

BROUGHT FORWARD

EXECUTIVE

FI 2
Previously filed

1/11/71
Date

NAME Har Ruster Martin

ORGANIZATION _____

EXECUTIVE

FI 2
New File Symbol

2/17/71
Date

FINAL ACTION Chelichman ltr to
Har Ruster Martin

January 15, 1971

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EXECUTIVE

ME 3 I *

CO 1-9

FI 2

FG 11-4

CO 117

The timely direction of the agenda of the Ninth Inter-American Savings and Loan Conference to the pressing social and economic problem of insufficient housing is highly commendable.

The encouraging growth of thrift and home ownership institutions throughout Latin America during the past decade has been one of the most rewarding accomplishments of Inter-American cooperation.

Savings and loan associations now provide a viable framework through which countless Latin Americans have already attained the goal of home ownership. You who have worked so diligently toward this achievement have earned the gratitude and respect of your fellow citizens. Your creative combination of the resources of the public and private sectors in splendid cooperation with international efforts serve as a model for peoples everywhere.

Your past record is an encouraging indication that these sessions will be productive, and that they will further expand your dynamic role in the future of our Hemisphere.

18 Richard Nixon

Sent to: Honorable John A. Hannah
Administrator
Agency for International Development
Department of State

RN:Hasek:ck

cc: Rose Mary Woods/M. A. Passman/M. White/E. Hasek/CF

DUE: ASAP

EVENT: JANUARY 23, 1971

Requested by Mr. Hannah.

Approved by Pat Buchanan.

*sent
1-18*

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CENTRAL FILE

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EXECUTIVE

FG 124

BE 2-2

FI 2

January 15, 1971

LFC FINANCIAL CORPORATION

Dear Mr. Davis:

It was thoughtful of you to write to me about the assistance you have received from the Federal Home Loan Bank Board. I greatly appreciate your courtesy, and I have sent a copy of your letter to Chairman Preston Martin. I am sure that your comments will be as gratifying to him as they were to me.

With best wishes for the New Year,

Sincerely,

RICHARD NIXON

Mr. Stuart Davis

Chairman of the Board and

Chief Executive Officer

× Great Western Financial
Corporation

9601 Wilshire Boulevard

Beverly Hills, California 90210

cc: Chairman Preston Martin with copy of incoming *encl*

×
RN:NM:blm - -

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JAN 18 1971
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EXPORT-IMPORT BANK OF THE UNITED STATES

WASHINGTON, D.C. 20571

CABLE ADDRESS "EXIMBANK"

January 18, 1971

elms
Memorandum for The Honorable
George P. Shultz

X
Subject: Objective Analysis of Eximbank Transactions and
Operations

From time to time, the decision making process of Eximbank is questioned. First as to its objectivity, and second as to the capability of those contributing to these decisions. I respectfully submit the following to illustrate the competence of those involved in our decision making process.

(1) A capable and permanent staff of economists participates in all Eximbank decisions. This list covers more than 209 years of experience by the eleven professional economists on our staff, headed by Dr. R. Henry Rowntree, Chief Economist. The following is a compilation of this distinguished group:

Dr. R. Henry Rowntree - Chief Economist	27 years
University of Washington	BBA
University of Washington	MBA
Ohio State University	PhD
Ido E. Colantuoni	9 years
North Eastern University, Boston	BS cum laude
Wharton School, University of Pennsylvania	MBA
New York University	PhD
Charles Hammond - Financial Economist	12 years
University of Illinois	BA
University of Illinois	MA
University of Illinois	PhD

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Charles E. Houston - Vice President	28 years
Drury College, Springfield, Missouri	AB - economics
Clark University, Worcester, Massachusetts	MA - economics
New York University	DS - economics
John H. Huber - Economist	5 years
Rutgers University	BS
Rutgers University	MBA
Syracuse University	PhD
Leonard R. Koser - Economist - Deputy Vice President	20 years
State University of Iowa	BS
University of Illinois	MA
University of Illinois	PhD
Glenn E. McLaughlin - Economist - Vice President	27 years
Colorado College	AB
Columbia University	MS
Harvard University	PhD
Eugene E. Oakes - Economist - Vice President	28 years
Northwestern University	BS - Phi Beta Kappa
Harvard University	MA
Harvard University	PhD
Nicholas M. Petruzzelli - Economist	29 years
University of Portland	BA
Catholic University	MA
Catholic University	PhD
Daniel W. Rengers - Economist	17 years
University of Geneva	
International Law Academy, The Hague	
University of Chicago	PhD

Marvin Morris Solomon - Economist
Attorney

Columbia College
Columbia University
London School of Economics

7 years
AB
LLB
LLM

(2) There are a total of 39 professional economists and analysts with Doctorate or Masters Degrees in Business Administration in a total employee complement of 365.

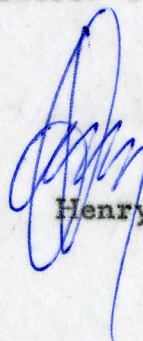
(3) The decision making process is so structured that all transactions are examined by an expert group on financial reliability, technical feasibility, geographic and political appropriateness, and the relationship of each transaction to the total of Eximbank business.

(4) Every transaction is submitted to review and question by the full Board of Directors and staff.

(5) The Board of Directors of Eximbank has final in-house responsibility. This Board is composed of five Presidential appointees confirmed by the Senate.

(6) All policy decisions and a review of all transactions involving \$10 million or more are made by the NAC representing the Departments of Treasury, State, Commerce, Federal Reserve Board, and the Export-Import Bank.

It appears to us that this procedure is thorough and should with confidence minimize error and capriciousness. I trust that you will find this to be important.



Henry Kearns

cc: The Honorable
Peter M. Flanigan

NAC Members

FG18

FI 2

LG/LITTLE ROCK

January 19, 1971

Dear Mr. McLean:

Thank you for your letter concerning the post office bank account in Little Rock.

As you know, the Congress enacted legislation during the 91st Congress which was designed to take the Post Office Department out of the field of politics and to generally improve its efficiency. Their decision to cease the rotation of postal accounts apparently is a manifestation of this new policy.

To insure that all are being treated fairly in this matter, I am taking the liberty of sending your letter to the Postmaster General. I am asking that he respond to your specific points.

Thank you for bringing this matter to my attention.

Sincerely,

Clark MacGregor
Counsel to the President
for Legislative and
Congressional Affairs

X

Mr. William H. McLean
Vice Chairman of the Board
X Commercial National Bank
Second and Main
Little Rock, Arkansas 72203

EXECUTIVE

7412

752

THE WHITE HOUSE

January 15, 1971

JAN 20 1971

Dear Hoyt:

It was very thoughtful of you to write to me about John^xConnally's impact on the principal members of the New York banking group. I am sure that John must be more than grateful for your help, and I want to express my own thanks to you. I know how much this can mean, and I was especially pleased to hear that the contacts have been so uniformly successful.

With warm personal regards,

Mr. Ammidon has written you regarding the situation in New York City. Sincerely,

Mr. Ammidon and John^xConnally to meet the members of the Association of Banks in New York City. Connally's ability to operate in a very difficult situation is a positive asset to the Administration. Mr. Ammidon and John^xConnally to meet the members of the Association of Banks in New York City. Connally's ability to operate in a very difficult situation is a positive asset to the Administration. Mr. Ammidon and John^xConnally to meet the members of the Association of Banks in New York City. Connally's ability to operate in a very difficult situation is a positive asset to the Administration.

Mr. Hoyt Ammidon
Chairman of the Board
United States Trust Company
of New York
45 Wall Street
New York, New York 10005

RN:NМ:blm

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JAN 21 1971
CENTRAL FILE

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416-15
414
416-16
4112
416-3

JANUARY 21, 1971

FOR KEN COLE

Will you please prepare a Domestic Council Study Memorandum on the issue of use of trust funds as a budgetary technique.

This specific question came up in the context of the sulphur dioxide tax issue but there is a much larger question which was originally considered and disposed of about 18 months ago when Bob Mayo was Director of the Budget.

The issue is whether or not, as a matter of Administration policy, we will create special taxes and earmark their proceeds to trust funds for the benefit of particular objectives or functions.

Formerly Treasury was opposed to this technique. It appears that now, either as a result of Governor Connally's influence or some other factor, Treasury now favors the trust fund device. I think this shift in position, together with the rather wide variation of view expressed in the environmental meeting, justify re-examination of this policy and a disposition one way or the other.

I would hope we could have a paper ready to go to the President within a month.

I would suggest that Treasury, CEA, OMB at least be represented on the working group.

John D. Ehrlichman

RECEIVED
JAN 23 1971
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9
February 17, 1971

Dear Pres:

Thanks very much for your letter of the 10th with a report on the Highline Savings and Loan Association in Seattle.

I appreciate your taking the time to compile this report and forwarding it on to me.

Best personal regards.

Yours sincerely,

John D. Ehrlichman
Assistant to the President
for Domestic Affairs

Honorable Preston Martin
Chairman
Federal Home Loan Bank Board
101 Indiana Avenue, N. W.
Washington, D. C. 20552

JDE:JLH:jlh

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FEB 18 1971
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*See
trans
for background
info*

FEB 11 1971



FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20552

101 INDIANA AVENUE, N. W.

FEDERAL HOME LOAN BANK
SYSTEM

FEDERAL HOME LOAN
MORTGAGE CORPORATION

FEDERAL SAVINGS & LOAN
INSURANCE CORPORATION

PRESTON MARTIN
CHAIRMAN

February 10, 1971

Honorable John D. Ehrlichman
Assistant to the President
for Domestic Affairs
The White House Office
Washington, D. C.

Dear Mr. Ehrlichman:

In response to your recent letter, the following is a report on Highline Savings and Loan Association, Seattle, Washington.

You are aware that Mr. David J. Williams is a former president and founder of Highline and that he remains the largest single stockholder.

With the exception of controversies among the principals Highline rates as a well-managed, generally problem-free association. It has better than average net earnings and a good competitive position manifested by savings growth and mortgage lending market share.

Since 1961, a number of disputes have arisen between Mr. Williams and other directors. These disputes have been reviewed and adjudicated in the courts and by the Washington Commissioner. Examples are: Naming the board of directors on the proxy form; a possible sale of stock to another association; appointment of a new managing officer upon the death of the original managing officer; election of new directors; and dividend payments in the form of stock.

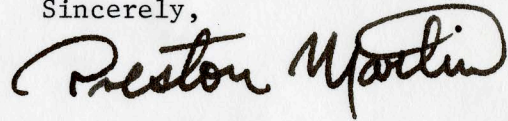
Mr. Williams instigated six lawsuits beginning in 1968. The legal proceedings began after the board elected Harry Kittleman, president. Mr. Williams had held that office since the association opened in April 1950. Our staff has reviewed the litigation and its outcome. Four of the suits were dismissed with prejudice. Appeals have sustained certain decisions adverse to Williams. The State Commissioner has found against him.

Our recent investigation into the affairs of Highline Savings and Loan leads me to believe that the disputes center almost solely on control of the institution. As the operating results of the association

Honorable John D. Ehrlichman
Page Two
February 10, 1971

have not been impaired by the internal problems, I do not feel that further action by the Federal Home Loan Bank Board is warranted at this time.

Sincerely,

A handwritten signature in dark ink, reading "Preston Martin". The signature is written in a cursive style with a large, looping "P" and a distinct "M".

Preston Martin
Chairman

FFI 2

FI 3

FG 124

January 11, 1971

Dear Pres:

Here is correspondence and some court documents forwarded to me by an old friend in Seattle with regard to Highline Savings and Loan Association.

I'd be personally grateful if you would have someone take a look at these instruments and determine whether or not this is something that you wish to get into.

I will certainly abide your decision with thanks.

Yours sincerely,

John D. Ehrlichman
Assistant to the President
for Domestic Affairs

Honorable Preston Martin
Chairman
Federal Home Loan Bank Board
101 Indiana Avenue, N. W.
Washington, D. C. 20552

Enclosures:

December 30 letter from
Alfred J. Schweppe
Schweppe, Doolittle, Krug & Tausend
657 Colman Building
Seattle 98104

re: ~~EXE~~ Dave Williams and Highline Savings and Loan Assn.

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JAN 13 1971
CENTRAL FILES

EF

MEMORANDUM OF INFORMATION FOR THE FILE

DATE 2/18/71

EXECUTIVE

FG 18

FI 2

FG 295

~~LETTER, MEMO, ETC.~~

TO: William E. Timmons

FROM: Paul N. Carlin

SUBJECT: Bank in Little Rock, Ark.

McLean, William
Mills, Wilbur

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

February 22, 1971

MEMORANDUM FOR ED MORGAN

FROM: PETER FLANIGAN

This effort has been taken with the concurrence of John Ehrlichman and Bob Haldeman. It will demand the highest possible level briefing in order to commit these people to work as the spokesmen of the banking industry.

Attachment

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FEB 25 1971
CENTRAL FILES

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MEMORANDUM OF INFORMATION FOR THE FILE

DATE 2/24/71

EXECUTIVE

FI 2

RA 3

FG 17

FG 13

~~LETTER, MEMO, ETC.~~

TO: Attorney General Mitchell

FROM: Peter M. Flanigan

SUBJECT: Award of Bank Concession in the Pentagon

Wallace, Carl
Virginia National Bank
Clarendon Trust Co.

Olmsted, Gen. George

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

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EXECUTIVE

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FG120
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March 9, 1971

MEMORANDUM FOR FRANK WILLE
Chairman, FDIC

FROM: JONATHAN C. ROSE

SUBJECT: The attached letter

This office has received a letter which alleges impropriety on the part of a bank president. I would appreciate it if you would have a member of your staff draft a response for Peter Flanigan's signature and take whatever other action you deem appropriate.

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

March 9, 1971

file
HIGH PRIORITY
EXECUTIVE

1105

FA7

FG6-11-1/Flanigan's letter

PR10

F12

MEMORANDUM FOR:

MR. H. R. HALDEMAN

FROM:

DAVID N. PARKER

SUBJECT:

Flanigan Briefing-
Young Bank Presidents

Flanigan is holding his third briefing session, ^{REVENUE SHARING} of the attached list of Young Bank Presidents tomorrow at noon in the Roosevelt Room and requests consideration be given to a Presidential drop-by. We recommend a 12:15 p.m. drop-by if it is approved.

Approve drop-by _____

Disapprove _____

goh/

BROUGHT FORWARD

EXECUTIVE

FI 2

3-23-71

Previously filed

Date

Name Memo to Mr Chapin from Mr Butterfield

Organization re meeting of Western bankers

same
New File Symbol

4-21-71
Date

FINAL ACTION Memo to Mr Hallerman
from Mr Bull

March 26, 1971

MEMORANDUM FOR ROBERT FINCH

FROM: GEORGE CRAWFORD

SUBJECT: BANKERS FOR REVENUE SHARING

Peter Flanigan asked me to send you for your comments the attached draft letter, which we propose to send to the bankers who met with us here for a briefing and luncheon. Also, could you please let us know who it is who we should say will be getting in touch with them, and whether you think setting up a banker's committee, as part of the national committee, would be a good way to get a second ride out of these peoples' commitment?

GC:rjm

March 26, 1971

Dear Mr. Moran:

Thank you for your letter of March 23, suggesting that the relationship between banks and brokerage houses, and in particular the supervision of these transactions by the New York Stock Exchange, bear investigation. As you know, no Administration group has yet been set up to inquire into securities industry practices and regulation, but if such a group is established this matter will be drawn to their attention. In the meantime, since the Securities and Exchange Commission has been asked by Congress to make a study of this subject, I am forwarding a copy of your letter to them for their consideration.

Sincerely yours,

Peter M. Flanigan
Assistant to the
President

John V. Moran, Esquire
20 Nassau Street
Princeton, New Jersey

cc: Mr. William Casey
w/ Incoming

PMF:GC:rjm

April 2, 1971

MEMORANDUM FOR SECRETARY CONNALLY

FROM: PETER FLANIGAN

In order to make sure that the business community's views are fully considered, and in order to give the business community a feeling of participation in the development of matters relating to them, the Department of Commerce has created two councils. The first is the National Industrial Pollution Control Council which is designed to assist in the development of pollution legislation. The second will be a similar council designed to assist in the development of consumer legislation.

When this program was outlined to several businessmen, Bill Moore of the Bankers Trust asked why a similar council was not formed to help with financial institutions. As he sees it, most financial institutions such as commercial banks, mutual savings banks, savings and loan associations and insurance companies operate in the public interest. There are, however, those members in the industry who by virtue of unsound or unethical practices, bring a bad name on the whole industry and create the pressure for restrictive legislation. You may wish to consider the formation of a council of financial institutions to work with the Treasury Department in this area.

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PRESTON MARTIN
CHAIRMAN

FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20552

101 INDIANA AVENUE, N. W.

April 8, 1971

FEDERAL HOME LOAN BANK
SYSTEM

FEDERAL HOME LOAN
MORTGAGE CORPORATION

FEDERAL SAVINGS & LOAN
INSURANCE CORPORATION

EXECUTIVE

RS3-2

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412

The Honorable Peter M. Flanigan
Assistant to the President
The White House
Washington, D. C. 20500

Dear Peter:

Recently a member of your staff, while in the process of answering a letter, called my office and inquired about the recent merger in Illinois of ~~Piasa~~ First Federal Savings and Loan into ~~Illini~~ Federal Savings and Loan. We were compelled to grant the first savings and loan branch in Illinois history to resolve a major supervisory case. My monthly report to the President refers to this merger, and as a further explanation for you and your staff I am pleased to submit the attached memo.

Sincerely,

Preston Martin

Attachment

MAY 4 1971
CENTRAL FILES

EXECUTIVE

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FI 2

April 20, 1971

MEMORANDUM FOR JAMES W. McLANE

FROM: GEORGE CRAWFORD

SUBJECT: FOLLOW-UP ACTION TAKEN ON
MARCH MEETING WITH BANKERS

Your memorandum of April 16 details the impressive action following up the March meeting with bankers. If it is readily available, I would be very much interested in a similar rundown on the results of our other luncheon meetings and the Presidential mailing of March 1. I am sure the other people whom you memorandized on the March bankers meeting would be interested too.

GC:rjm

gah/

BROUGHT FORWARD

EXECUTIVE

FI 2

4-21-71

Previously filed

Date

Name Memo to Mr. Hallemann

Organization from Mr. Bull re

briefing of Western States Bankers

EXECUTIVE

TR 17

4-21-71

New File Symbol

Date

FINAL ACTION reference change only

051

EXECUTIVE

FI 3

FI 2

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April 22, 1971

Dear Mr. Bishop:

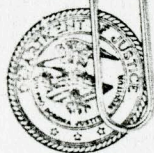
Thank you for your letter of April 15th, detailing the actions of the New York Stock Exchange in the investigation of the
X Batontown National Bank failure, and of any relationship this might have to member firms. I appreciate that it takes time to unravel financial manipulations of this type, but I am confident that the Exchange will continue to fulfill its self-regulatory responsibilities in this regard.

Sincerely yours,

Peter M. Flanigan
Assistant to the
President

X
Mr. Robert M. Bishop
Vice President - Director
X New York Stock Exchange
4 New York Plaza
New York, New York 10004

3228



UNITED STATES DEPARTMENT OF JUSTICE
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

WASHINGTON, D.C. 20530

OFFICE OF THE ADMINISTRATION

April 29, 1971

CF EXECUTIVE

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Crowley, Bob
City Federal Savings and
Loan

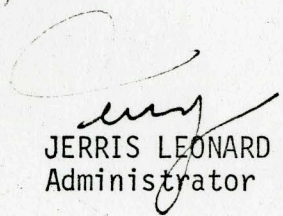
MEMORANDUM FOR

Peter M. Flanigan
Assistant to the President
The White House

Re: Attached

Pete, you will recall that John MacIver^x is a former law partner and Nixon Chairman in Wisconsin. Do you have any suggestions with respect to the wisdom and/or method of making an approach to Preston Martin in order to attempt to determine the answer to the question, "when they expect to conclude the investigation and toward what direction it appears to be heading".

I'd appreciate your advices.


JERRIS LEONARD
Administrator

Attachment

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MAY 1 1971
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THE WHITE HOUSE
WASHINGTON

SIGNING CEREMONY
FOR S. 70 -- TELEPHONE BANK BILL

Friday, May 7, 1971
11:45 A.M.
The Cabinet Room

THE PRESIDENT HAS SEEN....

THE PRESIDENT:

BACKGROUND

The Telephone Bank Bill will establish a supplementary source of credit to finance rural telephone systems. The Telephone Bank will be administered by the Rural Electrification Administration.

To highlight the significance of the necessity to have first-rate communications into all parts of rural America, and as a natural tie-in to Salute to Agriculture Day, a signing ceremony has been arranged for the Cabinet Room at which approximately 20 people will be in attendance (list at Tab A). Attendees include Congressmen instrumental in passage of the bill, Departmental personnel affected by the bill, and representatives from the telephone industry.

At the conclusion of the signing ceremony, an official of the National Telephone Cooperative Association will present to you an antique wall telephone which has been especially prepared for this occasion.

SEQUENCE OF EVENTS

11:45 a.m.

The guests will be standing along the left and right of the Cabinet table, at the end closest to the door through which you will enter. The press will be positioned at the opposite (fireplace) side of the Cabinet Room.

You enter and proceed directly to a seat that will be positioned at the end of the table, closest to the door by which you enter. After signing the bill, Mr. Eldon M. Snowden, President of the National Telephone Cooperative Association, will present to you the antique wall telephone.

May 7, 1971

MEMORANDUM FOR PETER FLANIGAN

FROM: GEORGE CRAWFORD

SUBJECT: HR 5700

In order to prepare an analysis for you of the issues on which there is inter-departmental disagreement regarding this Bill, I read copies of the Treasury and Justice testimony for the first time last night. In doing so, I discovered that certain issues which the legislation and testimony addresses are also the subject of litigation under present law involving the Cleveland Trust Company, a client of the law firm with which I was associated before joining the government. Although I was not significantly involved with this litigation in the law firm, and although the litigation involves interpretation of present law, while the legislation would make new law, I feel I should disqualify myself from any contact whatever with HR 5700 so as to protect the Administration from any appearance of impropriety. I will act accordingly.

GC:rjm

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MAY 12 1971
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EXECUTIVE

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May 8, 1971

MEMORANDUM FOR

THE PRESIDENT'S FILE

FROM

JOHN EHRLICHMAN

SUBJECT

Meeting with Dr. Arthur Burns
Wednesday, April 14, 1971, Noon

The President and Dr. Burns sat in chairs next to the fireplace and John Ehrlichman sat on the couch.

Dr. Burns reported to the President that he was about to leave for Paris and Switzerland for meetings with central bankers. He indicated to the President that he wished to tell the central bankers that the President was not pursuing a policy of benign neglect with regard to balance of payments but that the President would sustain the short-term interest rates in the United States, regardless of domestic consequences, in order to contribute to the solution of the balance of payments problem.

The President made no commitment to Dr. Burns in this regard. He said that he had a continuing interest in the balance of payments problem and was always interested and willing to hear what Dr. Burns had to report to him on it.

They then discussed other matters relating to the economy and Dr. Burns left after about 30 minutes.

EXECUTIVE ③

May 13, 1971

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416-16

MEMORANDUM FOR: PETER FLANIGAN
FROM: JIM LOKEN
SUBJECT: Federal Financing Bank Act

Bruce MacLaury believes that the Federal Financing Bank Act has been approved in principle by the Troika, and on this basis MacLaury has been dealing with Sam Cohn of OMB to resolve a few "minor" issues raised by OMB prior to circulation to interested agencies.

MacLaury thought that these issues would be resolved in the very near future and that the bill will then be circulated by OMB without further Troika consideration.

Herb Stein also believes that Troika approved the bill at its last executive session. Stein will verify that McCracken has no objections.

MacLaury will proceed as scheduled unless you wish to chart a different course. Given the large number of agencies concerned there had been a feeling that policy issues should be thoroughly hashed out prior to the OMB fan-out. Otherwise, I see no reason why you should need to review the bill again prior to, as opposed to after the OMB circulation.

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EXECUTIVE

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FI 2

May 13, 1971

Dear Paul:

This will acknowledge and thank you for your letter to the President regarding funding for rural electric and rural telephone loan programs. Your concern in this matter is certainly understood and, in that connection, I am enclosing a White House press release on the signing of S. 70, which establishes a Rural Telephone Bank. Also, please be assured that your interest in release of additional appropriated funds for these programs will be given full consideration.

With warm regards,

Sincerely,

William E. Timmons
Assistant to the President

Honorable Paul Findley
House of Representatives
Washington, D. C.

bcc: w/incoming to Bill Gifford - for your information

WET:EF:VO:ka

May 19, 1971

MEMORANDUM FOR: PETER FLANIGAN AND JOHN DEAN

FROM: JIM LOKEN

SUBJECT: Administration Position re HR 5700,
the "Banking Reform Act of 1971"

Initial meetings have now been held among representatives of the interested agencies to begin preparing an Administration bill as a substitute for HR 5700, as our witnesses promised during the hearings held before Patman's Committee earlier this month.

The Task Force seems to be making considerable progress toward agreement on a bill. However, McLaren is leaving on a three week OECD trip tomorrow, and has asked that the issues having greatest antitrust impact be decided before he leaves. I attended a meeting yesterday to focus the various agency positions. This memo is limited to the options for resolving those antitrust issues.

1. Financial Institution Interlocks. Section 8 of the Clayton Act flatly prohibits director, officer or employee interlocks between Federal Reserve member banks and other banks and trust companies. There is agreement that Section 8 illogically singles out member banks from among the array of financial institutions, that interlocks between directly competitive financial institutions are by-and-large a bad thing, but that the HR 5700 prohibitions are excessively broad.

Option A. (Justice) Expand Section 8 of the Clayton Act to flatly prohibit interlocks between directly competing financial institutions (banks, mutual savings banks, savings and loans, and bank and s&l holding companies).

Pro:

- 1) Makes uniform the interlock prohibitions applying to various financial institutions. (FDIC)

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MAY 21 1971
CENTRAL FILES

- 2) Narrows the broad HR 5700 prohibition to an extent which has proved workable for member banks.
- 3) Avoids setting up a regulatory mechanism for a problem which is suited to a flat rule. (Fed.)

Con:

- 1) Empirical data suggests that the boards of over one-half of the savings and loans reflect interlocks with other financial institutions and would require restructuring. Section 8 provides no grace period for avoiding disruption. (FHLBB)
- 2) There are no data or studies which confirm that these interlocks have actual anticompetitive or undesirable impact.
- 3) Amending Section 8 would give HR 5700 jurisdiction to the unfriendly House Judiciary Committee (Celler). (Treasury)

Option B. (FHLBB) Confer authority on the banking regulatory agencies to prohibit any or all financial institution interlocks. Leave Clayton Act Sec. 8 alone.

Pro:

- 1) Meets the need for expanded interlock authority while avoiding the problems cited for Option A.

Con:

- 1) Section 8 is illogically narrow. It compounds the problem to submit the various financial institutions to different statutory standards. (However, no specific inequity has been cited.)
- 2) It may be politically attractive to support a limited but strict prohibition.

3

Justice, FRB and FDIC favor Option A, and representatives of the banking and s&l industries have indicated no objection provided there is an adequate grace period. Justice advises that Option A

is not "high priority." FHLBB, Treasury and OMB support Option B.

Recommendation. Option B.

2. Financial Institution Interlocks with Other Business Entities.

HR 5700 contains a broad spectrum of flat prohibitions. All agencies agree that this problem should be handled by an Administration proposal granting suitable discretionary authority to the banking regulatory agencies. However, Section 8 of the Clayton Act has a second clause which generally prohibits interlocks between direct competitors. This clause now exempts banks. Celler has introduced H. R. 3245, a comprehensive rewrite of Section 8, and Justice wishes to "preserve the option" of supporting an amendment to Section 8 to make it applicable to interlocks between competing banks and insurance companies.

Recommendation. Present Section 8 is a vague and unsatisfactory statute, and the Celler bill would make it far worse. Therefore, keep all references to Section 8 out of the Administration bill to counter HR 5700. Do not authorize Justice to take any public position re Section 8 before the Banking and Currency Committee. Independently develop with Justice the appropriate policies and tactics re the Celler bill, HR 3245.

OMB agrees with this recommendation.

EF

④

MEMORANDUM OF INFORMATION FOR THE FILE

DATE 5/28/71

EXECUTIVE
FI 2
FG 124

~~LETTER~~, MEMO, ETC.

TO: Peter Flanigan
FROM: Preston Martin

Ashland S+LA
Supreme S+LA
First Federal S+LA

SUBJECT: The Second Savings and Loan Branch in Illinois

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

FI2
LE

June 2, 1971

Dear Senator Cranston:

I would like to acknowledge and thank you for your May 28 letter to the President regarding proposed legislation to guarantee \$250 million in bank loans for Lockheed Aircraft Corporation. I will be pleased to present your views for review during discussions of the matter.

With cordial regards,

Sincerely,

Bill

William E. Timmons
Assistant to the President

Honorable Alan Cranston
United States Senate
Washington, D. C. 20510

bcc: w/incoming to Dept. of Treasury (James Smith) for further handling.

bcc: w/incoming to Director Shultz - for your information.

bcc: Kenneth BeLieu - FYI

WET:EF:VO:vo

RECEIVED
JUN 3 1971
CENTRAL FILES

United States Senate

WASHINGTON, D.C. 20510

May 28, 1971

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

Dear Mr. President:

As you know, the Senate Banking, Housing and Urban Affairs Committee will begin hearings June 7 on the Administration's Lockheed loan legislation. I have introduced an amendment to the Administration bill calling for a change in Lockheed top executive management as a pre-condition for granting the loan guarantee. I believe that such a pre-condition would improve the likelihood that Congress would approve the guarantee.

I have discussed my amendment with several Senators who presently oppose the Administration bill. Some told me they would support the bill if my amendment were adopted; others agreed to re-think their opposition.

At your San Clemente press conference on May 1, when you announced the Administration's decision to underwrite a \$250 million loan to Lockheed, you were quoted in the press as having said:

"There have been some areas of mismanagement. If we can save the company and, frankly, help it toward better management, we will do so."

As a member of the Banking, Housing and Urban Affairs Committee, I would appreciate your clarifying your Administration's position on the management question:

PRESERVATION COPY

Mr. President

- 2 -

May 28, 1971

1. What action did you have in mind when you suggested that the government might help Lockheed "toward better management"?
2. How does the Administration bill, as presently written, help Lockheed "toward better management"?
3. If the Administration bill, as written, were to be enacted, what steps would your Administration take pursuant to the bill to help Lockheed "toward better management"?

The Administration bill gives the Secretary of the Treasury considerable discretion in prescribing conditions for the Lockheed loan. If one condition you intend to impose is a change in management, a public declaration to that effect would, in my judgment, significantly enhance the chances for the bill's passage.

A clarification of your earlier statement could, therefore, be most helpful.

Respectfully yours,

Alan Cranston

Alan Cranston

PRESERVATION COPY

PRESERVATION COPY

June 9, 1971

PROJECT: Federal Financing Bank

STAFF: James Loken

OBJECTIVE: Develop an Administration proposal to create a
XFederal Financing Bank to reduce the cost of
federal agency and federal agency assisted
borrowings, to limit the disruption caused by
such borrowings on private financial markets
and institutions, and to provide greater budgetary
control over the borrowing decisions of various
federal agencies.

PLAN: The concept of this bill will be politically difficult
to sell because it will enhance executive branch
control over the policy and budget decisions of a
number of relatively independent agencies and
programs. Representatives of OMB, CEA and
the Treasury are working to create the most
effective legislation that will be politically salable.

STATUS: Unresolved issues between OMB and the Treasury
were reviewed by the Troika at its June 8 meeting.
When these issues are resolved, the bill will be
ready for OMB circulation to the many interested
agencies and its subsequent submission to the
Congress.

RECEIVED

JUN 9 1971

CENTRAL FILES

HU 2

FI 2

Bolder, Darwin

76 12

76 21

June 14, 1971

MEMORANDUM FOR

LEN GARMENT

Thank you for your memo of June 11 with regard to the Minority Bank Deposit program. For whatever it is worth, I would like to point out that if this program is to work some one person will need to tell the various departments and agencies involved that the President wants it to happen and that each department will by a certain date, or a certain schedule of dates, have a certain sum of money or sums of money in Minority Banks. The department or agency head should feel personally responsible and there should be regular reports to the President on the status.

As long as I am sure that we can actually deliver the goods, I would not be against publishing at the end of each month how we stand against the President's goal. For the Federal Government, this is \$35 million at the end of a year. We now have five months more to go so we should take the balance, divide it by 5 and assign quotas.

Good Luck.

KEN COLE

cc: John Ehrlichman

PR13-2/Burbank
FI2

June 21, 1971

Dear Mrs. Marshall:

President Nixon has received your letter enclosing the copy of the resolution adopted by the City Council of Burbank. He appreciates your courtesy in bringing this expression of views to his attention.

Sincerely,

Michael B. Smith
Assistant

Mrs. Marion W. Marshall
City Clerk
Office of the City Clerk
City Hall
Burbank, California 91505

SM:keb

TREASURY:

ff/

Date Acept
Nov 10

EXECUTIVE

F46-11-1/Rumsfeld, Donald

SP7

CO17

F421

FI2

Sorg, Walter Luke

June 29, 1971

Dear Mr. Denney:

Thank you for your letter of June 21 inviting me to deliver the principal address at the opening session of the American Industrial Bankers Association's 37th Annual Convention in Bermuda on November 10, 1971. I am pleased to let you know that I will be able to accept your very kind invitation and look forward to receiving further details as soon as your plans for the convention develop.

With best wishes,

Sincerely,

Donald Rumsfeld
Counsellor to the President

Mr. Max A. ^xDenney
Executive Vice President
^xAmerican Industrial Bankers Association
1629 1669 K Street, N.W. - Suite 302
Washington, D. C. 20006

Enclosures 1122 6979

^xOversize attachments

BD

ehm
Central
Files

EXECUTIVE

412

ND10/4/16

4/13

(B)

July 7, 1971

MEMORANDUM FOR HARRY DENT

This is in response to your request for information regarding an application submitted by Mr. R. H. Merts to establish a bank at Eglin AFB, Florida.

X

X

A determination has been made by the Air Force that a requirement exists for an additional banking facility at Eglin AFB. Mr. Merts' application, along with another that has been received, will be forwarded to the Fiscal Assistant Secretary of the Treasury who will determine the banking institution to operate there. As you may be aware, that office is charged with making this decision.

^x
First Nat'l Bank of Fort Walton Beach

GENERAL JAMES D. HUGHES

JDH:san

Kathy - Put the suspense
file with this before you
send.
18al

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JUL 14 1971
CENTRAL FILES



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

2 JUL 1971

Harry Dent

MEMORANDUM FOR BRIGADIER GENERAL JAMES D. HUGHES
MILITARY ASSISTANT TO THE PRESIDENT
THE WHITE HOUSE

This is in response to your request for information regarding an application submitted by Mr. R. H. Merts to establish a bank at Eglin AFB, Florida.

A determination has been made by the Air Force that a requirement exists for an additional banking facility at Eglin AFB. Mr. Merts' application, along with another that has been received, will be forwarded to the Fiscal Assistant Secretary of the Treasury who will determine the banking institution to operate there. As you may be aware, that office is charged with making this decision.

for *S. Murphy*
CARL S. WALLACE

The Special Assistant to the Secretary
and Deputy Secretary of Defense

MEMORANDUM

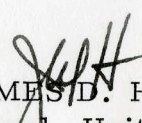
THE WHITE HOUSE

WASHINGTON

June 25, 1971

MEMORANDUM FOR CARL WALLACE

I have had a request to determine the status of the application made by Mr. R. H. Merts to establish a branch of the First National Bank of Fort Walton Beach, Florida on Eglin Air Force Base. I would be grateful if you would obtain this information for me at your convenience.


JAMES D. HUGHES
Brigadier General, United States Air Force
Military Assistant to the President

OFF SECY OF DEFENSE
SEP 1 1971

WH 12818
RECEIVED

EXECUTIVE

FIR

Bo

The Western White House
San Clemente

July 13, 1971

Dear Frank:

This is just a note to thank you for your thoughtfulness in sending me the brochure about the Union Bank's new Northern California Headquarters. It is a splendid building and you certainly have every reason to be proud of this addition to San Francisco's skyline.

With kindest personal regards,

Sincerely,

RN]

Mr. Francis V. Keesling, Jr.
Chairman of the Board
West Coast Life Insurance Company
605 Market Street
San Francisco, California 94105

RN:DH:MS:baw

RECEIVED
JUL 15 1971
CENTRAL FILES

16
WEST COAST LIFE INSURANCE COMPANY

605 MARKET STREET
SAN FRANCISCO 94105

FRANCIS V. KEESLING, JR.
CHAIRMAN OF THE BOARD

June 16, 1971

CS-2A
The President
The White House
Washington, D. C.

Dear Dick:

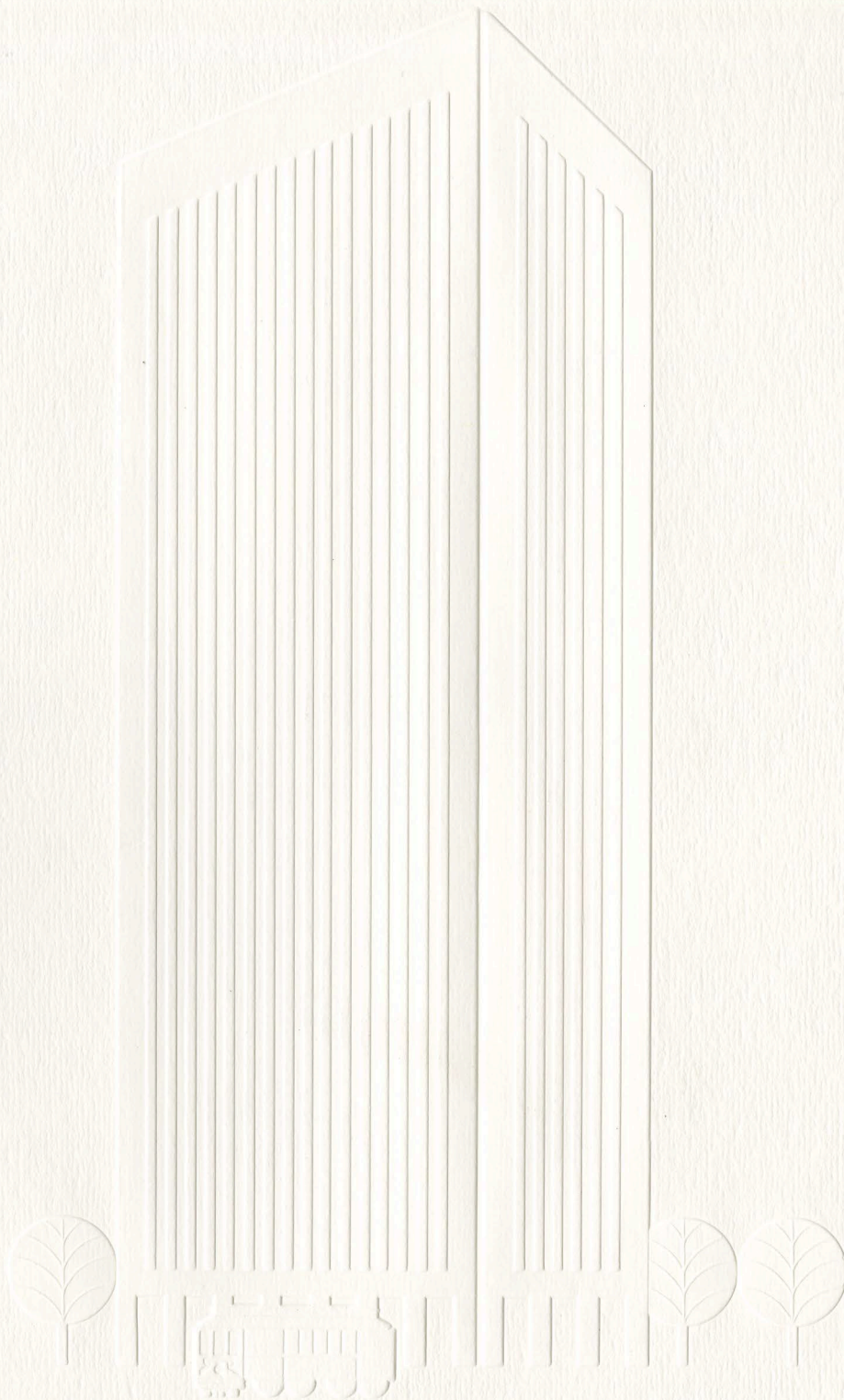
The enclosed brochure was prepared in connection with the reception in honor of Harry Volk and George Thatcher of the Union Bank and the announcement that the Bank's new Northern California Headquarters will be located in the Union Bank Building under construction at Fifty California Street, developed and owned by West Coast Life Insurance Company.

We are quite proud of this brochure and want you to have one as a souvenir of the occasion.

With best wishes and kindest personal regards,

Sincerely,

Frank
FVK/as
H.



**Cornerstone
of
San Francisco's
New
Financial District**

Designed
to achieve
the perfect
work
environment



50 California



50 California

good looking
in every
direction



50 California

a new concept begins where the cable car line ends

Step off the cable car as it slows to a stop at California and Davis—at the site of the 50 California building. Look to the west, towards Nob Hill. You're viewing San Francisco's greatest commercial artery—the unquestioned best business address in the West. New high-rise buildings thrust skyward on either side of the venerable cable car tracks; the past decade has seen California Street become the corporate and regional headquarters for many of the nation's leading firms in finance, industry, and the professions. At 50 California Street, a new building is taking shape—a 37-story tower destined to become the cornerstone of this great avenue of commerce.

In designing 50 California, the architects, Welton Becket and

Associates, sought to create a structure that would provide an ideal work environment. At the plaza level, 50 California is carefully, sensitively integrated with its colorful San Francisco surroundings. Spreading trees and a spacious open plaza area designed by Michael Painter & Associates, landscape architects, provide a transition zone between the clamor of the street and the ordered, linear structure of the 50 California building itself. In the lobby area, imported brick-tiled floors, polished granite walls, and 24-foot floor-to-ceiling glass windows convey a feeling of spacious elegance.

Every floor of 50 California will offer new and attractive vistas of San Francisco and its colorful bay, and people looking at the 50 California building

instead of from it are also in store for a visual treat. When completed and ready for occupancy in summer of 1972, the building will provide a welcome addition to San Francisco's tradition of graceful "white" skyline. The striking verticality of 50 California will be emphasized by white pre-cast concrete fins and gray glass with black anodized aluminum framing. Strongly-emphasized white columns will raise the building 24 feet from the brick-tiled plaza.

Inside 50 California, new concepts in planning and design will provide great flexibility, allowing each tenant to tailor the working environment of his quarters to ideally suit his special needs.



50 California

a grand design for work environment

The 800,000 square foot 50 California building is designed to provide tenants a spacious, efficient, pleasant work environment in every area of every floor. The tower's efficient central core provides tenants maximum usable floor space, flexible open areas, and 360° views. These large open floor areas are easily arranged into functional office layouts for everything from clerical groups to executive suites.

The 35 office floors at 50 California offer from 18,000 to

almost 19,000 square feet per floor. Eighteen high-speed, custom-designed elevators will serve the office floors in a three-bank system. Each floor will be provided with men's and women's restrooms, freight elevator service, and recessed drinking fountains.

Air conditioning control thermostats in each rental area of 50 California will enable tenants to select the degree of heating, cooling, and humidity they prefer in their quarters. The supply units are integrated into

the recessed ceiling lighting fixtures, assuring temperature balance throughout the office. The gray tinted glass also aides in comfort control by reducing solar heat gain and glare. Floor-to-ceiling draperies provide additional sun control at every window.

Structurally, the 50 California building is a steel-frame tower clad with pre-stressed concrete facing, incorporating the latest engineering technology to attain maximum structural strength.



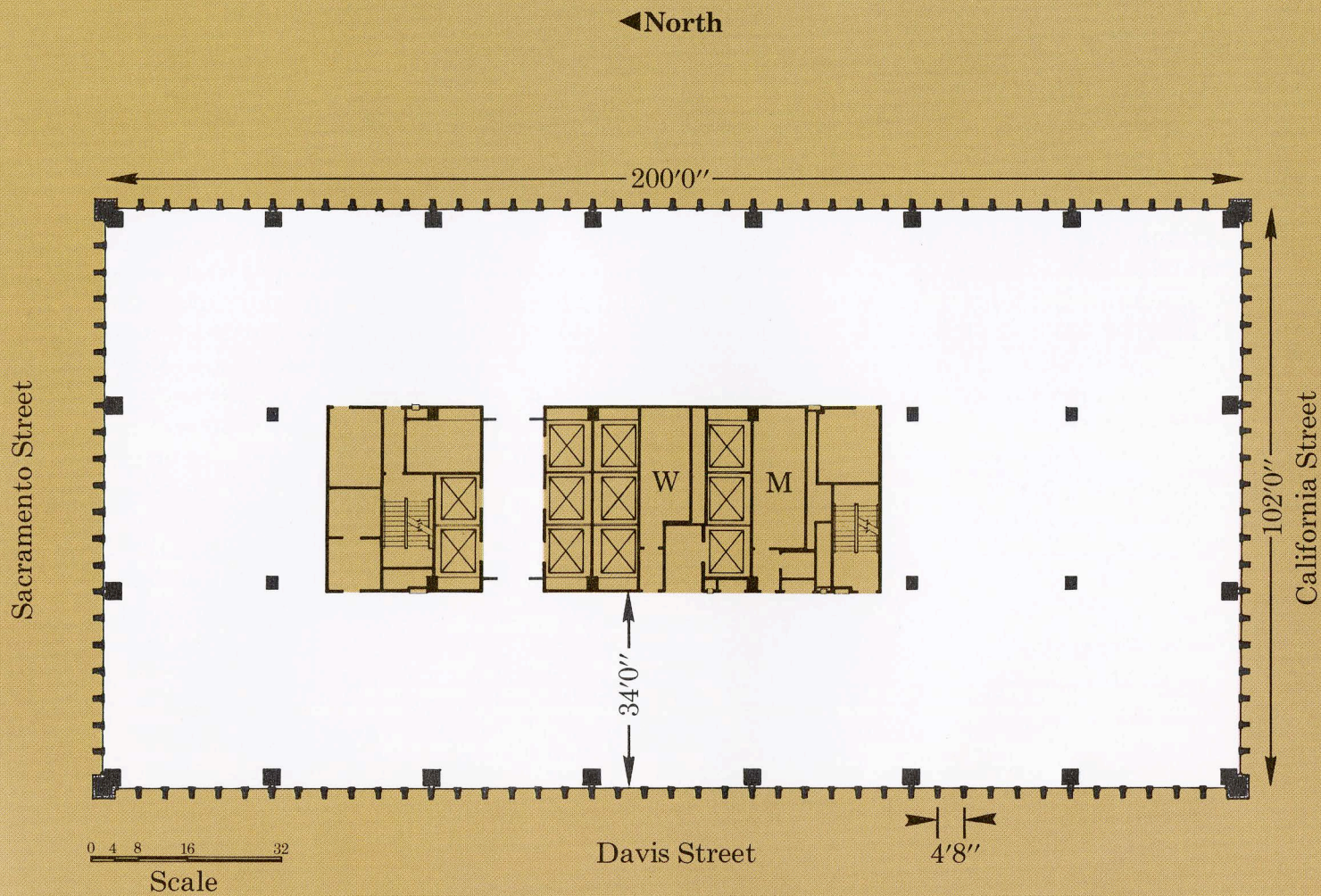
50 California

**flexibility
to meet
diverse needs**

The striking linear concrete fins which frame the windows of 50 California are in the building's design for more than their obvious visual attraction. The four-foot, eight inch spacing of these columns permits interior planning at this very efficient module. This module and the efficient core arrangement allow maximum economic utilization of space, resulting in an overall

saving of total rent dollars for both full floor and partial floor users. To aid tenants in making the best possible use of their office space, the management has retained the firm of M. Arthur Gensler Jr. & Associates, Inc., to provide continuity of planning and quality control for all of the interior space. Nationally known for its office

planning and design, Gensler & Associates will assist prospective tenants to attain outstanding visual effects without sacrificing business efficiency. This planning service, along with the preparation of construction drawings for building-supplied work, will be provided without charge to all prospective occupants.



Typical Floor Plan

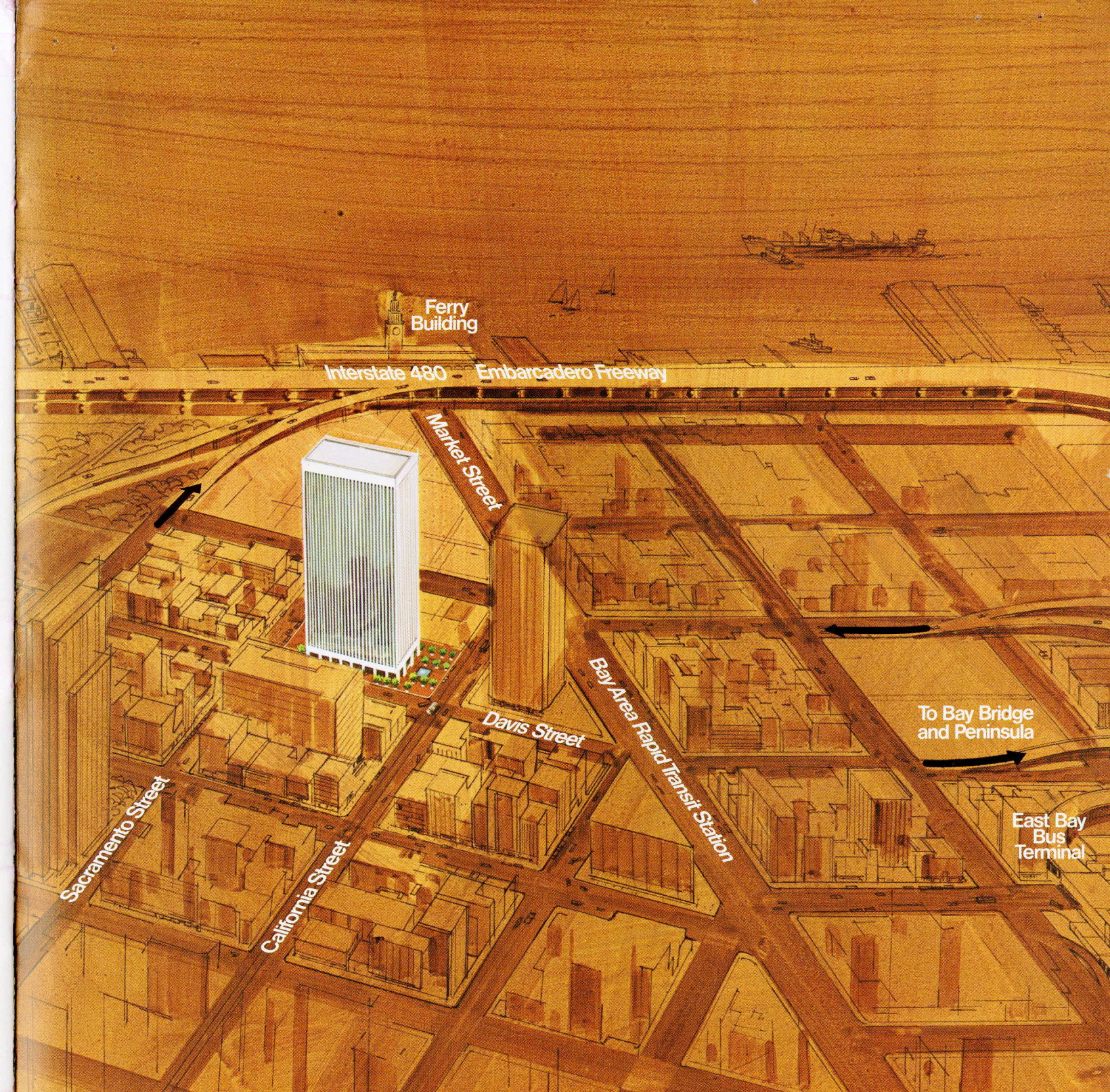
50 California

everyone has access to the cornerstone of California Street

You don't have to ride a cable car to 50 California. The location is convenient to virtually all forms of transit. San Francisco's historic Ferry Building, hub of both commuter bus and ferry service to Marin County, is an easy two-minute walk from the building's plaza. The Transbay Terminal, depot for East Bay commuter buses, is a similar distance. When the Bay Area Rapid Transit District (BART)

begins carrying transbay commuters in 1972, a station will be within easy walking distance. San Francisco Municipal Railway transportation to every section of the city is also close at hand. For those who commute by automobile, freeway entrances and exits lead directly to the building's parking garage entrance on Sacramento Street. More than any other major building in San Francisco, 50

California offers the unique combination of easy access by all modes of transit and proximity to the center of business activity. Most real estate experts counsel that the three most important features of any property are location, location, and location. If location is important to your firm, there's no better address than 50 California, the *accessible* cornerstone of San Francisco's financial district.



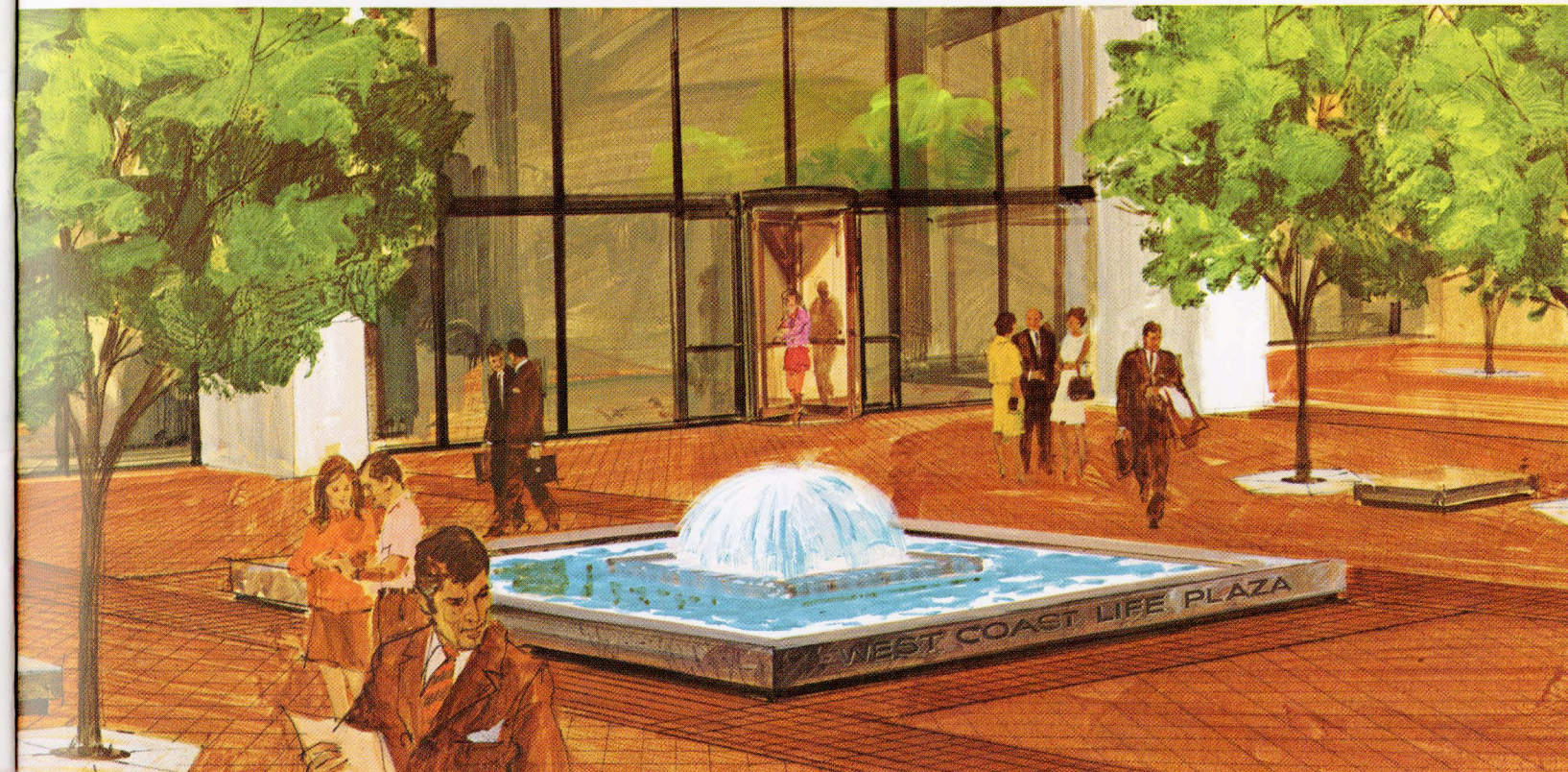
50 California

**you're in
good company
at 50 California**

Two major West Coast financial firms, Union Bank and West Coast Life Insurance Company, have already made commitments in the 50 California building. Union Bank will locate its main San Francisco bank on the ground floor for customer

convenience and service. Union Bank's Northern California Regional Headquarters will locate on floors two through six. The 50 California building's plaza will be called the West Coast Life Plaza, and West Coast Life will locate its corporate

headquarters on two floors of the building. The remaining 28 floors are available, on a full or partial-floor basis for lease to quality tenants. Your firm is invited to investigate leasing arrangements at the 50 California building.



50 California

features and services

Banking Facilities.

Union Bank will offer all occupants the convenience of a full-service commercial banking office on the ground floor of the building.

Office Interiors

Complete landlord-provided installation includes all partitions, ceiling height doors, fluorescent lighting, acoustical tile ceilings, vinyl asbestos floor coverings, draperies, painting of partitions and one electrical and telephone outlet for each 150 square feet of office area. Fluorescent lighting fixtures combine integral air conditioning supply and return outlets, eliminating the necessity for diffusers and grilles in walls and ceilings, and allowing use of all floor space up to the window area. The flexible air conditioning system provides floor-by-floor control, zoned for maximum comfort and convenience.

Public areas

The elegant ground-level

entrance lobby continues the attractive brick paving of the plaza area as an interior floor surface, complimenting interior walls of granite, oxidized bronze elevator doors, and 24-foot gray tinted glass windows. The elevator lobby on a typical floor will be carpeted and decorated with special wall coverings. Incandescent lighting will be utilized in the lobby areas to add an additional touch of warmth and elegance. Restrooms at 50 California will be fully tiled and equipped with colored fixtures and attractive vanities.

Conference rooms

Conveniently located and suitably furnished conference rooms will be available to occupants at reasonable rates for group meetings of up to 50 persons.

Deliveries

A recessed receiving area off Sacramento Street is provided

for delivery of equipment and supplies. A freight elevator connects the receiving area with all floors of the building.

Elevators

Eighteen high speed Westinghouse Selectomatic Mark IV elevators in three banks.

Janitorial Services

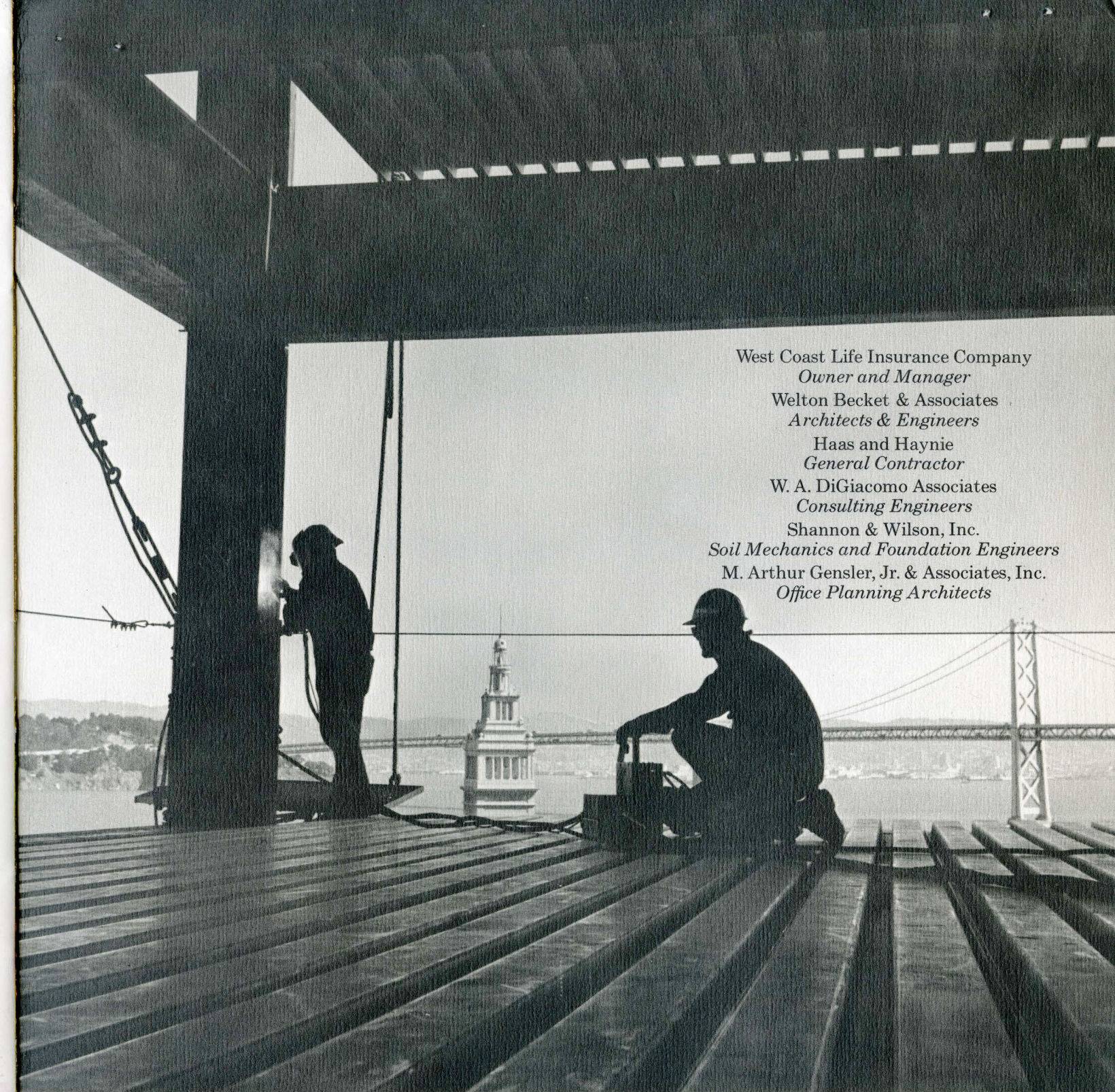
Efficient janitorial service is provided by owner including maintenance of floors, walls, windows and fluorescent lights, and rubbish removal.

Utilities

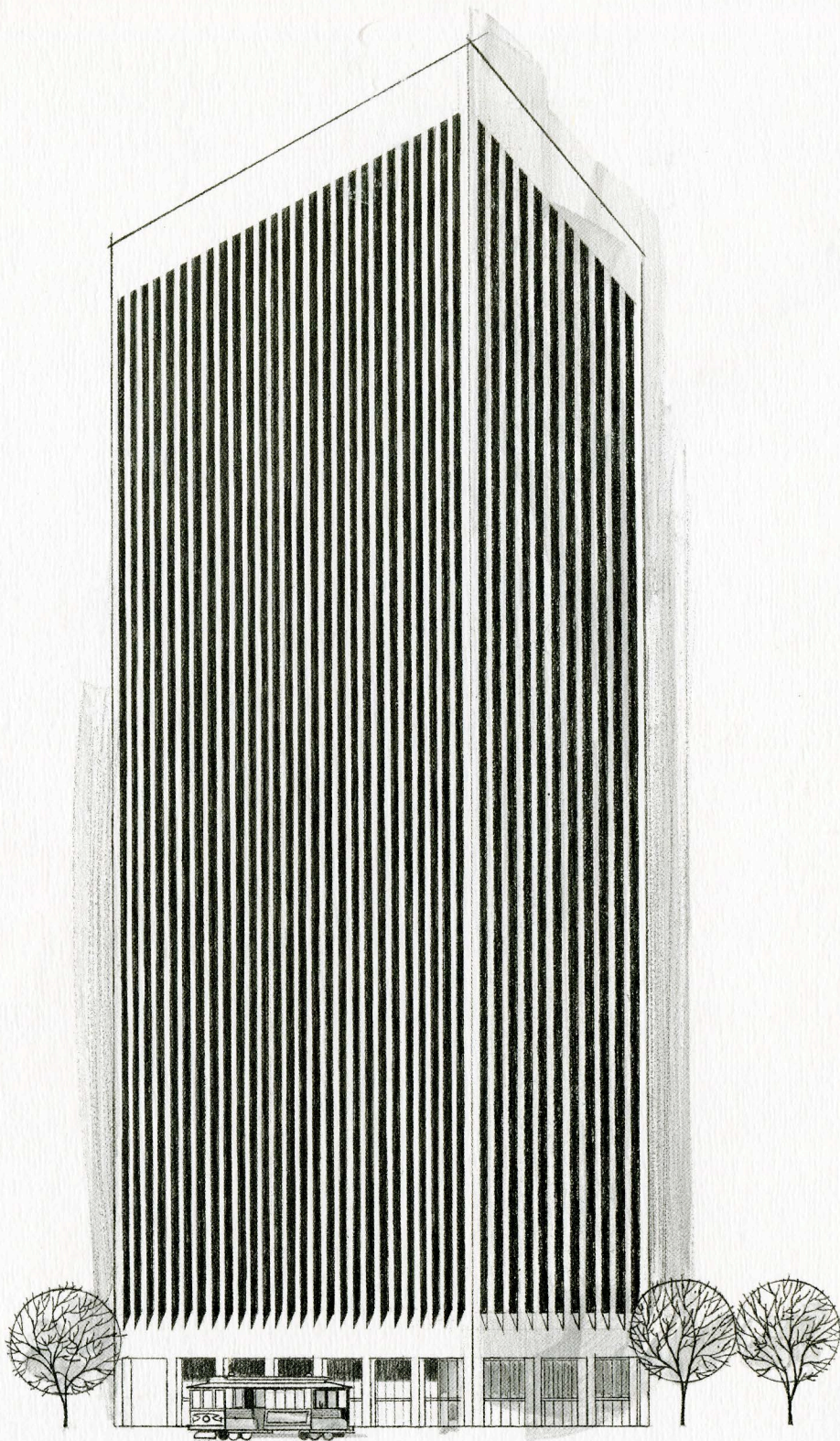
Electricity for normal lighting and business machine operation is provided. Ample air conditioning capacity and zoning is available for the most sophisticated computer needs. The building has been designed to accommodate background music, master radio-television antenna, and the latest communications facilities.

For further information,
contact the exclusive leasing agents,
GRUBB & ELLIS/UNION REALCO,
a joint venture
50 California Street
San Francisco, California 94111
Telephone (415) 433-1225

West Coast Life Insurance Company
Owner and Manager
Welton Becket & Associates
Architects & Engineers
Haas and Haynie
General Contractor
W. A. DiGiacomo Associates
Consulting Engineers
Shannon & Wilson, Inc.
Soil Mechanics and Foundation Engineers
M. Arthur Gensler, Jr. & Associates, Inc.
Office Planning Architects



50 California



For further information,
contact the exclusive leasing agents,
GRUBB & ELLIS / UNION REALCO,
a joint venture

50 California Street San Francisco, California 94111
Telephone (415) 433-1225