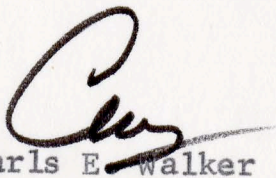
The first thing Bill Morton said to me when I called was: "You were right and I was wrong," and waxed almost enthusiastically about the pick-up in speed and direction.

When the gentlemen called on me earlier, I knew that the Commission had been moving through a careful but thorough settling down period (this was Hunt's and my plan), aimed at two goals --

- since the backgrounds and knowledge of the members were very uneven, an educational period was necessary, which meant that more experienced members would become impatient;
- the staff laid low intentionally, so that the members would not get the idea that the report would be a staff rather than member-prepared document.

My telephone calls indicate that this approach is paying off, the Commission is moving well, and the prospects are excellent.

Consequently, the case for using White House Funds to help solve the Commission's financial problems is very strong. Otherwise, the Commission is likely to disband. Not only would the promise of a productive study be lost, but the attendant publicity would be most embarrassing for the Administration.


Charles E. Walker

April 5, 1971

EXECUTIVE
FI 4-1/1971
FG 267

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Pursuant to the authority contained in Public Law 91-422, I hereby allocate from the appropriation "Special Projects, 1971"

<u>to</u>	<u>Amount</u>
Commission on Financial Structure and Regulation	\$86,000

toward necessary expenses of the President's Commission on Financial Structure, established by the President.

The funds hereby allocated shall be available from January 1, 1971.

The necessary transfer of funds is being made pursuant to this allocation.

Sincerely,

Honorable Reed Hunt
Chairman, Commission on Financial
Structure and Regulation
1016 - 16th Street, N. W.
Washington, D. C. 20036

COPY FOR WHITE HOUSE FILES

ET

THE WHITE HOUSE
WASHINGTON

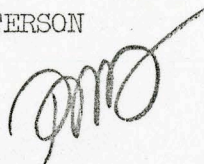
May 6, 1971

Bluford
EXECUTIVE

FG267

FG6-20

MEMORANDUM FOR PETER PETERSON

FROM: PETER FLANIGAN 

The President, in a moment of exuberance, committed you to give your dog and pony show to the Commission on Financial Structure and Regulation at their June meeting, in Kansas City. Considering the buildup he gave you, all of them are most anxious to hear you. Would you be so kind as to get in touch with Clarence H. Scruggs (card attached) to make arrangements. If the June date should prove to be inconvenient to you, I am sure that the July meeting would be equally satisfactory from the President's point of view.

Attached at Tab A is a list of the members of the Commission.

Attachments

CLARENCE H. SCRUGGS
ADMINISTRATIVE OFFICER
THE PRESIDENT'S COMMISSION
ON FINANCIAL STRUCTURE & REGULATION

1016 16TH STREET, N.W.
WASHINGTON, D.C. 20036

202-382-4102

GUESTS TO MEET WITH THE PRESIDENT
CABINET ROOM

3:30 P. M., THURSDAY, MAY 6, 1971

COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

Reed O. Hunt
Chairman
Commission on Financial Structure
and Regulations
1015 Second Avenue
Seattle, Washington 98104

Atherton Bean
Chairman of the Executive Committee
of the Board of Directors
International Multifoods Corporation
Investors Building
733 Marquette Avenue
Minneapolis, Minnesota 55402

Morris D. Crawford, Jr.
Chairman of the Board
The Bowery Savings Bank
110 East 42nd Street
New York, New York 10017

Morgan C. Earnest
Earnest Homes, Inc.
P. O. Box 8236
New Orleans, Louisiana 70122

James H. Edgerton
President, California Federal
Savings and Loan Association
5680 Wilshire Boulevard
Los Angeles, California 90036

Richard G. Gilbert
President
Citizens Savings
Central Plaza
Canton, Ohio 44702

William D. Grant
President
Businessmen's Assurance Company
BMA Tower
Kansas City, Missouri 64141

Alan Greenspan
President
Townsend-Greenspan and Company
80 Pine Street
New York, New York 10005

Walter S. Holmes, Jr.
President
C.I.T. Financial Corporation
650 Madison Avenue
New York, New York 10022

Lane Kirkland
Secretary-Treasurer
AFL-CIO
815 16th Street N. W.
Washington, D. C. 20006

Donald S. MacNaughton
Chairman, The Prudential Insurance
Company of America
Prudential Plaza
Newark, New Jersey 07101

Edward H. Malone
Vice President, Trust Operations
General Electric Corporation
750 Lexington Avenue
New York, New York 10022

Rex J. Morthland
President, Peoples Bank and Trust Co.
310 Broad Street
Box 799
Selma, Alabama 36701

William H. Morton
President, American Express Co.
65 Broadway
New York, New York 10004

Elmore C. Patterson
President
Morgan Guaranty Trust Co.
23 Wall Street
New York, New York 10015

K. A. Randall
Vice Chairman
United Virginia Bankshares, Inc.
900 E. Main Street
Richmond, Virginia 23219

Ralph S. Regula
15 N. Main Street
Navarre, Ohio 44662

Dr. R. J. Saulnier
Professor of Economics
Barnard College
Columbia University
New York, New York 10027

Dr. Ezra Solomon
Dean Witter Distinguished Professorship
in Finance
Stanford University
Stanford, California 94305

Robert H. Stewart, III
Chairman
First National Bank in Dallas
P. O. Box 6031
Dallas, Texas 75222

Members of the Staff

Allen R. Rule
James Lynch
Mrs. Lucille Mayne
Bertwing Mah
Dr. Donald Jacobs
Dr. Almarin Phillips
Dr. Samuel Chase
Clarence Scruggs
Henry Shine
Neil Murphy

The group will be accompanied by:

Under Secretary of the Treasury
Charles E. Walker

Peter M. Flanigan

17
BROUGHT FORWARD

EXECUTIVE

FG267
Previously filed

5/8/71
Date

Name Memo for Charles Walker

Organization Re: Commission on
Financial Structure and Regulation

Same
New File Symbol

6/8/71
Date

FINAL ACTION Memo for the Staff
Secretary for Peter
Flanigan

June 8, 1971

MEMORANDUM FOR THE STAFF SECRETARY

FROM: PETER M. FLANIGAN

At 3:30 on May 6 the President met with the Commission on Financial Structure. (Agenda and Brief attached showing participants.)

Reed Hunt opened the meeting by expressing his gratitude to the President for having the Commission at the White House. Hunt went on to say that the Commission had been working hard and was making headway on the problems before it. The President evidenced interest in the work being done and asked if the Commission were studying the independence of the Federal Reserve Board. When Hunt indicated this was not the case, he specifically charged the Commission with making such a study.

The President then asked if the Commission was aware of the work being done by Mr. Peterson on a competitive position of the United States. When Hunt replied in the negative, he directed Peter Flanigan to have Peter Peterson make a presentation at the next meeting of the Commission.

The meeting was closed with the President saying he looked forward to the study of the Commission at the end of the year.

May 8, 1971

MEMORANDUM FOR UNDER SECRETARY CHARLS WALKER
X

This is just a brief note to express my thanks for your great assistance in putting together the President's meeting with the Commission on Financial Structure and Regulation. The President very much enjoyed the meeting, and you and I received high marks in preparing him for it.

Peter M. Flanigan
Assistant to the
President

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MAY 17 1971
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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

THE PRESIDENT HAS SEEN....

SUBJECT:

Meeting with the Commission on
Financial Structure and Regulation
May 6, 1971
3:30 p. m. (25 minutes)I. PURPOSE

The purpose of this meeting is for you to meet the members of the Commission and to assure them of continuing Presidential interest in their project.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: The Chairman of the Commission, Reed Hunt, and Under Secretary Walker requested this meeting. As this is not a Congressionally authorized commission, at the outset there was considerable delay in developing adequate funds to support the Commission's work. This funding delay, coupled with a decline in interest rates, has led some members of the Commission to believe that White House interest in the study was low.
- B. Participants: A list of the Commission members and key staff who will attend the meeting is attached at Tab A. In addition, Under Secretary Walker and Peter Flanigan will sit in.
- C. Press Plan: There will be a brief photo opportunity at the beginning of the meeting after you have been introduced to the participants.

III. ACTION SEQUENCE

Upon entry, Reed Hunt, Chairman of the Commission, will introduce you to the Commission members who will be seated around the Cabinet table. Immediately thereafter the press will be brought in for a brief photo opportunity.

IV. PROBABLE POINTS OF DISCUSSION

- A. You may wish to begin the meeting by pointing out the high importance which you attach to the work of this Commission. When you appointed the Commission in June 1970, you were very hopeful of obtaining from this distinguished group a long-range study of the structure and regulation of deposit-type financial institutions, including insurance companies. You were particularly concerned about the adequate flow of savings and their equitable distribution among competing needs, such as the home mortgage market, consumer finance, and business capital requirements. You may wish to ask Chairman Hunt for an interim report on the Commission's progress to date.
- B. Reed Hunt will point out that the Commission has attracted an excellent staff, and by spending at least two days per month meeting as a group, it expects to produce a final report by early December. However, he plans to be prepared to discuss informally the Commission's conclusions by late October.
- RR: You may wish to emphasize that the current lowering of interest rates has not decreased in your mind the vital importance of this project. The improved flow of funds, particularly to the home mortgage market, remains of vital concern. Thus, while so many institutions appear actively interested in reform, you would like to strike while the iron is hot and quite possibly use the Commission's recommendations as a basis for a legislative program in 1972.
- C. After a short period for discussion, you may wish to conclude by thanking the Commission and its staff for its active efforts to bring needed changes in an area of great importance to our economy.

V. ITEMS TO AVOID

The broad macro-economic issue of monetary policy has been excluded from the scope of the Commission's study. Therefore, you should not indicate an impression that it will take on the issue of the independence of the Federal Reserve System from the Executive Branch.

Attachment

May 6, 1971

MEMORANDUM FOR PETER PETERSON

FROM: PETER FLANIGAN

The President, in a moment of exuberance, committed you to give your dog and pony show to the Commission on Financial Structure and Regulation at their June meeting, in Kansas City. Considering the buildup he gave you, all of them are most anxious to hear you. Would you be so kind as to get in touch with Clarence H. Scruggs (card attached) to make arrangements. If the June date should prove to be inconvenient to you, I am sure that the July meeting would be equally satisfactory from the President's point of view.

Attached at Tab A is a list of the members of the Commission.

Attachments

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MAY 17 1971
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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 6, 1971

MEMORANDUM FOR: MR. PETER M. FLANIGAN

FROM: ALEXANDER P. BUTTERFIELD *NY*

SUBJECT: Your Briefing Paper for the President's
Meeting with the Commission on Financial
Structure and Regulation

305

Pete:

I see so many poorly prepared Presidential briefing papers that I feel bound to compliment you (and your staff) on the paper which you forwarded last evening preparing the President for his 3:30 meeting in the Cabinet Room today. It was especially well-written and the format was precisely as it should have been.

THE WHITE HOUSE
WASHINGTON

5/8

Thank you letter to Charls Walker
attached.



THE UNDER SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

May 5, 1971

MEMORANDUM FOR THE HONORABLE PETER FLANIGAN
The White House

Subject: The President is receiving the Committee on Financial Structure and Regulation (membership attached) in the Cabinet Room at 3:30 p.m. on Thursday, May 6.

Background

The President established this blue-ribbon panel in June 1970 for the purpose of studying the structure and regulation of deposit-type financial institutions, including insurance companies, and to develop recommendations for improving the system in the years ahead. Particular concern was expressed about the adequacy of the flow of savings and its equitable distribution among competing uses, such as for home purchases, consumer needs, business operations, and so on.

The Commission attracted a first-rate staff and then spent several months acquainting itself with the nature of the problems and in farming out projects to academic scholars and the Federal regulatory agencies. Starting early this year, the Commission moved into high gear and the reports as to its progress and prospects are most encouraging. Chairman Hunt is convinced he can bring in the final report on schedule, before the end of this year. He also states that he will probably be ready to discuss the Commission's conclusions informally by late October. If so, there will be adequate time to develop a meaningful legislative program for 1972.

A unique aspect of this Commission's approach should be noted. In order to make certain that its recommendations are legislatively achievable, and will not simply gather dust

on a shelf, the Commission is carrying out its original plan to take on an experienced Washington hand who in the months ahead will be testing the developing recommendations with Congressmen and staff, within the Executive Branch, and with the industries that will be affected by legislation. The idea is that the Commission will probably discard solutions that are completely unachievable, in favor of those which can be enacted but will still improve the functioning of the financial system.

Note: When he met with Reed Hunt a year ago, the President seemed to believe the Commission would be studying the question of independence of the Federal Reserve. This is in the area of monetary policy, which has been excluded from the Commission's study.

Financing

Difficulties were encountered in financing the Commission, but these have been solved with the Federal regulatory agencies picking up about \$600,000 of the budget of just under \$900,000, with the remainder coming from the President's Special Projects Fund.

(The difficulties in arranging financing led some Commission members to conclude that the White House had lost interest in the study.)

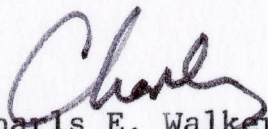
Suggested Agenda

Secretary Connally hopes to attend the meeting and should present Chairman Hunt to the President. Chairman Hunt could then present the members to the President.

It would then be appropriate for the President to call on Chairman Hunt for a report on progress and prospects. An informal discussion in which other members could participate would be worthwhile.

The President might conclude by thanking Mr. Hunt, the members and the staff for their industry and the promise of their accomplishments. It would also be very helpful if the President could indicate that strong consideration would be given to developing a 1972 legislative program, in the financial structure area, on the basis of the Hunt Commission report.

(I mention this last point because more and more people are convinced that the time for reshaping the structure of our financial institutions, so as to gear for the future and avoid the problems of the past, is fast approaching. Leaders in the major financial industries recognize this. The prospects for success are good.)


Charles E. Walker

Members of the Staff

Allen R. Rule
James Lynch
Mrs. Lucille Mayne
Bertwing Mah
Dr. Donald Jacobs
Dr. Almarin Phillips
Dr. Samuel Chase
Clarence Scruggs
Henry Shine
Neil Murphy

The group will be accompanied by:

Secretary of the Treasury
John B. Connally (if possible)

Under Secretary of the Treasury
Charls E. Walker

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MAY 1 1971
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GUESTS TO MEET WITH THE PRESIDENT
CABINET ROOM
3:30 P. M., THURSDAY, MAY 6, 1971
COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

Reed O. Hunt
Chairman
Commission on Financial Structure
and Regulations
1015 Second Avenue
Seattle, Washington 98104

Atherton Bean
Chairman of the Executive Committee
of the Board of Directors
International Multifoods Corporation
Investors Building
733 Marquette Avenue
Minneapolis, Minnesota 55402

Morris D. Crawford, Jr.
Chairman of the Board
The Bowery Savings Bank
110 East 42nd Street
New York, New York 10017

Morgan C. Earnest
Earnest Homes, Inc.
P. O. Box 8236
New Orleans, Louisiana 70122

James H. Edgerton
President, California Federal
Savings and Loan Association
5680 Wilshire Boulevard
Los Angeles, California 90036

Richard G. Gilbert
President
Citizens Savings
Central Plaza
Canton, Ohio 44702

William D. Grant
President
Businessmen's Assurance Company
BMA Tower
Kansas City, Missouri 64141

Alan Greenspan
President
Townsend-Greenspan and Company
80 Pine Street
New York, New York 10005

Walter S. Holmes, Jr.
President
C.I.T. Financial Corporation
650 Madison Avenue
New York, New York 10022

Lane Kirkland
Secretary-Treasurer
AFL-CIO
815 16th Street N. W.
Washington, D. C. 20006

Donald S. MacNaughton
Chairman, The Prudential Insurance
Company of America
Prudential Plaza
Newark, New Jersey 07101

Edward H. Malone
Vice President, Trust Operations
General Electric Corporation
750 Lexington Avenue
New York, New York 10022

Rex J. Morthland
President, Peoples Bank and Trust Co.
310 Broad Street
Box 799
Selma, Alabama 36701

William H. Morton
President, American Express Co.
65 Broadway
New York, New York 10004

Ellmore C. Patterson
President
Morgan Guaranty Trust Co.
23 Wall Street
New York, New York 10015

K. A. Randall
Vice Chairman
United Virginia Bankshares, Inc.
900 E. Main Street
Richmond, Virginia 23219

Ralph S. Regula
15 N. Main Street
Navarre, Ohio 44662

Dr. R. J. Saulnier
Professor of Economics
Barnard College
Columbia University
New York, New York 10027

Dr. Ezra Solomon
Dean Witter Distinguished Professorship
in Finance
Stanford University
Stanford, California 94305

Robert H. Stewart, III
Chairman
First National Bank in Dallas
P. O. Box 6031
Dallas, Texas 75222

Members of the Staff

Allen R. Rule
James Lynch
Mrs. Lucille Mayne
Bertwing Mah
Dr. Donald Jacobs
Dr. Almarin Phillips
Dr. Samuel Chase
Clarence Scruggs
Henry Shine
Neil Murphy

The group will be accompanied by:

Under Secretary of the Treasury
Charles E. Walker

Peter M. Flanigan

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EXECUTIVE

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COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

76 6-11-1 / Peterson, Peter

1015 2nd Avenue
Seattle, Washington 98104

1016 16th Street N.W.
Washington, D. C. 20036

July 1, 1971

Central
7/1/71

The Honorable Peter G. Peterson
Assistant to the President
for
International Economic Affairs
The White House Office
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Dear Mr. Peterson:

Your presentation kindly offered by the President
when we met with him at the White House on May 6, 1971
has been a scheduling problem, but we are looking forward
to finding a mutually agreeable time for having you address
the entire Commission.

Could you join us during a session of the Commission
at 4:00 p.m. on Thursday, August 5, 1971 to be held in the
Crown-Zellerbach Building, One Bush Street, San Francisco,
California?

We would like to have you join us following your
presentation for cocktails and dinner which have been
arranged for the Commission and members of the financial
community that evening.

If you will have your office contact our Administrative
Officer, Mr. Clarence H. Scruggs, at the Washington, D. C.
office of the Commission (telephone (202) 382-4102) about
your arrival plans in San Francisco, we will make arrangements
to meet you at the airport.

We are looking forward to having you with us.

Very truly yours,

/s/ R. O. Hunt

Reed O. Hunt, Chairman

cc: Dr. Charis E. Walker
Mr. Peter Flanigan

7/1/71 10 16 AM '71

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AUG 3 1971

CENTRAL FILES

21
EXECUTIVE

ME/PT
FG-267

59
July 26, 1971

Dear Mr. Patterson:

This is just a note to tell you how pleased I was to learn of your recent election to the chairmanship of the Morgan Guaranty Trust Company. This latest honor is further recognition of the great respect which your associates have for you and of their admiration for your outstanding contributions to banking. Your splendid work on the Commission on Financial Structure and Regulation has been invaluable, and I welcome this opportunity to express, once again, my appreciation for your willingness to be of such help to us.

With my best wishes,

Sincerely,

RICHARD NIXON

*
y Mr. Ellmore Clark Patterson
Chairman
Morgan Guaranty Trust Company
23 Wall Street
New York, New York 10015

RN:MSmith:blf - 7

cc: Joanne L. Gordon

gah /
December 14, 1971

MEMORANDUM TO: PETER FLANIGAN

FROM: RICHARD ERB

If it's OK with you and would not create any problem with Treasury or the Hunt commission, I'd like to talk with each of the agency heads to get their reactions to the report. This would give us a better basis for developing an Administration posture for when the report is released.

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CENTRAL FILE

December 15, 1971

MEMO TO: PMF

FROM: RDE

According to Walker's assistant, the President will not have an opportunity to deal with the Hunt report until early next year.

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EXECUTIVE

FG267

FG124

FG6-16

FG6-3

FG12

(2)

December 16, 1971

MEMORANDUM FOR:

GEORGE SHULTZ
PAUL McCracken
CHARLES WALKER

FROM:

PETER FLANIGAN

Attached is Preston Martin's initial reaction to the report on the Commission on Financial Structure and Regulation. As you can see, he has fundamental differences with the conclusions reached by the Commission. This reaction makes even more appropriate the course of action agreed upon at the Troika luncheon regarding the Commission report.

RECEIVED
DEC 31 1971
CENTRAL FILES

BB1
December 21, 1971

MEMORANDUM TO: PETER FLANIGAN
FROM: RICHARD ERB
SUBJECT: Hunt Commission Report

The following summarizes the initial reactions of the respective agency heads towards the Hunt report. In each case it was a preliminary and personal response -- not a detailed or official agency response. The reactions of each could also be predicted given their administrative responsibilities. Almost all said that it was too early to give a balanced response -- and it is not the kind of report that can be taken piecemeal. (E.g. while the thrift institution recommendations detract from housing, eliminating commercial bank mortgage investment constraints will enhance housing finance.)

F. Wille

-- the key question concerns the implications for housing; alternative housing subsidies will need to be proposed

-- "sleepers" which could raise strange reactions:

1) the proposal favoring state-wide de novo bank branching will arouse small bank opposition

2) the proposal that every bank join the Federal Reserve system will also arouse small bank opposition because nonmembers enjoy a reserve advantage

-- Wille (in contrast to Martin) does not believe that the separation of insurance from supervision will create any problems

-- Wille feels that it would be a mistake to be taken in by the near unanimity of the commission

-- Wille believes that the President ought to pledge a major-open-minded-review but make no commitments or give undue praise

W. Camp

-- Camp's preliminary reaction to the report was very positive

-- Camp thought the controversy would surround:

- 1) statewide de novo branching
- 2) restructuring the supervisory bodies
- 3) giving thrift institutions the power to become banks (which he thought good)

-- With regard to housing:

- 1) the thrift institution changes could negatively affect housing
- 2) But, the removal of commercial bank real estate loan restrictions would increase commercial bank investment in housing mortgages

Van Dusen

-- as a report on financial institutions it was good, but the report did not analyze the full implications of its recommendations on housing

Preston Martin

-- as stated in his December 10 memorandum, Martin believes that the report:

- 1) will be said to be anti-housing
- 2) will impinge on S&L's ability to compete for savings
- 3) has adverse supervisory implications

Nickerson

-- will send the memorandum that he sent to Walker regarding his reactions

XXXXXXXXXX included the following objection:

-- the Credit Union insurance function should not be included with the thrift and commercial bank insurance functions

December 21, 1971

MEMO TO: PMP
FROM: RDE
RE: Hunt Report

There are few new ideas in the Hunt report. Most of the recommendations have been made independently in the past, but by special interests. The uniqueness of the report is that it combines these recommendations into a reasonably logical and consistent whole. In the process, it rejected many bad ideas. As a consequence, it does provide a blueprint for future changes in the financial system. However, the report itself does not establish the need for a complete overhaul in the system. Nor do current pressures within the financial system mandate the type of political war the Administration would have to undertake in order to implement even a portion of the recommendations. If there is another 1966, then the conditions for a major overhaul might exist.

The report was written by economists and thus is at a relatively high level of abstraction. This is a disadvantage when trying to explain it to the business community or to Congress. For example, the idea of competition in the report is used in its purest sense; as read by the small town banker, competition turns out to be the big city bank encroaching on his territory.

I thank Frank Wille's suggestion regarding a possible response by the President is well taken: 'pledge a major-open-minded-review but make no commitments or give undue praise.'

The President's response to the report might touch on the following points:

- 1) the report does look at financial structures and regulations as a whole. This is important in a system where a family can take its money out of a savings bank and go down the street to an S&L or commercial bank.
- 2) The report recognizes that there are savers as well as people who buy houses. When it is said that we must indirectly subsidize housing by maintaining specialized institutions -- it is in effect the small saver who is subsidizing housing.

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3) The report also recognizes that the small saver is becoming smarter and more willing to seek out alternative investments. This will ultimately lead to the change (as it has) or demise of the special institution.

BBI

EXECUTIVE
FG6-11-1/Erb, Dick
FG1131
FG120
FG44
FG24
FG274

CF

THE WHITE HOUSE
WASHINGTON

December 16, 1971

MEMORANDUM TO: PETER FLANIGAN

FROM: DICK ERB RDE

OK

In regard to the ^{*}Hunt Commission report I would like to talk to the following:

Federal Reserve Board
George Mitchell

FDIC
Frank Wille

Comptroller
William Camp

HUD
Van Deusen

National Credit Union Administration
General Nickerson

We have Martin's comments.

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CENTRAL FILES H.J.
RECEIVED

59
EXECUTIVE

FG-267

FG

December 22, 1971

MEMORANDUM FOR BILL SAFIRE

FROM: PETER FLANIGAN

In discussing with the Commission on Financial Structure and Regulation the problem of reorganizing government agencies, the President said that these reorganizations are always resisted because "agency people have a vested interest in the chaos in which they exist". This might be useful in your "color" file.

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CENTRAL FILES

Jan 1

BROUGHT FORWARD

EXECUTIVE

FG 267
Previously filed

12-22-71
Date

Name Meeting with the

Organization Commission on Financial Structure
& Regulation

same
New File Symbol

1-3-72
Date

FINAL ACTION

Memo to the President's File
from Mr Flanigan

RDC

4

12/23/71

Jones
C. F.

FG 267

**The Report of
The President's Commission
on
Financial Structure & Regulation**

CONFIDENTIAL
UNTIL OFFICIAL RELEASE



DECEMBER 1971

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
E.O. 12356, Section 1.1
By MMO NARA, Date 5/14/92

Enclosures filed in
Oversize Attachments # 160



OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

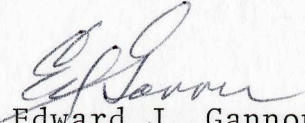
988e

File

December 14, 1971

MEMORANDUM TO THE HONORABLE PETER M. FLANIGAN
ASSISTANT TO THE PRESIDENT

Dr. Walker asked me to supply copies of the report of the Commission on Financial Structure and Regulation to the participants in last Friday's meeting at the Treasury. The understanding is that the contents of the report will remain confidential until the report has been submitted to the President. We will advise you when the presentation is to be made.


Edward J. Gannon
Special Assistant to the
Under Secretary

Attachments

cc: Edb

DEC 12 11 35 AM '71
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DEC 27 1971
CENTRAL FILES

ms

2

MEMORANDUM OF INFORMATION FOR THE FILE

EXECUTIVE

DATE 12/23/71

FG267

FG12

~~LETTER, MEMO, ETC.~~ LOOSE LEAF BINDER

GANNON, EDWARD J.

TO:

FROM:

SUBJECT: Report of the President's Commission
ON FINANCIAL REGULATION

Filed C.F. OVERSIZE ATTACHMENTS # 160

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

gab

EXECUTIVE

FG 267

January 2, 1972

MEMORANDUM FOR HUNT COMMISSION TASK FORCE

FROM:

RICHARD D. ERB

Agenda for Thursday Meeting

1. Review and refine where necessary all of the first level decisions.
2. Review and modify second level decisions.
3. Determine what additional analytical or empirical work need to be done to provide more background for the policy decisions.

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APR 11 1973
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January 3, 1972

MEMORANDUM FOR: THE PRESIDENT'S FILE

FROM: PETER M. FLANIGAN

At 11:30 a.m. on December 22, 1971, the President met in the Cabinet Room with the Commission of Financial Structure and Regulation.

The President was greeted by Mr. Reed Hunt, Chairman of the Commission. The President stated that he recalled his meeting six months previous regarding the Commission's proposed report. Mr. Reed Hunt said that the Commission had now finished its work and was delivering its report on schedule. Mr. Hunt, and several members of the Commission, outlined the major aspects of the report.

The President said that he recognized the proposals as bold and far-reaching. He said he would see to it that these proposals got very careful study and hoped that legislation could be sent forward in the near future. However, he pointed out that these major changes would always be opposed by the bureaucracy who "had a vested interest in the chaos in which they operated". The President thanked the Commission for its efforts.

PMF:js

Report filed C.F. oversize
attachment # 160

RECEIVED
JAN 10 1972
CENTRAL FILES

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

SUBJECT: Meeting with the Commission on Financial
Structure and Regulation
December 22, 1971
11:30 a.m. (15 minutes)

I. PURPOSE

THE PRESIDENT HAS SEEN....

To accept the final report from the Commission on Financial
Structure and Regulation.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: For the past year and a half this Commission has conducted a broad review of the private financial system and has formulated a set of sweeping recommendations to improve the functioning of this system. Treasury has worked closely with the Commission and feels that it has done an excellent job, even though a number of the recommendations are controversial and will need careful Administration study before any attempt is made at implementation. You met with the Commission on May 6 to receive an interim report on the Commission's activities. Secretary Connally requested that you meet with the members once again to accept personally the final report.

B. Participants: List of participants is attached at Tab A.

C. Press Plan: The Press will have been briefed on the substance of the report by members of the Commission staff on Tuesday afternoon. This briefing is embargoed until 12:00 Wednesday. There will be a brief photo opportunity at the beginning of the meeting after you have been introduced to the participants.

III. ACTION SEQUENCE

Upon entering, Reed Hunt, Chairman of the Commission, will introduce you to the Commission members who will be seated around the Cabinet table. Immediately thereafter the Press will be brought in for a brief photo opportunity.

IV. PROBABLE POINTS OF DISCUSSION

- A. Chairman Hunt will begin the meeting by noting that the Commission has beaten its deadline of December 31 and has achieved near unanimity in its recommendations.

RR: Commend the Commission for beating its deadline and note your pleasure that the members were able to achieve a wide consensus on matters of such importance and complexity.

- B. Chairman Hunt will briefly describe the problem areas investigated by the Commission and summarize the recommendations of the Commission.

RR: You should not indicate agreement with any portion of the report. (Home builders and S&L's might well argue that mortgage financing will be hurt by the report.) However, you should emphasize your recognition of the importance of the subject matter, perhaps stating that improvement of the domestic financial system is complementary to, and more important than, the restructuring of the international monetary system on which so much has been done and so much remains to be done. You should thank the Commission for their efforts and note that the report is unique in that it studied financial structures and regulations as an integrated whole rather than focusing on one part of the system. You might wish to add that you will see that the report is given careful study looking toward recommendations on appropriate Administration actions.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

SUBJECT:

Meeting with the Commission on Financial
Structure and Regulation
December 22, 1971
11:30 a.m. (20 minutes)

I. PURPOSE

To accept the final report from the Commission on Financial Structure and Regulation.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: For the past year and a half this Commission has conducted a broad review of the private financial system and has formulated a set of sweeping recommendations to improve the functioning of this system. Treasury has worked closely with the Commission and feels that it has done an excellent job, even though a number of the recommendations are controversial and will need careful Administration study before any attempt is made at implementation. You met with the Commission on May 6 to receive an interim report on the Commission's activities. Secretary Connally requested that you meet with the members once again to accept personally the final report.

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A

GUESTS TO MEET WITH THE PRESIDENT
CABINET ROOM
11:30 A.M., WEDNESDAY, DECEMBER 22, 1971
COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

(We will not know until that morning which of
the members will in fact be in attendance)

Reed O. Hunt
Chairman
Commission on Financial Structure
1015 Second Avenue
Seattle, Washington 98104

Atherton Bean
Chairman of the Executive Committee
of the Board of Directors
International Multifoods Corporation
Investors Building
733 Marquette Avenue
Minneapolis, Minnesota 55402

Morris D. Crawford, Jr.
Chairman of the Board
The Bowery Savings
110 East 42nd Street
New York, New York 10017

Morgan C. Earnest
Earnest Homes, Inc.
P.O. Box 8236
New Orleans, Louisiana 70122

James H. Edgerton
President, California Federal
Savings and Loan Association
5680 Wilshire Boulevard
Los Angeles, California 90036

Richard G. Gilbert
President
Citizens Savings
Central Plaza
Canton, Ohio 44702

William D. Grant
President
Businessmen's Assurance Company
BMA Tower
Kansas City, Missouri 64141

Alan Greenspan
President
Townsend-Greenspan and Company
80 Pine Street
New York, New York 10005

Walter S. Holmes, Jr.
President
C.I.T. Financial Corporation
650 Madison Avenue
New York, New York 10022

Lane Kirkland
Secretary-Treasurer
AFL-CIO
815 16th Street N.W.
Washington, D. C. 20006

Donald S. MacNaughton
Chairman, The Prudential Insurance
Company of America
Prudential Plaza
Newark, New Jersey 07101

Edward H. Malone
Vice President, Trust Operations
General Electric Corporation
750 Lexington Avenue
New York, New York 10022

Rex J. Morthland
President, Peoples Bank and Trust Co.
310 Broad Street
Box 799
Selma, Alabama 36701

William H. Morton
President, American Express Co.
65 Broadway
New York, New York 10004

Ellmore C. Patterson
President
Morgan Guaranty Trust Co.
23 Wall Street
New York, New York 10015

K. A. Randall
Vice Chairman
United Virginia Bankshares, Inc.
900 E. Main Street
Richmond, Virginia 23219

Ralph S. Regula
15 N. Main Street
Navarre, Ohio 44662

Dr. R. J. Saulnier
Professor of Economics
Barnard College
Columbia University
New York, New York 10027

Dr. Ezra Solomon*
Dean Witter Distinguished Professorship
in Finance
Stanford University
Stanford, California 94305

Robert H. Stewart, III
Chairman
First National Bank in Dallas
P. O. Box 6031
Dallas, Texas 75222

* Dr. Solomon participated in the Commission's work for over one year until he became a member of the Council of Economic Advisers.

Members of the Commission Staff:

Dr. Donald Jacobs
Dr. Almarin Phillips
Mr. Allen R. Rule
Mr. Henry Shine, Jr.
Mr. Clarence Scruggs
Mr. James Lynch

Mr. Edward J. Gannon, Special Assistant to Under Secretary
Walker who coordinated Treasury relations with the
Commission

The group will be accompanied by:

Under Secretary of the Treasury
Paul Volcker (Acting Secretary)

Peter M. Flanigan

George P. Shultz

GUESTS TO MEET WITH THE PRESIDENT
CABINET ROOM

11:30 A.M., WEDNESDAY, DECEMBER 22, 1971
COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

(We will not know until that morning which of
the members will in fact be in attendance)

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Commission on Financial Structure

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Seattle, Washington 98104

Atherton Bean

Chairman of the Executive Committee

of the Board of Directors

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P.O. Box 8236

New Orleans, Louisiana 70122

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President, California Federal

Savings and Loan Association

5680 Wilshire Boulevard

Los Angeles, California 90036

Richard G. Gilbert

President

Citizens Savings

Central Plaza

Canton, Ohio 44702

✓ - indicates
person was
present

William D. Grant
President
Businessmen's Assurance Company
BMA Tower
Kansas City, Missouri 64141

Alan Greenspan
President
Townsend-Greenspan and Company
80 Pine Street
New York, New York 10005

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- ✓ Dr. Donald Jacobs
- ✓ Dr. Almarin Phillips
- ✓ Mr. Allen R. Rule
- ✓ Mr. Henry Shine, Jr.
- ✓ Mr. Clarence Scruggs
- ✓ Mr. James Lynch

- ✓ Mr. Edward J. Gannon, Special Assistant to Under Secretary Walker who coordinated Treasury relations with the Commission

The group will be accompanied by:

- ✓ Under Secretary of the Treasury
- ✓ Paul Volcker (Acting Secretary)

- ✓ Peter M. Flanigan

- ✓ George P. Shultz

December 21, 1971

MEMORANDUM FOR THE WEST LOBBY RECEPTIONIST

FROM: PETER FLANIGAN

Attached is a list of the people who have been invited to attend the 11:30 meeting with the President in the Cabinet Room. We will not know which of the Commission members will actually be attending until after 10:00 and we will notify you at that time.

Please clear them through the Northwest Gate.

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THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

Date: December 7, 1971 (6:34 p.m.)

FROM: David N. Parker

VIA: Dwight L. Chapin

GREETING: With President's Commission on Financial Structure and Regulation

DATE:

~~THURS. WED.~~
December ~~22, 17, 18~~ 11:30am

PURPOSE:

To receive the Commission's report.

FORMAT:

- Oval Office
- 5 minutes
- Participants (list attached)

PRESS COVERAGE:

To be announced and press photo opportunity. 7

STAFF:

George Shultz

RECOMMEND:

- ✓ Secretary Connally
- Peter Flanigan - "strongly support"
- Dr. McCracken
- Don Rumsfeld
- George Shultz

PREVIOUS PARTICIPATION: May 6, 1971, President met with the Commission in the Cabinet Room.

BACKGROUND:

Secretary Connally has sent the President a memorandum advising the Commission is meeting the mid-December deadline set by the President for a report and he thinks it important that the President receive it in person, recommending an appointment on December 16, 17, 18 or 20.

Secretary Connally states "Charly Walker tells me it is not only a fine report from a conceptual standpoint, but that it is 'do-able' legislatively." And that this is because the

D.P.
CC

next week

- 2 -

various groups represented on the Commission - especially the banks and savings and loan associations - have substantially reconciled their differences and the recommendations are likely to be supported with near unanimity."

APPROVE H. DISAPPROVE

Participants in Presentation to President of Report
of President's Commission on Financial
Structure and Regulation

Mr. Reed O. Hunt, Chairman

Mr. Almarin Phillips, Co-Director

Mr. Donald Jacobs, Co-Director

Secretary Connally

Hon. Charls E. Walker, Under Secretary of the Treasury

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STANDARD FORM 63

GPO : 1969-413-10-00041-1 505-550

23-108

RECEIVED BY

DATE

TIME

MESSAGE

☐ RETURNED YOUR CALL

☐ WISHES AN ANSWER

☐ WILL CALL AGAIN

☐ IS WAITING TO SEE

☐ PLEASE CALL —→

CODE EXT. —
PHONE NO. —

OF (Organization)

☐ YOU WERE CALLED BY—

☐ YOU WERE

TO:

OF CALL
MEMORANDUM

*Annally's office informed
12/10/71
2:47*

THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

Date: December 7, 1971 (6:34 p.m.)

FROM: David N. Parker

VIA: Dwight L. Chapin

Shultz + Flanagan

GREETING: With President's Commission on Financial Structure and Regulation

DATE: December ~~16, 17, 18~~

PURPOSE: To receive the Commission's report.

FORMAT: -Oval Office
-15 minutes
-Participants (list attached)

PRESS COVERAGE: To be announced and press photo opportunity.

STAFF: George Shultz

RECOMMEND: Secretary Connally
Peter Flanagan - "strongly support"
Dr. McCracken
Don Rumsfeld
George Shultz

PREVIOUS PARTICIPATION: May 6, 1971, President met with the Commission in the Cabinet Room.

BACKGROUND: Secretary Connally has sent the President a memorandum advising the Commission is meeting the mid-December deadline set by the President for a report and he thinks it important that the President receive it in person, recommending an appointment on December 16, 17, 18 or 20.

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- 2 -

various groups represented on the Commission especially the banks and savings and loan associations - have substantially reconciled their differences and the recommendations are likely to be supported with near unanimity."

APPROVE _____ DISAPPROVE _____

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 3, 1971

MEMORANDUM FOR: MR. DAVE PARKER

SUBJECT: Commission on Financial
Structure and Regulation

I agree - what about a similar meeting with the
Commission on Federal Statistics, or at least
with Allen Wallis.

SPS

George P. Shultz

1971 DEC 6 AM 8 22

THE WHITE HOUSE
WASHINGTON

MR. ~~today~~ 835e
oked prog.

1971 DEC 7 AM 9 49

Date: December 1, 1971

MEMORANDUM FOR: ✓ PETER FLANIGAN
PAUL MCCrackEN
DON RUMSFELD
GEORGE SHULTZ

FROM: DAVID PARKER

RE: Commission on Financial Structure and
Regulation

The attached is being sent to you for your advice and recommendation.

Would you advise as soon as possible.

Thank you.

COMMENTS:

I strongly support this.

[Handwritten signature]

NOV 31 1 10 PM '71
RECEIVED

THE WHITE HOUSE
WASHINGTON

OK
P.M.

1971 DEC 3 PM 4 28

Date: December 1, 1971

MEMORANDUM FOR: PETER FLANIGAN
PAUL MCCracken
DON RUMSFELD
GEORGE SHULTZ

FROM: DAVID PARKER

RE: Commission on Financial Structure and
Regulation

The attached is being sent to you for your advice and recommendation.

Would you advise as soon as possible.

Thank you.

COMMENTS:

Concur with Sec-
etary Connally's sug-
gestion.
D.P.M.

THE WHITE HOUSE

WASHINGTON

1971 DEC 3 PM 4 16

Date: December 1, 1971

MEMORANDUM FOR: PETER FLANIGAN
PAUL MCCrackEN
DON RUMSFELD
GEORGE SHULTZ

FROM: DAVID PARKER

RE: Commission on Financial Structure and
Regulation

The attached is being sent to you for your advice and
recommendation.

Would you advise as soon as possible.

Thank you.

COMMENTS:

Sounds like a good idea -

Don Rumsfeld

12-1 1B

THE WHITE HOUSE
WASHINGTON

11/29/71

TO: Dwight Chapin

1971 NOV 30 AM 11:22
FROM: JON M. HUNTSMAN *galt.*

FYI _____

Comment For Your Handling.

*Staff to
Shirley
Rumsfeld
McGuire
Hansson*



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

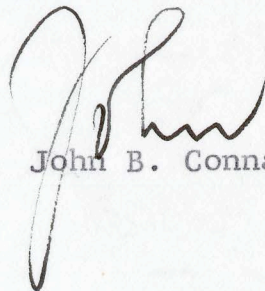
NOV 26 1971

MEMORANDUM TO THE PRESIDENT

Your Commission on Financial Structure and Regulation is meeting your deadline and will have its report ready by mid-December.

Charly Walker tells me that it is not only a fine report from a conceptual standpoint, but that it is "do-able" legislatively. This is because the various groups represented on the Commission -- especially the banks and the savings and loan associations -- have substantially reconciled their differences, and the recommendations are likely to be supported with near unanimity.

I think it is important that you receive the Commission's report in person. I, therefore, recommend that an appointment be set up for December 16, 17, 18 or 20.


John B. Connally

APPROVE:

Date _____ Time _____

DISAPPROVE:

CC: Messrs. Shultz
McCracken
Flanigan

January 17, 1972

MEMORANDUM TO: PETER M. FLANIGAN

FROM: RICHARD D. ERB

At the January 13 meeting of the Hunt Report Group it was decided that:

- The next meeting will be February 9. Report critiques from each member will be due February 4. I will arrange for the Roosevelt Room and have everyone informed of time. Reports will be circulated when they arrive.
- A special subcommittee was established to report implications of FRB housing study for Hunt Committee recommendations. Mark Reidy of CEA will lead group including Howard Beasley of Treasury, Bob Kelly of HUD and Henry Craven of OMB. Dick Erb will be marginally involved but will attempt to make valuable inputs.
- Responses will be requested from regulatory agencies:
 - PMF ton contact Nickerson of Credit Union Administration
 - Treasury to contact Comptroller, FDIC, and Fed
 - FHLBB response will be sent to PMF when completed
- Agency responses will be circulated to the Group when received.
- Treasury has other housing studies under way which will be released when completed.

RECEIVED
MAR 9 1972
CENTRAL FILES

January 17, 1972

MEMO TO: MARGE

FROM: LIZA

Here is the list of names for the Hunt Commission meeting set for February 9, at 4:00, in the Roosevelt Room: (Lina reserved it from 4-6:00 p.m.)

Charls Walker -- 184-2801
Richard Man Dusen -- 755-7123
Art Laffer -- ex. 3423
Ezra Solomon
Herb Stein

They might be bringing additional people with them who would need to be cleared.

Dick was under the impression that you should invite them; if you would like me to, I'd be glad too.

RECEIVED
MAR 9 1972
CENTRAL FILES

January 12, 1972

MEMORANDUM TO: PETER FLANIGAN
FROM: RICHARD ERB

Possible Agenda for Hunt Report Meeting

Review Recommendations

1. Report structure -- major subdivisions
2. Practical implications of recommendations
3. Legislative, regulatory, executive actions required -- federal and state level
4. Political impact of recommendations -- Congress, Trade associations, other interest groups
5. Impact of recommendations on agencies

Issues For Discussion

I. Legislative Strategy Issues

1. priority relative to other legislation
2. subdividing the recommendations
3. legislative timing
4. potential congressional response

II. Agency Support

-- How do we deal with Federal agencies which are affected by recommendations: FRB, FDIC, FHLBS, Comptroller, Credit Union Administration.

III. Interest Group Support

- timing
- lobbying
- coordination

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MAR 9 1972

IV. Additional Empirical Work Required

- studies in progress**
- impact on housing study**

EXECUTIVE

FIG

FG267

February 7, 1972

MEMORANDUM TO:

ARTHUR B. LAFFER
HERBERT STEIN
RICHARD C. VAN DUSEN
CHARLS E. WALKER

FROM:

PETER M. FLANIGAN

Attached are the comments of the National Credit Union Administration regarding Hunt Commission recommendations.

FILE MEMO:

3/7/72

GAH/dg

EXECUTIVE

FG 267

FG 6-11-1/Flanigan, Peter

SEE: Oversize Attachment # 8120 for folder of material on the
President's Commission on Financial Structure & Regulation filed by
Mr. Flanigan on above date.

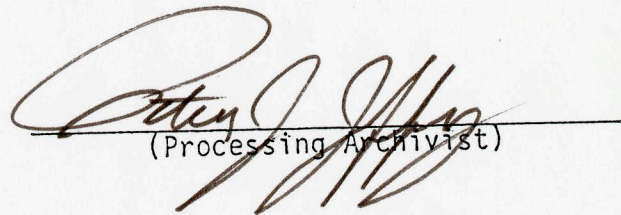
National Archives



Washington, DC 20408

NIXON PRESIDENTIAL MATERIALS STAFF

Oversized Attachment/Confidential Oversized Attachment No. 8120
has been processed and may be made available to researchers.


(Processing Archivist)

July 1996
(Date Processed)

FILE MEMO:

3/7/72

GAH/dg

EXECUTIVE

FG 267

FG 6-11-1/Flanigan, Peter

SEE: Oversize Attachment # 4120 for folder of material on the
President's Commission on Financial Structure & Regulation filed by
Mr. Flanigan on above date.

[Oversize Follows]
in preceding folder]

cr

March 8, 1972

IX FG 267
PRI

Dear Mr. Gilbert:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Richard G. Gilbert
207 34th Street
Canton, Ohio

Enclosure

DTK:keb

5

Green Copies Used for Name File
White " " " PRI

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MAR 8 972
CENTRAL FILES

March 8, 1972

Dear Mr. Holmes:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Walter S. Holmes, Jr.
507 Ridgewood Avenue
Glen Ridge, New Jersey

Enclosure

DTK:keb
5

RECEIVED
MAR 8 972
CENTRAL FILES

March 8, 1972

Dear Mr. Crawford:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Morris D. Crawford, Jr.
71 Gilliam Lane
Riverside, Connecticut

Enclosure

DTK:keb

5

RECEIVED
MAR 8 1972
CENTRAL FILES

March 8, 1972

Dear Mr. Edgerton:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable James Howard Edgerton
328 North Rockingham
Los Angeles, California 90049

Enclosure

DTK:keb
5

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MAR 8 1972
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March 8, 1972

Dear Dr. Solomon:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Ezra Solomon
775 Santa Inez
Stanford, California

Enclosure

DTK:keb

5

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MAR 8 1972
CENTRAL FILES

March 8, 1972

Dear Mr. Morthland:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Rex J. Morthland
Houston Park
Selma, Alabama

Enclosure

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5

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MAR 8 1972
CENTRAL FILE

March 8, 1972

Dear Mr. Morton:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable William B. Morton
North Manursing Island
Rye, New York

Enclosure

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5

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MAR 8 1972
CENTRAL FILES

March 8, 1972

Dear Mr. Saulnier:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Raymond J. Saulnier
21 Claremont
New York, New York

Enclosure

DTK:keb

5

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MAR 8 1972
CENTRAL FILES

March 8, 1972

Dear Mr. Regula:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Ralph S. Regula
15 North Main
Navarre, Ohio 44662

Enclosure

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5

RECEIVED
MAR 8 1972
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March 8, 1972

Dear Mr. Randall:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable K. A. Randall
12001 Old Bridge Road
Rockville, Maryland

Enclosure

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5

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MAR 8 1972
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March 8, 1972

Dear Mr. Patterson:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Ellmore C. Patterson
Hook Road
Bedford Village, New York

Enclosure

DTK:keb

5

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MAR 8 1972
CENTRAL FILES

March 8, 1972

Dear Mr. MacNaughton:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Donald S. MacNaughton
4 Park Lane
Madison, New Jersey

Enclosure

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5

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MAR 8 1972
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March 8, 1972

Dear Mr. Stewart:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Robert H. Stewart, III
4626 North Lindhurst Street
Dallas, Texas

Enclosure

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5

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MAR 8 1972
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March 8, 1972

Dear Mr. Grant:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable William D. Grant
5821 Brookbank Lane
Kansas City, Missouri

Enclosure

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5

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MAR 8 1972
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March 8, 1972

Dear Mr. Earnest:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Morgan Earnest
Post Office Box 8236
New Orleans, Louisiana 70122

Enclosure

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5

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MAR 8 1972
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March 8, 1972

Dear Mr. Malone:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Edward H. Malone
30 Camel Hollow Road
Huntington, Long Island, New York 11743

Enclosure

DTK:keb

5

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March 8, 1972

Dear Mr. Kirkland:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Lane Kirkland
1200 Old Georgetown Road
Rockville, Maryland

Enclosure

DTK:keb
5

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MAR 8 1972
CENTRAL FILES

EXECUTIVE

FG 267

PR1

March 21, 1972

Dear Mr. Bean:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Atherton Bean
Chairman of the Executive Committee
International Milling Company
1200 Investors Building
Minneapolis, Minnesota 55415

5

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MAR 22 1972
CENTRAL FILES

EXECUTIVE
FG 267
PRI

March 21, 1972

Dear Mr. Hunt:

The President has been deeply gratified by your service to our country as a member of the Commission on Financial Structure and Regulation.

As a token of his appreciation for your dedicated work, he wanted you to have the enclosed certificate which comes with his warmest thanks and best wishes.

Sincerely,

Daniel T. Kingsley
Special Assistant
to the President

Honorable Reed Oliver Hunt
Chairman, Executive Committee
X Crown Zellerbach Corporation
1 Bush Street
San Francisco, California

5

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MAR 22 1972
CENTRAL FILES

gan/

EXECUTIVE

FG 267

FG 6-11-1/Ent, Richard

March 24, 1972

MEMORANDUM FOR: PETER M. FLANIGAN

FROM: RICHARD D. ERB

SUBJECT: ^x State Bank Supervisors Conference, Boca Raton,
April 6 and 7

Walker believes that ^{this} ~~their~~ would be an important group to meet with regarding the Hunt Commission Report. They will be having several formal panels on the report and, if I go, will arrange also a meeting with their executive committee to discuss each of the recommendations. This will give us an opportunity to identify those sections of the Hunt report which are likely to create the most problems with respect to state banking laws and regulation.

RDE:sks

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JUN 6 1972
CENTRAL FILES

March 24, 1972

Peter M. Flanigan

TRavel R_equest

Richard D. Erb

Boca Raton

To attend conference of State Bank Supervisors and meet
with their Executive Committee; also to attend discussion
regarding Hunt Commission Report.

April 5, 1972

April 7, 1972

AIR

Boca Raton Hotel

Boca Raton Hotel in Florida

220.00

cc/

April 14, 1972

Dear Alex:

It was enjoyable meeting and talking with you last week during the CSBS Convention in Boca Raton. The discussions I had with you and others attending the convention did provide a different perspective on the Hunt Commission recommendations.

I look forward to our future meetings with you and other representatives of CSBS. By the time we next meet, I will have had an opportunity to read the report you sent me "Toward a More Responsive Regulatory Structure". Thank you for sending it to me.

Again, I do want to thank you for having invited me to your convention. It was enjoyable as well as informative.

With best regards,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Alexander W. Neale, Jr.
Legislative Representative
State Bank Supervisors
Suite 606
1015 18th Street, NW
Washington, D.C. 20036

Conference of State Bank
Supervisors

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cg

April 14, 1972

Dear Mr. Brimhall:

I want to thank you for the opportunity of attending the CSBS Convention last week in Boca Raton. It was a successful convention and one that was not only productive but enjoyable.

I did enjoy the opportunity to talk to you and others at the convention about the Hunt Commission recommendations. These discussions did provide a different perspective on the Report.

I do look forward to seeing you in the future. Again, I want to thank you for inviting me to the convention.

Best regards,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. W. Smoot Brimhall
X Commissioner of Financial
Institutions
403 State Capitol Building
Salt Lake City, Utah 84114

Conference of State Bank
X Supervisors

RECEIVED
JUN 6 1972
CENTRAL FILES

THE WHITE HOUSE OFFICE

REFERRAL

To: Director
Office of Management and Budget

Date: May 1, 1972

ACTION REQUESTED

- ☒ Draft reply for:
☒ President's signature.
☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
☐ Furnish information copy.
- ☐ Suitable acknowledgment or other appropriate handling.
☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

Prompt action is essential.

If more than 72 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: ☐ Telegram: ☐ Other:
To: The President
From: Reed O. Hunt, Chmn., Comm. on Financial Structure & Regulation, 1016 16th
Date: 4/28/72 (St., NW., Wash., D. C.)
Subject: Re refund by Comm. on Financial Structure & Regulation to OMB and other agencies.

By direction of the President:

Roland L. Elliott
Deputy Special Assistant
to the President

ggnl

(White House File Copy)

14
COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

1015 2nd Avenue
Seattle, Washington 98104

1016 16th Street N.W.
Washington, D.C. 20036

April 28, 1972

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

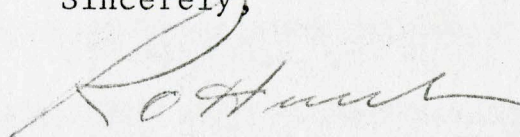
NM
Now that the work of your Commission on Financial Structure and Regulation has been completed, it is in the happy position of being able to return a sizeable measure of unexpended funds.

Accordingly, in due time a refund will be delivered to the Office of Management and Budget, representing its proportionate share of the unexpended balance of our budget. Proportional refunds will be made to the other agencies which contributed funds for the Commission's use.

The Commission is, therefore, not only Presidential but, I believe, precedential, in having completed its assigned task on schedule and to have expended an amount well below the total furnished for its expenses.

The Commission draws considerable satisfaction from both achievements.

Sincerely,



Reed O. Hunt
Chairman

29
EXECUTIVE

FE267

FI4

June 6, 1972

Dear Mr. Hunt:

Although the press of work prior to my visit to the Soviet Union has delayed this reply, I want you to know how pleased I was to receive your letter of April 28. You and your colleagues on the Commission on Financial Structure and Regulations have my heartiest congratulations on the splendid manner in which you have carried out your responsibilities. It is indeed a fine accomplishment to have completed a significant report in a timely fashion and in a way that has enabled you to refund a part of the resources made available to you.

As you know, your study is currently undergoing careful review and analysis. From all indications, it will contribute in an important way to making our financial institutions more responsive, and I deeply appreciate the willingness of the Commission to undertake this challenging assignment.

With my best wishes,

Sincerely,

RICHARD NIXON

Honorable Reed O. Hunt
Chairman
Commission on Financial
Structure and Regulation
1016 16th Street, N. W.
Washington, D. C. 20036

RN:OMB:KJenkins:MS:blf

34
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CENTRAL FILES

THE WHITE HOUSE

WASHINGTON

Dear Mr. Hunt:

Thank you for your letter of April 28, 1972, indicating that you would be able to refund significant amounts to those agencies which contributed funds to finance the work of the Commission on Financial Structure and Regulation. I congratulate you and the members of your Commission on the timely completion of a significant report and on your management of the available resources so that a refund is possible.

The report which you submitted is undergoing widespread review and analysis. It will, I am sure, provide a basis for adapting our financial institutions to changing needs and changing conditions both within the financial community and the society at large.

Sincerely,

Mr. Reed O. Hunt
Chairman, Commission on Financial
Structure and Regulation
1016 16th Street, N. W.
Washington, D. C. 20036

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 18 1972

MEMORANDUM FOR MR. ELLIOTT

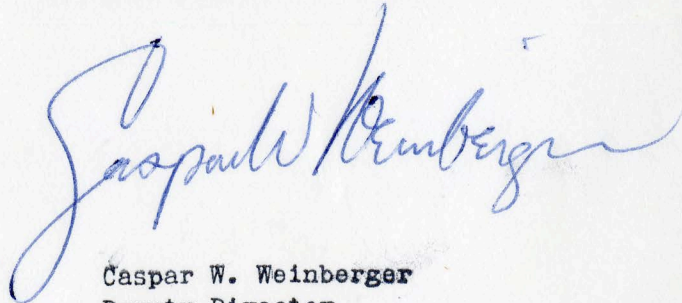
Subject: Proposed response to Mr. Reed Hunt, Chairman, President's
Commission on Financial Structure and Regulation

In accordance with your request of May 1, 1972, there is attached a draft letter for the President's signature responding to Mr. Reed Hunt's letter concerning the refund by the Commission on Financial Structure and Regulation of funds contributed by other agencies.

The Commission submitted its report to the President on December 22, 1971. A policy group with representation from the White House, Office of Management and Budget, the Council of Economic Advisors, HUD, and Treasury is reviewing it for the Administration. It is also being carefully studied by other financial regulatory agencies, organizations such as the U. S. Savings and Loan League and by the academic community.

The Commission was financed by contributions totaling \$516,000 from the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board. The Commission also received allocations from the appropriation, "Special Projects" totaling \$272,000. It appears that the Commission will be able to refund about \$80,000.

Attachment



Caspar W. Weinberger
Deputy Director

THE WHITE HOUSE OFFICE

REFERRAL

To: Director
Office of Management and Budget

Date: May 1, 1972

DIRECTOR'S MAIL ROOM	
To:	<i>Mr. Weinberger</i>
	<i>Mr. Alger</i>
	<i>Mr. Tully</i>
	<i>Mr. Walker</i>

ACTION REQUESTED

- ☒ Draft reply for:
- ☒ President's signature.
- ☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
- ☐ Furnish information copy.
- ☐ Suitable acknowledgment or other appropriate handling.
- ☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

Prompt action is essential.

If more than 72 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: ☐ Telegram: ☐ Other:

To: The President

From: Reed O. Hunt, Chmn., Comm. on Financial Structure & Regulation, 1016 16th (St., NW., Wash., D.C.)

Date: 4/28/72

Subject: Re refund by Comm. on Financial Structure & Regulation to OMB and other agencies.

By direction of the President:

RE
Roland L. Elliott
Deputy Special Assistant
to the President

gnl

(Copy to remain with correspondence)

4
COMMISSION ON FINANCIAL STRUCTURE AND REGULATION

1015 2nd Avenue
Seattle, Washington 98104

1016 16th Street N.W.
Washington, D. C. 20036

APR 28 1972
April 28, 1972

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

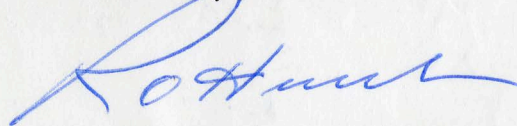
NM
Now that the work of your Commission on Financial Structure and Regulation has been completed, it is in the happy position of being able to return a sizeable measure of unexpended funds.

Accordingly, in due time a refund will be delivered to the Office of Management and Budget, representing its proportionate share of the unexpended balance of our budget. Proportional refunds will be made to the other agencies which contributed funds for the Commission's use.

The Commission is, therefore, not only Presidential but, I believe, precedential, in having completed its assigned task on schedule and to have expended an amount well below the total furnished for its expenses.

The Commission draws considerable satisfaction from both achievements.

Sincerely,



Reed O. Hunt
Chairman

June 15, 1972

Dear Mr. Rogg:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

We would like to proceed during the meeting in the following manner. First, we would like to discuss those recommendations which would have a severe impact on your industry, even when they are considered in the context of all of the recommendations. Secondly, we would like to discuss those recommendations which will have an important beneficial impact. Finally, we would like to obtain your general views on the impact of the remaining recommendations and also the report as a whole.

If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Nat Rogg
National Association of
Homebuilders
1625 L Street, NW
Washington, D.C. 20008

Green Cys used for Name File
White Cys for name of Organ.

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JUN 16 1972

CENTRAL FILES

June 15, 1972

Dear Mr. Fellows:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

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If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Edward R. Fellows, Jr.
Executive Vice President
National League of Insured Savings
Association
1200 17th Street, NW
Washington, D.C. 20036

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JUN 16 1972
CENTRAL FILES

June 15, 1972

Dear Mr. Jones:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

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If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Oliver H. Jones
Mortgage Bankers Association
1707 H Street, NW
Washington, D.C. 20006

RECEIVED
JUN 16 1972
CENTRAL FILES

June 15, 1972

Dear Mr. Alexander:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

We would like to proceed during the meeting in the following manner. First, we would like to discuss those recommendations which would have a severe impact on your industry, even when they are considered in the context of all of the recommendations. Secondly, we would like to discuss those recommendations which will have an important beneficial impact. Finally, we would like to obtain your general views on the impact of the remaining recommendations and also the report as a whole.

If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Willis Alexander
Executive Vice President
American Bankers Association
1120 Connecticut Avenue
Washington, D.C. 20036

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JUN 16 1972
CENTRAL FILES

June 15, 1972

Dear Mr. Strunk:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

We would like to proceed during the meeting in the following manner. First, we would like to discuss those recommendations which would have a severe impact on your industry, even when they are considered in the context of all of the recommendations. Secondly, we would like to discuss those recommendations which will have an important beneficial impact. Finally, we would like to obtain your general views on the impact of the remaining recommendations and also the report as a whole.

If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Norman Strunk
Executive Vice President
U.S. Savings and Loan League
111 East Wacker Drive
Chicago, Illinois 60601

RECEIVED
JUN 16 1972
CENTRAL FILES

June 16, 1972

Dear Mr. Bell:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

We would like to proceed during the meeting in the following manner. First, we would like to discuss those recommendations which would have a severe impact on your industry, even when they are considered in the context of all of the recommendations. Secondly, we would like to discuss those recommendations which will have an important beneficial impact. Finally, we would like to obtain your general views on the impact of the remaining recommendations and also the report as a whole.

If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

Mr. Howard Bell
Executive Director
Independent Bankers Association
of America
Sauk Centre, Minnesota 56378

JUN 16 1972
CENTRAL FILES

June 16, 1972

Dear Mr. Barr:

When Mr. Beasley and I first met with representatives of your organization to discuss the report of the President's Commission on Financial Structure and Regulation, we indicated that we planned to have additional meetings in order to obtain a better understanding of the impact of the recommendations on your industry. Accordingly, we would like to invite you and your associates to meet with us at some time during the week of July 10 or July 17. Please call Mr. Beasley's office to arrange a convenient day or time during those weeks.

We would like to proceed during the meeting in the following manner. First, we would like to discuss those recommendations which would have a severe impact on your industry, even when they are considered in the context of all of the recommendations. Secondly, we would like to discuss those recommendations which will have an important beneficial impact. Finally, we would like to obtain your general views on the impact of the remaining recommendations and also the report as a whole.

If you have any questions about the meeting or what we want to accomplish, do not hesitate to call me or Howard Beasley.

We both look forward to seeing you and your associates,

Sincerely,


Richard D. Erb
Staff Assistant
to the President

Mr. James C. Barr
Executive Vice President
National Association of Federal
Credit Unions
1156 15th Street, NW
Washington, D.C. 20005

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July 10, 1972

Dear Hank:

I'm sorry that I didn't send you that material right away. We've enclosed a copy of the Hunt Commission report; the introductory chapters give a pretty good overview of the Commission and of its objectives. I spend part of my time working on a review of these recommendations to determine which ones we should implement via legislation.

As part of our review process, we have been trying to meet with as many trade associations, consumer groups, and individual owners of savings banks and banks in order to get their assessment of what the impact will be. We have also been meeting with various regulatory agencies, including State Bank Supervisors.

I am still interested in meeting representatives from the banking and savings community. I'll be in touch with you by phone to arrange the details.

You better be sharpening up your tennis game!

Sincerely,

(Richard D. Eub)

Mr. W. Henry Halle
Assistant District Attorney
Supreme Court Building
Nashville, Tennessee 37219

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STATE OF TENNESSEE



DAVID M. PACK
ATTORNEY GENERAL & REPORTER

OFFICE OF THE
ATTORNEY GENERAL
SUPREME COURT BUILDING
NASHVILLE, TENNESSEE 37219

7 July 1972

DEPUTY ATTORNEYS GENERAL
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ROBERT E. KENDRICK
ASSISTANT ATTORNEYS GENERAL
ROBERT B. MILLER
LURTON GOODPASTURE, JR.
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EVERETT H. FALK
WILLIAM N. BYERS
BART C. DURHAM, III
RUSSELL G. LAZENBY, JR.
CHARLES W. CHERRY
R. JACKSON ROSE
WELDON B. WHITE, JR.
WILLIAM L. BARRY
WILLIAM B. HUBBARD
ALEX B. SHIPLEY, JR.
JOHN B. HAGLER, JR.
PHILLIP W. BROOKS
WILLIAM H. HAILE, II

Dr. Richard D. Erb
Staff Assistant to the President
The White House
Washington, D. C.

Dear ~~Dr. Erb:~~ *Dick*

I have not yet received the material you promised on
the Hunt Commission Report and related topics.

Let me know if you have changed your mind about setting
up a meeting for the Banking community.

I am sharpening up my tennis game, looking forward to
your visit.

Sincerely,

W. Henry Haile

WHH/j1

19
July 10, 1972

MEMORANDUM TO PAUL HENRY

FROM: RICHARD ERB

Could I please get five copies of:

The Report of the President's Commission on
Financial Structure and Regulationf

GSA Stock #4000-0272
\$.75/copy

Many thanks for your help.

RECEIVED
JUL 20 1972
CENTRAL FILES

July 10, 1972

MEMORANDUM FOR: HOWARD BEASLEY
 LEE RICHARDSON

FROM: DICK ERB

Attached is a draft of a letter for consumer advocates.
Please let me know what your comments are.

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JUL 20 1972
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CONSUMER DRAFT LETTER -- RDE 7/10

Dear _____:

In the 1970 Economic Report of the President, President R.M. Nixon disclosed his plans to appoint a commission to study the nation's financial structure. The Commission on Financial Structure and Regulation submitted its report to the President in December, 1972. Since that time, we have been examining the proposals in preparation for writing legislation.

In our review, we have made an effort to obtain comments on the report from a broad spectrum of individuals, industry associations, and regulatory agencies. Of special importance to us are the implications of the recommendations for consumers. My reason for writing to you is to ask for your help. Because of your expertise in the consumer area, your written comments on the potential impact of the recommendations would be valuable. We will interpret them as your own individual views and not as views of any group and we will also maintain confidentiality.

If you plan to be in Washington at any time in the near future, we also would enjoy meeting and talking to you about the recommendations.

We look forward to hearing from you,

Sincerely,

Richard D. Erb
Staff Assistant
to the President

29



EXECUTIVE
FG267

THE WHITE HOUSE

WASHINGTON

AUG 25 1972

Dear Senator Kennedy:

In accordance with your request of July 10, 1972, I have enclosed
a copy of The Report of the President's Commission on Financial
Structure and Regulation.

Sincerely,

(s) Bill Gifford

William L. Gifford
Special Assistant
to the President

Honorable Edward M. Kennedy
United States Senate
Washington, D. C. 20510

Enclosure

WHITE HOUSE FILE COPY

RECEIVED
AUG 30 1972
CENTRAL



THE WHITE HOUSE

WASHINGTON

SEP 28 1972

Dear Senator Kennedy:

In accordance with your request, I have enclosed a second copy of the Report of The President's Commission on Financial Structure and Regulation.

Sincerely,

(Signed) Bill

William L. Gifford
Special Assistant
to the President

Honorable Edward M. Kennedy
United States Senate
Washington, D. C. 20510

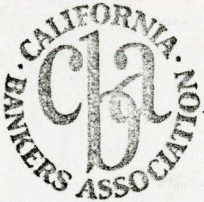
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4



California Bankers Association

HARTFORD PLAZA • SAN FRANCISCO, CALIFORNIA 94108 • (415) 433-1894

ANDREW J. SHEPARD
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CHAIRMAN OF THE BOARD AND PRESIDENT
EXCHANGE BANK
SANTA ROSA

NORMAN BARKER, JR.
FIRST VICE PRESIDENT
UNITED CALIFORNIA BANK
LOS ANGELES

OLE R. METTLER
SECOND VICE PRESIDENT
PRESIDENT
FARMERS & MERCHANTS BANK OF
CENTRAL CALIFORNIA
LODI

ROBERT L. SHEARN
TREASURER
SENIOR VICE PRESIDENT
THE BANK OF CALIFORNIA N.A.
SAN FRANCISCO

HENRY M. SHINE, JR.
EXECUTIVE DIRECTOR

PERRY T. JOY
MANAGER

October 3, 1972

EXECUTIVE

FG6-11-1/Erb, Richard

PR 17

FG267

The Honorable Peter M. Flanigan
Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Pete:

I am enclosing a copy of a letter I sent to Dick Erb today as well as a copy of our President's letter to Dick.

Dick was very helpful because the Hunt Commission Report had really not been aired previously before the California bankers. As you will note from the enclosed press release, a great many of our 161 banks were represented.

We hope that you will be able to join us at future seminars. Of course, we would like to call on Dick again.

Very sincerely,

Henry M. Shine, Jr.
Executive Director

Enclosures (2)

1972 OCT 5 AM 11 53
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LAWRENCE L. WATHEY
SANTA BARBARA NATIONAL BANK
SANTA BARBARA

LEONARD WEIL
MANUFACTURERS BANK
LOS ANGELES

November 8, 1972

Subject: The Hunt Commission Report and Future Legislation

From: Richard D. Erb

The Hunt Commission recommendations can be divided into four major parts:

- 1) Peripheral recommendations -- trust, pension and insurance sections
- 2) Regulations and Supervision Proposals
- 3) Tax Proposals
- 4) Interest Rate and Powers Proposals

The following is a first attempt to set out some of the more critical policy decisions which will have to be made if the Hunt Commission recommendations are to be used as a basis for writing legislation. The peripheral recommendations can and probably should be considered separately from the main body of recommendations. Although the regulatory and supervisory recommendations are related to the others, they could be broken off and dealt with at a later time. The recommendations concerning taxes, powers, and interest rate ceiling should be treated as an interrelated group.

Your comments and views on the attached would be appreciated. It is important at this early state in our thinking to keep them confidential.

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FG 267

FG 6-20

November 10, 1972

MEMORANDUM FOR: PETER M. FLANIGAN

FROM: RICHARD D. ERB C I E P

The following is a way of handling the Hunt Commission Report. I have not discussed this approach with Walker but believe there will be no problems since he has mentioned several times that he anticipated a final review by the Troika and the President.

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EXECUTIVE

FG 267

FG 6-3

FG 12

November 10, 1972

MEMORANDUM FOR DEPUTY SECRETARY WALKER, *Charles E.*

FROM:

PETER M. FLANIGAN *B*

If you agree that the time is right to begin making decisions regarding the Hunt Commission Report, I would suggest that you convene the senior review group to examine the CEA report as well as the policy options which are being prepared. A legislative proposal, including major policy options, can then be prepared for review by the Troika and finally by the President. I would like to have Dick Erb represent me on the senior review group.

Flanigan: Erb: ljs

Sent by hand

The Honorable

Charles E. Walker

Deputy Secretary of the Treasury
Room 3326, Main Treasury

NOV 16 1972

THE WHITE HOUSE

WASHINGTON

November 10, 1972

MEMORANDUM FOR: PETER M. FLANIGAN

FROM: RICHARD D. ERB **RDE**

The following is a way of handling the Hunt Commission Report. I have not discussed this approach with Walker but believe there will be no problems since he has mentioned several times that he anticipated a final review by the Troika and the President.

EXECUTIVE

ME 3-3/FG 267

FG 267

NOV 18 1972

Dear Reed:

Almost a year has passed since you and the other members of the Commission on Financial Structure and Regulation submitted your excellent report to me. This was a very broad and complex study, but one that was well conceived and equally well executed. I want to express my thanks once again to each and every member of the Commission for your very thoughtful set of recommendations.

More important, I want you to let the members of the Commission know that the report is not sitting on a shelf somewhere. It is under very active consideration by the Administration. Secretary of the Treasury Shultz, his deputy, Charly Walker, Ezra Solomon of the Council of Economic Advisers, and Peter Flanigan have been working on the additional analysis necessary for formulating an Administration position on your proposals.

As you gather for your first reunion, I want you to know that the report of the Commission on Financial Structure and Regulation is alive and well and receiving much attention in Washington.

With every best wish,

Sincerely,

RICHARD NIXON

Mr. Reed O. Hunt
P. O. Box 366
Gig Harbor, Washington 98335

RN:GS:RP:kdc

MEMORANDUM OF INFORMATION FOR THE FILE

EXECUTIVE

DATE

11/28/72

FI

FO 4-1

FG 267

FG 12

FG 6-3

FG 6-16

~~LETTER, MEMO, ETC.~~

TO: Peter Flanigan

FROM: Richard Erb

SUBJECT: * Troika meeting - Talking Paper
on Hunt Commission Report

DC
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December 29, 1972

MEMORANDUM FOR SECRETARY SHULTZ

FROM: PETER M. FLANIGAN *15/*

I would like to have Richard D. Erb represent this office on the Hunt Report senior review group.

Flanigan:Erb:ljs 12/29

Secretary Shultz - Department of Treasury - Room 3030

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JAN 4 1973

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WASHINGTONTHE SECRETARY OF THE TREASURY
WASHINGTON

DEC 26 1972

1972 DEC 27 PM 3 19

MEMORANDUM FOR: THE HONORABLE GEORGE W. ROMNEY
THE HONORABLE CASPAR WEINBERGER
THE HONORABLE HERBERT STEIN
THE HONORABLE PETER FLANIGAN ✓

Subject: Hunt Commission Report

At the last meeting of the Troika, the group decided to ask Charly Walker to initiate a Senior Review Group study of the staff work that has been done on the Hunt Commission Report, with the goal of adopting policy recommendations that could be included in the Budget Message and Economic Report. With the announcement of his resignation, Charly asked to be withdrawn from all policy planning in the Administration and the SRG has not begun its work.

I do not believe we should be concerned about the delay. A strong case can be made that such recommendations should not be adopted under more or less forced draft, and that the goal should instead be a special message to the Congress in March or April.

There is increasing evidence that the basic recommendations of the Commission (e.g., a phasing out of Regulation Q, broadening the powers of the thrift institutions, achieving "tax uniformity" among competing financial institutions, etc.) may well constitute an idea whose time has come, with reasonably good prospects for constructive legislation in the 93rd Congress.

Accordingly, I believe that we should re-constitute the SRG as soon as possible. The members of the old group consisted of Peter Flanigan, Dick Van Dusen, Ezra Solomon, Jack Carlson and Walker. For continuity and other reasons, I continue to believe that the group should be small, confined to the original departments and agencies.

I am asking Deputy Under Secretary James E. Smith to take Charly's place as chairman of the group and would be grateful if you would inform my office within a week as to your representative. A reasonable target date for the SRG report would seem to be about March 1, 1973.

George P. Shultz

cc: The Honorable James Lynn
The Honorable James E. Smith

CIEP CORRESPONDENCE PROFILE

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SUBJECT: SENDS MEMO REQUESTING REPRESENTATIVE FOR SRG STUDY
ON "HUNT COMMISSION REPORT"

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Larry Brady			
Dave Gunning			
Dick Erb	X		
John Schaefer			
<u>PMF</u>		X	

ACTION REQUIRED

MEMO FOR PMF _____ (_____)
 MEMO FOR PRES _____ (_____)
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 MEMO _____ TO _____ (_____)
 RECOMMENDATIONS _____ (_____)
 Refer to _____ (_____)
 ANY ACTION NECESSARY _____ (_____)
 CONCURRENCE _____ (_____)
 DUE DATE: JAN 2, 1973

COMMENTS: (Including Special Instructions)

Addressees: ROMNEY; WEINBERGER;
 STEIN & FLANIGAN.
 CC: LYNN & JAMES E. SMITH

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DATE	FROM	TO	S	ACTION REQUIRED	Init
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<u>12/29</u>	<u>E/S</u>	<u>PMF</u>		<u>Sig</u>	
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