

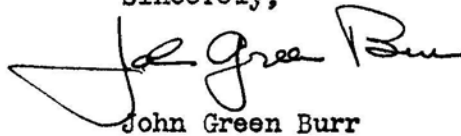
2013 N Street, N. W.
Washington, D. C.
July 8, 1951

The Honorable Marriner S. Eccles
The Shoreham Hotel
Washington, D. C.

Dear Mr. Eccles:

Attached is a copy of a letter I am sending to the
newspapers. I believe it may be of interest to you.

Sincerely,



John Green Burr

P. S. You will be interested in the enclosed on the Bank of
America's influence in Washington.

2013 N Street, N. W.
Washington, D. C.
July 8, 1951

The Editor
The Washington Post
Washington, D. C.

Dear Sir:

Perusing the morning newspapers it was noted how completely the RFC investigation has dropped from the news. That, of course, is inevitable in our government of publicity and politics.

However, in this particular case, there is at least one feature of the investigation which should be of interest to all lovers of honest government and free enterprise; the fact that the case which caused the investigation, i.e. the Kaiser-Fraser loans, has never been explained.

It should be of interest to the lovers of free government as an example of how government money can be used for political purposes. It should be of interest to lovers of free enterprise as an example of how government money can compete with legitimate "free" money.

It is possible that the public does not appreciate some bare facts of the situation, including a few recent developments. Note these items:

February, 1948 - Bank of America loaned Kaiser-Fraser Corporation \$16,000,000.

(Loan was guaranteed by Henry and Edgar Kaiser; secured by the pledge of most of the Kaiser family fortune.)

November, 1949 - a \$11,400,000 loan from the RFC to Kaiser-Fraser was used in part to pay off the Bank of America loan.

(Personal guarantees of the Kaisers were not required by the RFC; the amount of collateral pledged was reduced, even though the loan was far greater.)

And note these facts:

1932 - Sam H. Husbands and Harvey J. Gunderson became directors of the RFC.

1946 - Sam H. Husbands left the RFC and joined Transamerica Corporation which controls the Bank of America. He is now president of Transamerica.

Harvey J. Gunderson is now eastern manager for Transamerica with offices in Washington.

It is apparent from the testimony during the Fulbright investigation that Mr. Gunderson had considerable to do with putting through the Kaiser-Fraser loans.

During 1949 Kaiser-Fraser made public no interim reports of operations but the annual report for that year, published several months after the RFC loan was made, disclosed an operating loss of \$39,329,351 for the year. Was the RFC informed of this operating loss before the loan was granted?

In the above there is certainly legitimate ground for an investigative committee to ask some very pertinent questions of all those concerned in this rather malodorous operation. May I suggest a few?

Did the Bank of America have advance information of the Kaiser-Fraser losses?

If the losses of Kaiser-Fraser Corporation were concealed, was that not fraud? If the RFC knew of them, how come the loan?

Is the appointment of Harvey J. Gunderson to an important position in Transamerica not pretty close to what might be called bribery?

Let us note one more feature of this situation. Senator Burnet R. Maybank, Chairman of the Senate Banking and Currency Committee, and Mr. Sam H. Husbands are both South Carolinians. Now, of course, it is possible for two men to live in the same state and not know each other, but, under the circumstances, should not the relations of these two men within their home state be clarified? For their own protection, if for no other reason.

One more question. Was it not Senator Maybank who kept the sub-committee from making a proper and exhaustive report on the Kaiser-Fraser loan?

Sincerely,

John Green Burr

P. S. A copy of this letter is being sent to the following:

Senators Douglas of Illinois, Kea of Missouri, Byrd of Virginia,
Bricker of Ohio, and Sherry of Nebraska.
Congressmen Cresser of Ohio, McGuire of Connecticut, Wolverton of New
Jersey, Spence of Kentucky, Walter of Pennsylvania, Scott, Jr. of
Pennsylvania.
James Lawrence Fly, Esq., former chairman of the FOC.
Marriner S. Eccles.
R. H. Evans, Governor of the Federal Reserve Board.
J. Leonard Townsend, Solicitor, Federal Reserve Board.