

DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

DOCUMENT NUMBER	DOCUMENT TYPE	SUBJECT/TITLE OR CORRESPONDENTS	DATE	RESTRICTION
1	letter	Peter Flanigan to James P. Fitzgibbons w. att. nos. 2-3	4-12-41	D
2	letter	draft of no. 1		D
3	letter	F. H. Ellis to Jonathan C. Rose	4-2-41	D
4	letter	Rita F. Fitzgibbons to Peter Flanigan	3-1-41	D

FILE GROUP TITLE

WHCF: Subject Files

BOX NUMBER

10

FOLDER TITLE

Gen FI 2 Banks - Banking [5 of 4, 1941]

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- G. Withdrawn and return private and personal material.
- H. Withdrawn and returned non-historical material.

8
GENERAL

January 11, 1971

FI 2

FI 3

Dear Al:

Thanks very much for your letter and the enclosures regarding Dave Williams' problems with Highline Savings and Loan Association.

I'm not sure that there's anything that we can do in this matter but I will certainly give it careful attention.

Yours sincerely,

John D. Ehrlichman
Assistant to the President
for Domestic Affairs

Mr. Alfred J. Schweppe
Schweppe, Doolittle, Krug & Tausend
657 Colman Building
Seattle, Washington 98104

JDE:jlh

RECEIVED
JAN 13 1971
CENTRAL FILES

JAN 4 1971

ALFRED J. SCHWEPPE
BERNARD REITER (1964)
MARY ELLEN KRUG
WARREN A. DOOLITTLE
FREDRIC C. TAUSEND
ROBERT R. BEEZER
THOMAS R. BEIERLE
KENNETH E. REKOW
PETER E. PAGET
DAVID G. KNIBB
PETER H. LEACH
ELMER E. JOHNSTON, JR.

SCHWEPPE, DOOLITTLE, KRUG & TAUSEND
ATTORNEYS AND COUNSELORS AT LAW
657 COLMAN BUILDING
SEATTLE, WASHINGTON 98104
December 30, 1970

TELEPHONE
AREA CODE 206
MA 3-7520

Mr. John D. Ehrlichman
Assistant to The President
For Domestic Affairs
The White House
Washington, D. C.

Re: Dave Williams--Highline Savings & Loan
Association

Dear John:

Enclosed herewith is a separate letter addressed to
you on behalf of Dave Williams.

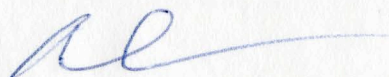
I advised against sending you the letter because,
as one who has dealt with many federal agencies over the
years, I know there is nothing that will be done at the
Washington, D. C. level, even if the power existed.

It is hard to believe that Mr. Preston Martin, the
banking head in Washington, D. C. would concern himself
with the internal affairs of a state of Washington small
savings and loan association, when there are other reme-
dies available.

However, at Dave's request, my letter of submission
on his behalf is attached.

Happy New Year.

Sincerely yours,



Alfred J. Schweppe

AJS:mem
Enclosure

ALFRED J. SCHWEPPE
BERNARD REITER (1964)
MARY ELLEN KRUG
WARREN A. DOOLITTLE
FREDRIC C. TAUSEND
ROBERT R. BEEZER
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SEATTLE, WASHINGTON 98104

TELEPHONE
AREA CODE 206
MA 3-7520

December 30, 1970

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

Dear John:

Dave Williams handed me your letter regarding the Highline Savings and Loan Association and I am pleased to answer because I have been involved in its affairs from time to time for a number of years.

I will not bother you with the details except that it was apparent to me when I first talked to the present president and manager in the presence of their lawyer, George Leedy, that they were not running the association in the interests of the stockholders. I was at that time representing a Negro man who had one share of stock, but which share meant a great deal to him. The occasion was to inspect and take copies of the stockholders list, with a view to possible solicitation of proxies for the next annual meeting. Leedy wrote me a letter asking me to come out at 4:00 p.m. on a certain day. I went accompanied by my client and my secretary to take the copies. When we got out there, we were met by Leedy and the manager, only to be told by them that we could not have access. All of this he could have written or told me over the telephone. I was naturally incensed over this shabby treatment. Later a suit was brought in which the court, on my presentation, ordered the list made available. Leedy has since been discharged, but only after he received a tremendous amount of money for his services. Bob Beresford now represents Highline.

Dave is concerned because the original incorporators all are dead except the present president, Kittleman, who

Mr. John D. Ehrlichman
December 30, 1970
Page Two

has a very minor stock interest, and Dave, who is the major stockholder. Dave organized Highline Savings, owns, with his family, about 20% of the stock, was its first president, and for years a director and general counsel. By reason of his legal and banking know-how he built it into a successful institution. Because of differences on matters of policy (and Dave can be insistent) with the General Manager and the new President, and the majority of the Board, he was discharged as general counsel at a board meeting at which he was not present. Quite naturally, this incensed him.

Dave has explained to me that he has been involved in the banking business since he was 15 years old when he went to work in the village bank in Stockett, Montana, a mining town. He learned the principles of sound banking from the cashier and one was that there must never be the slightest condoning of any form of misrepresentation or deceit. Small such deviations lead to larger and larger ones and sometimes great losses.

In the present case the first deceit occurred when the minutes were tampered with in February, 1967. This, under the savings and loan law, constitutes a felony. See RCW 33.36.060. This was not discovered for some time until it was revealed by a documentary expert. The deceit was minor in itself and only for the purpose of deferring a directors' meeting for one week so that the President and Secretary could have that additional time in California.

Dave called this to the attention of the FSLIC examiners. They were satisfied he was correct, and the matter was presented to the then United States District Attorney, Eugene Cushing. However, he did not prosecute.

However, as you will see from the letter which quotes from the decree entered in the Superior Court of Thurston County on August 28, 1969, the same president later deliberately falsified and the other directors followed along.

Mr. John D. Ehrlichman
December 30, 1970
Page Three

Attached to the letter is a resolution presented in September, 1970.

In the first recital you will note that it said that the amendment was, in fact, duly disapproved by the court.

At the meeting in September, 1970, which was held pursuant to a notice of post card, copy of which is enclosed, Mr. Kittleman made several oral misrepresentations which are set out in the stenographic record I have and would be very glad to supply you. No objections were raised to these by any of the other board members. However, one of our leading lawyers with a great deal of banking experience, Earl Phillips, made strenuous objection to holding the meeting and offered a motion that it be adjourned immediately. The Directors group had enough votes to prevent that. He and Mr. Williams told the meeting they felt it was illegal and therefore were withdrawing. When they walked out almost one half the people attending followed them. The remaining group of course went through the motion of ratifying the resolution.

Dave could have appealed from this to the Thurston County Court any time, but all these moves are dangerous to the financial welfare of the institution. It has lost deposits over the quarrelling.

However, the president and manager are up for re-election on January 18, 1971, and he feels very deeply that they should not be re-elected and further approval be placed upon their program of deceit.

Dave has not taken up this matter with the new U. S. District Attorney who is a very able man because he has been extremely busy since taking office and is now presently involved with cases before Judge Boldt in Tacoma which have gained national publicity.

Incidentally, both Judge Boldt and Dave Williams are Montana boys. Part of the tradition there, of course,

Mr. John D. Ehrlichman
December 30, 1970
Page Four

is the courage and willingness to fight for what they believe is right regardless of the odds. This has been a long hard fight for Dave Williams. He has had three lawsuits with these people. I represented him in two and he lost the other. Unfortunately, I was too occupied to participate.

As you know, Preston Martin, Chairman of the Bank Board, is a most unusual man, and Dave feels certain that if he understands the situation he will ascertain what he can do to correct it.

Enclosed herewith are:

1. Letter of David J. Williams to Board of Directors of Highline Savings and Loan Association, dated August 20, 1970, to which is attached a directors' resolution of July 30, 1970, failing to disclose that Highline lost the Thurston County suit.
2. Notice of special meeting of stockholders dated August 24, 1970, calling a meeting for September 8, 1970, deliberately avoiding disclosure in the last paragraph that Highline lost the suit.

Cordially yours,

ALFRED J. SCHWEPPE

AJS:ls
Enclosures

Colvin & Williams

Attorneys at Law

Washington Building

Seattle 98101

David J. Williams

August 20, 1970

MAin 2-8680

Area Code 206

Board of Directors
Highline Savings and Loan
Association
Burien, WA

Gentlemen:

In essence, your Resolution re stock split, dated July 30, 1970, says Williams and Carlson, purporting to act on behalf of Highline members, brought a lawsuit to nullify the so-called stock split of August 28, 1969, and that an appeal is now pending therefrom.

It is thus worded to infer that Williams and Carlson lost their case and then they appealed--causing unnecessary delay. Nowhere does it quote Judge Charles T. Wright, Olympia, who decided the case, to-wit:

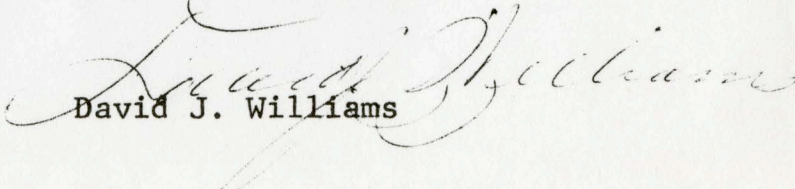
Harry F. Kittleman as president, director and chairman at said special meeting on August 28, 1969, while acting in a fiduciary capacity, did misrepresent and falsely conceal, in violation of law, the effect of the By-Law and Article amendments presented at said meeting to be voted on thereat.

II

That the directors present at said August 28, 1969, meeting (David J. Williams not being present) also failed in their fiduciary duty of advising the membership prior to the voting of the effect of said amendments, and by a failure to speak adopted the misrepresentations and false concealments of said Kittleman.

Nor does it mention that it was you who appealed. Said Resolution is, therefore, in my opinion, deceptive. I suggest you set it aside now. Failing this, I insist you mail to each member a copy of said Resolution of July 30, 1970 together with a copy of this letter forthwith.

Respectfully yours,


David J. Williams

RESOLUTION
OF
HIGHLINE SAVINGS & LOAN ASSOCIATION
BOARD OF DIRECTORS

WHEREAS, at a special meeting of the members of Highline Savings & Loan Association duly held on the 28th day of August, 1969, pursuant to a majority vote of the members present, in person or by proxy, amendments to the Association's Bylaws and Articles of Incorporation reducing the par value of the shares of guaranteed stock of the Association from \$10.00 to \$1.00 per share was duly approved; and

WHEREAS, subsequent to said meeting, Messrs. David J. Williams and Clarence Carlson commenced litigation purporting to be a class action on behalf of all Highline stockholders and depositors, this lawsuit being filed under Thurston County Cause No. 42206 and its purpose and intent being to nullify and make void the above-mentioned amendments to the Association's Bylaws and Articles; that this litigation is presently pending before the Court of Appeals for the State of Washington, and in all probability it will be six months or longer before a final decision has been rendered in this matter; and

WHEREAS, so long as the above litigation is pending there remains a cloud on the legality of the Bylaw and Article amendments approved at said special meeting of the Association on August 28, 1969; and

WHEREAS, it would be in the best interest of the Association to ratify and confirm the action taken by the Association at the August 28, 1969, special meeting by duly approving a new resolution calling for a like amendment to the Association's Bylaws and Articles, thereby eliminating any doubt as to the validity of these amendments, now, therefore,

BE IT RESOLVED that the following amendment to the Bylaws and to the Articles of Incorporation of this Association be proposed and submitted to the Supervisor, Division of Savings and Loan Associations, Department of General Administration, State of Washington, for approval, to-wit:

1. That Section 1 of Article II (entitled "Guaranteed Stock") of the Bylaws as amended be amended by changing the figure for the par value of the shares of guaranteed stock from "\$10.00" to "\$1.00" in the second line of the first sentence and that all other wording thereof remain the same.

2. That Article VIII of the Articles of Incorporation of this Association as said article was included therein by amendment and as heretofore amended, be amended by changing the figure for par value of the shares of guaranteed stock from "\$10.00" to "\$1.00" in the second line of the first sentence, and that all other words remain the same.

BE IT FURTHER RESOLVED that the Secretary, or any other officer of this Association is authorized to certify as to the adoption of the foregoing and proposed amendments aforesaid and to submit the request for approval of the foregoing proposed amendments; and

BE IT FURTHER RESOLVED that a special meeting of the members be called for the 8th day of September, 1970, at 4:00 o'clock p.m., at the office of the Association at 800 S. W. 152nd Street, Seattle, Washington, for the purpose of amending as aforesaid Section 1 of Article II of the Bylaws and to amend as aforesaid Article VIII of the amended Articles of Incorporation and that notice shall be mailed to each member at his last known address not more than thirty (30) days, nor less than ten (10) days prior to said special meeting.

The foregoing resolution was duly approved by the Board of Directors for Highline Savings and Loan Association at a regular meeting of the Board held on the 30th day of July, 1970, the undersigned directors being present and voting in favor of this resolution.

HIGHLINE SAVINGS & LOAN ASSOCIATION

By Harry F. Kittleman

By R. B. McEachern

By A. R. Jarvis

By J. K. Feroe

By Richard A. York

By _____

By _____

NOTICE OF SPECIAL MEETING OF MEMBERS
OF HIGHLINE SAVINGS & LOAN ASSOCIATION

NOTICE IS HEREBY GIVEN that a special meeting of the members of HIGHLINE SAVINGS & LOAN ASSOCIATION will be held on September 8, 1970, at the office of the Association at 800 S.W. 152nd Street, Seattle, Washington, commencing at 4:00 p.m. or as soon thereafter or from time to time as called to order by the Chairman, to vote upon the resolution for the proposal to ratify and confirm the action taken at the August 28, 1969, special meeting of the members of Highline Savings & Loan Association by approving a new resolution proposing amendments changing the par value of the shares of guaranty stock from "\$10.00" to "\$1.00" in Section I of Article II of the Bylaws as amended and in Article VIII of the Articles of Incorporation as amended. During the special members' meeting the Board of Directors will meet for the purpose of exercising the proxies that have been granted by the members of the Association to its Board of Directors.

This special meeting is deemed advisable because a cloud on the validity of the action taken at the August 28, 1969, meeting has been raised as the result of a lawsuit commenced by Messrs. David J. Williams and Clarence Carlson, this lawsuit presently pending before the Court of Appeals for the State of Washington.

DATED this 24th day of August, 1970.

HIGHLINE SAVINGS & LOAN ASSOCIATION

By *Larry F. Killeman* President

THE WHITE HOUSE OFFICE

REFERRAL

GENERAL

PR6

FI2

To: The Secretary of Treasury

Date: Feb. 22, 1971

Attn: Calvin E. Brumley

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 48 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:

Thank you very much for any assistance you are able to give.
 * SOUTHEAST BANK OF TAMPA

Description:

☒ Letter: ☐ Telegram: ☐ Other:

To: The President

From: AR, Anci, Ass't. VP, SE Bank of Tampa, 411 No. Morgan St., Tampa, Fla.

Date: 2/12/71

Subject: Requests statement of President's definition of term Banking as it relates to the government. To be used in essay contest; no particular date mentioned.

By direction of the President:

Eliska Hasek
 Staff Assistant
 3

RECEIVED
 FEB 24 1971
 CENTRAL FILES

(White House File Copy)



PRESTON MARTIN
CHAIRMAN

GENERAL
FLR
FG 127
LG Chattanooga
Central
files

FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20552

101 INDIANA AVENUE, N. W.

March 8, 1971

FEDERAL HOME LOAN BANK
SYSTEM

FEDERAL HOME LOAN
MORTGAGE CORPORATION

FEDERAL SAVINGS & LOAN
INSURANCE CORPORATION

Mr. Robert J. Brown
Special Assistant to the President
The White House
Washington, D. C. 20050

Dear Mr. Brown:

In response to your referral of March 2, 1971, attached is a draft of a letter to Mr. Jesse L. McCants. You will notice that on February 18, 1971, final approval was given by the Board to the application by McCants for a savings and loan.

Sincerely,

Preston Martin

Preston Martin

✓ Attachments (3)

cc: Mr. Jonathan C. Rose
Staff Assistant to the President

COPY

Reproduced at the Richard Nixon Presidential Library and Museum

RECEIVED
APR 3 1971
CENTRAL FILES

Mr. Jesse L. McCants
4710 Cordelia Lane
Chattanooga, Tennessee 37416

Dear Mr. McCants:

Thank you very much for your recent letter on the subject of a savings and loan charter. It is with pleasure that I learned that the Federal Home Loan Bank Board has recently given final approval to your organization for a savings and loan. I trust by now you have been informed of the Board's action. Best wishes to you and your group in this business endeavor.

Sincerely,

Robert J. Brown

9
File
4710 Cordelia Lane
Chattanooga, Tennessee 37416
January 26, 1971

c/s2A
The Honorable Richard M. Nixon
President of the United States
of America
White House
Washington, D. C. 20500

Dear Mr. President:

A few weeks ago, we asked Senator William Brock to deliver a letter to you, in which we were asking your assistance in helping us to receive approval of our application to organize a Federal Savings and Loan Association in the City of Chattanooga by a group of black men. We are writing this letter to express our heartfelt appreciation to you for your concern.

Because of your concern, we received word from the Federal Home Loan Bank Board, Washington, D. C., shortly after you had gotten our letter, stating that our application had been approved. For this, our entire group is most grateful, for it is our greatest desire to be contributors to the American economic system, and with your continual assistance, our goal will be realized.

Again, we express our sincere thanks.

Respectfully yours,


Jesse L. McCants

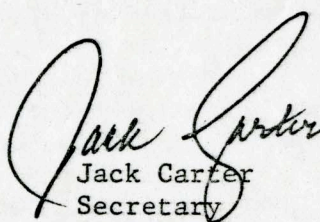
JLM/gjt

The Board considered the memorandum dated February 8, 1971, from the Acting Director, Office of Industry Development, respecting the application of Jesse Lee McCants, et al., for permission to organize a new Federal savings and loan association, in Chattanooga, Tennessee conditionally approved on December 10, 1970 (Resolution No. 70-528). The resolution of approval included a condition that the exact location of the home office of such association be found acceptable to and approved by this Board prior to the signing of any lease and prior to any actions respecting compliance with any of the preceding nine conditions.

The Board decided that the proposed location as is described in the Acting Director's memorandum is acceptable and therefore determined that the organizers may proceed with compliance to the standard conditions set out in Resolution No. 70-528.

* * *

I hereby certify that the above is a true and correct excerpt from the Minutes of a Meeting of the Federal Home Loan Bank Board held on February 18, 1971.


Jack Carter
Secretary

FEDERAL HOME LOAN BANK BOARD

No. 70-528

Date: December 10, 1970

RESOLVED that the application of Jesse Lee McCants, et al., for permission to organize a Federal savings and loan association to be located in the vicinity of Ninth Street and Central Avenue, Chattanooga, Tennessee, County of Hamilton, is hereby approved subject to the applicants' complying with the following conditions:

1. That there be obtained, from not fewer than 450 persons, subscriptions to share capital totaling at least \$600,000, of which total at least \$120,000 from not fewer than 45 persons (including the accounts pledged in escrow to comply with Condition No. 6 hereof) shall be paid in cash upon issuance of charter and at least \$480,000 from not fewer than 405 persons shall be paid in cash promptly upon insurance of the association's accounts; provided, that at least 75% of the required total amount of such subscriptions shall be from persons whose residence or business is located in the proposed service area, and at least 90% of the required total amount of such subscriptions shall be from individuals other than corporations.
2. That there be established, in a manner satisfactory to the Federal Home Loan Bank of Cincinnati and the Federal Home Loan Bank Board, a balanced directorate, representative of the diversified interests of the community, at least two-thirds not in any business closely related to the savings and loan business and with not more than two who are salaried officers or employees of the association or the association's attorneys or any combination of such officers, employees, and attorneys, and with not more than two members who are either by blood or marriage members of the same family, not more than one member of the same law firm, less than one-third who are serving as directors or officers of banking institutions and not more than two members who are serving as directors or officers of any one banking institution, and none who is serving as a director or officer of any other institution of the savings and loan type including a mutual savings bank.
3. That there be established, in a manner satisfactory to the Federal Home Loan Bank of Cincinnati and the Federal Home Loan Bank Board, full-time executive management which shall be chargeable with full administrative and management responsibilities of the association under policies established by its board of directors.

FEDERAL HOME LOAN BANK BOARD

No. 70-528

Page Two

4. That provision be made for full-time operations in suitable, entirely independent, ground-floor quarters satisfactory to the Federal Home Loan Bank of Cincinnati and the Federal Home Loan Bank Board, evidence of compliance with this condition to include exterior and interior photographs.
5. That there be adopted and submitted in the standard form a budget satisfactory to the Federal Home Loan Bank Board, for the first twelve months of operations, supported by an income schedule showing monthly loan volume and calculation of interest and initial fees, with a projection of anticipated growth, dividend requirements, and allocations to reserves and surplus.
6. That there be submitted evidence of a valid pledge of share accounts of the proposed association in the amount of \$60,000 with a valid agreement executed by the pledgors that the share accounts pledged are to be held in escrow by the Federal Home Loan Bank of Cincinnati as a pledge to and indemnification of the association against any operating deficits and losses, said agreement to be in the form approved by the Board on June 9, 1966, for use in connection with the issuance of new charters.
7. That there be submitted a valid agreement, in the form of Exhibit No. 2, approved by Federal Home Loan Bank Board Resolution No. 10,390, dated January 22, 1957, as revised by Resolution No. 19,866, dated April 28, 1966, respecting the association's maximum dividend rates. (The word "community", in this instance, shall be defined as Hamilton County, Tennessee.)
8. That there be submitted a valid agreement providing that the association, at each of its closing dates or dividend dates prior to the closing date next preceding the second anniversary of the date of the insurance of its accounts whenever the ratio of its general reserves and surplus in the aggregate is, after the charging of any losses, less than 5% of its withdrawable accounts, will, before the payment of any dividends, transfer from net income to its Federal Insurance Reserve Account an amount of not less than 15% of its net income (as now defined in Section 563.14 of the Rules and Regulations for Insurance of Accounts) for the period beginning immediately following the last previous closing date or dividend date.

FEDERAL HOME LOAN BANK BOARD

No. 70-528

Page Three

9. That there be established policies, satisfactory to the Federal Home Loan Bank Board, for the operation of the proposed association, if and when charter is granted, as to:
 - (a) Advertising and other plans for growth and development including methods by which, and territory from which, share capital will be solicited.
 - (b) Paying withdrawals, and as to degree of liquidity to be maintained.
 - (c) Lending policies, mortgage loan plans and means of originating mortgage loans, with a showing that the facilities of the association shall be extended to all sources of origin on an equal basis, and with a showing that interest rates, fees and other loan costs will be consistent with economical home financing and such as to enable the association to obtain and hold the best mortgage loans available.
 - (d) Appraisal policies and construction loan procedures, with a showing that such will be in accordance with best established practices in the savings and loan industry.
 - (e) Hazard insurance coverage on properties to be mortgaged to the association, such that mortgage borrowers will be permitted a free choice in the selection of hazard insurance brokers or agents.
10. That the exact location of the home office of such association be found acceptable to and approved by this Board prior to the signing of any lease and prior to any actions respecting compliance with any of the preceding nine conditions.

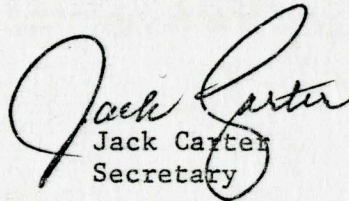
FEDERAL HOME LOAN BANK BOARD

No. 70-528

Page Four

Provided, however, that the foregoing conditions shall have been complied with in a manner satisfactory to the Federal Home Loan Bank Board not later than six months from the date of this approval, unless prior to such date a request to the said Board for an extension of such time limit shall have been received and granted.

By the Federal Home Loan Bank Board


Jack Carter
Secretary

4710 Cordelia Lane
Chattanooga, Tennessee 37416
November 23, 1970

Mr. Robert Brown, Special Assistant
to the President
White House
Washington, D. C. 20500

Dear Mr. Brown:

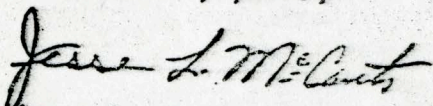
As organizer of a group of ten Negroes, including myself, to form a Savings and Loan Association in Chattanooga, I am asking your assistance in helping us to receive a charter from the Federal Home Loan Bank Board in Washington, D. C. To provide you with background information concerning the problems we are experiencing, I am sending a copy of letters I sent to President Nixon, and Senator Edward Brooke.

I received your name today from a list of Blacks in Top Federal Jobs - The Nixon Record after asking several persons of an individual that we can contact and inform of what has taken place, and request his assistance in our effort to become a part of the American economic system. We are convinced that an effort is being made to detour us from our goal, but believing so strongly in the principles of our democratic system, we are determined to achieve our objective, for this is one way we can give our people pride in the City of Chattanooga, as well as something positive and meaningful for which our children and neighbors' children can strive.

We would like for our President and Senator Brooke to know we have written you asking each of your assistance in helping us to receive an immediate, affirmative response from the Federal Home Loan Bank Board in Washington, D. C.

Thank you in advance for your support.

Respectfully yours,



Jesse L. McCants, Organizer

JLM/gjt

Enclosures: Letter to President
Letter to Senator Brooke

4710 Cordelia Lane
Chattanooga, Tennessee 37416
November 20, 1970

The Honorable Richard M. Nixon
President of the United States
of America
White House
Washington, D. C. 20500

Dear Mr. President:

This communication is to urgently request your assistance in helping us to achieve a goal we set out to reach some two years ago. Within this period there have been many seemingly unbearable obstacles to detour us in our effort of becoming a part of economic mainstream.

Nine men, other than myself, have tried for approximately two years to organize a Federal Savings and Loan Association in Chattanooga, Tennessee. We visited the Federal Home Loan Bank Board in Cincinnati, Ohio, in 1969 and received the requirements and guidance necessary for organizing the Association. We have followed the guidelines throughout the planning process. Representatives from the Fifth District Home Loan Bank Board in Cincinnati have visited and counseled with us here in Chattanooga, plus the fact that a representative from the Federal Home Loan Bank Board in Washington, D.C., has done the same. Our application was completed back in 1969 and has been in Washington for several months.

We were informed prior to July, 1970, by staff representatives of the Board that our application was in good order and that they could see no reason for any problems; also, that we should be hearing from Washington in the month of July, 1970. After much investigation and negotiation for a building in which to locate, we entered into a lease agreement on a building for \$400.00 per month, beginning July 1, 1970. At the end of July, we had received no word from the Federal Home Loan Bank Board in Washington, D.C., and at that time we began to call there and were told that we would hear from Washington in two weeks. We have been given this same statement several times up until the present; meanwhile, we have been paying \$400.00 each month, plus the fact we made a \$2,000.00 loan to do minor renovation which has been exhausted in paying monthly rent. In addition to the calls we have made to the Board in Washington, Senator Elect Bill Brock's office has also made calls and received the same statement that word will be received within two weeks. The last day of the grace period on the lease will be up November 30, 1970, and this will leave us without a building.

The Honorable Richard M. Nixon
November 20, 1970
Page 2

We feel that we are not being given a fair chance by the Federal Home Loan Bank Board to become a part of the economic system, although there is much discussion about the opportunities that are available for our people. For those of us who use all resources available to be a part of the system, the road is made unusually difficult. Our success will mark the first time in the history of Chattanooga that we as black people will have made such an accomplishment. But because of the long delay, many of our people are beginning to feel that we have failed, and that we as a race in Chattanooga are only dreaming. Therefore, we call upon the President of the United States of America to intervene and restore our hope.

Please assist us in receiving an affirmative, immediate reply from the Federal Home Loan Bank Board, Washington, D.C., so that we can make our goal become a reality.

Respectfully yours,

Jesse L. McCants, Organizer

JLMc/gw

4710 Cordelia Lane
Chattanooga, Tennessee 37416
November 20, 1970

Honorable Edward Brooke
United States Senate
Washington, D. C.

Dear Mr. Brooke:

I am writing this letter requesting your assistance in an effort of a group of whom I am founder, that has worked approximately two years to secure a charter for a Federal Savings and Loan Association in Chattanooga, Tennessee. We have done everything required for us to secure a charter, only to be told by representatives of the Federal Home Loan Bank Board in Washington, D. C. that we will hear from the Board within two weeks. We have received this statement constantly since August, 1970, and we will appreciate whatever you can do to help us.

I am enclosing a letter that I wrote to the President, that is to be delivered to him by Senator Elect Bill Brock, and it will explain much of what we have been through. In addition, we feel that there is an effort here in Chattanooga to prevent our being successful, and that the delay in our receiving a charter is being spearheaded locally. I wish that we could speak with you or one of your representatives by phone to explain many of the details of the situation.

All members of our group are respectable citizens and generally known throughout the community. I will be happy to supply references concerning each member, including myself. However, if it is necessary to reach me, I am Deputy Director of the Chattanooga Model Cities Program, office at 1418 McCallie Avenue and the phone number is 698-6971.

Your support in this effort will be most highly appreciated.

Respectfully yours,

Jesse L. McCants, Organizer

JLM/gjh

Enclosure: Copy of Letter to President Nixon

GENERAL

Is 1901 5730 (Atlantic City)

FIR
FG 38

NEW JERSEY
BANKERS ASSOCIATION

Mar. 16
to
Gruin O. Kraft

April 5, 1971

Dear Mr. Dimon:

I have in hand your letter of March 26, concerning the New Jersey Bankers Association and their interest in the prospect that the President might address their Annual Convention in May.

I am inclined to agree that this would be an appropriate forum for the President, and perhaps a timely opportunity to report on the economic outlook for the Nation. Scheduling and the competition for the President's time, of course, will be the major obstacle.

You may be assured that we will do everything possible from this end to interest the President and his people in this event. Thank you for your interest.

With best wishes, I am,

Sincerely,

Harry S. Dent
Special Counsel
to the President

Mr. John E. Dimon, Chairman
New Jersey Republican State Committee
Room 405, Trenton Trust Building
25 West State Street
Trenton, New Jersey 08603

HSD:PM:jc

bcc: Dave Parker w/cy of file

RECEIVED
APR 6 1971
CENTRAL FILES

GENERAL
F86-16
F12
AKA91, RICHARD

THE WHITE HOUSE
WASHINGTON

4/7/71
Date

TO: MD
FROM: TRP

Please add to the schedule:

TIME: Noon

DATE: 6/14/71

NAME: Casper^x Weinberger

POSITION: Dep. Director

DEPARTMENT: OMB

EVENT: ^xWeinberger Financial
Services Seminar

SHULTZ, GEORGE

TOPIC: —

LOCATION: New York City

ACTION: Parker

RECEIVED

JUN 11 1971

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 1-3 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.



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, D.C. 20429

March 11, 1971

Mr. Jonathan C. Rose
The White House
Washington, D. C.

Dear Mr. Rose:

Chairman Wille asked me to respond to your letter of March 9, 1971. Your letter transmitted correspondence of Mrs. James P. FitzGibbon of Evanston, Illinois, concerning her allegation of impropriety on the part of the bank president of the First National Bank in Huntington, Huntington, Indiana.

Inasmuch as the inquiry concerns a National bank the material is being forwarded to the office of the Comptroller of the Currency.

Sincerely,

Robert E. Barnett

Robert E. Barnett
Assistant to the Chairman

*3/30/71
Comptroller of
Currency has written
back for more info.*

① Tick
3-19
② Chron

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.

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 4 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.

BROUGHT FORWARD

GENERAL

FIR
Previously filed

4/26/71
Date

Name

Organization

J. C. Purnell

GENERAL

FIR
New File Symbol

5/7/71
Date

FINAL ACTION

Ltr. from J.C.
Purnell to Mr.
Chickman

of/

April 28, 1971

GENERAL
FI 2

Dear Sam:

Thank you very much for sending me a copy of the letter from Mr. Purnell of the^x Liberty Bank of Seattle.

Although this program was slower in getting off the ground than we had anticipated, it is starting to move now and we are determined to meet the Administration's goal during the year.

- FILED: GEN. FI 2
4/26/71

I have written to Mr. Purnell and thought you might like to see a copy of my reply.

Best personal regards.

Yours sincerely,

John D. Ehrlichman
Assistant to the President
for Domestic Affairs

X
Honorable Sam Smith
City Councilman
1106 Seattle Municipal Building
Seattle, Washington 98104

JDE:Len Garment:jlh

RECEIVED
APR 30 1971
CENTRAL FILES

THE WHITE HOUSE

WASHINGTON

Date April 13

For Len Garment

From **Tod Hullin**

Attached is additional correspondence regarding the Liberty Bank of Seattle.

Would it be possible for you to draft a reply for Mr. Ehrlichman's signature?

Many thanks.

4/27/71

Attached.

APR 12 1971



THE CITY COUNCIL OF THE CITY OF SEATTLE

1106 SEATTLE MUNICIPAL BUILDING

SEATTLE, WASHINGTON 98104

SAM SMITH, CHAIRMAN
PUBLIC SAFETY COMMITTEE

April 9, 1971

Mr. John D. Ehrlichman
Assistant to the President
for Domestic Affairs
The White House Office
1600 Pennsylvania Avenue Northwest
Washington, D. C. 20500

Dear Mr. Ehrlichman:

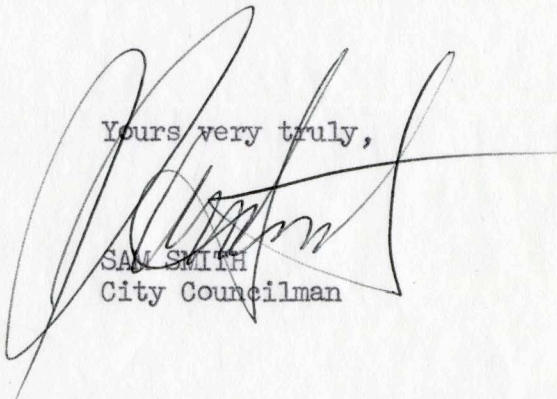
Attached is a copy of a letter from Mr. J. C. Purnell,
President of the Liberty Bank of Seattle, written to you
just a few days ago, pertaining to the program the Federal
government developed to aid minority banks.

I am not quite sure that his message came through quite
clear that the Liberty Bank at present has not received the
kind of financial support from this program that it expected,
and, furthermore, that it would appreciate any assistance you
could give them in this endeavor.

We, in the City of Seattle, are quite proud of the Liberty
Bank and look forward to it servicing the Community for
many years to come.

With best regards.

Yours very truly,


SAM SMITH
City Councilman

SS:lm
Attachment

cc: Mr. J. C. Purnell, President
Liberty Bank of Seattle
2320 East Union Street
Seattle, Washington 98122

March 31, 1971

J.C. PURNELL
President

The Honorable John D. Erlichman
Assistant to the President
For Domestic Affairs
In Washington

Dear Mr. Erlichman:

Last October the press announced an Administration program whereby deposits in minority owned banks would be increased by \$100 million within a year. The program, developed by the Advisory Council on Minority Business Enterprise, the United States Treasury Department and the National Bankers Association, was to be a joint Government-private sector effort.

It was envisioned that some \$65 million private sector deposits and \$35 million in Federal Government deposits would be steered to minority owned banks. The Government deposits, it was understood, would be spearheaded by Charles E. Walker, Under Secretary of the Treasury.

We hope that we are not being presumptuous in assuming you have a concern for what happens to our little corner of the USA. As you undoubtedly know, we are located in the center of the Central Area and attempting to serve the banking needs of the community. Help in the way of deposits seems to be a never ending requirement of expansion. As we extend our banking services, the whole community is benefited. An expanded, reliable, and viable business community is direly needed.

Our goal is to provide loans for minority business people to help them enlarge and promote their business, and thus establish a sound business and financial base in this area.

The necessary means required for such a project must, of course, come from deposits. We are depending upon the support of concerned individuals, organizations, businesses and government if this plan is to be successful. Would you consider being a vital part of this operation "boot strap"?

We hope that you will view our request with favor and lend your efforts in our behalf. It is hoped that you may have time to stop and see us on your next visit to Seattle. Thank you.

Sincerely,

J. C. Purnell
President

GENERAL
FI 2
PU 2-4
FI 3

May 6, 1971

Dear Mr. Wriston:

Mr. Haldeman asked that I thank you for your recent letter and the copy of "The Anatomy of an Investment".

He appreciates having this material very much.

Sincerely,

Bruce A. Kehrli
Staff Assistant
to H. R. Haldeman

Mr. Walter B. Wriston
FIRST NATIONAL CITY BANK
399 Park Avenue
New York, New York
10022

BK:kb

ATTACHMENT TO HALDEMAN -- FYI

RECEIVED
MAY 7 1971
CENTRAL FILES

DRAFT

OK

Dear Mr. Wriston:

Mr. Haldeman asked that I thank you for your recent letter and the copy of "The Anatomy of an Investment".

He appreciates having this material very much.

Sincerely,

Bruce A. Kerhli
Staff Assistant
to H. R. Haldeman

Mr. Walter B. Wriston
FIRST NATIONAL CITY BANK
399 Park Avenue
New York, New York
10022

Attachment to H - FYI



FIRST NATIONAL CITY BANK

WALTER B. WRISTON
CHAIRMAN

399 PARK AVENUE, NEW YORK, N. Y. 10022

April 20, 1971

Honorable H. R. Haldeman
Asst. to President
The White House Office
Washington, D. C. 20500

Dear Mr. Haldeman:

In view of the accelerating interest in institutional investments and the fiduciary activities of bank trust departments, I thought you would like to have a copy of "The Anatomy of an Investment," which we believe is the first report of its kind separately published by a bank in the United States.

What philosophy guides the managers of the trust department, which we at Citibank call the Investment Management Group? Where do we invest other people's money and why? What limitations do we impose on discretionary holdings in any single corporation? How are decisions reached when it comes to voting proxies at annual meetings?

These are the kinds of questions which "The Anatomy of an Investment" attempts to answer. In it you will find a description of how our Investment Management Group operates, together with a series of charts and tables disclosing -- again a first -- where the money goes, including details on our major investments as of December 31, 1970.

As the report notes at the outset, there is widespread unfamiliarity about large sums of money. "The Anatomy of an Investment" dispels that unfamiliarity and shows how, in reality, we are the caretaker of the aspirations of millions of people whose money it really is.

Sincerely,

BROUGHT FORWARD

GENERAL

FI 2

5/7/71

Previously filed

Date

Name J. C. Purnell

Organization Liberty Bank of Seattle

GENERAL

FI 2

8/18/71

New File Symbol

Date

FINAL ACTION Memo to Bob Brown

re 8/2 ltr from J.C. Purnell

off

GENERAL

(2)

FI 2
FO

May 13, 1971

Dear Miss Mayville:

Mr. Klein has asked me to thank you
for writing him concerning the
attached^x INVESTMENT BULLETIN.

It was most helpful of you to send
Mr. Klein this information, and we
want you to know of our appreciation.

With best wishes,

Sincerely,

(Mrs.) Margita E. White
Assistant Deputy Director
of Communications

^x
Miss Ruth E. Mayville
Apartment 14
201 North Broadway
McAllen, Texas 78501

MEW:cjs
/

RECEIVED
MAY 15 1971
CENTRAL FILES

MEW 24 no additions

- concerning the attached
INVESTMENT BULLETIN,

W
J
S
S

R. E. MAYVILLE
201 N. BROADWAY, APT. 14
MC ALLEN, TEX. 78501

four
Mr. J. Klein
Presidential Preschey.
Washington, DC.

Dear Sir:

After reading the attached
article from this very old
and reputable concern,
realized it is worthy
of attention.

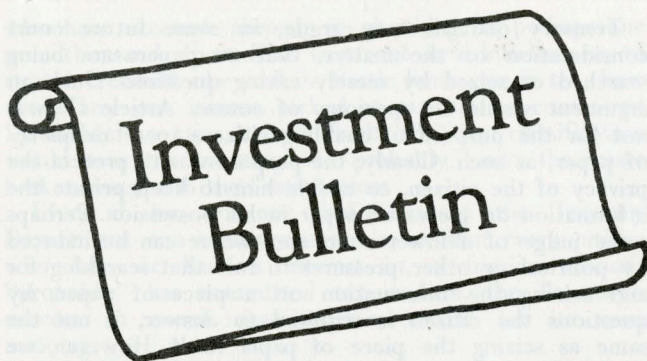
Will you please pass it on
to the person who would
read it?

Thank you.

Cordially
Ruth E. Mayville

Enclos.





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AMERICAN INSTITUTE for ECONOMIC RESEARCH

Great Barrington Massachusetts 01230

VOL. XXXVII No. 24

December 21, 1970

First Russia, Then Nazi Germany, -Now the United States?

From the beginning of its rise to power the Communist regime in Russia has regarded having an interest in a foreign bank account as a capital offense. Hitler, in his efforts to seize for the State the wealth of German Jews, attempted to require disclosure of foreign bank and brokerage accounts and of interest in such accounts. Only the banking laws of Switzerland and the willingness of the Swiss Government to resist great pressures applied by Nazi Germany enabled many thousands of German Jews to preserve the economic means of survival after being forced to leave behind all their property held in Germany.

Now United States authorities propose to require all citizens to disclose every interest in a bank or other financial account in a foreign country, thereby starting down the path that Russia and Nazi Germany followed. A question at the top of page 2 of the Federal income tax form for 1970 is as follows: "Did you, at any time during the taxable year have an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. Military banking facility operated by a U.S. financial institution)? ☐ Yes ☐ No. If "Yes" attach Form 4683." (Form 4683 is not yet available to the public.) Why does the Treasury Department attempt thus to seize information from U.S. citizens?

According to Treasury press releases such disclosures will enable the Internal Revenue Service to obtain incriminating evidence from members of the Mafia and other gangster-type individuals who have been evading (not legally avoiding but criminally evading) income taxes. However, can anyone seriously believe that such individuals, who routinely falsify their tax returns, would truthfully answer the questions or properly fill out the new Form 4683? We do not believe that this alleged reason is more than incidentally connected with the Treasury's attempt to seize such information from all citizens. We doubt that Treasury officials are so "dumb" that they can believe such a silly reason. What then is the real reason?

We can imagine two answers to this question:

1. By a series of news releases during recent years, the Treasury Department apparently has sought to discourage sending funds abroad. Evidently, the hope has been that if enough citizens could be induced to believe that such action was either morally or legally wrong, the balance-of-payments would be less of a problem. Then, inflating the Nation's money supply, thus "embezzling" savings and life insurance, could be continued longer to the advantage of the politicians in power and other beneficiaries of such inflating.

a. Evidently, the propaganda effort has been partly successful. Subscribers' inquiries reveal that numerous individuals think that there is some legal barrier to sending funds abroad. Newspaper headlines and brief radio broadcasts have given seriously misleading impressions.

b. Conceivably, then, the question added to supplement the 1970 tax form is intended only to augment the effects of the earlier propaganda releases about Swiss bank accounts, etc. Possibly nothing more sinister than further gulling of the gullible is intended.

2. A second possible answer is that some persons in the Treasury Department may be preparing to cope with problems that already are visible like distant clouds in an otherwise clear sky.

a. The dollar is under suspicion by nations that already hold many more dollar claims than they wish to retain indefinitely. The time may not be far distant when increasing redemptions of such claims will endanger the Nation's remaining gold supply, which is less than one-third of the outstanding short-term (virtually demand) claims. If the situation worsens, restrictions on funds for travel abroad may be imposed. (Such restrictions were proposed but not enacted into law only a few years ago and may well be the first "remedy" tried if the apparent need arises.) Based on the information presumably to be obtained, funds for travel could be denied to those who already have more than the new maximum travel allowance in the form of funds abroad.

b. If the situation becomes even worse, citizens could be forced to recall their funds to the United States by the threat of special taxes on or forfeiture of other funds at home. For a time, this might partially reduce the balance-of-payments deficits, thereby facilitating continued inflating.

c. Looking farther ahead, the time may come when, as in England recently, what amount to capital levies (taxing a portion of everyone's savings) may seem to the politicians in power the best means of obtaining funds for more spending to buy the votes that would perpetuate themselves in office. By pointing to the few millions of individuals who have funds abroad and proposing to tax them heavily, i.e., to confiscate some of their wealth, popular support from the great mass of voters might be obtained for tax proposals that otherwise would be unpopular.

d. And, looking even farther ahead, the great and prolonged inflating during and since World War II may virtually destroy organized society and, in the United States, result in a dictatorship in fact if not in form. Dictators need the wherewithal to maintain themselves in

power. We doubt that Hitler's racial and religious prejudices, if any, were more than an incidental factor in what happened to the Jews in Germany. The fact was that they had wealth, wealth is power, and that power Hitler wanted. Popular prejudices facilitated seizure of their wealth, and the gas chambers may well have been, from Hitler's point of view, merely incidental to the basic problem of seizing their wealth.

Every person who has accumulated more than a modest competence, if he is at all aware of what is going on, has funds abroad. Sound diversification of investment risks is an adequate reason; and the possibility of civil strife in the United States, a possibility assuredly not remote, is another adequate reason. Desire to have some protection against more inflating and further depreciation of the dollar is still another good reason. Yet the actions taken for such sound reasons tend to increase the adverse balance-of-payments and thus shorten the credit rope of prolonged inflating with which the politicians seem determined we all must hang. Naturally, the Government will not tolerate such interference with its "embezzling" of the citizens' savings and life insurance. For precisely the same basic reason that the Jews of Germany were stripped of their wealth, a future dictatorship (even if, as in Rome, still appearing to be a republic) may treat those who have funds abroad much as the Jews in Germany were treated, hopefully omitting the gas chambers. However, what the mob prejudiced against those believed to be wealthy will do when the time comes remains to be seen. In other times and places the guillotine or execution by firing squad were as effective as the gas chambers but perhaps were more merciful.*

CONSTITUTIONAL RIGHTS

The proposed invasion of every citizen's privacy by the officials of the Treasury Department is in direct conflict with the Constitution of the United States and appears to be in cynical disregard of that document, which those same officials swore to "uphold and defend" when they took office.

Article IV of the Amendments to the Constitution states:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation and particularly describing the place to be searched, and the person or thing to be seized."

*During the 1950's, before the first major run on gold in 1960 boosted the free market price to \$40, I had occasion to comment to a friend that it was fortunate citizens had the legal right to own gold abroad (as they then did) because that would be the safest and surest way to protect their funds against both more inflating and a future devaluation of the dollar. A professor in a nearby college learned of my comment and in great anger asserted to one of his classes that any citizen who thus tried to protect himself should be shot and that he, the professor, "... would like to hold the gun." Believe it or not, the man is a professor of history. I mention this, not to discredit the professor, who appears to be ignorant on money-credit matters, but to suggest that if a supposedly educated person today can entertain such views the wrath of the mass of voters, or of a mob that had seized the information that the Internal Revenue Service proposes to obtain, is readily imagined. Many people believe that "it can't happen here," but I have lived long enough to see so many consequences of trends that I have been writing about for nearly 50 years that the argument "it can't happen here" no longer impresses me.

Treasury officials may argue, in some future court consideration of the matter, that no papers are being searched or seized by merely asking questions. Such an argument would be specious, of course. Article IV was not for the purpose of enabling citizens to retain pieces of paper, as such. Clearly, the purpose was to protect the privacy of the citizen, to enable him to keep private the information on pieces of paper in his possession. Perhaps some judge of a lower court somewhere can be induced by political or other pressures to rule that searching for and seizing the information on a piece of paper, by questions the citizen is required to answer, is not the same as seizing the piece of paper itself. However, we doubt that higher courts, including the Supreme Court, would sustain such sophistry.

We assume, then, that every citizen has the constitutional right simply to refuse to answer a question such as that proposed for the income tax form for 1970, unless a Treasury official or Internal Revenue Service auditor obtains an appropriate search warrant. Under what circumstances should such a search warrant be issued?

The Constitution is clear: "... no warrant shall issue, but upon *probable cause* ..." What "probable cause" could be a proper basis? "Probable cause" has been widely held to imply that some civil or criminal offense has been committed by or with the connivance of the citizen involved and that the papers in question or the information in those papers will throw some light on his part or the part of others in the offense. Inasmuch as tax evasion is a *criminal* offense in the United States (unlike the situation in many other nations), the "probable cause" refers in this instance to a criminal offense. In order to obtain a search warrant, an Internal Revenue Service auditor or Treasury official presumably must show a court by evidence "supported by oath or affirmation" that a criminal offense (tax *evasion*) *probably* has occurred.

Would the fact that a citizen was suspected of having a foreign bank account be sufficient evidence that a criminal offense probably had occurred? Even if a citizen were known to have a foreign bank account, would that be evidence "supported by oath or affirmation" that a criminal offense probably had occurred? Obviously not, unless one chooses to take the position that the majority of Americans who have foreign bank accounts are tax evaders. Granted that some few American citizens high in the power structure of the Mafia or other gangster organizations probably have foreign bank accounts, what about the hundreds of thousands, perhaps millions, of honest citizens who have foreign bank accounts and who always have and always will pay their taxes as and when due. Many second generation Americans are managing foreign accounts for elderly parents in Europe and elsewhere; thousands of American citizens quite properly own homes or other real estate abroad and have bank accounts for convenience and for funds not taxable by the United States.

Many other legitimate reasons not even remotely connected with tax evasion justify having foreign bank accounts or an "interest" in them. But to argue that ownership of or interest in such an account is "probable cause" is to argue that because relatively few, at most perhaps a few hundred gangsters have accounts abroad, hundreds of thousands of honest citizens should be classed as probably criminals. No one knows what the proportion of criminal tax evaders is to honest citizens

who have accounts abroad; we should guess perhaps one in a thousand. Even if it were one in a hundred or, to stretch credibility beyond its elastic limit, one in ten, how could any one citizen picked at random be considered "probably" a tax evader? Such arbitrary classification would toss the meaning of "probably" into the waste basket along with the Constitution.

Even if by semantic befuddlement the Treasury Department can convince some court that every citizen who has, or has an interest in, a foreign account "probably" has committed tax evasion, the Treasury's success in word manipulation would be its own undoing.

Article V of the First Amendment of the Constitution provides that no person "... shall be compelled in any criminal case to be a witness against himself ..." Well established is the right of a citizen to remain silent when accused of any crime; and instructions from a judge to a jury in such instances almost invariably include the caution that the accused should not be presumed to be guilty if he has chosen to remain silent. Even the most despicable murderer or rapist must be advised of his right to remain silent before questioning by the authorities and must be permitted to have his attorney present. Where is the comparable warning to citizens to accompany the question on page 2 of the 1970 tax form?

HOW ABOUT THE REAL CROOKS?

Some persons may wonder whether the preceding discussion implies that the Internal Revenue Service should have no means of checking on the real crooks. Such is assuredly not the implication nor is that the actual situation.

By comparing a citizen's standard of living with his reported taxable income, tracing profits from casinos in Las Vegas and elsewhere, estimating the gains from gambling on the horses or otherwise, and various other means the Treasury Department has been able to satisfy judges on many occasions that "probable cause" existed to justify warrants for search and seizure of information needed for criminal prosecution. In fact, so successful has the Internal Revenue Service been in obtaining such evidence "supported by oath or affirmation" that the convictions of gangsters for income-tax evasion have far exceeded convictions of such individuals for the far more numerous capital and infamous crimes of which they apparently have been guilty. The success of such efforts and the ridiculousness of supposing that gangsters will correctly answer the new question combine to reduce the credibility of the Treasury Department's propaganda efforts to the vanishing point, as far as we are concerned.

And if the Treasury's propaganda efforts are not believable, what should one believe?

a. As a high official of the U.S. Treasury Department, Harry Dexter White betrayed his country while a member of a Communist cell in the Government. As one step in the betrayal process he insisted that Russia be sent the engraved plates to print U.S. occupation currency in Europe. The resulting flood of paper money, all redeemable by the United States, helped to wreck the German market system and constituted a major addition to the inflating in the United States.

b. Harry Dexter White and Alger Hiss, another alleged Communist traitor, worked with John Maynard Keynes as the architects of the International Monetary

Fund. In 1945 we pointed out:

"Now the essence of the International Monetary Fund is that it is an elaborate device, first for postponing the operation of Gresham's Law and then for facilitating successive devaluations. The scheme even contemplates universal devaluation of all currencies simultaneously by a majority vote of the Fund members, subject to certain technicalities.

"Lord Keynes of England, the John Law of our times, and his enthusiastic disciples throughout the world are itching for the chance to demonstrate that an 'expansionist policy' can be made to work. Such experiments of this nature as were made while the gold standard was still considered respectable have never quite worked. The credit rope was always too short. It is the contention of the compensatory spenders that, if the credit rope is only made long enough, one need never reach the end of it and that a hanging with such a rope need not have fatal effects. This argument is an appealing one, and it has as many lives as any perpetual motion scheme ever devised. The prospect of dancing without ever having to pay the piper has always had a peculiar charm for the innocent and the unwary.

"The International Monetary Fund is primarily adapted to the provision of credit 'ropes' of uncertain and indefinite length. In that respect, it is the answer to a planner's prayer. And it is no doubt for this reason that the Fund is so favorably regarded by the Keynesian fraternity."† The architects of the IMF well knew Lenin's view that inflating would be the most effective means of destroying organized society.

c. The pattern of developments adverse to the interests of the United States has continued ever since. The Treasury Department in cooperation with the Federal Reserve System not only has dissipated via inflating about 60 percent of the Nation's gold supply but also has:

(1) First reduced the gold reserve required for the Nation's money supply by persuading Congress to change the law;

(2) Then a few years later completely eliminated the requirement for a gold reserve, again by persuading Congress to change the law; and

(3) Finally, in disregard of the existing law and without bothering to consult the Congress, removed from the paper currency of the United States the promise to pay to the bearer on demand statutory dollars (one thirty-fifth of an ounce of gold in an alloy nine-tenths fine).

(4) And now the Treasury Department proposes, in defiance of the Constitution, to search by means of unauthorized questions the private papers of citizens and seize information therefrom for such future purposes as those in power may have in mind.

To comment by understatement: We do not trust them.

WHAT TO DO?

How should a citizen reply to the question at the top of page 2 of his 1970 income tax return? Obviously, an answer to that question is not necessary to provide the basic information required by law, which is the total of gross income, the allowable deductions, the taxable income and the tax already paid or still due. (The fact that the question has been added as a supplement suggests that the officials concerned are well aware that it is not

†Research Reports, June 11, 1945

an essential part of the return.)

A citizen has three choices:

1. To answer "Yes";
2. To answer "No";
3. To leave the spaces blank with no comment.

We cannot recommend that any citizen answer "Yes" because:

a. The question itself is an attempt to invade his privacy guaranteed by the Constitution of the United States; and,

b. Answering "Yes" might encourage the Treasury Department to follow the path described above; and,

c. This is perhaps the last good opportunity that citizens will have to force recognition of their rights and halt or at least retard the trend toward tyranny.

We cannot recommend that any citizen answer "No," even if he at present has no accounts or interest in accounts abroad, because:

a. He may need such an account in the future and the question may be continued on future tax returns; and,

b. Unless a tyrannical grasp for power over citizens is resisted at an early stage, resistance may prove to be even more difficult later; and,

c. If enough citizens refuse to cooperate, those responsible in the Government may get the message "Thus far but no farther." That they then will cease and desist in their efforts, apparently aimed at establishing socialism or communism in the United States is too much to hope, but it may retard their efforts.

Only the alternative of leaving blank both answers to the question remains.

SUPPLEMENTARY NOTE: Our attorneys, who have reviewed this article, have suggested that readers should be informed about the possible consequences of leaving the answers blank.

The subject of search warrants in connection with alleged tax fraud investigations is discussed by Paul P. Lipton in an article "Search Warrant in Tax Fraud Investigations" in the *American Bar Association Journal* for October 1970, Volume 56 Pages 905-1016. Without going into all details of the subject here, we note that the U.S. Supreme Court rejected what was known as the "mere evidence" restriction on searches and seizures and concluded that intrusions on privacy in the search for evidence of criminal actions would be permitted if the "probable cause" and particularity requirements of the Fourth Amendment are fulfilled and the search is authorized in advance by a neutral and detached magistrate. (our italics). In this connection, see the discussion earlier in the present article.

A lower court decision ruled that, "A taxpayer's records can be instrumentalities of the crime of tax evasion only when there is probable cause to believe that they were kept falsely for the purpose of preparing fraudulent tax returns." Ever since we first began to advise investors 35 years ago, we have repeatedly advised our readers to comply with all U.S. laws, especially the tax laws. From our intimate knowledge of the financial affairs of hundreds of our continuous supervisory clients we can say that, if they may be assumed to be representative of the many thousand readers of our *Investment Bulletins*, searching for a tax evader among our readers would be like "looking for a needle in a haystack." The fact that anyone is among our thousands of readers should be sufficient rebuttal of any allegation that one picked at random "probably" is a tax evader.

Mr. Lipton, in concluding his article said, "Although existing precedent provides no clear answer, the liberal interpretation given to the amendments in recent years warrants the belief that the Supreme Court will *not* sanction wholesale seizures of books and records in the search for evidence of tax evasion." (our italics)

Nevertheless, a possibility exists that an individual who chooses not to answer the questions may be subject to an IRS audit. In that event, we suggest that he consult an able tax attorney immediately. If the matter is not settled at modest expense in a lower court and an appeal to the U.S. Supreme Court becomes advisable, we have no doubt that many of our readers will wish to contribute to the legal expenses so that no one individual would be unduly burdened in seeking a final decision. I now pledge \$500 to be available in that contingency and am sure that many will follow that example by pledging various amounts.

E. C. Harwood

DEFINITIONS

Although Treasury regulations pertaining to the supplementary question have not yet been published, we assume that the applications of words used will be similar to their use elsewhere in the U.S. Tax code. Specifically:

"Have an interest in" apparently would refer to some legally enforceable interest, *not* to an intellectual interest nor to the mere possibility of being at some future time a beneficiary of a foreign trust if there were not present or assured future control over the assets or power to appoint beneficiaries in the future. It apparently would *not* apply to the Donor of a Family Foundation or other irrevocable trust unless he had retained elements of control such as a power to appoint beneficiaries, which is not the usual situation.

"Signature authority" implies a right to exercise control evidenced by a signature. It would *not* apply, for example, to the authority of an adviser to give specific advice over his signature in a letter, etc., provided he had no right to exercise control.

"Other authority" apparently would include authority to give oral as well as written orders, instructions, or directives (as differentiated from mere advice) with reference to the matters included in the definitions below.

"Bank account" presumably would apply to both demand deposits and to savings deposits whether known as deposit booklet accounts, private accounts, or any other designation.

"Securities" would apply to stocks, bonds, and other documentary evidence of a debtor-credit relationship or equity ownership other than direct ownership of real estate or other property such as an automobile, apartment furnishings, etc. Apparently, "securities" would *not* apply to leases of real property or other things.

"Other financial account" presumably would apply to any brokerage account or account with a financial institution such as an investment company.

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Subscriptions: \$10 per year. For first class mail delivery, add \$3; for domestic airmail, add \$4. Foreign rates on request.

May 17, 1971

Dear Mr. Rowell:

Thank you very much for your letter of March 12 suggesting a plan to increase the availability of mortgage funds for low income home buyers.

The Administration has been pursuing a wide range of programs to provide funds for home mortgages, particularly for low and moderate income buyers. About two years ago, required reserves against deposits in savings and loan associations were lowered by the Federal Home Loan Bank Board as part of their effort to alleviate tightness in the supply of mortgage funds. Tremendous inflows of deposits into those associations since mid-1970, however, have greatly increased mortgage fund availability and led to the increase in required reserves from 5½% to 6½% of time deposits on April 1, 1971.

In 1969 and 1970, the Federal Home Loan Bank Board advanced funds to savings and loan associations to help them bolster their mortgage lending activities. The Emergency Home Finance Act of 1970 authorized appropriations of \$280 million of Federal funds to subsidize rates on those advances. Currently savings and loan associations are being encouraged to use deposit inflows to augment their mortgage lending activities rather than to repay advances.

The Emergency Home Finance Act of 1970 also authorized the Federal National Mortgage Association to provide a secondary market for conventional mortgages and established the Federal Home Loan Mortgage Corporation to widen the secondary market for conventional mortgages. In addition, it provides for interest rate subsidies on residential mortgages for middle-income families through the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Under Section 235 of the National Housing Act, low and moderate income families are eligible for assistance on home mortgages, which in some cases, amounts to 100% guaranteed financing at

RD/Referral/Treasury
X-File

- 2 -
rates as low as 1%. Provisions of the Housing and Urban Development Act of 1970 lower down payment requirements on FHA-insured and VA-guaranteed mortgages for low and moderate income families.

It is my belief that recovery in housing starts and mortgage commitments has been evident since mid-1970. We are hopeful that the Administration's policies in the area of home financing, combined with inflows of deposits into the institutions which provide a major portion of funds to the mortgage market and recent easing in home mortgage rates will continue to restore health to the housing market.

Thank you again for your interest in writing, and with all good wishes,

Sincerely,

Robert H. Finch
Counsellor to the President

Mr. Robert Rowell
7 Spring Lane
West Chester, Pennsylvania 19380

X-file
RD/Referral/Treasury

①
GENERAL

PP
FI2

May 24, 1971

Dear Mr. Kepler:

This is to acknowledge receipt and thank you for your recent letter to the President, to which I have been asked to reply.

While the President does not plan to take advantage of your kind invitation to open an account at the Third National Bank, he does appreciate the concern shown in offering the use of your banking services.

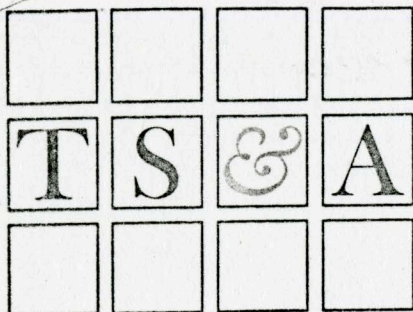
With the best wishes of the White House,

Sincerely,

John W. Dean III
Counsel to the President

Mr. E. N. Kepler
Commercial Officer
Third National Bank
Post Office Box 76
Nashville, Tennessee 37202

RECEIVED
MAY 24 1971



JUN 10 1971

GENERAL
FG
F12

TRUMBLE, SPANO & ASSOCIATES, INC. ☐ PUBLIC RELATIONS

1678 NORTHWESTERN BANK BLDG.
MINNEAPOLIS, MINN. 55402 ☐ 612 / 338-6727

JONATHAN VILLAGE ONE CENTER
CHASKA, MINN. 55318 ☐ 612 / 448-4900

June 8, 1971

The Honorable Clark MacGregor
Counsel to the President
The White House
Washington, D. C.

Eugene F. Trumble

Dear Clark:

We and the people at ^xFirst Minneapolis ^{Bank}would, as I mentioned, appreciate your assistance on the Bank's governmental affairs program.

The program was initiated early in the state legislative session with the Bank hosting a series of luncheons for key legislators and top Minneapolis businessmen. Conducted informally, it provided an opportunity for influential and knowledgeable people from government and business to share ideas, concerns and problems. The discussions were noted by their frankness, and the healthy and productive manner in which they honed in on major problems of the day.

One result of the series was Bill Norris' statement concerning the threat to business represented by the Governor's tax program. And I believe it is generally agreed that it served to stiffen the backbones of Conservative legislators as they waded into the tax fray.

The meetings certainly served to create better understanding of current problems and provided keener perspective on both public and private sides.

Now the Bank would like to continue the program to establish the same type of rapport with national issues.

Because of First Minneapolis' position of leadership, it is in a unique position to attract the very cream of Minneapolis business leadership.

We'd like to bring them face to face, in the same informal setting, with top federal officials who might be visiting the Twin Cities.

The meetings are held in the Bank dining room, and can be scheduled either for lunch or breakfast.

sc/

June 17, 1971

Dear Howard:

Thank you for your letter of June 4 and the enclosed correspondence from Mr. Dudley Porter concerning H. R. 5700.

As I am sure you know, the Administration is in the process of reviewing the desirability of this legislation. No final decision has been reached concerning the subjects of greatest concern to Mr. Porter. Dick McLaren's testimony was designed simply to point out some of the relevant considerations.

I appreciate your providing me with Mr. Porter's comments on this important matter, and you may be sure that his views will be given every consideration.

With best regards,

Sincerely yours,

Peter M. Flanigan
Assistant to the President

Honorable Howard H. Baker, Jr.
United States Senate
Washington, D. C. 20510

PMF:JBL:ts

GENERAL

FI5-1

FI2

NATIONAL R.E.A. TELEPHONE ASSOCIATION

Suite 230, Federal Bar Building West
1819 H Street N.W.

WASHINGTON, D. C. 20006

Area Code 202 - 659-2881

1970 JUN 21 PM 8 40

June 19, 1971

MINNEAPOLIS OFFICE

715 Cargill Building

North Star Center

Minneapolis, Minnesota 55402

Area Code 612 - 333-0201

PRESIDENT

Joe M. Roberts

TREASURER

Harold G. Payne

**EXECUTIVE DIRECTOR
AND COUNSEL**

A. Harold Peterson

ASSOCIATE COUNSEL

John F. O'Neal

DIRECTORS:

W. Carl Allen
James Capel, Sr.
William W. Capel
*Leroy Carlson
*W. F. Corman
Wade H. Creekmore, Sr.
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*Harold G. Payne
*A. Harold Peterson
Kenton Quint
*Joe M. Roberts
Charles Scarbro
*Craig D. Vail
*Herman H. Wagner
John R. Wise
James W. Yager

*Executive Committee

Dear Clark,

I have two important concerns to relate to you. Since our telephone conversation of April 5th, there has been no release of the additional \$5 million appropriation for the REA telephone program which the Congress voted for Fiscal '71. We were surprised to learn that the \$15 million for the electric program was released, even though the back-log of unapproved loan applications is much greater in the telephone program, the total being \$489.5 million on May 31, 1971.

The second matter involves the Rural Telephone Bank. I am informed that the Secretary of Agriculture has forwarded to OMB a request for a \$30 million supplemental appropriation for Fiscal '71 in order to purchase Class A stock for the initial seed capital for the bank. To date there has been no request for this supplemental from OMB.

This subject was specifically outlined by the conferees on the bill as shown on page 11 of the enclosed Report 92-12. Earlier this year the President identified the telephone bank as priority legislation. Senator Dole, who has worked closely on this legislation for over five years, is equally concerned.

It would be indeed unfortunate if the will of both the President and the Congress is circumvented in this manner. I want to bring this to your attention for such action as you deem appropriate in the circumstances.

Cordially yours,

A. Harold Peterson

A. Harold Peterson

Hon. Clark MacGregor

Counsel to the President for
Congressional Relations

The White House

RECEIVED
JUN 23 1971
CENTRAL FILES

GENERAL

FI2
FG6-11-1

June 23, 1971

Dear Mr. Eaton:

The President has requested that I thank you and reply to your recent letter offering to provide banking services to himself and his staff while they are in San Clemente.

Although the President has no need of additional banking services at the present time, we do appreciate your concern for our possible needs in this regard.

With the best wishes of the White House.

Sincerely,

John W. Dean, III
Counsel to the President

Mr. N. W. ^XEaton
Manager

X Southern California First National Bank
Post Office Box 8
San Clemente, California 92672

DGW:jhs - 2

RECEIVED
JUN 24 1971
CENTRAL FILES



SOUTHERN CALIFORNIA FIRST NATIONAL BANK

SAN CLEMENTE OFFICE, 1001 SOUTH EL CAMINO REAL, POST OFFICE BOX 8, SAN CLEMENTE, CALIFORNIA 92672

May 24, 1971

(714) 492-8090

JD-1
Mr. Richard M. Nixon
President of the United States
Washington, D.C. 20002

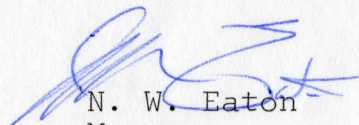
Dear Mr. President:

San Clemente is proud to have you as a resident. Our bank, the nearest to your home, would be honored to provide banking services for you and your staff while in San Clemente.

As an introductory offer, we will provide checking accounts with no service charges to your staff.

I look forward to the opportunity of serving you.

Very truly yours,



N. W. Eaton
Manager

NWE:clc

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5-6
GENERAL
SP-1
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Accredited by Public Relations Society of America

EXECUTIVE SPEAKERS BUREAU
August 11, 1971

Mr. Patrick O'Donnell
The White House
Washington, D.C.

Dear Mr. O'Donnell:

Here are the details of the meeting that I just discussed with Dick Howard.

We represent the Interbank Card Association, comprising nearly 6,000 banks who support the Master Charge Card system.

The New England Bankcard Association is planning an economic seminar to be held in Boston some time early in October and is very much interested in a high-level speaker from the Administration.

All important community leaders, including 123 New England bank presidents, and representatives from the business and academic communities will be invited. Attendance of upwards of 300 is expected.

2
GENERAL

August 11, 1971

FI 2

FG 12-12

FG 12

Dear Mr. Whitney:

The President has requested that I acknowledge receipt and respond to your letter regarding your claim on account of your \$100 Series E Savings Bond which is payable on death to your brother, Jon Hobert Whitney.

I have been advised by the Treasury Department that before relief may be granted, it must be clearly proved that the bond has in fact been lost or destroyed. As your brother was holding the bond under the color of authority you granted by sending the bond to him, the fact that his whereabouts may be unknown to you does not afford a sufficient basis for finding that the bond is lost or destroyed. Experience has shown that quite frequently a bond thought to be lost or destroyed is being held by one of the persons named thereon due to some misunderstanding over the right of its possession. If this is so, you would be responsible for obtaining possession from your brother.

I would like to suggest, however, that you write to the Treasury Department's Bureau of Public Debt, 536 South Clark Street, Chicago, Illinois 60605, furnishing as much information as you have concerning your brother's past whereabouts. The Treasury Department has assured me that upon receipt of such information that office will attempt to locate your brother and obtain his statement that he does not have the bond and that he will surrender it if it comes into his possession.

With best wishes,

Sincerely,

John W. Dean, III
Counsel to the President

x
Mr. Dennis Whitney
P. O. Box 221
Raiford, Florida 32083

bcc: Bureau of Public Debt *Sent*

5

RECEIVED
AUG 12 1971
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON

8/3/71
(Date)

TO:

Dislike

FROM:

JOHN DEAN

ACTION:

DUE DATE:

WSTAP

_____ Prepare reply
for John Dean's signature

_____ Direct Reply

_____ Comments/Recommendations

☒ Please Handle

_____ Information

_____ File

REMARKS:

THE WHITE HOUSE
WASHINGTON

Darlene

Return note —

Will have to examine
schedule this Fall —
etc. —



THE GENERAL COUNSEL OF THE TREASURY

WASHINGTON, D.C. 20220

AUG 2 1971

MEMORANDUM TO: HONORABLE JOHN W. DEAN, III
COUNSEL TO THE PRESIDENT

SUBJECT: Request for payment of allegedly lost \$100 (face amount)
savings bond registered in name of Dennis Whitney (Florida
State Prison) payable on death to Jon Hobert Whitney.

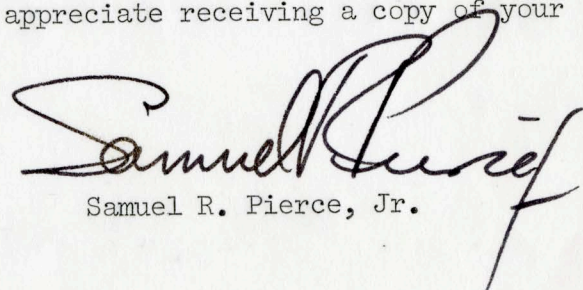
As requested in your transmittal of July 23, 1971, attached is a draft reply to the letter received from Dennis Whitney, Florida State Prison. This draft was prepared in the office of the Chief Counsel, Bureau of the Public Debt, after review of the file by counsel.

Counsel advise that there are sufficient discrepancies in the file to cause them to feel that Mr. Whitney is being considerably less than candid about the circumstances under which his brother is holding the bond. When reporting the loss of an unidentified bond in 1961, he made no mention whatever of his brother. It was not until after the Bureau identified a bond on which his brother's name appeared as beneficiary and asked for the latter's joinder in the application that it was learned that the owner had not lost the bond but turned it over to his brother.

Although it would appear from the material sent to you that Mr. Whitney has had considerable correspondence with the Bureau, this is not the case at all. Over seven years elapsed before he answered the last letter sent to him in 1961. His stories have varied. Once he said that his brother "refuses to cooperate." Another time, he said his brother told him that he had burned the bond when disposing of some trash. Now he states that he does not know of his brother's whereabouts.

Assuming Mr. Whitney regained the original bond, he could obtain payment by sending the bond, after having his signature certified by a prison official, to any Federal Reserve Bank or Branch. Under our present payment procedure, there is no administratively workable method for advising the thirty-six banks and branches to withhold payment on original bonds if the requests for payment are in order. If a double payment resulted, Mr. Whitney's character and circumstances are such that recovery would be most unlikely.

The Bureau of the Public Debt would appreciate receiving a copy of your reply to complete its files.


Samuel R. Pierce, Jr.

Attachments



THE WHITE HOUSE OFFICE

REFERRAL

To: Mr. Samuel R. Pierce
General Counsel
Department of the Treasury

Date: July 23, 1971

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: Dennis Whitney, Florida State Prison, Rainford, Florida 32083
Date: July 15, 1971
Subject: U.S. Savings Bond which allegedly has been destroyed.

By direction of the President:



John W. Dean, III
Counsel to the President

mdm

INSTITUTION P.O. Box 221, Raiford, Florida 32083

CELL NUMBER Q-1-E-3 East Unit

NAME Dennis Whitney

NUMBER 000001

DATE July 15, 1971

Hon. Richard M. Nixon

President of the United States

White House Executive Mansion

1600 Pennsylvania Avenue

Washington D.C.

Dear Mr. President:

I have been under a death sentence in the State of Florida for over eleven (11) years now. At the present time I do not have an attorney to represent me, and I am not receiving any aid or assistance from my family or friends. I am attempting to fight my case on my own to win a reversal of my conviction and death sentence. This is not very easy, since I have only a 9th grade education; limited access to law materials; and must prepare my petitions and appeals laboriously by hand. As an attorney, I'm sure you can appreciate my difficulties.

One of my major problems, however, is a lack of funds for purchasing needed law books, and for postage on the necessarily heavy correspondence entailed in preparing and filing my petitions. This obstacle could be alleviated if the Treasury Department would only release to me money I rightly have claim to, but which they will not make payment on because of a technical requirement in their regulations. I do not question the rightness or need for the particular requirement, but it is impossible for me to meet it through no fault of my own, and in this particular case the requirement is really unnecessary.

To begin at the beginning, I purchased a \$100⁰⁰ U.S. Savings Bond

CORRESPONDENCE AND VISITING REGULATIONS

FLORIDA STATE PRISON

VISITING RULES FOR FLORIDA STATE PRISON

Members of the inmate's immediate family may visit on approved visiting days which are each Sunday and approved Legal Holidays between the hours of 9:00 a.m., and 3:00 p.m.

Immediate family includes only Grandparents, Parents, Brothers, Sisters, Wife and Children. (Not In-laws).

There will be no visits permitted on any other day of the week except by **SPECIAL PASS**. **SPECIAL PASSES** must be secured well in advance by writing to the Administrative Assistant, P.O. Box 221, Raiford, Florida, for approval.

APPROVED VISITING LIST: All persons on the inmate's approved visiting list, except those inmates housed in the East Unit on P, N, R, S Wings and Death Row will be permitted to visit each Sunday and approved Holidays between the hours of 9:00 a.m., and 3:00 p.m.

SPECIAL PASSES: Inmates confined on P, N, R, S Wings of the East Unit may visit by **SPECIAL PASS ONLY**. For **SPECIAL PASSES** write the Assistant Superintendent, East Unit, P.O. Box 221, Raiford, Florida.

DEATH ROW VISITS: Inmates confined on Death Row may be visited by **SPECIAL PASS ONLY**. Visit for Death Row inmates is each Saturday.

We make a special request that in all cases not more than four Adults visit at one time.

FEMALE VISITORS APPROPRIATE DRESS: Street dresses, Slacks, Pants (not stretch) and Culottes are considered appropriate dress for Females visiting inmates at the Florida State Prison. **SHORTS, MINI-SKIRTS, EXTREME SUN-BACK DRESSES OR LOW CUT DRESSES** (front or back) are not permitted.

CORRESPONDENCE RULES FOR FLORIDA STATE PRISON

Each inmate is allowed to have four (4) members of his immediate family on his correspondence list, and is allowed to write two (2) letters *only* each week. Each inmate is allowed to receive two (2) letters each week from each person on his approved correspondence list—all letters to be written on one side only and contain *not more* than two (2) sheets of letter-size paper. All letters must be addressed as follows: Sender's full name and return address, including Zip Code, in upper left corner. Center of the Envelope to contain inmate's committed name and number, P.O. Box 221, Raiford, Florida, Zip Code 32083. The lower left corner of the envelope should contain the inmate's cell number. All letters must be written in English.

PACKAGE PERMITS: DO NOT send any packages without a package permit. The inmate must first secure a package permit from the Captain's Office. Items acceptable will be listed on the Package Permit. This Permit must be placed in the package when mailed into the institution. Packages received without a permit or containing items not listed on the permit will not be delivered.

MONEY: No cash or personal checks will be accepted. Money must be sent in the form of a Money Order or Cashier Check. Any Money Order or Check *must* contain the sender's name and the inmate's prison committed *name and number*.

DO NOT SEND Clippings, letters from other people, stamps or stationery.

(Rules effective June 23, 1967)

INSTITUTION _____

CELL NUMBER _____

NAME _____

Dennis Whitney

NUMBER _____

000001

DATE _____

in Miami in February, 1960, shortly before my arrest. Because I was on the move, I sent the bond home to my brother Jon Whitney in North Hollywood, Calif., for safe keeping until I returned home. Needless to say, I didn't make it back home, and my brother proved to be a not very reliable deposit for my bond. In the course of moving in 1961, he carelessly threw the bond out among some miscellaneous papers he was cleaning out, and the bond was burned and destroyed before he discovered his carelessness. Upon learning this, I wrote the treasury department of the circumstances and loss of the bond, requesting its replacement. They sent me two forms; one for me to fill out as owner of the bond, and one for my brother to fill out as last possessor of the bond. Unfortunately, my brother is not very reliable or dependable when it comes to filling out paper work, particularly if it is of no benefit to him, and he did not fill out or return the form I sent him.

In 1969, I again wrote the treasury department seeking payment on my lost savings bond. I explained to them my circumstances and my desperate need of the funds. I advised them that my brother Jon Whitney had disappeared, and nobody knew his whereabouts, and therefore it was impossible for me to have him fill out the required form as last possessor of the lost bond. I assured them that the bond had been destroyed; that I would accept full responsibility; and would make restitution if the bond ever showed up and was fraudulently redeemed — which would never happen.

The treasury department replied it would incur a risk of loss if it should issue a check in payment for a lost or destroyed bond without requiring a certified statement from my brother showing he does not have the bond and agrees etc. etc. (See attached copies of Treasury Department letters).

CORRESPONDENCE AND VISITING REGULATIONS

FLORIDA STATE PRISON

VISITING RULES FOR FLORIDA STATE PRISON

Members of the inmate's immediate family may visit on approved visiting days which are each Sunday and approved Legal Holidays between the hours of 9:00 a.m., and 3:00 p.m.

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DO NOT SEND Clippings, letters from other people, stamps or stationery.

INSTITUTION _____

CELL NUMBER _____

NAME Dennis WhitneyNUMBER 000001

DATE _____

Mr. President, I desperately need the funds I invested in good faith in a U.S. Savings Bond, believing I would have no trouble redeeming it when I needed to. It is impossible for me to obtain the required statement from my brother, Don Whitney, which the Department insist upon having before making payment. This seems rather petty when the sum involved is rather small. What is \$100 to the Treasury Dept.? A pittance. But it is everything to me. It seems rather incongruous to me that the Government would begrudge me \$100 over a minor regulation when more than this sum is wasted in inefficiency every day. What is \$100 when we have poured over 200 million into a no-win war in Southeast Asia? Spent millions on an SST project, only to cancel it? Spent millions on a cross Florida barge canal which will never be completed? And I can't have my miserly little \$100 which I rightly have a claim to?

Please, Mr. President, in my situation I desperately need this money which is rightly mine. As it has been over a year since the bond has reached maturity without it being redeemed, it should be obvious it is permanently lost, and the Government will not incur any risk of loss in making payment to me. I am enclosing a completed Form PD 1048 and a sworn affidavit for payment on my lost bond. I would be extremely grateful Mr. President if you would intervene on my behalf and ask the Treasury Department to waive their required Form PD 1048-1 in this case, and make payment on my lost bond.

With sincere appreciation for your consideration and any assistance you can lend me, with all best wishes and highest regards, I am,

Most Respectfully Yours,

Dennis Whitney

CORRESPONDENCE AND VISITING REGULATIONS

FLORIDA STATE PRISON

VISITING RULES FOR FLORIDA STATE PRISON

Members of the inmate's immediate family may visit on approved visiting days which are each Sunday and approved Legal Holidays between the hours of 9:00 a.m., and 3:00 p.m.

Immediate family includes only Grandparents, Parents, Brothers, Sisters, Wife and Children. (Not In-laws).

There will be no visits permitted on any other day of the week except by **SPECIAL PASS**. **SPECIAL PASSES** must be secured well in advance by writing to the Administrative Assistant, P.O. Box 221, Raiford, Florida, for approval.

APPROVED VISITING LIST: All persons on the inmate's approved visiting list, except those inmates housed in the East Unit on P, N, R, S Wings and Death Row will be permitted to visit each Sunday and approved Holidays between the hours of 9:00 a.m., and 3:00 p.m.

SPECIAL PASSES: Inmates confined on P, N, R, S Wings of the East Unit may visit by **SPECIAL PASS ONLY**. For **SPECIAL PASSES** write the Assistant Superintendent, East Unit, P.O. Box 221, Raiford, Florida.

DEATH ROW VISITS: Inmates confined on Death Row may be visited by **SPECIAL PASS ONLY**. Visit for Death Row inmates is each Saturday.

We make a special request that in all cases not more than four Adults visit at one time.

FEMALE VISITORS APPROPRIATE DRESS: Street dresses, Slacks, Pants (not stretch) and Culottes are considered appropriate dress for Females visiting inmates at the Florida State Prison. **SHORTS, MINI-SKIRTS, EXTREME SUN-BACK DRESSES OR LOW CUT DRESSES** (front or back) are not permitted.

CORRESPONDENCE RULES FOR FLORIDA STATE PRISON

Each inmate is allowed to have four (4) members of his immediate family on his correspondence list, and is allowed to write two (2) letters *only* each week. Each inmate is allowed to receive two (2) letters each week from each person on his approved correspondence list—all letters to be written on one side only and contain *not more* than two (2) sheets of letter-size paper. All letters must be addressed as follows: Sender's full name and return address, including Zip Code, in upper left corner. Center of the Envelope to contain inmate's committed name and number, P.O. Box 221, Raiford, Florida, Zip Code 32083. The lower left corner of the envelope should contain the inmate's cell number. All letters must be written in English.

PACKAGE PERMITS: **DO NOT** send any packages without a package permit. The inmate must first secure a package permit from the Captain's Office. Items acceptable will be listed on the Package Permit. This Permit must be placed in the package when mailed into the institution. Packages received without a permit or containing items not listed on the permit will not be delivered.

MONEY: No cash or personal checks will be accepted. Money must be sent in the form of a Money Order or Cashier Check. Any Money Order or Check *must* contain the sender's name and the inmate's prison committed *name and number*.

DO NOT SEND Clippings, letters from other people, stamps or stationery.

TREASURY DEPARTMENT
FISCAL SERVICE
CHICAGO 5, ILL.

BUREAU OF THE PUBLIC DEBT
CHICAGO DEPARTMENTAL OFFICE
536 SOUTH CLARK STREET

COPY

IN YOUR REPLY REFER TO File of
Dennis Manafort Whitney, CR:CL

Mr. Dennis Whitney, 000001
Box 221
Raiford, Florida

May 31, 1961

Dear Mr. Whitney:

With the information furnished in your letter of May 23, 1961 we located a record of the following-described bond:

<u>Issue Date</u>	<u>Serial Number</u>	<u>Denomination</u>	<u>Registration</u>
Feb. 1960	C-400,467,117-E	\$100	Dennis Manafort Whitney POD Jon Hobert Whitney

If this is the missing bond, the enclosed Form PD 1048 may be used to apply for relief on account of the loss. It is important that the bond be described and all questions answered as fully as possible. The application should be notarized. If a notary public is not available, the signature may be certified by the warden of the prison, under seal of the prison, if it has a seal. If the certifying officer does not have a seal, this information should be stated in the certification.

Jon Hobert Whitney should describe the bond on Form PD 1048-A and sign it in the presence of one of the officers listed in the instructions.

In the event that Jon Hobert Whitney is a minor too young to act for himself, the form should be completed and signed by both parents on his behalf. The age of the minor should be given.

Very truly yours,

S/ H.T. Dean

Assistant Chief in Charge

Enclosures:

Form PD 1048

Form PD 1048-A

Division of Loans and Currency, Chicago Branch

THE DEPARTMENT OF THE TREASURY

FISCAL SERVICE
CHICAGO, ILL. 60605BUREAU OF THE PUBLIC DEBT
CHICAGO OFFICE
536 SOUTH CLARK STREETCOPYIN YOUR REPLY REFER TO
Dennis Manafort Whitney, CR:CL

MAY 8, 1969

Mr. Dennis Whitney #000001
R-2-N-14 East Unit
P.O. Box 221
Raiford, Fla. 32083

Dear Mr. Whitney:

We refer to your letter dated April 22, 1969, concerning the loss of a \$100 savings bond No. C-400,467,117-E dated February 1960 registered "Dennis Manafort Whitney POD Jon Hobert Whitney".

The regulations require that an application for relief must be made by the person or persons authorized to request payment of the bonds. In the case of bonds registered in beneficiary form, if the registered owner should die without the bonds having been presented and surrendered for payment or authorized reissue and is survived by the beneficiary, upon proof of the death of the owner, the beneficiary will be recognized as the sole and absolute owner, and payment ordinarily issued will be made as though the bonds were registered in his name only.

The Department would incur a risk of loss if it should issue a check in payment for a lost, stolen or destroyed bond without requiring a certified statement from your brother, Jon Hobert Whitney, showing that he does not have the bond and he agrees to return the original to the Treasury Department should it ever come into his possession or under his control.

We are therefore, enclosing another Form PD 1048 and 1048-1 which has been amended for your signatures. Jon Hobert Whitney should execute a supplemental statement on the enclosed Form PD 1048-1 telling us the last date he had access and possession of the bond. Both forms should be certified in the manner described in our letter dated May 31, 1961.

Upon receipt of the requested evidence prompt attention will be given your case.

Very truly yours,

S/ J. D. Dugan

J. D. Dugan, Chief

Division of Loans and Currency

Chicago Branch

Enclosures:

Form PD 1048, amended

Form PD 1048,-1, amended

Subscribed and { sworn to } before me, this 15 day of July, 1971,
 affirmed
 at Raiford, county of Bradford, State of Florida,
 by said DENNIS MANAFORD WHITNEY a/k/a DENNIS WHITNEY
 (Name or names of person or persons who signed above application in officer's presence)

known or proved to me to be the identical person or persons who executed the foregoing application.

(OFFICIAL SEAL OR STAMP
 TO BE LEGIBLY IMPRESSED
 OR IMPRINTED)

[Signature]
 NOTARY PUBLIC STATE OF FLORIDA (Signature)
 MY COMMISSION EXPIRES FEB. 26, 1975
 GENERAL INSURANCE UNDERWRITERS, INC.
 (Official designation)

(Address)

My commission expires

PART II

The undersigned has the following first-hand knowledge of the loss, theft, or destruction of the bonds:
 (IMPORTANT.—If they were lost, stolen, or destroyed while in your possession, custody, or control,
 explain circumstances fully.) See instruction 3.

I, Dennis Whitney, owner of above described bond, sent said bond to my brother,
Don Hobert Whitney, beneficiary of bond, shortly after purchase in Feb. 1960, for
safe keeping. In February or March of 1961, Don Hobert Whitney advised me by mail
that said bond had accidentally been thrown out among miscellaneous papers and
trash and irrecoverably burned during the course of moving.

(Signature) *[Signature]*
 (Name)

Permanent address Q-1-E-3 East Unit
 (Number) (Street)
P.O.B. 221, Raiford, Fla. 32083
 (City) (State)

Subscribed and { sworn to } before me, this 15 day of July, 1971,
 affirmed
 at Raiford, county of Bradford, State of Florida,
 by said DENNIS WHITNEY a/k/a DENNIS MANAFORD WHITNEY
 (Name or names of person or persons who signed part II above in officer's presence)

known or proved to me to be the identical person or persons described herein.

(OFFICIAL SEAL OR STAMP
 TO BE LEGIBLY IMPRESSED
 OR IMPRINTED)

[Signature]
 NOTARY PUBLIC STATE OF FLORIDA AT LARGE (Signature)
 MY COMMISSION EXPIRES FEB. 26, 1975
 GENERAL INSURANCE UNDERWRITERS, INC. (Official designation)

(Address)

My commission expires

APPLICATION FOR RELIEF ON ACCOUNT OF LOSS, THEFT, OR DESTRUCTION OF UNITED STATES SAVINGS BONDS

IMPORTANT.—Read these instructions carefully. Answer all questions fully as it may be necessary to refer the case to the United States Secret Service for a full investigation, if, and when, our records should disclose that the bonds have been cashed. The making or presenting of any false or fraudulent claim against the United States or statement in support thereof is a crime punishable by a fine up to \$10,000 or imprisonment up to 5 years or both.

INSTRUCTIONS

1. This form should not be filled out or signed with a lead pencil.

2. (a) If the bonds are registered in the name of only one person as owner, whether or not another person has been named as beneficiary, the owner should execute part I. If the bonds are in the names of two persons as coowners, part I must be signed by both coowners and sworn to or affirmed by the one having knowledge of the facts concerning the loss, theft, or destruction, except as indicated in (b). If it is not convenient for coowners to join in one application, each should submit a separate application. If the bonds are in beneficiary form, the beneficiary will ordinarily be required to execute Form PD 1048-A, unless he signs part II of this application. (See instruction 3.)

(b) **MINOR OWNERS OR COOWNERS NOT UNDER LEGAL GUARDIANSHIP:** A minor owner or coowner not under legal guardianship should execute this application if, in the opinion of the officer before whom he appears for that purpose, he is of sufficient competency and understanding to comprehend the nature of the transaction. Otherwise it should be executed in his behalf by both parents or (in the event he does not reside with his parents) by the person who furnishes his chief support.

(c) **OWNER DECEASED OR UNDER LEGAL DISABILITY:** If there is a legal representative in the case of (1) a deceased owner not survived by a coowner or beneficiary, (2) a minor owner or coowner, or (3) an incompetent owner or coowner, part I should be executed by such representative. He should submit a court certificate or certified copy of letters, under seal of the court, showing that his appointment is still in force, unless his name and official capacity appear on the bonds, in which case no evidence of his appointment will ordinarily be required. If there is no legal representative in the case of a deceased owner or incompetent owner, the Treasury Department should be fully informed as to the facts so that further instructions may be given.

3. *If any person other than the applicant had custody or possession of the bonds at the time of loss or destruction or has first-hand knowledge of the circumstances under which the bonds were lost, stolen, or destroyed, the applicant should have such person furnish a certified statement on part II of this form or a separate supporting affidavit. If the space provided in part II is not sufficient in any particular case, the statement should be continued on a separate sheet which should be attached thereto.*

4. Part I (and part II when required by instruction 3) must be signed before an officer authorized to certify requests for payment of United States Savings Bonds or before a notary public or other officer authorized by law to administer oaths for general purposes. Certifying officers will be found at any post office, incorporated bank or trust company, or in any organization which is a duly qualified issuing agent for bonds of Series E. Commissioned officers or warrant officers of the armed forces may certify for members, and families of members, of their respective services and civilian employees. A certifying officer must impress or imprint the seal or stamp which he is required to use in certifying requests for payment. A notary public or similar officer must impress his official seal and show the date of expiration of his commission.

5. If any investigation of the loss or theft was made by the police or other local law enforcement agency or by any insurance, transportation or similar business organization, please attach to this form a copy of the report of such agency.

6. Ordinarily a substitute bond will not be issued until at least 6 months after the Bureau of the Public Debt receives a report of the loss. However, if our records disclose that the bonds have been cashed and it becomes necessary to refer the case to the United States Secret Service for investigation, a substitute bond will not be issued until the investigation is completed.

7. The application and correspondence relating thereto should be sent to the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark Street, Chicago 5, Ill.

SERIES	DENOMINATION (Maturity value)	SERIAL NO.	ISSUE DATE	INSCRIPTION (NAME OR NAMES WITH CONNECTING WORDS EXACTLY AS THEY APPEARED ON BONDS)
E	\$ 100 ⁰⁰	C-400,467,117-E	February, 1960	Dennis Manafort Whitney POD Don Hobert Whitney

1. (a) Where were the bonds purchased? Miami, Florida

2. Are you the registered owner of the bonds? Yes If not, in what capacity are you

acting? _____ (See paragraphs 2 (b) and (c) of the instructions
on page 1.)

Answer (a) to (d) only if you are acting on behalf of a minor for whom there is no court-appointed guardian:

(a) What is his age and your relationship to him?

(b) Does he reside with you? _____ If not, give the name and address of the person with whom he does reside _____

(c) If you are not the father or mother of the minor, do you furnish his chief support? _____

(d) Could the minor understand the nature of the questions herein and make this application personally? _____

3. (a) Were the bonds in your possession, custody, or control when lost, stolen, or destroyed? No

If not, who had them and for what purpose? Jon Hobert Whitney (Beneficiary)
for safe keeping while owner traveled.

(b) Where were the bonds last placed? Among miscellaneous personal papers

(c) Were they under lock and key? No

(d) On what date were they last seen? Later part of 1960 (exact date unknown)

(e) By whom were the bonds last seen? Jon Robert Whitney (Beneficiary)

(f) On what date was the loss, theft, or destruction discovered? Feb. or March 1961

(g) Who discovered the loss, theft, or destruction? Don Robert Whitney (Beneficiary)
(Give name or names)

(h) Describe any other United States security lost, stolen, or destroyed together with the above-described United States Savings Bonds None

4. (a) If the bonds were lost or stolen, who, besides you, had access to them where they were last placed? Mrs. Donna Whitney - wife of Jon Robert Whitney

(b) What was the result of inquiry made of such persons as to their knowledge of the bonds or at the place where you believe the bonds were lost? None

(c) What were the nature, extent, and result of your search for the bonds? Search of papers, search of burnt trash and papers - no trace found.

5. How did the loss, theft, or destruction of the bonds occur or how do you account for their disappearance? (You may disregard this question if the details are given in part II or in a supporting affidavit. See paragraph 3 of instructions for cases in which part II or supporting affidavit is required.)

Bonds are believed to have been thrown out inadvertently in miscellaneous trash and burnt during the course of moving from one residence to another.

6. Has the owner or anyone in his behalf received reimbursement from any source on account of the loss, theft, or destruction of the bonds? (If any reimbursement has been received, explain fully.) No

7. State whether you request new bonds or a check for the redemption value thereof. (In case of coownership if a check is desired, give name of coowner to whom check is to be drawn.)

CHECK - made out to owner, Dennis Manfred Whitney

8. Mail bonds or check to: Name Dennis Whitney, #000001

Indicate address, if other than permanent address given below

The undersigned hereby severally petition the Secretary of the Treasury for relief as authorized by law, hereby agreeing to surrender the original bonds to the Treasury Department should they be recovered.

(Signature) Dennis Whitney

Permanent address Q-1-E-3 East Unit

P.O. B. 221, Raiford, Fla. 32083

(Signature) _____

Permanent address _____

(City) (State)

THE CERTIFICATE AT THE TOP OF THE NEXT PAGE MUST BE COMPLETED
SEE INSTRUCTIONS 2(A) AND 4 ON PAGE 1

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgments, personally appeared, DENNIS WHITNEY a/k/a DENNIS MANAFORD WHITNEY, who being by me first duly sworn, deposes and says:

I am the purchaser and owner of United States Savings Bond serial no. C-400, 467, 117-E, \$100 denomination, issued February 1960, inscribed Dennis Manafort Whitney POD Jon Hobert Whitney.

At time of purchase, I was traveling and sent said bond to my brother, Jon Hobert Whitney, for temporary safe keeping. In March, 1960, I was arrested and incarcerated by Florida authorities, and Jon Hobert Whitney retained possession of said bond.

In March, 1961, Jon Hobert Whitney informed me that said bond had been accidentally thrown out among miscellaneous trash and burned while he was in the process of moving.

In May, 1961, I wrote the treasury department advising them of the loss of the bond and seeking recovery thereof. I was sent Forms PD 1048 and PD 1048-A for application of relief. Form PD 1048-A was sent to Jon Hobert Whitney for completion, but he failed to execute and return it to me. In April, 1969, I again wrote the treasury department seeking recovery of the lost bond, advising them that Jon Hobert Whitney could not be located to complete the required Form PD 1048-A, and that I would accept full responsibility for the loss of the bond.

As of this date, the whereabouts of Jon Hobert Whitney are still unknown, and it is impossible for me to have him complete Form PD 1048-1 for recovery of said lost bond. I hereby accept full responsibility for loss of the bond, swear no attempt is being made to defraud the Government, and hereby agree to surrender the original bond should it be recovered, or reimburse the Treasury Department for any loss incurred should it be cashed.

DENNIS MANAFORD WHITNEY

COPIES & REPRODUCED ?
STATE RECORD

The foregoing Affidavit refering to United States Savings Bond serial No. C-400, 467, 117-E, was sworn and subscribed to before me by DENNIS MANAFORD WHITNEY on this 15 day of July, 1971, at Raiford, County of Bradford, State of Florida.

Dennis Manaford Whitney
DENNIS MANAFORD WHITNEY

Chas. Williams
NOTARY PUBLIC STATE OF FLORIDA
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES FEB. 26, 1975
GENERAL INSURANCE UNDERWRITERS, INC.

My commission expires : _____

SEAL

D R A F T

Dear Mr. Whitney:

On behalf of the President, I have investigated your claim on account of your \$100 (face amount) Series E savings bond payable on death to your brother, Jon Hobert Whitney.

I wish the matter was as simple as your letter indicates. The Treasury Department advised that before relief may be granted in a case of this kind, it must be clearly proved that the bond has in fact been lost or destroyed. As your brother was holding the bond under the color of authority you granted by sending the bond to him, that his whereabouts may be unknown to you does not afford a sufficient basis for finding that the bond is lost or destroyed.

~~Treasury~~ Experience has shown that quite frequently a bond thought to be lost or destroyed is being held by one of the persons named thereon due to some misunderstanding over the right to its possession. If this is so, you would be responsible for obtaining possession from your brother.

The Treasury also said that ^I if you will write to the ~~Census~~
Division of Public Depts., 536 South Clark St., Chgo., Ill.
~~Office~~, furnishing as much information as you have concerning your
brother's past whereabouts, that office will write to him in an
endeavor to obtain his statement that he does not have the bond
and that he will surrender it to the Treasury should it come into
his possession. This agreement, ~~Tam told~~, is not merely a matter

60605,

of form ~~as you indicated~~, but is one of substance as the United States could suffer a loss on account of the double payment of the bond should it subsequently develop that it had not been lost or destroyed.

Sincerely,

John W. Dean, III
Counsel to the President

Mr. Dennis Whitney
P. O. Box 221
Raiford, Florida 32083

August 18, 1971

GENERAL

F I 2

FOR BOB BROWN

Attached is a letter which Mr. Ehrlichman has received from a Black banker in Seattle requesting our efforts to increase government deposits in his bank.

John has asked that I forward this to you and request that you respond in his behalf.

Bob, as always, your help will be most appreciated.

Tod R. Hullin

Attachment

Aug. 2 ltr from J. C. Purnell of Seattle

X

RECEIVED
AUG 19 1971
CENTRAL FILES

MAY 10

LIBERTY BANK of Seattle

2320 EAST UNION STREET • SEATTLE, WASHINGTON 98122 • EAST 9-3434



May 7, 1971

J.C. PURNELL
President

GENERAL
FIR

The Honorable John D. Erlichman
Assistant to the President
for Domestic Affairs in
Washington

Dear Mr. Ehrlichman:

Thank you for your letter of April 26, 1971. Your interest and assistance concerning a \$100,000.00 Certificate of Deposit account from Army organization funds is indeed encouraging. We are most happy to have the information and look forward to this prospective, account.

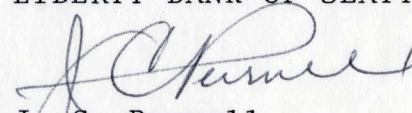
Your suggestions are deeply appreciated and you may be sure we shall pursue every local avenue available to us.

Liberty Bank is grateful for your valued support. Continuing positive action, such as you have demonstrated, will enable us to attain our goals.

Again, thank you.

Sincerely,

LIBERTY BANK OF SEATTLE



J. C. Purnell
President

JCP:ps

April 26, 1971

Dear Mr. Furnell:

Thank you very much for your letter concerning the minority bank deposit program. As you know, this is a program in which the Administration is vitally interested. Moreover, we are determined to meet our goals on this.

The program has moved slower than we anticipated, but it does now seem to be picking up some momentum. The last report I heard was that by the end of February commitments of \$28.5 million in deposits had been made.

My associates in the Treasury Department advise me that they were able to steer a \$100,000 CD to your bank from Army organizational funds and are also looking at other possible deposits in your area.

If you have not already done so, I believe you can help on your end by contacting the regional HEW office to discuss the possibility of servicing health benefit accounts, the regional Labor Department officials to discuss manpower training programs, and the local postmaster to see about Post Office accounts. You should also contact the judges of federal courts in your area since the court funds are usually very stable demand deposits.

I will continue to follow this matter with interest, and I am sure we will see some progress in the months ahead.

Yours sincerely,

John D. Ehrlichman
Assistant to the President
for Domestic Affairs

✓
Mr. J. C. Furnell
President
✓ Liberty Bank of Seattle
2320 East Union Street
Seattle, Washington 98122

RECEIVED
APR 28 1971
GENERAL FILES

THE WHITE HOUSE

WASHINGTON

Date April 8

For Len Garment

From **Tod Hullin**

Would it be possible for you to draft
a reply to the attached for Mr. Ehrlichman's
signature?

Many thanks.

4/27/71

Attached.

major?

LIBERTY BANK of Seattle

2320 EAST UNION STREET • SEATTLE, WASHINGTON 98122 • EAST 9-3434

March 31, 1971

J.C. PURNELL
President

APR 5 1971



The Honorable John D. Erlichman
Assistant to the President
For Domestic Affairs
In Washington

Dear Mr. Erlichman:

Last October the press announced an Administration program whereby deposits in minority owned banks would be increased by \$100 million within a year. The program, developed by the Advisory Council on Minority Business Enterprise, the United States Treasury Department and the National Bankers Association, was to be a joint Government-private sector effort.

It was envisioned that some \$65 million private sector deposits and \$35 million in Federal Government deposits would be steered to minority owned banks. The Government deposits, it was understood, would be spearheaded by Charles E. Walker, Under Secretary of the Treasury.

We hope that we are not being presumptuous in assuming you have a concern for what happens to our little corner of the USA. As you undoubtedly know, we are located in the center of the Central Area and attempting to serve the banking needs of the community. Help in the way of deposits seems to be a never ending requirement of expansion. As we extend our banking services, the whole community is benefited. An expanded, reliable, and viable business community is direly needed.

Our goal is to provide loans for minority business people to help them enlarge and promote their business, and thus establish a sound business and financial base in this area.

The necessary means required for such a project must, of course, come from deposits. We are depending upon the support of concerned individuals, organizations, businesses and government if this plan is to be successful. Would you consider being a vital part of this operation "boot strap"?

We hope that you will view our request with favor and lend your efforts in our behalf. It is hoped that you may have time to stop and see us on your next visit to Seattle. Thank you.

Sincerely,

J. C. Purnell
J. C. Purnell
President

ms

THE WHITE HOUSE OFFICE

4
GENERAL

REFERRAL

ME 3-6 / MIAMI REVIEW

To: Honorable Arthur F. Burns
Chairman
Federal Reserve System

Date: Aug. 26, 1971

FI 2

FG 131

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: That was an excellent presentation given
gave at the State Department last week!
E.

Description:

☒ Letter: ☐ Telegram: ☐ Other:

To: The President

From: Wally Machos, Editor, MIAMI REVIEW, 25 SW 2nd Ave., Miami, Fla. 33101

Date: 8/19/71

Subject: Requests msg by SEPTEMBER 10 for special issue of the Miami Review commemorating opening of branch office in Miami of the Federal Reserve Bank of Atlanta in October -- the first Federal branch since 1927.

By direction of the President:

Eliska Hasek
Staff Assistant

RECEIVED
AUG 27 1971
CENTRAL FILE

①
GENERAL

FI 2

September 8, 1971

September 8, 197

September 8, 1971

Dear Bill:

I wish to acknowledge your September 1 letter to the President on behalf of Mr. Robert DeMoss who has contacted you regarding the increase of the interest rate on an open note held by the First Atlantic Bank. I will be pleased to request a review of this matter for you at the earliest possible date.

With warm regards,

Sincerely,

Bill

William E. Timmons
Assistant to the President

Honorable Bill Chappell^x
House of Representatives
Washington, D.C. 20515

bcc: w/incoming to General Lincoln for DIRECT REPLY *Sent*

WET:EF:VO:vo
5

RECEIVED
SEP 10 71
CENTRAL FILES

Congress of the United States
House of Representatives
Washington, D.C. 20515

September 1, 1971

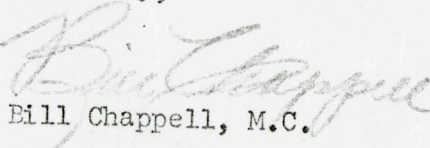
BT
The President
The White House
Washington, D.C.

Dear Mr. President:

One of my constituents in the Fourth District of Florida, called my office in Daytona Beach, with the specific request that I call to your attention the raising of an interest rate on an open note by the First Atlantic Bank. The name of the constituent is Robert DeMoss, 791 Marvin Road, Ormond Beach, Florida 32074. Mr. DeMoss states that the interest was raised the day you requested voluntary cooperation from banks in not raising the rates.

I am passing this information to you because Mr. DeMoss specifically requested I do so in order that you might be advised of the situation.

Sincerely,


Bill Chappell, M.C.

BC:kkm

cc: Mr. Robert DeMoss
791 Marvin Road
Ormond Beach, Florida 32074

GENERAL
0033
UT1-3
F12

①

THE WHITE HOUSE
WASHINGTON

MERRIAM, WILLIAM R.
F 86-11-1/Peterson, Peter

September 13, 1971
2:20

special
neg.

JANA:

^xINTERNATIONAL TELEPHONE & TELEGRAPH
CORPORATION
Mr. ^xRyan of ITT is calling on
behalf of Mr. Gineen (sp ?) to
arrange an appointment at the
very earliest possible time
regarding some disastrous
developments in Chile within
the last hour or two. Mr. Ryan
mentioned "eminent expropria-
tion".

Mr. ^xGineen will board his plane
and be down here the minute we
say OK. (from New York)

M³

PS They are awaiting our call.
x296-6000

POV — 6 Gineen
Tues

September 21, 1971

GENERAL

HS

FG33-4

FI2

FIS-4

FG24

Dear Frank:

I appreciate very much your letter with reference to the Third Annual Report on National Housing Goals and the figures dealing with savings and loan associations.

The data in this report was put together by Arnold Diamond of the Department of Housing and Urban Development and I would suggest that you communicate directly with Mr. Diamond on this matter.

If I can be of further assistance, please let me know.

Sincerely,

Dick

Richard K. Cook
Special Assistant to
the President

Mr. Franklin Hardinge, Jr.
+ California Savings and Loan League
Post Office Box R
Pasadena, California 91109

Enclosures filed in
X Oversize Attachments # 6575

RECEIVED
SEP 22 1971
CENTRAL FILES

THE WHITE HOUSE OFFICE

REFERRAL

To: Secretary's Office
Treasury Department

Date: October 29, 1971

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: H.R. Haldeman
From: U.L. Edwards, Pres. Edwards Industrial Center, Inc.
Date: October 21, 1971
Subject: Reductions in loans to banks to property owners and small businesses.

By direction of the President:

Bruce A. Kehrli
Staff Assistant
to H.R. Haldeman

(Department or Agency copy)

RECEIVED
NOV 5 1971
CENTRAL FILES

Edwards Industrial Center, Inc.

P. O. Box 56
Matawan, N. J. 07747

740 Lloyd Road
Matawan Township

400 Ft. South Exit 117
Garden State Parkway

October 21, 1971

Mr. Bob Halderman
The White House
Washington, D.C.

Dear Mr. Halderman:

We understand a number of reductions have been made, in loans to banks, but the banks have made no efforts to lower rates for mortgages, to property owners and small businesses. This poses a serious hardship as we are required to pay $8\frac{1}{2}$ per-cent for a small business mortgage and same for home mortgage. It is difficult for our business to survive under these high rates.

We note that throughout New Jersey banks are expanding and building many new buildings and also consolidating with other banks, thereby charging off their large profits to expansion.

Small businesses are unable to pay these large interest rates and are unable to increase their prices to cover same.

We hope you will help us by ordering the Banks to return their interest rates to a reasonable amount.

Increases in Real Estate, Taxes, and Interest on bank loans, result in a continuous loss, which have forced many small Companies into bankruptcy.

Very truly yours,



U. L. Edwards, Pres.
Edwards Industrial
Center, Inc.

Robinson, J. KENNETH

November 10, 1971

Dear Ken:

Bill Timmons has asked me to respond further to your letter of October 13 concerning the Administration's efforts to increase deposits in minority banks.

As you know, the President and the Administration are very firmly committed to the idea of expanding minority business opportunities. This has been done primarily through the Office of Minority Business Enterprise in the Commerce Department. When looking into some of the possibilities in this area, it was felt that minority banks could play a very constructive role in mobilizing capital and putting it to work with minority businesses. After all, the persons involved in these operations have been and remain clear examples of what it means to work within the American free enterprise system rather than trying to destroy it.

I am informed that the Government has asked the 24 departments and agencies of government that deal with banks to try to increase their deposit relationships with minority banks. The three main guidelines for the agencies in following with this directive were: (1) convenience -- the agency or department would not be expected to use a bank in another community or one not conveniently located near its operation; (2) the minority bank would have to perform the same services as any other bank; and (3) the services would have to be performed at the same cost as the agency is currently experiencing.

Between September 30, 1970 and September 30, 1971, the 35 minority banks in the United States registered an increase in deposits of \$155.5 million. This is about a 40% increase on the average. Even with this sizable growth pattern, deposits in minority banks now represent 1/10th of 1% of total bank deposits in the United States.

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NOV 15 1971
CENTRAL FILES

The goal of the Administration was to increase government deposits in minority banks by \$35 million. This is about 2% of the average deposit totals of the government agencies.

Our primary interest was to encourage the Labor Department and Office of Economic Opportunity to influence grantees under socially oriented programs to utilize minority banks whenever possible under the guidelines. For example, manpower training programs for hard-core unemployed under the Labor Department in most cities around the country and many of the OEO social programs in inner cities which are administered by non-profit organizations and which receive their entire funding from the Federal Government appear to be ideally suited for this purpose. These two agencies have been in touch with many of their grantees about the minority deposit program. This approach is apparently what gave rise to the inquiry from Mr. Dabney.

I should point out that other government agencies such as the Defense Department have not been involved in a similar program influencing deposit relationships of contractors and grantees.

You might also be interested in knowing that the program which was launched in October, 1970, was wrapped up in October, 1971. There will, of course, be some follow-up activities, but most of the effort has been concluded.

Private corporations are beginning to make greater use of minority banks, and we expect that these banks will continue to grow as they meet the servicing requirements of business and industry.

We in the Administration feel that this program has been very beneficial, has not increased the cost of operating the government and has resulted in very few complaints from the banking industry. As a matter of fact, the Urban Affairs Committee of the American Bankers Association endorsed the program before it was even launched.

I hope this answers your questions, but if there is any additional information you need, you may want to contact the Under Secretary

of the Treasury, Charis E. Walker, who has spearheaded this operation for the Administration.

With best wishes,

Sincerely,

Richard K. Cook
Deputy Assistant
to the President

Honorable J. Kenneth Robinson
House of Representatives
Washington, D.C. 20515

RKC:commerce/Brown:ki

bcc: to Sol Mosher - FYI

bcc: to Bob Brown - FYI

Sent



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

November 4, 1971

MEMORANDUM TO THE HONORABLE ROBERT J. BROWN
SPECIAL ASSISTANT TO THE PRESIDENT

Here is a draft you can use in response to congressional inquiries on the minority bank deposit program.

Edward J. Gannon
Special Assistant to the
Under Secretary

Enclosure

Robinson



OFFICE OF THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

November 4, 1971

MEMORANDUM TO THE HONORABLE WILLIAM E. TIMMONS
ASSISTANT TO THE PRESIDENT
FOR CONGRESSIONAL RELATIONS

We have been involved in this minority deposit program for over twelve months -- closer to eighteen months in the case of the Post Office Department deposits -- and we have received only about six complaints, all of which have come from Virginia. Most of them have been instigated by one bank in Virginia.

I don't think we should get too excited about these letters for three reasons: (1) The program has passed its goal and not too much more activity on the government side is expected; (2) We are really talking about very small amounts. The 35 minority banks in this country combined hold only 1/10th of 1% of total bank deposits even after our extensive drive in the past year; (3) While a few of the smaller banks have voiced concern, this program was endorsed by the American Bankers Association before we even launched it, and they have been both understanding and cooperative in our efforts.

If you get any other correspondence from your friends in Virginia, I would be happy to provide you with a reply.

Edward J. Gannon
Special Assistant to the
Under Secretary

Enclosure

WJL & send three Bill Timmons for approval

Draft
EJGannon:11/4/71

Dear ~~Cong. Robinson~~ *Ken*:

Bill Timmons has asked me to respond further to your letter of October 18 concerning the Administration's efforts to increase deposits in minority banks.

As you know, the President and the Administration are very firmly committed to the idea of expanding minority business opportunities. This has been done primarily through the Office of Minority Business Enterprise in the Commerce Department. When looking into some of the possibilities in this area, ^{*it was*} ~~we~~ felt that minority banks could play a very constructive role in mobilizing capital and putting it to work

with minority businesses.

after all, the persons involved in these operations have been & remain clear examples of ^{within the American free enterprise system rather than trying to destroy it.} what it means to work

I am informed that The government has asked the 24 departments and agencies of government that deal with banks to try to increase their deposit relationships with minority banks. The three main guidelines for the agencies in following with this directive were: (1) convenience -- the agency or department would not be expected to use a bank in another community or one not conveniently located near its operation; (2) the minority bank would have to perform the same services as any other bank; and (3) the services would have to be performed at the same cost as the agency is currently experiencing.

Between September 30, 1970 and September 30, 1971, the 35 minority banks in the United States registered an increase in deposits of \$155.5 million. This is about a 40% increase on the average. Even with this sizable growth pattern, deposits in minority banks now represent 1/10th of 1% of total bank deposits in the United States. The Administration has viewed this program in the same light as the Philadelphia Plan for minority employment or the Small Business Administration program of special preference on a small percentage of procurement contracts.

The goal of the Administration was to increase government deposits in minority banks by \$35 million. This is about 2% of the average deposit totals of the government agencies.

Our primary interest was to encourage the Labor Department and Office of Economic Opportunity to influence grantees under socially oriented programs to utilize minority banks whenever possible under the guidelines. For example, manpower training programs for hard-core unemployed under the Labor Department in most cities around the country and many of the OEO social programs in inner cities which are administered by non-profit organizations and which receive their entire funding from the Federal Government appear to be ideally

suited for this purpose. These two agencies have been in touch with many of their grantees about the minority deposit program. This approach is apparently what gave rise to the inquiry from Mr. Dabney.

I should point out that other government agencies such as the Defense Department have not been involved in a similar program influencing deposit relationships of contractors and grantees.

You might also be interested in knowing that the program which was launched in October, 1970, was wrapped up in October, 1971. There will, of course, be some follow-up activities, but most of the effort has been concluded.

Private corporations are beginning to make greater use of minority banks, and we expect that these banks will continue to grow as they meet the servicing requirements of business and industry.

We in the Administration feel that this program has been very beneficial, has not increased the cost of operating the government and has resulted in very few complaints from the banking industry. As a matter of fact, the Urban Affairs Committee of the American Bankers Association endorsed the program before it was even launched.

I hope this answers your questions, but if there is any additional information you need, you may want to contact the Under Secretary of the Treasury, Charls E. Walker, who has spearheaded this operation for the Administration.

With best wishes,

Sincerely,

RKc
~~Robert J. Brown~~
~~Special Assistant~~
~~to the President~~
Deputy assistant
to the President

RKc: Commerce/Brown;
bcc ~~to~~ to Sol Masher - fyi
bcc to Bob Brown - fyi

THE WHITE HOUSE OFFICE

REFERRAL

To: Mr. Edward J. Gannon
Assistant to the Under Secretary
Department of the Treasury

Date: November 3, 1971

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.

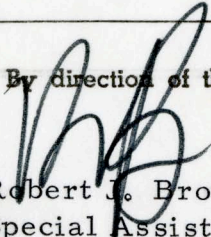
REMARKS:

Description:

☒ Letter: _____ Telegram: _____ Other: _____

To: William E. Timmons
From: Congressman Kenneth Robinson
Date: October 19, 1971
Subject: Deposits in minority banks

By direction of the President:


Robert J. Brown
Special Assistant
to the President

GENERAL

FIR
HUR
PGR

October 29, 1971

Dear Ken:

Thank you for your letter inquiring on behalf of Mr. Hovey S. Dabney, President of the Virginia Bankers Association, about communications sent out by Federal agencies urging individuals with government contracts to place their funds in minority-owned banking organizations. I will be pleased to request information which will be responsive to the inquiry made by Mr. Dabney.

With warm regards,

Sincerely,

William E. Timmons
Assistant to the President

Honorable J. Kenneth Robinson
House of Representatives
Washington, D. C. 20515

bcc: w/incoming to Peter Flanigan for DRAFT REPLY - ASAP

slv
11-1

WET:EF:VO:emu

RECEIVED
NOV 2 1971
CENTRAL FILES

J. KENNETH ROBINSON
7TH DISTRICT, VIRGINIA

COMMITTEES:
AGRICULTURE
GOVERNMENT OPERATIONS

Congress of the United States
House of Representatives
Washington, D.C. 20515

October 18, 1971

7TH DISTRICT OFFICES:
36 ROUSS AVENUE (P.O. Box 714)
WINCHESTER, VIRGINIA 22601
TELEPHONE: (703) 667-0990

212-B POST OFFICE BLDG. (P.O. Box 136)
CHARLOTTESVILLE, VIRGINIA 22901
TELEPHONE: (703) 295-2106

EP

OCT. 19 1971

Mr. William E. Timmons
Assistant to the President
The White House
Washington, D. C. 20500

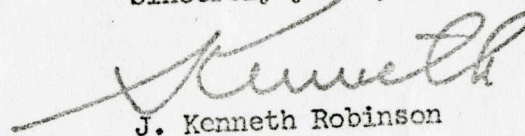
Dear Bill:

I should be grateful for some background information on the matter presented in the enclosed copy of a letter I have received from Mr. Hovey S. Dabney, a Virginia banker, who happens to be this year's president of the Virginia Bankers Association.

Could you furnish me, or refer me to, any executive order or policy statement which would reflect how general the practice is intended to be?

With every good wish, I am

Sincerely yours,


J. Kenneth Robinson

NATIONAL BANK AND TRUST COMPANY

CHARLOTTESVILLE, VIRGINIA 22901

Hovey S. Dabney
PRESIDENT

October 13, 1971

Mr. J. Kenneth Robinson
Congress of the United States
House of Representatives
Washington, D. C. 20515

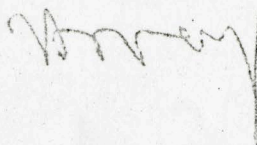
Dear Ken,

It certainly was nice being with you last Saturday in Staunton and I enjoyed so much the opportunity to chat and see you again.

I am enclosing two letters, which have been brought to my attention by customers, one from the Office of Economic Opportunity and the other from the U. S. Department of Labor, which states that the President of the United States has requested people with Government Contracts, place their deposit funds in minority banks.

It appears to me, that this violates all principals of the free enterprise system which we have been taught. I would be most appreciative if you would ask the President of the United States if he, in fact, did order these two governmental bodies to put pressure on good customers of our banks, in an attempt to have them place funds in a minority bank out of their trade area. Any help in this, would be greatly appreciated.

Cordially yours,



HSD/jfa
Enclosures

THE WHITE HOUSE
WASHINGTON

Date 8/11

TO: EF

FROM: William E. Timmons

Please Handle _____

For Your Information _____

Other

Could reply be
prepared for Dick
Cook's signature?

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION
WASHINGTON, D.C. 20210

Job Corps Contract Staff, MJA
(202) 382-1001



At the request of the President of the United States, the Manpower Administration has established the policy of encouraging Manpower Administration contractors to deposit MA funds in minority banking institutions to the fullest extent possible.

MA contractors are urged to use minority banks as depositories to the extent possible where the following conditions exist: 1. The minority bank is reasonably accessible to the contractor; and 2. The arrangement with a minority bank is not prohibited by State law or regulation.

In an effort to implement the referenced policy, you, as a Manpower Administration/Job Corps prime contractor, are requested to provide information on your bank balances of MA/Job Corps funds maintained in localities served by minority banks.

A listing of the minority banks referred to above, a form for stating deposit information and an illustration showing how the form should be completed are attached. In addition to the deposit information form, you are requested to furnish information on bank accounts you plan to open or increase in minority banks, the expected average balances, and the dates by which such actions will be taken.

It is requested that the deposit information form for the month of August be completed and returned (in duplicate) to this office no later than 17 September 1971. Subsequent monthly progress reports should be submitted no later than the 20th calendar day of the month following the month being reported, i.e. September 1971 due October 20, 1971.

PRESERVATION COPY

2.

In completing the deposit information form, you should enter the average daily balance for each account during the month reported. If statements or accounting records do not provide average daily balances, they may be computed by adding each day's closing balances for the month and dividing the total by the number of calendar days in the month.

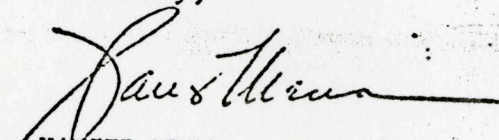
In those cases in which an account is not maintained exclusively for transactions arising under MA/Job Corps contracts, the contractor should calculate the ratio of receipts of MA/Job Corps funds to total receipts and apply this ratio to his daily average balance. The figure thus produced may be considered to be MA/Job Corps funds for purposes of this survey.

Example:	1. July receipts from all sources, Ajax Mfg. Co.	\$100,000
	2. July payments to Ajax Mfg. Co., MA Contract No. 09-2000	10,000
	3. Ratio of receipts under MA Contract No. 09-2000 to total receipts (2÷1)	10%
	4. Average daily bank balance, July 1971 Ajax Mfg. Co.	2,000
	5. Average daily bank balance of MA funds, July 1971, Ajax Mfg. Co. (3x4)	200

In the event you have made an effort to set up an account and have had difficulty in obtaining participation in the effort from a minority bank, (e.g., because of problems with reserve requirements), please inform this office and we will advise the Department of the Treasury and enlist its aid in this matter.

Your cooperation in this endeavor is appreciated.

Sincerely,


XAVIER MENA
Contracting Officer

Enclosures

PRESERVATION COPY

OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

Consistent with the Affirmative Action Program and other Government programs aimed at increasing the economic status of minorities, the President has made a commitment to aid minority banks to increase their average daily balances by \$100 million by October 31, 1971.

Minority banks presently have less than 1% of the nation's bank assets, yet are writing 30% of the nation's loans to minority businesses, thereby playing a highly effective role in the economic development of their communities.

The effect of this program will be the increasing of the lending capability of these institutions by one-third. Based on the foregoing you can realize the impact this program will have on the communities involved and the nation as a whole.

The Office of Economic Opportunity is firmly committed to the attainment of the goal set by the President. In view of the above, we are seeking your support in accomplishing this goal.

There are many methods by which you may aid our nation in meeting its commitment to minority banks. Among them are:

1. Shift present account
2. Open new account or split present account

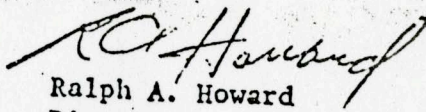
We request that a review of your accounts be undertaken with the goal of employing one of the methods available in enabling your organization to assist us in attaining the goal set by the President.

I cannot stress too strongly the need for the fulfillment of this commitment, for it is incumbent upon each of us to do as much as possible to improve the economic status of our communities.

PRESERVATION COPY

A list of minority banks and their locations is enclosed. The enclosed form is submitted to aid you in furnishing us with information so that we can measure progress toward the President's goal. Please complete and return to us no later than October 10, 1971. If you do not desire to participate in this program please so advise, stating the reason, and returning the enclosed form. Further questions may be directed to, or additional information secured by contacting Alvin S. Banks, Procurement Division, Office of Economic Opportunity, 1200 - 19th St., N.W., Washington, D. C. 20506. Your continued support is appreciated.

Sincerely



Ralph A. Howard
Director
Procurement Division

Enclosures

PRESERVATION COPY

2
GENERAL

FI 2
Hu 2
PR 7

November 15, 1971

Dear Bill:

This is in reference to your letter of March 31, 1971, addressed to President Nixon.

I believe that you would agree that the events of the past seven months, vis-a-vis the Federal Government's efforts on behalf of minority-owned banks, has obviated the need for the actions outlined in your letter. Of course, we remain most willing to be of assistance to all members of the National Bankers Association. X

Sincerely,

Robert J. Brown
Special Assistant
to the President

Mr. William R. Hudgins
Vice Chairman of the Board
X Freedom National Bank
X 25 West 125th Street
New York, New York

✓ CC: CENTRAL FILES

✓ bcc: David Parker

RJB:PL:rm

RECORDED
NOV 16 1971
CENTRAL FILES

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 5, 1971

MEMORANDUM FOR Bob Brown

FROM: Dave Parker

RE: Attached letter from William R. Hudgins,
President, Freedom National Bank, N. Y.
Requesting appointment with President
for members of National Bankers Assc.

For your handling please.

14
Interview

Rob Brown

NATIONAL BANKERS ASSOCIATION, INC.

1325 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20005



March 31, 1971

ACTION
T/D
SCHEDULE BD.
DATE RECEIVED
APR 2 1971
RMN MESSAGE
SPEAKERS BUREAU
OTHER
APPOINTMENT OFFICE

From the desk of

EXECUTIVE DIRECTOR

The President of the
United States
Washington, D.C.

Dear Mr. President:

encl

During your campaign for the presidency and since the inception of your Administration, you have consistently expressed your support for black capitalism or minority enterprise. Your position that the minorities of this country should have an opportunity to own a share of the productive enterprise of America is certainly a defensible one. Moreover, you have consistently pointed out the need to foster sound economic development of the areas populated by the minorities of this country, which happen to be the central areas of our major cities.

If these areas are to be redeveloped, massive infusions of capital and technical assistance must flow into them. Financial institutions under the control of the residents of these areas must be fostered, and existing financial institutions must be utilized and strengthened.

In this regard, the member banks of the National Bankers Association are endeavoring to make a contribution. However, we have encountered considerable difficulty in getting the level of support from the federal government that will enable us to make the kind of impact that this problem warrants.

The federal government either directly or indirectly has financed the development, often through subsidies, of most of the major industries of this country. However, black and other minority Americans who seek the assistance of the federal government are repeatedly denied this assistance.

As the most fundamental economic development institution in the minority areas, we respectfully call upon you to assist our banks in their efforts to

TELEPHONE: 628-8188-89

foster economic development of their areas. Specifically, we call upon you to assist in the following areas:

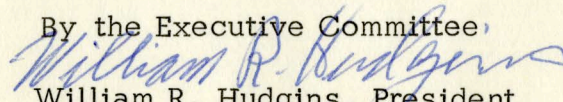
1. Bank Capital
2. Significant Deposits
3. Management Training Costs
4. Venture capital for our areas to foster viable business enterprise.

In this regard, we respectfully request an opportunity to discuss these problems in depth with you at a date convenient to you.

We are convinced that once you understand this problem from the perspective we can provide, you will move decisively to assist us in the fostering of economic development in these areas.

Sincerely yours,
NATIONAL BANKERS ASSOCIATION

By the Executive Committee,


William R. Hudgins, President
Freedom National Bank
New York, New York

EDI/bw

NATIONAL BANKERS ASSOCIATION
Members of the Executive Committee (Cont.)

Sharnia Buford, Senior Vice President
Douglass State Bank
Kansas City, Kansas

Carl M. Carroll, Jr. , President
Riverside National Bank
Houston, Texas

I. Owen Funderburg, Executive Vice President
Gateway National Bank
St. Louis, Missouri

B. Doyle Mitchell, President
Industrial Bank of Washington
Washington, D. C.

Donald E. Sneed, Jr. , President
Unity Bank & Trust Company
Roxbury, Massachusetts

L. C. Squires, President
Swope Parkway National Bank
Kansas City, Missouri

Edward E. Tillmon, President
Bank of Finance
Los Angeles, California

Walter S. Tucker, Vice President
Mechanics & Farmers Bank
Charlotte, North Carolina

Edward D. Irons, Executive Director
National Bankers Association
Washington, D. C.

NATIONAL BANKERS ASSOCIATION, INC.
1325 Massachusetts Avenue, N.W.
Washington, D.C. 20005

TOTAL ASSETS OF INDIVIDUAL NBA BANKS - 1970, 1969

	1970 Ranking	Assets 12/31/70	1969 Ranking	Assets 12/31/69	Growth Rate 1970/1969
Freedom National Bank	1	\$ 45,647,040	1	\$ 39,317,245	16.1%
Citizens Trust Company	2	32,889,644	2	25,593,462	28.5
Seaway National Bank	3	25,850,714	3	21,699,763	19.1
Mechanics & Farmers Bank	4	24,038,412	5	21,554,818	11.5
Industrial Bank of Washington	5	23,783,051	4	21,688,275	9.7
Bank of Finance	6	17,411,210	8	12,608,043	38.1
Independence Bank of Chicago	7	16,240,000	6	13,095,393	24.0
Pan American National Bank	8	15,617,621	10	11,148,385	40.1
Consolidated Bank & Trust	9	14,035,596	9	12,455,961	12.7
Tri State Bank of Memphis	10	11,990,283	11	10,314,493	16.2
Douglas State Bank	11	11,400,498	12	9,937,405	14.7
Unity Bank & Trust Co.	12	11,151,142	7	12,966,770	-14.1
Gateway National Bank	13	10,699,122	13	8,644,103	23.8
United Community National Bank	14	10,171,024	15	7,737,835	31.4
Swope Parkway National Bank	15	9,724,817	14	8,092,722	20.2
First Independence National Bank *	16	9,054,128	non-existent	----	----
Riverside National Bank	17	7,277,140	16	6,647,662	9.5
Citizens Savings & Trust Co.	18	7,363,113	17	5,898,504	24.8
First Plymouth National Bank	19	7,199,905	19	3,966,973	81.5
First State Bank	20	5,666,742	18	4,771,817	18.8
Liberty Bank of Seattle	21	5,141,320	21	3,266,460	57.4
Carver State Bank	22	3,952,805	20	3,557,657	11.1
Victory Savings Bank	23	3,362,185	22	3,015,266	11.5
Freedom Bank of Finance	24	2,590,741	23	1,965,770	31.8
Unity State Bank *	25	2,318,709	non-existent	----	----
Peoples National Bank *	26	2,247,163	non-existent	----	----
American State Bank *	27	1,516,101	non-existent	----	----
Total NBA Member Bank Assets		\$ 338,340,226		\$ 269,944,780	25.3%

* Banks organized in 1970

TCM/mr

FI2

PQ2

BE

November 17, 1971

Dear Bill: *William L. Scott*

You recently made inquiry on behalf of Mr. Milton L. Drewer, Jr., of the Clarendon Trust Company, concerning the Administration's efforts to increase deposits in minority banks. I have had Mr. Drewer's letter reviewed and been furnished with the following comments.

As you know, the President and the Administration are very firmly committed to the idea of expanding minority business opportunities. This has been done primarily through the Office of Minority Business Enterprise in the Commerce Department. When looking into some of the possibilities in this area, it was felt that minority banks could play a very constructive role in mobilizing capital and putting it to work with minority businesses. After all, the persons involved in these operations have been and remain clear examples of what it means to work within the American free enterprise system rather than trying to destroy it.

I am informed that the Government has asked the 14 departments and agencies of government that deal with banks to try to increase their deposit relationships with minority banks. The three main guidelines for the agencies in following with this directive were: (1) convenience -- the agency or department would not be expected to use a bank in another community or one not conveniently located near its operation; (2) the minority bank would have to perform the same services as any other bank; and (3) the services would have to be performed at the same cost as the agency is currently experiencing.

Between September 30, 1970, and September 30, 1971, the 35 minority banks in the United States registered an increase in deposits of \$155.5 million. This is about a 40% increase on the average. Even with this sizable growth pattern, deposits in minority banks now represent 1/10th of 1% of total bank deposits in the United States.

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CENTRAL FILES

The goal of the Administration was to increase government deposits in minority banks by \$35 million. This is about 2% of the average deposit totals of the government agencies.

Our primary interest was to encourage the Labor Department and Office of Economic Opportunity to influence grantees under socially oriented programs to utilize minority banks whenever possible under the guidelines. For example, manpower training programs for hard-core unemployed under the Labor Department in most cities around the country and many of the GEO social programs in inner cities which are administered by non-profit organizations and which receive their entire funding from the Federal Government appear to be ideally suited for this purpose. These two agencies have been in touch with many of their grantees about the minority deposit program. This approach is apparently what gave rise to the inquiry from Mr. Drewar.

I should point out that other government agencies, such as the Defense Department, have not been involved in a similar program influencing deposit relationships of contractors and grantees.

You might also be interested in knowing that the program which was launched in October 1970 was wrapped up in October 1971. There will, of course, be some follow-up activities, but most of the effort has been concluded.

Private corporations are beginning to make greater use of minority banks, and we expect that these banks will continue to grow as they meet the servicing requirements of business and industry.

We in the administration feel that this program has been very beneficial, has not increased the cost of operating the government and has resulted in very few complaints from the banking industry. As a matter of fact, the Urban Affairs Committee of the American Bankers Association endorsed the program before it was even launched.

I hope this answers your questions, but if there is any additional information you need, you may want to contact the Under Secretary

of the Treasury, Charles E. Walker, who has spearheaded this operation for the Administration.

With best wishes,

Sincerely,

Bill

William E. Timmons
Assistant to the President

Honorable William L. Scott
House of Representatives
Washington, D. C. 20515

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Peter F. ...
Flanigan
Congress of the United States

House of Representatives

Washington, D.C.

October 8, 19 71

Hon. William E. Timmons
Assistant to the President
The White House
Washington, D.C.

Sir:

The attached communication
is sent for your consideration.
Please investigate the statements
contained therein and forward me
the necessary information for re-
ply, returning the enclosed corre-
spondence with your answer.

Yours truly,

William L. Scott

WILLIAM L. SCOTT,

M. C.

WLS:mw

CLARENDON TRUST COMPANY

3192 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22210

OCT 9 1971

TEL. 525-7777

October 6, 1971

EJF

Honorable William Lloyd Scott
House of Representatives
Washington, D. C. 20515

Dear Sir:

A gravely disturbing matter has come to my attention that could very well have serious detrimental effects upon this bank, the industry, and the overall economy, as well.

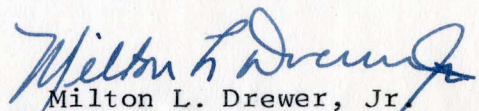
Our customers who are recipients of government contracts are being beleaguered by correspondence, such as the enclosed, from several Federal agencies. These firms have appealed to me because while they wish to continue their present banking relationships they fear the implied threats and specific directives contained in the correspondence. These firms are dependent upon their government contracts for much of their business, and yet they are also greatly dependent upon the close working relationships they have developed over the years with their banks. Now they are trapped in the distressing position of trying to cooperate with directives set forth by those who award government contracts and by possibly losing the ability to maintain their financial well-being through the knowledge and mutual understanding they have developed with their present banks. Assuredly this situation is not unique to just our customers.

As a banker and a businessman who has expended great efforts to cultivate these business customers, I must voice strong objections to the wording and substance of these governmental directives. I cannot remain silent in the face of the discriminatory and apparently unconstitutional efforts by the United States Government to deprive our bank of business that has been developed through years of hard work. It is one thing to take action to ensure that all interested groups are given equal opportunities to participate in our free enterprise system, but it is deplorably another to insist that these groups be favored at the expense of others. It is vitally important to our stockholders, employees, and the community we serve that we have the right to pursue the orderly conduct of our business affairs through our individual efforts and initiative.

Honorable William Lloyd Scott

On behalf of the Clarendon Trust Company, our concerned customers, and everyone who believes in the principles of a free enterprise society, I ask your aid, first, in determining that the President knows of these requests that he is purported to have made to recipients of government contracts, and secondly, if such requests were made, in urging him to consider anew the possibly grave consequences of such action.

Respectfully,


Milton L. Drew, Jr.
President

MLD jr/ecm
Enclosures

OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

Consistent with the Affirmative Action Program and other Government programs aimed at increasing the economic status of minorities, the President has made a commitment to aid minority banks to increase their average daily balances by \$100 million by October 31, 1971.

Minority banks presently have less than 1% of the nation's bank assets, yet are writing 30% of the nation's loans to minority businesses, thereby playing a highly effective role in the economic development of their communities.

The effect of this program will be the increasing of the lending capability of these institutions by one-third. Based on the foregoing you can realize the impact this program will have on the communities involved and the nation as a whole.

The Office of Economic Opportunity is firmly committed to the attainment of the goal set by the President. In view of the above, we are seeking your support in accomplishing this goal.

There are many methods by which you may aid our nation in meeting its commitment to minority banks. Among them are:

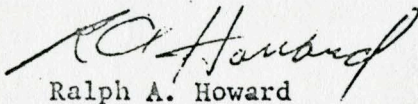
1. Shift present account
2. Open new account or split present account

We request that a review of your accounts be undertaken with the goal of employing one of the methods available in enabling your organization to assist us in attaining the goal set by the President.

I cannot stress too strongly the need for the fulfillment of this commitment, for it is incumbent upon each of us to do as much as possible to improve the economic status of our communities.

A list of minority banks and their locations is enclosed. The enclosed form is submitted to aid you in furnishing us with information so that we can measure progress toward the President's goal. Please complete and return to us no later than October 10, 1971. If you do not desire to participate in this program please so advise, stating the reason, and returning the enclosed form. Further questions may be directed to, or additional information secured by contacting Alvin S. Banks, Procurement Division, Office of Economic Opportunity, 1200 - 19th St., N.W., Washington, D. C. 20506. Your continued support is appreciated.

Sincerely



Ralph A. Howard
Director
Procurement Division

Enclosures

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION
WASHINGTON, D.C. 20210

Job Corps Contract Staff, MJA
(202) 382-1001



At the request of the President of the United States, the Manpower Administration has established the policy of encouraging Manpower Administration contractors to deposit MA funds in minority banking institutions to the fullest extent possible.

MA contractors are urged to use minority banks as depositories to the extent possible where the following conditions exist: 1. The minority bank is reasonably accessible to the contractor; and 2. The arrangement with a minority bank is not prohibited by State law or regulation.

In an effort to implement the referenced policy, you, as a Manpower Administration/Job Corps prime contractor, are requested to provide information on your bank balances of MA/Job Corps funds maintained in localities served by minority banks.

A listing of the minority banks referred to above, a form for stating deposit information and an illustration showing how the form should be completed are attached. In addition to the deposit information form, you are requested to furnish information on bank accounts you plan to open or increase in minority banks, the expected average balances, and the dates by which such actions will be taken.

It is requested that the deposit information form for the month of August be completed and returned (in duplicate) to this office no later than 17 September 1971. Subsequent monthly progress reports should be submitted no later than the 20th calendar day of the month following the month being reported, i.e. September 1971 due October 20, 1971.

2.

In completing the deposit information form, you should enter the average daily balance for each account during the month reported. If statements or accounting records do not provide average daily balances, they may be computed by adding each day's closing balances for the month and dividing the total by the number of calendar days in the month.

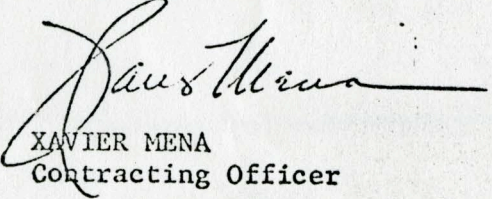
In those cases in which an account is not maintained exclusively for transactions arising under MA/Job Corps contracts, the contractor should calculate the ratio of receipts of MA/Job Corps funds to total receipts and apply this ratio to his daily average balance. The figure thus produced may be considered to be MA/Job Corps funds for purposes of this survey.

Example:	1. July receipts from all sources, Ajax Mfg. Co.	\$100,000
	2. July payments to Ajax Mfg. Co., MA Contract No. 09-2000	10,000
	3. Ratio of receipts under MA Contract No. 09-2000 to total receipts (2÷1)	10%
	4. Average daily bank balance, July 1971 Ajax Mfg. Co.	2,000
	5. Average daily bank balance of MA funds, July 1971, Ajax Mfg. Co. (3x4)	200

In the event you have made an effort to set up an account and have had difficulty in obtaining participation in the effort from a minority bank, (e.g., because of problems with reserve requirements), please inform this office and we will advise the Department of the Treasury and enlist its aid in this matter.

Your cooperation in this endeavor is appreciated.

Sincerely,


XAVIER MENA
Contracting Officer

Enclosures

Pantos declined by phone
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GENERAL

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*PETERSON
PETER*

Dear Mr. Terwilliger:

I appreciate the kind invitation extended by Mr. Alexander *Willis* in his letter of October 27 inviting me to attend the annual International Monetary Conference on May 9 - 12, 1972 in Montreal, Canada and to participate in the May 10 discussion of "The Impact of Trade and Investment Patterns."

It was very thoughtful of you to think of me as a speaker for this seminar. While I recognize the importance of this seminar and wish that my calendar permitted, recent events in the international field are now reflecting on my spring schedule making it difficult for me to be optimistic about taking that length of time to participate in this Conference.

I very much appreciate your invitation and extend best wishes to you for a most successful meeting.

Sincerely,

Peter G. Peterson
Assistant to the President
for International Economic Affairs

Mr. Roy W. Terwilliger
Secretary-Treasurer

International Monetary Conference
c/o The American Bankers Association
1120 Connecticut Avenue, N. W.
Washington, D. C. 20036

RLPrice:jlo:11/24/71

cc: Messrs. Peterson (2) Allen Hinton Price ExSec Chron
Draft approved by DRH



DEPARTMENT OF
BUSINESS
ADMINISTRATION

UTAH STATE UNIVERSITY · LOGAN, UTAH 84321

COLLEGE OF BUSINESS

GENERAL

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UTAH BANKERS ASSN.

December 22, 1971

INTERMOUNTAIN

BANKING SEMINAR

FIR

Mr. John Ehrlichman
Assistant to the President
of the United States
for Domestic Affairs
The White House
Washington, D. C. 20500

Dear Mr. Ehrlichman:

Enclosed is an unpolished copy of the proceedings of our recent banking seminar. Illness and budget constraints delayed its release.

Thank you again for your unselfish support and active participation. We hope to have your interest and involvement in future programs.

Best wishes for 1972.

Sincerely,

Vernon M. Buehler
Associate Professor
Seminar Chairman

Enclosures: Proceedings
Program

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