

CONGRATULATORY LETTERS - S

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September 17, 1979

Dear Thibaut:

I appreciated your note on my appointment --
and hope to see something of you here.

Sincerely,

Mr. Thibaut de Saint Phalle
Board of Directors
Export-Import Bank of the
United States
Washington, D. C. 20571

PAV:ccm



EXPORT-IMPORT BANK OF THE UNITED STATES
WASHINGTON, D.C. 20571

CABLE ADDRESS "EXIMBANK"
TELEX 89-461

BOARD OF DIRECTORS

July 26, 1979

Mr. Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

Was absolutely delighted to learn that the President had nominated you to succeed Bill Miller as Chairman of the Federal Reserve Board. Congratulations!

I look forward to seeing you in Washington.

Best regards.

Sincerely,

Thibaut de Saint Phalle

TSP/ljh

*Dear Thibaut -
I appreciated your
notemg appointment - and
hope to see something of you
here.
Sincerely*

RECEIVED

AUG 6 1979

P. A. V.

APPROVED

APPROVED TO

September 17, 1979

Dear Mr. Schulze-Boysen:

I appreciate your letter on my appointment, and all good wishes for your stay in New York.

Sincerely,

Mr. Hartmut Schulze-Boysen
Consul General
Federal Republic of Germany
New York, New York

PAV:ccm

THE CONSUL GENERAL
OF THE FEDERAL REPUBLIC OF GERMANY

Hartmut Schulze-Boysen

New York, August 1, 1979

Mr. Paul A. Volcker
President of the
Federal Reserve Bank
33 Liberty Street
New York, N.Y. 10045

Dear Mr. President:

It is a particular honor and pleasure to congratulate you on your appointment as Chairman of the Federal Reserve Board.

Having been posted to New York fairly recently, I have not yet had the privilege of meeting you personally, but I know both from my predecessor and from my staff at the Consulate General that you have often been very generous in cooperating with our Mission and in sharing your views with many of our visitors from Germany. We also appreciate, especially, the leading role you have played and will, I hope, continue to play in the American Council on Germany.

The many messages congratulating you on your new and most important position that you have doubtless received from my country will prove to you the high esteem in which you are held by your German friends.

Very truly yours,

H. Schulze-Boysen

*Dear Mr. President,
I appreciate your
letter on my appointment,
and all good wishes for
your stay in New York.
Sincerely,
Hartmut*



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

September 18, 1979

Dear Rodger:

I appreciate the letter on my appointment--
and more the offer of help. As you know, I'll need
all I can get.

Best regards.

Sincerely,

Paul A. Volcker

Mr. Rodger D. Shay
Chairman of the Board
Merrill Lynch Government Securities, Inc.
One Liberty Plaza
165 Broadway
New York, New York 10080



Merrill Lynch Government Securities Inc.

Rodger D. Shay
Chairman of the Board

August 22, 1979

Mr. Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
20th & Constitution Avenue, N.W.
Washington, D.C. 20551

RECEIVED
OFFICE OF THE CHAIRMAN
1979 AUG 27 AM 11:35
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Dear Paul:

It certainly isn't necessary to tell you how well received in the financial community was your selection and acceptance of the Chairmanship. In my own view, there is no one more qualified for the position regardless of the times in which we find ourselves today.

There is probably very little that I can offer to assist you, with the possible exception of "market side" input. I hope that my position in the industry is such that you would feel free from time to time to call upon me for views from this perspective.

Please accept my sincere congratulations and best wishes for the awesome job you have before you.

Very truly yours,

*Dear Rodger,
I appreciate the letter on my appointment - and more the offer of help - as you know I'll be about all I can get.
Best regards,
Merrill Lynch*



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

September 18, 1979

Dear Rocco:

Many thanks for the note on my appointment. All we can do is hope for the best!

Best regards.

Sincerely,

Paul A. Volcker

Mr. Rocco C. Siciliano
Chairman and
Chief Executive Officer
Ticor
6300 Wilshire Boulevard
Los Angeles, California 90048



TICOR

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG 27 AM 11:19

RECEIVED
OFFICE OF THE CHAIRMAN

ROCCO C. SICILIANO
Chairman and
Chief Executive Officer

August 21, 1979

The Honorable Paul A. Volcker
Chairman, Federal Reserve Board
20th & Constitution Avenue
Washington, D. C. 20551

Dear Paul:

May I join your many friends in sending you my very hearty congratulations on your new appointment. It is a tremendous responsibility but one which I know you can easily assume. Our country is fortunate.

Cordially,

*Dear Rocco -
May thank for
the note on my
appointment. All are
do in hope for the best!
Best regards,*

September 18, 1979

Dear Merritt:

I don't know whether you're back from the Sierras yet, but I'm slogging away in Washington! I greatly appreciated your note -- there are very few, if any, who can write with such long experience of the Fed, and with its interest so much at heart.

I'll do what I can to help keep the tradition strong, and you know how much help I'll need -- and will get!

Thanks for writing.

With best regards,

Sincerely,

P.S. Someday, I may even get a pension!

Mr. Merritt Sherman
[REDACTED]
[REDACTED]

PAV:ccm

BEATRICE AND MERRITT SHERMAN

July 31, 1979

Dear Paul,

I am delighted with your designation to be Chairman of the Board of Governors of the Federal Reserve System. I send you my sincere congratulations on being appointed to this key post, along with best wishes for a satisfying and successful leadership in a position that has such potential for the welfare of our country and all the world. Although your task of combatting inflation seems especially complex and difficult at this particular time, I personally feel comfortable -- and confident -- in knowing that you accept the responsibility.

Not the least of my pleasure in your selection derives from the belief that, apart from your competence in the monetary policy/financial area, you will give strength to continuing those features of our decentralized central banking system that are unique within, and blend so well into, our Federal structure of government.

Good luck and many Happy Landings, Paul, and my wife joins in sending heartiest greetings!

Faithfully,

Mr. Paul A. Volcker, President
Federal Reserve Bank of New York.

P.S. We are having a delightful vacation at our cabin in the High Sierra, but I don't want to miss anything affecting the Fed. Incidentally, I assume you will become a member of the Board plan so to consolidate your Bank and Government service for retirement purposes?

Dear Merritt
I don't know
whether your back from
the Sierra set - but I'm
logging away in
Washington. I greatly
appreciated your
your note - there are very
few if any, who can
write with the
such long experience of the
Fed, and with its interests
so much in heart.
I'll do what I can to help
keep the traditions strong and you
happy how much help will need
- and will set!
Thank for
writing without regard.

P.S. - I'm sorry
I was unable
to see you.

September 24, 1979

Mr. Morton D. Siegel
First Vice President
E. F. Hutton & Company Inc.
One Battery Park Plaza
New York, N.Y. 10004

Dear Mort:

I appreciate the letter and the congratulations.
So far as the speaking date is concerned, you are right --
I am deluged, and 99.4% refused. In this case, if I may,
I will put the invitation aside for further review next
month, and let you know definitely then.

My best to Natalie and you.

Sincerely,

jmr



E. F. Hutton & Company Inc.

One Battery Park Plaza New York, N.Y. 10004 (212) 742-5423

*Dear Mort,
I appreciate the letter and the congratulations so far as the speaker date is concerned, you are right - I am released, and 29.490 referred. In this case, if I may, I will not review next month, and let you know definitely then. My best to Natalie & yours sincerely,
Mort*

Morton D. Siegel
First Vice President

September 5, 1979

Mr. Paul Volker
151 East 79th Street
New York
New York 10021

Dear Paul:

Firstly, may I express my personal congratulations to you on the high honor which has been bestowed upon you. Both Natalie and I think it's simply smashing that at least one of the Carnegie Avenue crowd made it to the top!

I have been asked, by the President of the Securities Industry Association, Ed O'Brien, to extend an invitation to you to be the Keynote speaker at the annual Securities Industry Institute meeting held at the Wharton School of the University of Pennsylvania in March, 1980.

Traditionally, the Keynote speech is made at the Thursday night dinner held in the Rotunda of the University Museum to approximately 300 senior executives of the Industry who meet together for a full week each year. This year, the event will take place on Thursday, March 13, 1980, and is scheduled for 6:30 to 9:30 p.m.

In the event you would honor us with your presence, you will follow such illustrious people as Reginald Jones, John de Butts, and other men of powerful persuasion. Needless to say, all expenses for you and Barbara would be handled by the Institute, and an honorarium will be offered.

Paul, I know that you are probably besieged by requests similar to this invitation, but I sincerely believe that it would provide a high level, industry-related and publicly reported forum for your views and philosophy. I do hope you will see fit to join us that evening.

My very best wishes to you and Barbara.

Cordially,

MDS:mmt

September 17, 1979

Dear Maurice:

I appreciated your note on my appointment, even if my reply is belated.

But what are you doing in Arizona -- developing, I hope, some resources. That may be by far more important than mere money!

Regards,

Mr. M. F. Strong
Resources, Inc.
P.O. Box 29008
Phoenix, Arizona 85038

PAV:ccm

RESOURCES, INC.

5025 East Washington Street / Phoenix, Arizona 85034
Telephone: (602) 267-7511 TWX: 910-951-1372

Mailing Address:
P.O. Box 29008
Phoenix, Arizona 85038

July 31, 1979

Mr. Paul Volcker
Chairman Designate
Federal Reserve Board
33 Liberty Street
New York, NY 10045

Dear Paul:

I was delighted to hear of your appointment as Chairman of the Federal Reserve Board. My warmest congratulations.

I can't think of anything which will do more to inspire a renewal of confidence in the U.S. economy, and certainly you couldn't have taken on this awesome responsibility at a more challenging or important time. The news reached me in Europe, and I am dictating this by telephone from there. I am sure you already know that your appointment was greeted with universal enthusiasm and relief here. It would only be right for you to get at least a small fraction of the value you have already added to the U.S. dollar.

Again, my very best wishes and warm personal regards.

Sincerely,

M. F. Strong jr.
M. F. Strong

MFS: jr

(Dictated but not read)

Maurice

*Dear Maurice -
I appreciated your
note on my appointment even
if my reply is belated.
But what are you doing in
Arizona - developer I hope, some
revenue. That may be by far more
important than mere money.
Respect,*

ANSWERED

ATTENDED TO

September 17, 1979

Dear Ray:

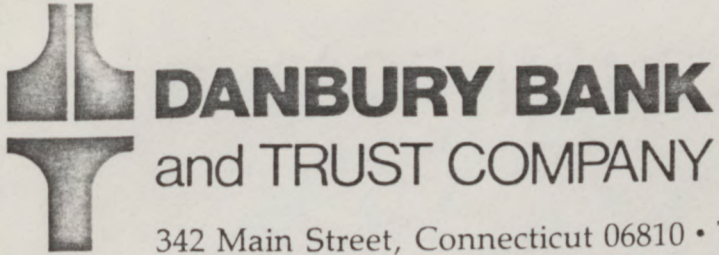
It was great to hear from you as you pause in your journey through the banking system.

When you learn where the fish are in St. Petersburg, let me know. Meanwhile, I'll try to stay out of too much trouble. Thanks for writing.

Best regards,

Mr. Raymond F. Sabatella, Jr.
President
Danbury Bank and Trust Company
342 Main Street
Danbury, Connecticut 06810

PAV:ccm



DANBURY BANK
and TRUST COMPANY

342 Main Street, Connecticut 06810 • Tel. (203) 744-1211

RAYMOND F. SABATELLA, JR.
PRESIDENT

August 1, 1979

Mr. Paul A. Volcker, President
Federal Reserve Bank of New York
Federal Reserve P.O. Station
New York, NY 10045

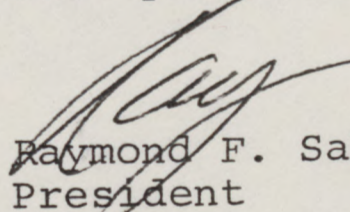
Dear Paul:

Congratulations on your nomination as Federal Reserve Board Chairman. I doubt anyone envies the difficult role you must assume, but I did want to add my best wishes for success to the many you have already received.

Of course, with this move, you will have changed jobs more frequently than I (except that I haven't taken a pay cut). I assumed my current position a year ago -- and now, effective August 6, I will be back in the national banking system when I begin a new job as President of the National Trust Bank of Florida at St. Petersburg. It seems as though fate (or foolishness) has condemned me to a life of getting troubled banks on sound footing. If you are ever near St. Petersburg, please give me a call at (813)- 347-9711.

Paul, I wish you all the best; and, if I might ever be helpful in your new adventure, let me know.

Best personal regards,


Raymond F. Sabatella, Jr.
President

RFS/ltt

*Dear Ray
I was great to
hear from you as you
pause in your journey
through the banking system.
When you learn where the fields
are in St Petersburg let me know.
Meanwhile I'll try to stay out of
trouble. Thanks for everything.
Best regards,*

RECEIVED

September 18, 1979

Dear Joel:

I'm using a trans-Atlantic plane trip to catch up on correspondence -- I did appreciate your good wishes on my appointment. I hope the moving pains are behind you -- Barbara refuses to face the thought of moving at all!

Sincerely,

Paul A. Volcker

Joel S. Stern, Esq.
Stern & Fixler
Attorneys at Law
950 Third Avenue
New York, New York 10022

PAV:mrk

STERN & FIXLER
ATTORNEYS AT LAW

JOEL S. STERN
HERBERT B. FIXLER
(ADMITTED IN N.Y. & DIST. OF COLUMBIA)
DAVID L. BEIER

950 THIRD AVENUE
NEW YORK, N. Y. 10022
(212) 355-7220

August 7, 1979

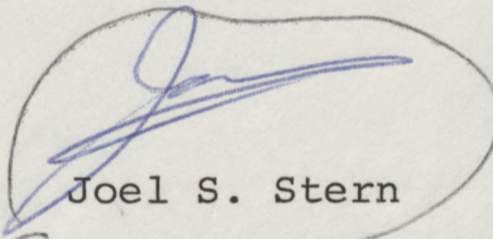
Mr. Paul A. Volcker

[REDACTED]

Dear Paul:

Both Lisa and I were delighted to see
your appointment as the Head of the Federal Reserve.
Congratulations! I am sure you will do an excellent job.

Sincerely,


Joel S. Stern

JSS:MM

*Dear Paul -
I'm using a trans-Atlantic
phone try to catch up on correspondence -
I did appreciate your
good wishes on my appointment.
I hope the moving pains are
behind you - Barbara refuses
to face the thought of moving at all!
Love,
Jimmy*

September 25, 1979

Dear Sarvetnicks:

It was good to have an excuse for both a letter and a party after all these years. Thanks so much for "showing up" and for the good wishes.

We'll find another excuse when inflation is zero, if that's not inconsistent with the prosperity of Acrilex!

Best regards.

Sincerely,

The Sarvetnicks
[REDACTED]
[REDACTED]

PAV:sep

11/20/79

Dear Sarvetnick,
It was good
to have an excuse for both
a letter and a party after all these
years. Thanks so much for showing
up and for the good wishes for showing
up. We'll find another excuse when
infection is best if that's not inconsistent
with the property of acrylic.
Best Regards.



CAST ACRYLIC SHEET 8 HOPE STREET, JERSEY CITY, NEW JERSEY 07307 PHONE 201-798-1200

8/28/79

Dear Paul

We want to congratulate you on your
appointment. It is really exciting every time
we see your picture in the press and read
the abundant commentary and speculation
about your monetary strategies. You have
traveled a long way from Carnegie Ave!

We wish both you + Barbara all
the best —

Lois + Andrew

THE SARVETNICKS

September 18, 1979

Dear Walter:

It's taken me a while to catch up on correspondence, but I appreciated so much your warm note on my appointment.

Among the minuses -- Barbara is staying in New York for the time being. But she'll be down from time to time, and I hope we can see you both before too long.

Our best to you both.

Sincerely,

Paul A. Volcker

Mr. Walter S. Salant -
[REDACTED]
[REDACTED]

PAV:mrk

WALTER S. SALANT

July 26, 1979

Dear Paul:

Just a note to congratulate you heartily on your new appointment. I am delighted by it and think the country is to be congratulated, too, on the President's choice. I am happy, too, as you must also be, that it has been greeted with such universal applause.

You and Barbara will be welcomed back to Washington. Edna joins me in the congratulations and we both hope that we'll have opportunity to see you and Barbara when you have settled in.

With all good wishes to you

both from both of us,

Walter

Dear Walter -
It's taken me a while to catch up on correspondence, but I appreciated so much your warm note on my appointment.

Among the minutes for the time being in New York Barbara is staying in New York + I hope we can see her all be down from time to time, both before too long. Our best to you both.

September 18, 1979

Dear Mr. Smith:

I appreciate your sending me so full an
analysis of your views on Mr. Carter and energy.

I read it with interest.

Sincerely,

Paul A. Volcker

Mr. John E. Smith
[REDACTED]
[REDACTED]

PAV:mrk

RECEIVED

AUG 6 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

THE MAKING OF A PRESIDENTIAL LEADER

Dear Mr —
I appreciate your reading
me so full an analysis of your
view on the Carter & energy. I read it
with interest,
hurry

A notable episode in the continuing saga of President Jimmy Carter. Perhaps indeed an epic turning-point in recent American history. Marked by his speech delivered in Kansas City, Missouri (shades of Harry Truman). When the President made full amends for his anticlimactic damp-squib, instead of the bombshell expected from his nationwide address a few days before.

Not a sermon this time, placing the blame for the energy crisis principally on the American people themselves. But finally pointing to the oil companies for investigation of their role in continuing to hold back essential supplies for ever higher prices. Constructively also, he ceased to emphasize the negative but albeit necessary pursuit of conservation, and instead outlined specific positive steps to increase production. Maybe unwise, however, hastily to curtail imports before closing the energy gap by increased domestic production. For at this critical juncture when serious recession appears to be a definite prospect, any widening of the gap cannot fail further to slow down a faltering economy. To lower productivity, increase unemployment and thereby add fuel to the flames of uncontrollable inflation.

Nevertheless, happily at last President Carter appears to be aware of the disastrous advice he has been receiving from his Cabinet and other professed economic and financial counsellors. He is now obviously thinking for himself, and is commencing to display the same skills, intellect, and leadership which rewarded him and the country with such outstanding success in the field of foreign affairs. No longer will a Department of Energy aid and abet the oil interests in their constant drive for ever higher prices. In this connection, to be hoped however that the President will logically backtrack on his strange policy of decontrol of oil prices, now that he has discovered for himself that this approach to the solution of the energy problem can lead only to economic disaster (therefore bring back controls).

Even more importantly, the President is now viewing the energy crisis in its true perspective. Not only as a crippling blow for the American people, and a cataclysmic contribution to already dangerous inflationary pressures, but also as a positive threat to national security. For this reason above all, as the President now clearly sees the country move rapidly towards complete independence of foreign sources of supply of oil and gas. This will entail of course not only steps taken drastically to increase domestic production of natural oil and gas, but also a crash program to develop on a vast scale, production of synthetic fuels.

Here again, the President displays boldness and enlightened perception. To wit, \$140 billion to be spent to attain national self-sufficiency in energy means. Also, creation of an Energy Mobilization Board in place of the lamentably blundering Department of Energy.

However, the means of payment for this not inconsiderable amount leaves much to be desired. Namely proposed windfall tax on the tremendously increased oil company profits resulting from the sadly envisaged decontrol of oil prices. But according to a respected Congressional source the proportion of the profits that would actually be recovered from the oil companies would not be of the order of 50/60%, but a mere 10%. Doubtful, moreover, whether decontrol will significantly increase as intended the supply of oil. But rest assured, it will definitely boost inflationary pressures, and seriously hurt business and consumer alike. And the solution is certainly not higher interest rates, the stratospherical level of which has already taken its frightful toll of the American economy as well as the stock and bond markets. What the economy, the financial markets, and the dollar itself really need is a powerful shot in the arm. In what form? Nothing less than bold and imaginative leadership on the part of Carter to bring about drastic cuts in both interest and tax levels (together with overdue reform of the loophole-ridden ramshackle tax system). Keynesian economics if you will, but what would F.D.R. and the country itself have done without John Maynard Keynes and his "New Deal" for the United States. Yes indeed, high time for adoption of his "managed money" policies - deficit financing and easy money in time of recession, and conversely a balanced budget and monetary restraint in time of boom. Clearly there is a crisis of confidence as stated by the President, but business and consumer confidence can be restored only by providing business and consumer with incentive to invest and buy in a rising and buoyant economy.

Productivity is the principal enemy of inflation and unemployment, and this can be fully achieved only in a climate of easy money and declining taxes. These were the economic principles that also guided Presidents Truman and Kennedy, and kept the country free of economic recessions that plagued the hard-money administrations of Presidents Hoover and Eisenhower. Every expectation therefore, that President Carter, cast in similar Democratic mold, will follow in the footsteps of his illustrious (and successful) predecessors. Particularly when the attainment of budgetary balance is possible only in a period of economic buoyancy with its concomitant consequences of a low level of unemployment (more on the tax rolls and less on welfare and the unemployment dole), and greater profitability of business.

However, the immediate problem of highest national priority is still the energy crisis the principal contributor to inflation. Fortunately, the President has chosen the best means of eventual achievement of independence of foreign sources of oil and gas notably by providing subsidies for the rapid construction of synthetic fuel plants. But in this connection the recently published Harvard Business School paper on "Pragmatic Energy Strategies" (a brilliant exercise in econometrics) might have had some influence on the

President's thinking with respect to alternatives to oil and gas as the principal sources of American energy. It would appear that undue emphasis has been placed on the development of solar energy, which, although highly desirable will take several decades before it can play an important part in closing the energy gap. Also, on conservation, the full benefits of which likewise would be too long delayed. Another energy source mentioned is Western oil-bearing shale. But, besides its ecological disadvantages, and the need for large-scale use of water in areas that suffer from serious shortages, the use of shale, like tar-sands, does not appear to provide a practical solution of the energy problem. On the other hand the coal option is dammed with faint praise and is not considered, as it should be, to be the country's principal means of achieving energy self-sufficiency.

Unquestionably there is every reason to believe that a crash program concentrated on the distillation of oil and gas from coal does offer the President with a golden opportunity to attain the country's essential goal of complete independence of foreign sources of supply of oil and gas (particularly of OPEC). Also, independence from the domestic oil companies, which have failed lamentably adequately to exploit in the national interest domestic energy sources. For this reason, President Carter can fully redeem himself in the eyes of the American public (and electorate) only by taking a dramatic step that would undo the harm rendered by oil price de-control and the constant rip-offs inflicted on the people by the oil interests. This nothing short of nationalization of the oil, gas and coal companies. The resultant profits to be realized by the state (and the people) would go far to pay for the construction of the coal distillation plants and refineries which naturally would be built on sites adjacent to the coal mines. The Harvard report also makes much ado concerning the release in this process of sulphur dioxide and the production of carbon dioxide. But, the writers of the report like the fanatic ecologists and environmentalists appear to be unaware of the ineluctable fact that in the coal-distillation operation not only can the air pollutants be removed, but sulphur and other by-products, thus derived have a high commercial value. Still more importantly, the end product coke is the cleanest and most efficient fuel in existence (unlike the waste from nuclear reactors, which presents a problem so far found to be incapable of safe solution).

However, in order to gain complete public confidence in President Carter's leadership it has been necessary to replace these in his cabinet who have contributed to his failure on the home front. In particular, of course his Energy Secretary, and the Secretary of the Treasury whose conservative policies have saddled the country with the highest level of interest rates in history. With the inevitable results that the economy is in a disastrous tailspin; inflation has not yielded, and has been on the contrary aggravated by the high cost of money; mortgage-money is ~~not~~ out of reach for the average citizen;

small businesses are increasingly reduced to bankruptcy. Furthermore, the exercise of conservative conventional wisdom in this respect serves neither to ensure foreign retention of investment in this country, nor command confidence in the U.S. dollar.

But strangely enough the announcement of the President's wise decision belatedly to overhaul his Cabinet produced most unexpected repercussions abroad. The dollar fell sharply on the European exchange markets, and gold hit an historic high. But the mystic yellow metal, a barbaric link with a less enlightened past, now has no official connection with currency values. In recent years, as long recommended by Professor Robert Triffin of Yale (the greatest authority in the world on international monetary affairs), gold no longer serves as a currency standard, and happily is now just another commodity (of less commercial value than its sister-metal silver, and it certainly does not possess the utilitarian qualities of iron and other base metals). Nevertheless, the ages-long hoarders continue to have faith in this scarce metal as a sure hedge against inflation (but over the years of retention with no return, and the high cost of safe-keeping, what a poor investment).

Thus the European exchange traders display little logic in supposing that the dollar is effectively linked to the gyrations of gold. Moreover, President Carter's action to rid his Cabinet of those who have contributed to the weakness of the dollar should have been interpreted as a bullish rather than a bearish factor. In any event, although, for the short range the dollar is vulnerable to bearish speculation the longer range factors. So, after more than 50 years close association with the international exchange and money markets the writer ventures to make the following predictions;-

more consideration
should be given to

1. Expected success of President Carter in solving the U.S. energy problem will lead to sharply decreased imports of foreign oil, which in turn will eliminate the international balance of payments deficit. The latent strength of the U.S. dollar will also develop as a result of the President's intent to slash bureaucratic red-tape, and thus give a definite boost to American industrial productivity, and unrestricted exploitation of the country's peerless wealth of natural resources (particular base and precious metals);
and of course - coal.
2. Government pressure on Detroit to produce small cars with gasoline consumption in the area of 50 m.p.g. will eventually bring about a sharp reduction of the present flood of W. German and Japanese "Beetles". Hence, with the combination of a harder dollar and softer Marks and Yen the latter currencies could experience a sharp decline.
3. With the return of confidence in the U.S. dollar even the formerly impregnable Swiss Franc is likely to come under heavy pressure. Particularly in view of the growing pressure on Switzerland to put an end to indefensible banking

secrecy, which when successful will bring about a panicky exodus of international flight and tax-evasion capital.

Finally, therefore, President Carter's enlightened efforts in restoration of health and strength to the American economy will put a timely end to the long period of U.S. dollar weakness and vulnerability. Thus, a powerful blow struck for greater international currency, stability and renewed faith in the U.S. dollar standard.

Please convey my regards to Mr. Charles Coombs who contributed so much in establishing the Foreign Exchange Market in New York as the world's paramount FX center.

With every good wish,

Sincerely,

John E. Smith

JES/mp

John E. Smith

July 25th, 1979

September 18, 1979

Dear Mr. Streett:

I appreciate the message from the Princeton Club of St. Louis -- even if I can't tell whether Woodrow Wilson is resting peacefully or turning over.

In either event, we can only try our best.

Thanks for writing.

Sincerely,

Paul A. Volcker

Mr. Donald H. Streett
President
Princeton Club of St. Louis
319 North 4th
St. Louis, Missouri 63102

PAV:mrk

Princeton Club



of St. Louis

August 1, 1979

Mr. Paul A. Volcker
c/o Federal Reserve Bank of New York
Federal Reserve P.O. Station
New York, New York 10045

Dear Mr. Volcker,

On behalf of the 300 members of the Princeton Club of St. Louis, I would like to extend congratulations to you for your nomination to become the Chairman of the Federal Reserve Board. I am sure that, having heard of your appointment, President Woodrow Wilson is resting comfortably wherever he may be; if there were ever an opportunity for Princeton to be in the Nation's Service, this is it.

Congratulations and Godspeed.

Sincerely,

Donald H. Streett

Donald H. Streett
President

*319 N. 4th
St. Louis 63102*

DHS/mrw

RECEIVED

ANSWERED
ATTENDED TO

*Dear Mr. Streett
I appreciate the
message from the
Princeton Club of St
Louis - ever if I
can't guarantee that
Wilson is sitting over
peacefully or tenderly over
in either event, we
cannot be our best, thank
you for writing!*

September 24, 1979

Dear Al:

Can I thank you for both the letter and for coming to the party in one note? It was great to finally have an excuse for getting together.

The next celebration is when inflation is zero!

Best regards,

Mr. Albert E. Sproul, Jr.

[REDACTED]
[REDACTED]

jmr

Dear Al -
Can I thank you
for both the letter & the party
in one note? It was great to
finally have an excuse for
getting together.
The next celebration is
when inflation is zero!
Best regards,
Bocourto

Albert E. Sproul, Jr.
[Redacted]

August 26, 1979

Dear Paul

Just a note to congratulate
you for your ascending to Chairman
of the Fed.

Your appointment gives me
hope that the American political
system will address the economic
problems on the basis of "what's
good for the country".

Good luck in tackling a
very tough job.

Sincerely yours
AL

S

S

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

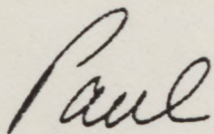
August 1, 1979

Dear John:

Your telegram of congratulations and good wishes is very much appreciated. Thanks so much for sending it.

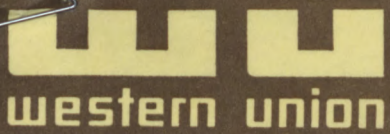
I, too, will look forward to seeing you at the time of the Reserve Bank directors' meeting--let's count on it!

Sincerely,



Paul A. Volcker

Mr. John Sagan
Vice President-Treasurer
Ford Motor Company
1345 Avenue of the Americas
New York, New York



Telegram

TIC562(1851)(1-020037A206)PD 07/25/79 1641

ICS IPMNQNA NYK

393

ICS IPMTI31

/1-030861M206 07/25/79

TLX FORDMTR DRBN A

295 PD DEAR BORN MICHIGAN JULY 25 1979

PMS THE HONORABLE PAUL A VOLCKER, PRESIDENT

FEDERAL RESERVE BANK OF NEW YORK

33 LIBERTY STREET

NEW YORK, NEW YORK

DEAR PAUL

PLEASED TO HEAR THE ANNOUNCEMENT OF YOUR SELECTION AS CHAIRMAN OF THE BOARD OF GOVERNORS. MY CONGRATULATIONS AND BEST WISHES.

LOOK FORWARD TO CONGRATULATING YOU IN PERSON AT ONE

SF-1201 (R5-69)

OF THE FEDERAL RESERVE DIRECTORS MEETINGS. BEST PERSONAL REGARDS

JOHN SAGAN VICE-PRESIDENT-TREASURER FORD MOTOR

NNNN

RECEIVED

JUL 26 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

SF-1201 (R5-69)

August 7, 1979

Dear Billy:

Thanks so much for the warm note. Sometimes I think I should retire now while the market behaves, but somehow I better stick around and try my best. I appreciate all the help in New York. Keep in touch.

Sincerely,

Paul A. Volcker

Mr. William R. Salomon
One New York Plaza
New York, New York 10004

PAV:smk

WILLIAM R. SALOMON
ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10004

July 26, 1979

Dear Paul:

Heartiest congratulations on being nominated for what I consider at the present time the most responsible post in the United States Government. You are unquestionably by background, training, and ability uniquely qualified for this assignment. The announcement obviously received worldwide support by the actions of the sensitive marketplace.

I am very proud that our President displayed great wisdom in nominating you at this difficult time. My very best wishes for great success and continued good health.

Warmly,

Mr. Paul Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

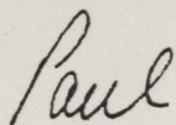
PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Charlie:

Thanks so much for your note
of July 25. Your kind words are appreciated.

Sincerely,



Paul A. Volcker

Mr. Charles E. Saltzman
Limited Partner
Goldman, Sachs & Co.
55 Broad Street
New York, New York 10004

Goldman, Sachs & Co. | 55 Broad Street | New York, New York 10004
Tel: 212-676-8360

Charles E. Saltzman
Limited Partner

Goldman
Sachs

July 26, 1979

RECEIVED

JUL 26 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

Mr. Paul A. Volcker
Federal Reserve Bank of N. Y.
33 Liberty Street
New York, NY 10045

Dear Paul:

With so many others, I am pleased and reassured by the news of your appointment to be Chairman of the Board of Governors of the Federal Reserve System. I don't see how a better appointment could be made, if as good. In my opinion, you will see matters as they really are and when it is necessary for you to speak out you will tell it as it really is.

Yours sincerely,

Charlie

Charles E. Saltzman

SSR

August 22, 1979

Dear Nat:

I appreciate both the calls and the warm note. I don't think the hoopla has gone to my head--yet. And I suspect the brickbats will come soon enough to force me to retain all sense of perspective.

Keep in touch.

Best regards.

Sincerely,

Paul A. Volcker

Mr. Nathaniel Samuels
[REDACTED]
[REDACTED]

NATHANIEL SAMUELS

██████████
██████████

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG 20 AM 9:56

RECEIVED
OFFICE OF THE CHAIRMAN

Dear Nat -
I appreciate both the
call & the notice. I don't
the hoopla you gave to my head - yet.
And I suspect the highbats will come
now enough to force me
to return all some
of my support.
Keep in
touch.
Best
wishes,
Nat

14 August 1979

Dear Paul,

I phoned you immediately upon hearing the announcement of your appointment and then set off on some travels. This note is a belated hearty congratulations in writing.

The enthusiasm with which your appointment was greeted is surely understandable, and undoubtedly highly gratifying to you. Nonetheless, I am sure that your sound, good sense has steeled you for the inevitable storms that one group or another will blow around your head as your and the Board's actions unfold — whatever the actions are.

Every warmest personal wish,

Sincerely,
Nat

P.S. Mary called Barbara when your appointment was announced to give her our best.
NS.

August 9, 1979

Dear Mike:

Many thanks for the note. I'm afraid after all those press notices its downhill from here on--but we shall struggle!

Regards,

Sincerely,

Paul A. Volcker

Mr. M. G. R. Sandberg
Chairman
The Hongkong and Shanghai
Banking Corporation
Box 64 GPO Hong Kong
CHINA

The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with limited liability

Box 64 GPO Hong Kong

M. G. R. Sandberg

Chairman

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG -7 AM 10:01

RECEIVED
OFFICE OF THE CHAIRMAN

Mr Paul A Volcker
Chairman
Federal Reserve Board
Room 2046
Twentieth Street and
Constitution Avenue
WASHINGTON, DC.

31 July 1979.

Dear Paul

Rather belatedly, but I have been more or less living on airplanes for the last week, may I offer you my sincere congratulations on your appointment as Chairman of the Federal Reserve Board.

It must be very satisfying for you to read of the universal pleasure your appointment has given, and this is well deserved.

You are bound to have received an enormous number of congratulatory messages, so please do not consider acknowledging this short note.

Yours

Sincerely,

MGR

M G R Sandberg.

Mike

*Dear Mike,
May thanks for the note,
Am afraid after all those
miss notes etc down here
from here on - but we shall struggle!
Regards,*

August 23, 1979

Mr. Charles S. Sanford, Jr.
Executive Vice President
Bankers Trust Company
P. O. Box 318
Church Street Station
New York, New York 10015

Dear Charlie:

I appreciate the note, however belated the response.
Take credit for knowing me quickly -- you know the short half
life in these things!

Just keep the market in shape -- always remembering
the "ups" are mine and the "downs" yours (and maybe some
"speculators" of little faith).

Best regards,

Paul A. Volcker

PAV:mhw



BANKERS TRUST COMPANY

280 PARK AVENUE, NEW YORK

CHARLES S. SANFORD, JR., EXECUTIVE VICE PRESIDENT
TELEPHONE 212 692-4550

MAILING ADDRESS
POST OFFICE BOX 318
CHURCH STREET STATION
NEW YORK, NEW YORK 10015

July 26, 1979

Mr. Paul A. Volcker
Chairman of the Board
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

When Bill Simon was named Secretary of the Treasury I found that I was the only person on Wall Street who did not claim to be his closest personal friend. While I am not able to make the same claim with respect to you at least I shall be able to say I know him, which should raise my social standing down here immensely.

In all seriousness, congratulations.

Kindest personal regards.

Sincerely,

Charlie

*Dear Charlie -
I appreciate the note however belated the response.
Take credit for knowing me quickly - you know the short half life in these times!
Just keep the markets in shape - always remembering the "cpi" are mine over the downer years (and maybe some speculation of little faith).
Best regards,*

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 10, 1979

Dear Steve:

I hope you will continue to send along your
"organized views". I will find them helpful.

Thanks for the greetings.

Sincerely,

Paul A. Volcker

Professor Raymond J. Saulnier
Lehman Hall
Bernard College
Columbia University
New York, New York 10027

Dear Steve -
I hope you
will continue to send
along your "organized views".
I will find them helpful.
Thanks for the greeting,
Lenny

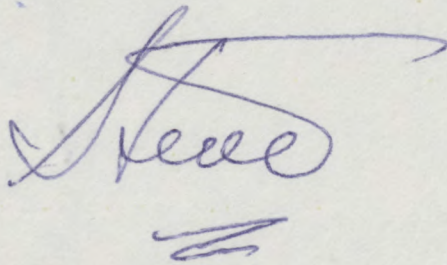
August 7, 1979

Paul:

Attached are some notes I do
occasionally, mainly to organize my
own views, and test them for
sound, at least.

In the present case, I am concerned
mainly that what I thought wouldn't
amount to anything much turns out to
be an alarming monetary expansion.

I wish you all the best.



R. J. SAULNIER

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

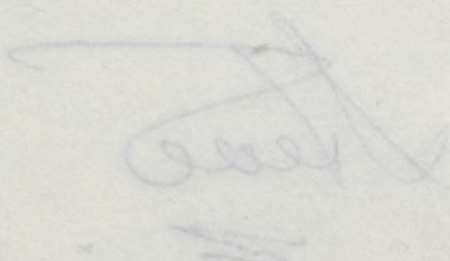
1979 AUG 9 AM 11:21

RECEIVED
OFFICE OF THE CHAIRMAN : Paul

Attached are some notes I do
occasionally, mainly to organize my
own views, and test them for
sound, at least.

In the present case, I am concerned
mainly that what I thought wouldn't
amount to anything much turns out to
be an alarming monetary expansion.

I wish you all the best.



R. L. BAULINIER

NOTES ON THE US ECONOMY, AUGUST 6 1979
RAYMOND J SAULNIER

Although inflation and recession have been at the center of attention recently in economic news, a related development - the reversal of money supply behavior to explosively rapid expansion - clearly deserves more notice than it has had.

Briefly, the story is this. During much of the second half of 1978 and the first two or three months of this year, growth in the monetary aggregates was retarded to rates close to zero, in the case of M1 to a negative number. Monetarists saw this as a sure sign that recession would begin by midyear. This writer interpreted it as precisely what was needed to slow the inflation rate, and took the view that if money policy was eased a bit as we moved through 1979 there was a good chance of avoiding anything that could reasonably be called a self-reinforcing, cyclical recession. So it seemed until early summer.

Reappraised with the year more than half over, the odds have shifted to favor a recession forecast; but in the process, money supply growth, instead of accelerating a "bit," has been transformed into exceptionally rapid expansion. The monetary base (reserves and bank-held currency), after having slowed to an increase around 4 percent a year in January/March, rose between April and July at an annual rate well over 10 percent. M1 (demand deposits and currency) was moving down about 1.5 percent a year in the six months ending March 1979 but spurted in a series of jumps in April/July to a rate close to 11 percent. And M2 (M1 plus net time deposits), after having increased hardly at all from November 1978 through February of this year, surged ahead subsequently at close to 14 percent a year.

For a time it seemed reasonable to interpret what was happening to money supply as aberrations soon to be reversed, but they persisted too long to permit that view. And it does not help greatly to say, as many do, that conventional measures of monetary change tell a less complete story than formerly. They still tell most of the story, and what they don't tell would only make the tale more harrowing.

Monetarists can say that what we have here is an extreme case of the mismanagement that has characterized the long history of central banking: excessive tightness that initiates recession, followed by excessive ease that ultimately accelerates inflation. A more charitable, and I believe more correct, view is that institutional changes in banking and finance - international and domestic - have so complicated and clouded the task of managing money supply that a seriously inflationary expansion was generated unwittingly. In any case, the question now is not how it all happened but what will be done about it.

As indicated, opinion has (rightly or wrongly) come to favor a recession forecast - official forecasters seem content to debate only how deep recession will be, and how long it will last - but there are still grounds for the view that what is in prospect is not a typical cycle but a period in which the economy bumps along without much movement up or down, in a manner that will be ultimately recognized as the way a basically vigorous economy, reasonably free of structural imbalance and operating side by side with a large public sector, behaves as it struggles with the problem of reducing inflation. Support for this view is supplied by the Composite Index of Coincident Indicators, which fluctuated without significant change of level from December through June, by the July employment figures, and by signs of some revival recently of new car demand. Without abandoning the "bumping along" theory altogether, it must be conceded that the chances of avoiding recession have been materially reduced. Moreover - and this is a major implication of the recent money supply expansion - the need to slow the growth of money supply has reduced the chances still more.

The start of a recession pattern is already present, of course, in quarterly estimates of price-deflated GNP. The second quarter decline was less than was hinted a month ago by official sources, but was still a sizeable 0.8 percent, not annualized. This is bigger than any of the three quarterly declines that constituted recession in 1960, and caused something of a furor at the time, and only slightly less than the first quarterly decline in the 1973-75 cycle.

Projecting GNP for the rest of this year and into 1980, two possibilities present themselves. A plausible view is that it will drop again in the third quarter, still on the 1973-75 path, but will turn up slightly in the fourth quarter and continue up in 1980 at a rate which, in an inflationary context, will be weaker and less certain than typical of past recoveries. A less sanguine forecast, incorporating a deeper decline in spending on cars and other consumer durables, and a speedup of inflation in the second half of this year rather than a slowing, has real output dropping again in the fourth quarter, still roughly on the 1973-75 path, and defers recovery until mid-1980. In either case, the downturn would exceed 1960 by a considerable margin but even in the less sanguine forecast would fall short of 1973-75 (a 5.7 percent drop, peak to trough) by a few percentage points.

The relation to this outlook of the recent surge of money supply is that the authorities have no option, as I see it, but to try to slow it's growth, and this is certain to repress activity below what it would otherwise be. Although the Federal Reserve will have some support in this effort from the federal budget it is nowhere near enough. Outlays in the first eight months of this fiscal year exceeded their volume in the comparable fiscal 1978 period by 10.4 percent when the increase should have been held to around 8 percent. The much faster growth of tax receipts, reflecting inflation, will reduce the deficit, and thus Treasury's borrowing needs, by upwards of \$15 billion, but the slowing of money supply growth will have to be engineered predominantly by the Federal Reserve, and the impact will necessarily fall mainly on private business and the consumer/householder. One way or another this will accentuate the economic decline, but considering the

liquidity that has already been built into the economy, the likelihood that any shift of monetary policy will occur slowly, and forward-looking economic data that are on the whole still favorable, I am disposed to favor the forecast of mild rather than severe downturn, but with recovery on the anemic side.

The implications for inflation and interest rates depend almost exclusively on what government does. To allow monetary expansion to continue on its recent course, worse still to let it accelerate, would be disastrous. So would a panicky reaction to poor economic statistics. But if steps to slow the monetary expansion can be taken without being unduly disruptive, which should be possible, the result should be at least a limited lowering of the inflation rate, this year and next, and support for the interest rate downtrend already underway.

NEW YORK CITY

RAYMOND J SAULNIER

August 22, 1979

Dear Mr. Sayles:

Many thanks for your note. All I can do is
try my best -- and that includes maintaining the integrity
of this place.

Sincerely,

Paul A. Volcker

Mr. Thomas D. Sayles, Jr.
President
Summit and Elizabeth Trust Company
Summit, New Jersey 07901

PAV:mrk

SUMMIT and ELIZABETH *Trust Company*

SUMMIT, NEW JERSEY 07901

THOMAS D. SAYLES, JR.
PRESIDENT

(201) 277-6200

August 16, 1979

Mr. Paul A. Volcker
Chairman
Federal Reserve Board
20th Street and
Constitution Avenue, N.W.
Washington, DC 20551

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG 20 AM 10:47
RECEIVED
OFFICE OF THE CHAIRMAN

Dear Chairman Volcker:

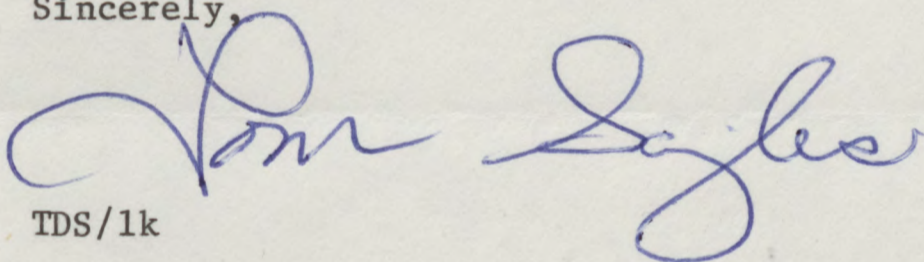
Now it is my turn to congratulate you on your selection and appointment to the Chairmanship. This is indeed a highly critical position, and your appointment is both well-deserved and appropriate.

You certainly will have a challenging job facing you, and I wish you every success in carrying out your important deliberations.

The strength of the dollar exhibited by the world financial markets is fine testimony to you and your reputation. I hope you will be successful in keeping the Board free from political intervention.

Personal regards,

Sincerely,


TDS/1k

*Dear Mr. Volcker
Many thanks for
your note. All I can do
is try my best - and that
includes maintaining
the integrity of this place.
Sincerely*

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 791-6173

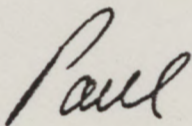
PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Morris:

Many thanks for your congratulations
and kind words. I'll do my best!

Sincerely,



Paul A. Volcker

Mr. Morris A. Schapiro
One Chase Manhattan Plaza
New York, New York 10005

MORRIS A. SCHAPIRO
ONE CHASE MANHATTAN PLAZA
NEW YORK, N. Y. 10005

July 26, 1979

Dear Paul,

Unanimous applause greeted the announcement of your nomination as Chairman of the Fed, and I am one of the great, great many joining in the ovation.

From past observation, I know you will do a fine job, and I hope you will get personal satisfaction and much pleasure in your new position.

Congratulations and very best wishes.

Sincerely,

Morris

Mr. Paul A. Volcker
Federal Reserve Bank of New York
New York, New York 10045

RECEIVED

JUL 26 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

August 16, 1979

Dear Mr. Scheer:

I appreciate your note. I know something of
the problems and can only try my best.

Sincerely,

Paul A. Volcker

Mr. Seymour Scheer
[REDACTED]
[REDACTED]

PAV:ccm

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG 10 PM 4: 11

RECEIVED
OFFICE OF THE CHAIRMAN August 7, 1979

Mr. Paul A. Volcker,
Chairman
Board of Governors
Federal Reserve System
Constitution Avenue at 20th Street
Washington, D.C. 20551

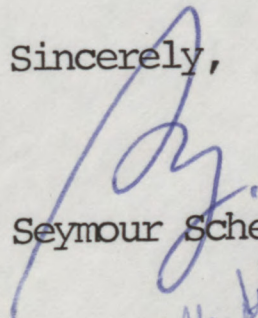
Dear Mr. Chairman,

Just a short note to congratulate you
on your appointment and to wish you well as
you assume your new duties.

I know that you have the requisite
strength, capacity and, certainly, experience
to deal with your new responsibilities, and that
all of us will benefit through your efforts.

With best wishes for a successful tenure,
and warmest personal regards, I am

Sincerely,


Seymour Scheer

*Dear Mr. Volcker,
I appreciate your
note. I know something
of the problem, and can
only try my best.*

[REDACTED]



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

August 8, 1979

Dear Mr. Scherpenhuijsen Rom:

I appreciate the note. I suspect you have not seen the last of me, at least at the IMC.

Barbara joins me in sending our best to you both.

Sincerely,

A handwritten signature in cursive script that reads "Paul A. Volcker".

Paul A. Volcker

Mr. W.E. Scherpenhuijsen Rom
Chairman of the Board of
Managing Directors
Nederlandsche Middenstandsbank N.V.
2 Eduard Van Beinumstraat
Amsterdam
The Netherlands

NEDERLANDSCHE
MIDDENSTANDBANK N.V.

CHAIRMAN OF THE
BOARD OF MANAGING DIRECTORS
W. E. SCHERPENHUIJSEN ROM

AMSTERDAM, July 27, 1979.
2 EDUARD VAN BEINUMSTRAAT

Mr. Paul A. Volcker,
Chairman of the
Federal Reserve Board,
20551 WASHINGTON D.C.
U.S.A.

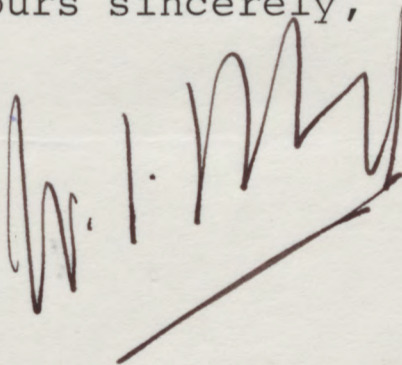
Dear Mr. Volcker,

It was a great pleasure for me to learn of your nomination as Chairman of the Federal Reserve Board, on which nomination please accept my sincere congratulations, also on behalf of my wife.

I do hope that it will still be possible for you to attend the meetings of the Trilateral Commission and of the International Monetary Conference also in the future.

Meanwhile I am, with best wishes and kind regards,

Yours sincerely,



RECEIVED

AUG 1 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

August 6, 1979

Dear Frank:

I appreciate the note. Barbara is being "left" in New York, so living will be a little more difficult than usual. But somehow we will survive.

Our best to you both.

Sincerely,

Paul A. Volcker

Mr. Frank W. Schiff
Vice President and Chief
Economist
Committee for Economic Development
1700 K Street, N.W.
Washington, D. C. 20006



July 26, 1979

Honorable Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

My warmest congratulations on your appointment as Chairman of the Fed! I was absolutely delighted to learn the news, both from a personal viewpoint and because of what it means for the future of monetary and economic policy. There is no one better qualified than you to hold this position and I know that you will do a superb job.

Erika joins me in wishing you every success in your new tasks. Although the decision to leave New York must have been a difficult one for you, we hope that both you and Barbara will find your return to Washington in your new capacity thoroughly satisfying and enjoyable.

Cordially,

A handwritten signature in blue ink that reads 'Frank'.

Frank W. Schiff

RECEIVED

JUL 31 1979

F. W.

ANSWERED

ATTENDED TO

August 7, 1979

Dear John:

Thanks for writing. I shall try my best.

Sincerely,

Paul A. Volcker

Mr. John M. Schiff
Lehman Brothers Kuhn Loeb,
Incorporated
One William Street
New York, N. Y. 10004

PAV:jrg

Lehman Brothers Kuhn Loeb
Incorporated

One William Street
New York, N. Y. 10004

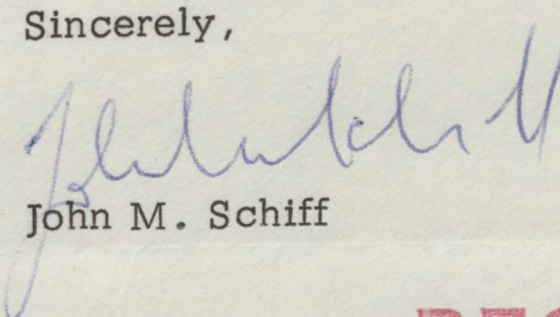
July 26, 1979

Mr. Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Mr. Volcker,

It is encouraging to know that the President has nominated you to be Chairman of the Federal Reserve Board. You certainly are well qualified for this position and it gives me great confidence to know that you will carry on these duties.

Sincerely,


John M. Schiff

/sah

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 7, 1979

Dear Herb:

I appreciate the vote. I expect both the challenge and the excitement, but I will be looking forward to that quiet dinner when the bombardment starts. The family stays in New York, so the shuttle gains.

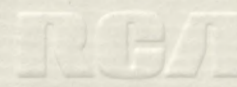
All the best.

Sincerely,

Paul A. Volcker

Mr. Herbert S. Schlosser
Executive Vice President
RCA
30 Rockefeller Plaza
New York, New York 10020

PAV:smk



Mr. Paul Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Herbert S Schlosser
Executive Vice President

Telephone (212) 598-5125

Dear Paul:

July 26, 1979

Congratulations on being named Chairman of the Federal Reserve Board. It is a superb appointment and one I was hoping the President would make.

The job will be challenging, but it will be very exciting. And it will project you into a role that will be good for the country.

Will you live in Washington or here? When you settle down, perhaps we can have lunch or a quiet dinner with our wives.

Good luck. We are all proud of you.

Cordially,

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 17, 1979

Mr. Wilson E. Schmidt
Professor of Economics
Center for Study of
Public Choice
Virginia Polytechnic Institute
and State University
Blacksburg, Virginia 24061

Dear Wil:

Thanks for the note. You have me unaware on
the trade question, but I'll get informed.

Sincerely,

Paul A. Volcker

PAV:pg



VIRGINIA'S LAND-GRANT UNIVERSITY

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Blacksburg, Virginia 24061

CENTER FOR STUDY OF PUBLIC CHOICE (703) 961-5210

August 13, 1979

The Honorable Paul A. Volcker
Chairman
Board of Governors
Federal Reserve System
Washington, DC

Dear Paul:

Congratulations!

And best of luck!

I hope you can do something about the recent Congressional suppression for 48 hours of the f.a.s. trade balance in favor of the c.i.f. trade balance. I don't have any brief for one or the other, but the suppression sets a very bad precedent for politicization of the data.

Sincerely,

Wilson E. Schmidt
Professor of Economics

WES/d1e

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG 16 AM 9:43
RECEIVED
OFFICE OF THE CHAIRMAN

*Dear Wil -
Thanks for the note.
You have me unaware on
the trade question, but I'll
act informed. Jimmy*

August 7, 1979

Dear Ed:

Sometimes even I get confused about political affiliations, but I love to see Business Week reporters goof.

Many thanks for the note -- we'll see what we can do.

My best to you both,

Sincerely,

Paul A. Volcker

Mr. Edward C. Schmults
White & Case
14 Wall Street
New York, New York 10005

PAV:smk

280 PARK AVENUE, NEW YORK, N. Y. 10017
(212) 732-1040; TELEX: 126697

1747 PENNSYLVANIA AVENUE, N. W., WASHINGTON, D. C. 20006
(202) 872-0013; TELEX: 89543

125 WORTH AVENUE, PALM BEACH, FLORIDA 33480
(305) 833-1040

WHITE & CASE

14 WALL STREET

NEW YORK, N. Y. 10005

(212) 732-1040

TELEX: 126201

20 PLACE VENDÔME, 75001 PARIS, FRANCE
(1) 260. 34 05; TELEX: 220242

66 GRESHAM ST., LONDON EC2V 7LB, ENGLAND
(01) 600-6691; TELEX: 884757

AVENUE LOUISE 89, 1050 BRUSSELS, BELGIUM
(02) 538. 00. 70; TELEX: 23100

2 ICE HOUSE STREET, HONG KONG
5-253061; TELEX: 63604

ECS:HB

July 26, 1979

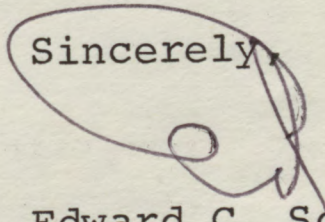
Mr. Paul A. Volcker,
Chairman Designate
Board of Governors of the
Federal Reserve System
Federal Reserve Bank of
New York
33 Liberty Street
New York, New York 10045

Dear Paul:

My warmest congratulations on being nominated by the President to be Chairman of the Federal Reserve Board. You are taking on a tough job in perilous economic times (haven't they all been recently). With your wisdom and background, I have no doubt that you will make the right choices and will have the courage to stick with them. As evidenced by a question the President received at his press conference last night, you are off to a good start in that you have already convinced the Washington press corps that you are a "conservative Republican". As I recall, Francine Neff made the same mistake when you interviewed her at the Treasury. Keep up the good work.

Diane and I send our very best to you and Barbara.

Sincerely,


Edward C. Schmults

RECEIVED

JUL 30 1979

ANSWERED.....
ATTENDED TO.....

August 20, 1979

Dear Herm:

I was delighted to hear from you. It's quite a challenge, as you know.

There are a lot of new faces on the Hill and elsewhere. I'm already nostalgic for some of the "old" ones that I learned to respect and work with in the past, like yourself. But we can only try our best.

Best regards.

Sincerely,

Paul A. Volcker

Mr. H. T. Schneebeli
Distributor
Gulf Oil Products
P.O. Box 2136
Williamsport, Pennsylvania 17701

Gulf Oil
Products

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG 10 PM 4:18

RECEIVED
OFFICE OF THE CHAIRMAN

H. T. SCHNEEBELI
DISTRIBUTOR

P. O. BOX 2136 • WILLIAMSPORT, PA. 17701

TELEPHONE (717) 323-6620

August 7, 1979

Dear Paul

Congratulations upon your
appointment and confirmation as the
new Federal Reserve Board chairman. You
will do a great job for our country
and we are very much in your debt
for assuming this responsibility.

Sincerely
H. T. Schneebeli

Dear Sam,
I was delighted
to hear from you. It is
quite a challenge, as you
know, and I would feel
proud if you were still
here. There are a lot of new
faces on the Hill and I hope
I'm not one of them. For some of
the "old" men that I regard
with respect and work with in the
past, like you, I feel we
can only try our best.
Best regards,
H. T. Schneebeli

August 16, 1979

Dear Tony:

Many thanks for your note and good wishes.

We shall try our best.

Sincerely,

Paul A. Volcker

Mr. Anthony D. Schoberl
Franklin State Bank
Somerset, New Jersey

PAV:ccm

Franklin State Bank
Somerset, New Jersey

Office of the Vice Chairman

August 7, 1979

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG 10 PM 4:11
RECEIVED
OFFICE OF THE CHAIRMAN

Dear Paul:

Congratulations to you on your appointment to the important position as Chairman of the Federal Reserve System. Congratulations must also go to the President and the Senate on their superb judgment.

The bankers that I have spoken to recently in the State of New Jersey, members and nonmembers alike, are heartened by this appointment. Your testimony before the Senate Committee regarding our number one problem - inflation, was most encouraging.

Please accept our good wishes and desire to cooperate in making your stewardship a success.

*Dear Tom,
Many thanks
for your note &
good wishes. We shall
try our best.*

Sincerely,

Tom Schoberl

Anthony D. Schoberl

The Honorable Paul A. Volcker
Chairman of the Board of Governors
Federal Reserve System
21st & Constitution Avenue, N.W.
Washington, D.C. 20551

*P.S. Thanks for your nice note on the
completion of my term as Chairman of the New Jersey
Bankers Assn.*

August 14, 1979

Dear David:

You were kind to write -- but not to tempt me with all those trout when I have to keep my nose to the grindstone.

Someday, I will need just that perspective. Meanwhile, I mean to give it the best try I can here.

Regards,

Baul A. Volcker

Mr. David Scholey
S. G. Warburg & Co. Ltd.
30, Gresham Street
London, EC2P 2EB
England

PAV:ccm

S. G. WARBURG & CO. LTD.

(Incorporating Seligman Brothers)

30, GRESHAM STREET,
LONDON, EC2P 2EB

Telephone:
01-600 4355

Telegrams:
WARBURCO, LONDON.

International Telex:
888476

2nd August 1979

Jan Paul,

I cannot think of any appointment since the last U.S. President election which has attracted more international interest and acclaim or carried more hope and responsibility than yours to the chairmanship of the Federal Reserve Board.

Inevitably you will not be as accessible as you have so kindly been to me in recent years, but I hope you will continue to keep in mind the open trout fishing invitation which I extended to you at Anthony Rawlinson's last fall.

I send you my heartiest congratulations and every possible good wish in your vast and vital task.

*With warm personal regards,
Yours sincerely,*

David Scholey

David Scholey

*Dear David,
You were kind to write - but not to tempt me with all those times when I have to keep my nose to the grindstone. I will need just that perspective. Meanwhile, I mean to give it the best try I can have.
Regards,*

Mr. Paul A. Volcker,
Federal Reserve Bank of New York,
33 Liberty Street,
New York, N.Y.

DGS:er

RECEIVED

AUG 8 1979

P. A. V.

ANSWERED
ATTENDED TO

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

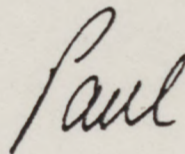
PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Paul:

It was thoughtful of you to write me on the occasion of my appointment as Chairman of the Federal Reserve Board. I appreciate your good wishes in coping with the money challenges that will face me. With the help of people like you--we should be able to meet those challenges.

Sincerely,



Paul A. Volcker

Mr. Paul A. Schosberg
President
Savings Association League
of New York State
700 White Plains Road
Scarsdale, New York 10583

*Savings Association League
of New York State*

*700 White Plains Road
Scarsdale, New York 10583*

*Paul A. Schosberg
President*

July 25, 1979

Mr. Paul A. Volcker
President
Federal Reserve Bank of N.Y.
33 Liberty Street
New York, N.Y. 10045

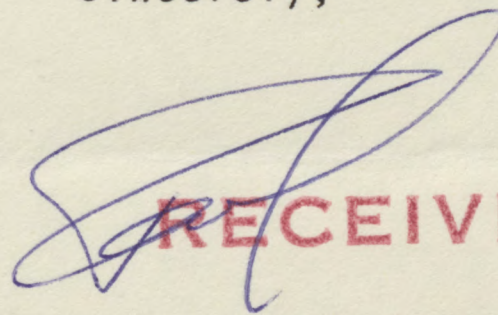
Dear Paul:

Just heard the news about your nomination as Chairman of the Board of Governors of the Federal Reserve. It's an honor you richly deserve and a responsibility everyone in the financial community is confident you will meet with your own unique brand of dignity and competence.

You have our very best wishes for every success in coping with the challenges which lie ahead, not the least of which will be the Magnolia Mafia.

With warmest regards,

Sincerely,



RECEIVED

JUL 26 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

Savings Association League
of New York State

700 White Plains Road

Scarsdale, New York 10583

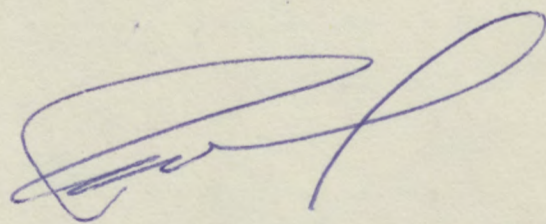
Paul A. Schosberg
President

Dear Paul,

Came across this letter when
filing the announcement of your
nomination. Harris has been Carter's
S&L man and has asked us
for input on a number of
appointments.

Again, we're all delighted
you made it, albeit on the
second go-round.

Regards,



RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

Ann
Borshoff

Will
retype

7/11/77

Low mtr

Volcker

FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION OF ROCHESTER
ONE FIRST FEDERAL PLAZA ROCHESTER NEW YORK 14614

bXc: Paul Schosberg

James M. Cirona
President

Phone: 716-454-4010

November 3, 1977

Mr. J. Robin Harris, President
Decatur Federal Savings and Loan
Association
250 East Ponce de Leon Avenue
P.O. Box 968
Decatur, GA 30031

Re: Paul Volker

Dear Robin:

At our meeting in Chicago a couple of weeks ago, you asked me to give you some thoughts on Mr. Volker relating to the chairmanship of the Federal Reserve Board of Governors.

Very discreet inquiry has resulted in expressions of respect for Mr. Volker, both personally and professionally. He is very highly regarded for the role he played in the recent crisis experienced in New York city and state finances. He took the time to educate himself as to the problems and became a real advocate for the city and state with Chairman Burns. People in the financial sector who had occasion to work with him during that time came to regard him as tough but fair. The same people cite an exceptional ability to join disparate groups in confronting vital issues. Although he is regarded as a team player, he is still respected as his own man.

Others can relate better to his wide breadth of experience in international financial affairs. He certainly has a solid foundation in the area of domestic finances. And, of course, he has served under both Republican and Democratic administrations without any apparent ill effects from either.

All in all, he has gained an exceptional regard in this part of the country and would, I believe, be considered an excellent choice for this position.

Sincerely,

Jim Cirona

JMC/ab





CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

August 24, 1979

Dear Mr. Schreiber:

Thank you so much for your warm words on my appointment as Chairman of the Federal Reserve. You know the problems as well as I--and I count on some of that luck. But we will be trying.

Sincerely,

A handwritten signature in cursive script that reads "Paul A. Volcker".

Paul A. Volcker

Mr. H. J. Schreiber
Member of the Board of
Managing Directors
Dresdner Bank AG
Frankfurt, Germany

41231C DRF D

27.7.1979

15,00 UHR

TO: PAUL A. VOLCKER

CHAIRMAN OF THE FEDERAL RESERVE BOARD, WASHINGTON, D.C.

FROM: HANS-JOACHIM SCHREIBER

MEMBER OF THE BOARD OF MANAGING DIRECTORS

DRESDNER BANK AG, FRANKFURT

DEAR MR. VOLCKER,

WITH GREAT PERSONAL SATISFACTION I HAVE RECEIVED THE NEWS OF YOUR APPOINTMENT TO THE CHAIR OF THE FEDERAL RESERVE BOARD. I WANT TO CONGRATULATE YOU SINCERELY TO THIS NOMINATION AND WISH YOU ALL THE BEST OF LUCK FOR THIS IMPORTANT AND CHALLENGING TASK. I AM CONVINCED THAT YOUR NOMINATION WILL BE UNANIMOUSLY WELCOMED BY THE INTERNATIONAL BANKING COMMUNITY.

WITH BEST PERSONAL REGARDS

I REMAIN YOURS VERY SINCERELY

H.-J. SCHREIBER

41231C DRF D

FED RES BD DC

41231

1 4 07/27

ANSWER VIA TRT 310-341-2200

August 9, 1979

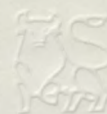
Mr. William A. Schreyer
President
Merrill Lynch Pierce Fenner
& Smith Inc.
One Liberty Plaza
165 Broadway
New York, New York 10080

Dear Bill:

Many thanks for the note. Now the press stories
stop and the work begins.

Sincerely,

Paul A. Volcker



**Merrill Lynch
Pierce
Fenner & Smith Inc.**

William A. Schreyer
President

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG -7 AM 9:53

RECEIVED
OFFICE OF THE CHAIRMAN

July 30, 1979

Dear Paul:

I would like to be another grateful citizen to congratulate you upon your nomination to become Chairman of the Federal Reserve Board. I particularly want to congratulate you and your family upon your willingness to accept this totally vital assignment.

I don't believe any appointment has ever been so widely welcomed as yours, and you certainly have the best wishes from me and all my colleagues at Merrill Lynch for great success.

Best wishes.

Sincerely,

Bill

Mr. Paul A. Volcker
Chairman
Federal Reserve Board
Washington, D. C.

*Dear Bill,
Many thanks for
the note. Now the piece
within stop + the work
begins. Sincerely,*

August 7, 1979

Dear Bob:

Many thanks for your note. All I can do is try
my best.

Sincerely,

Paul A. Volcker

Mr. Robert C. Sedwick, D.B.A.
Fairleigh Dickinson University
Teaneck, New Jersey 07666

PAV:smk

TEANECK, NEW JERSEY 07666
(201) 836-6300

SAMUEL J. SILBERMAN COLLEGE OF BUSINESS ADMINISTRATION
OFFICE OF THE DEAN

July 25, 1979

Paul A. Volcker
President
Federal Reserve Bank
of New York
33 Liberty Street
New York, New York 10045

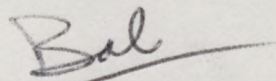
Dear Paul,

Congratulations! I heard the news on the radio that the President has nominated you Chairman of the Board of Governors.

He is to be congratulated too on his excellent choice.

Good luck.

Sincerely,



Robert C. Sedwick, D.B.A.

RCS:mc

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

August 10, 1979

Dear Hal:

The right place or a meat grinder?

Who knows, but many thanks for writing.

Sincerely,

Paul A. Volcker

Mr. Harold B. Scott
Chairman
Harold B. Scott, Inc.
1 Landmark Square
Stamford, Connecticut 06901

Harold B. Scott, Inc.

1 Landmark Square
Stamford, Conn. 06901
Telephone (203) 356-1154
Telex 643-663 HARBESCOT STD

August 6, 1979

Mr. Paul Volcker
Chairman-Designate
Board of Governors
Federal Reserve Board System
Washington, D.C. 20551

Dear Paul:

As far as I am concerned, relief is spelled
"V-O-L-C-K-E-R". Now you are in exactly the
right place at the right time.

All good wishes,

Hal / et

Harold B. Scott
Chairman

HBS:lpb

*Dear Hal -
The right place or a great
guide?
Who knows, but many thanks
for writing.
Sincerely,*

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG -9 PM 11:18
RECEIVED
OFFICE OF THE CHAIRMAN

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Herta:

Many thanks for your congratulations
and good wishes. I appreciate your kind words.

Best regards.

Sincerely,

Paul

Paul A. Volcker

*P.S. I apologize for the blank look
you got from me the other day - if you noticed.
Somehow, you were out of context! PAV*

Ms. Herta Lande Seidman
Deputy Commissioner
Division of International
Commerce
State of New York
Department of Commerce
230 Park Avenue
New York, N.Y. 10017



HERTA LANDE SEIDMAN

DEPUTY COMMISSIONER

DIVISION OF INTERNATIONAL COMMERCE

STATE OF NEW YORK
DEPARTMENT OF COMMERCE
230 PARK AVENUE
NEW YORK, N. Y. 10017
(212) 949-9290

CABLE ADDRESS: NYCOMM NEW YORK
TELEX: 666705

July 26, 1979

Mr. Paul Volcker, President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Mr. Volcker:

Congratulations! You are the wisest decision the President
has made lately.

Best wishes for continued success.

With kindest personal regards I remain,

Sincerely,

Herta Lande Seidman

RECEIVED

JUL 27 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

August 15, 1979

Dear Mr. Shanley:

I appreciate your cable. Maybe someday on the
lunch -- but not for a while.

Sincerely,

Paul A. Volcker

Mr. Graham Shanley, President
Princeton Club of Switzerland
33 Avenue de Bude
Geneva, Switzerland

Volcker

420100 FRNY UI....,9

08/06/79 0600 EDT#

420188 FRNY UI28200A TXCB CH

RECEIVED
45th DIVISION
FEDERAL RESERVE BANK
OF NEW YORK

AUG 6 9 38 AM '79

DATE OF DISPATCH	8 6
SERIAL NO.	44039
CITY	Geneva
ENTERED BY	
REVIEWED BY	<i>[Signature]</i>
CHECKED BY	<i>[Signature]</i>

VOLCKER

CONGRATULATIONS FROM PRINCETON CLUB OF SWITZERLAND STOP WOULD
 LIKE TO ORGANIZE LUNCH IN GENEVA WITH YOU AS SPEAKER FOR AMERICAN
 SWISS BUSINESS AND FINANCIAL COMMUNITY STOP PLEASE ADVISE WHEN
 THIS MIGHT BE CONVENIENT PREFERABLY WITH MAXIMUM ADVANCE NOTICE
 STOP LETTER FOLLOWS

GRAHAM SHANLEY 1950
 PRESIDENT
 33 AVENUE DE BUDE, GENEVA

#

420188 FRNY UI
 28200A TXCB CHM

NOTE: THIS MESSAGE NOT NUMBERED OR T...

*Appreciate your note.
 Maybe someday on the
 lunch - but not for
 awhile. PAV*

C Volcker

Volcker

420188 FRNY UI...9

08/06/79 0600 EDT

420188 FRNY UI28200A TXCB CH

5

RECEIVED
ASST. DIVISION
FEDERAL DEPARTMENT
FEDERAL RESERVE BANK
OF NEW YORK

AUG 6 9 38 AM '79

VOLCKER

DATE OF DISPAICH	<i>8 6</i>
SERIAL NO.	<i>44039</i>
CITY	<i>Geneva</i>
ENTERED BY	
REVIEWED BY	<i>[Signature]</i>
CHECKED BY	<i>[Signature]</i>

CONGRATULATIONS FROM PRINCETON CLUB OF SWITZERLAND STOP WOULD
 LIKE TO ORGANIZE LUNCH IN GENEVA WITH YOU AS SPEAKER FOR AMERICAN
 SWISS BUSINESS AND FINANCIAL COMMUNITY STOP PLEASE ADVISE WHEN
 THIS MIGHT BE CONVENIENT PREFERABLY WITH MAXIMUM ADVANCE NOTICE
 STOP LETTER FOLLOWS

GRAHAM SHANLEY 1950

PRESIDENT

33 AVENUE DE BUDE, GENEVA

⊕

420188 FRNY UI

28200A TXCB CHM

NOTE: THIS MESSAGE NOT NUMBERED OR T...

C Verdes

August 7, 1979

Dear Monica:

You were nice to write. I'll try my best.

Sincerely,

Paul A. Volcker

Ms. Monica Shaughnessy
Assistant Treasurer
The Chase Manhattan Bank, N.A.
60th Street and Park Avenue Branch
510 Park Avenue
New York, New York 10022

PAV:smk

The Chase Manhattan Bank, N.A.
60th Street and Park Avenue Branch
510 Park Avenue
New York, New York 10022



CHASE

July 26, 1979

Dear Paul:

Congratulations on your nomination to Chairman
of the Federal Reserve Board.

I was delighted to hear the news of your appoint-
ment and I'm sure you will restore confidence -
to this country and in the dollar.

Best wishes for your continued success.

Sincerely,

Monica

Monica Shaughnessy
Assistant Treasurer

Mr. Paul Volcker
Federal Reserve Bank
33 Liberty Street
New York, NY 10038

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 7, 1979

Dear Ed:

Many thanks for the note. I can only try
my best.

Sincerely,

Paul A. Volcker

Mr. Edward E. Shea
Chairman of the Board
Reichhold Chemicals, Inc.
525 North Broadway
White Plains, New York 10603

PAV:smk

REICHHOLD CHEMICALS, INC.

525 NORTH BROADWAY
WHITE PLAINS, N. Y. 10603

OFFICE OF
CHAIRMAN OF THE BOARD

PHONE: (914) 682-5700

July 26, 1979

Mr. Paul A. Volcker
Chairman of the Board
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y.

Dear Paul:

Congratulations on your appointment as Chairman. You must be pleased to see the favorable reaction reported in the newspapers here in the United States and other nations.

No one has more experience and appreciation of the multiple interests which must be considered in order to help the Board to serve both the long and short term benefit of our economy and the world economy.

Best wishes for your success and also for your own enjoyment of the coming years.

Sincerely,

Ed
Edward E. Shea
Chairman of the Board

EES:hdc

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 7, 1979

Dear Mark:

The only bonus from this appointment is hearing from old friends. Glad to hear you have a permanent niche.

My only problem is whether, after a few years, my remaining pants will have a seat.

Regards,

Paul A. Volcker

Mr. Mark T. Sheehan
Director of Public Information
United States Department of Justice
Washington, D. C. 20530



United States Department of Justice

DIRECTOR OF PUBLIC INFORMATION
WASHINGTON, D.C. 20530

July 25, 1979

RECEIVED

JUL 31 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

The Honorable Paul Volcker
President
Federal Reserve Bank of New York
Federal Reserve Post Office Station
New York, New York 10045

Dear Paul:

I just read the bulletin on the wire announcing your nomination and I wanted to let you know how pleased I am.

It's always nice to see someone so unfailingly decent move up. More important, I have great respect for your knowledge and judgment, both of which are greatly needed in these apparently perilous times.

Since we last met, I've become a lawyer (if I'd stayed at Treasury I would have become an economist, so you can see I've moved up.) The reason was so that I wouldn't have to be snowed by experts.

I've recently spent a three-month stint as a spokesman for the Council on Wage and Price Stability winning the war on inflation. I tried to tell Kahn not to smile on TV when they showed him headlines of the dollar's collapse but I was about as successful there as usual. (Where are you, Douglas Dillon, when we need you?)

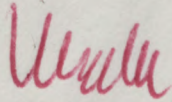
You'll be happy to know this is not a letter asking for a job. I'm happy and secure at Justice, and am determined to stay here until retirement, report cards notwithstanding.

You may however, look forward to a steady stream of resumes from my deadbeat friends (e.g. Dixon Donnelley) which I will be sending you. (FYI Cy Vance always replies with a cordial note from his secretary.)

Looking over this letter it seems to be largely about me. I'd appreciate it if you'd ship it along to my alumni magazine when you're through with it, in lieu of a contribution.

The very best of luck in the new job, and remember, when you have to steer the economy by the seat of your pants, you get to make up your own rules.

Sincerely,

A handwritten signature in red ink, appearing to read "Mark T. Sheehan".

Mark T. Sheehan

August 3, 1979

Dear Mr. Shelbourne:

I appreciate your note. But I'm also aware of the problems and I do want to remain in contact with the "real world" as we try to work our way through them.

Sincerely,

Paul A. Volcker

Mr. Philip Shelbourne
Chairman
Samuel Montagu & Co. Limited
114 Old Broad Street
London EC2P 2HY

SAMUEL MONTAGU & CO. LIMITED
(INCORPORATING DRAYTON)

PHILIP SHELBOURNE
CHAIRMAN

114 OLD BROAD STREET
LONDON EC2P 2HY
(G. P. O. BOX 525)
TELEPHONE: 01-588 6464
TELEX 887213

27th July 1979.

Dear Mr. Volcker,

May I add my congratulations to the many you will already have received on your appointment as Chairman of the Board of Governors of the Federal Reserve System. I hope you will permit a foreigner to say that this is the outstanding appointment made by the President in the course of the last few weeks and the most encouraging event for all the friends of your great country. The immediate upward movement of the Dollar on the Foreign Exchange Markets was strong confirmation of this.

I would like to send you my best wishes for your important new task. We here share the confidence of the international Banking community which follows from your appointment.

I have always enjoyed my meetings with you in the past in New York and I hope that I may call on you in future when I am in Washington. In the meanwhile, I may have an opportunity to see you in Belgrade at the IMF meeting.

Yours sincerely,

Philip Shelburne

Mr. Paul A. Volcker,
Chairman,
Board of Governors,
Federal Reserve System,
Twentieth Street and Constitution Avenue,
Northwest,
Washington, D.C. 20551.

PS/crf

*Dear Mr. —
I appreciate your
note. But I'm all aware
of the problems - and I
do want to ensure in
contact with the real
world - as we
try to work our
way through
them.
Philip*

August 7, 1979

Dear Geoff:

The nicest thing about this is hearing from some old friends. I appreciate the note and hope things go well with you.

Sincerely,

Paul A. Volcker

Mr. Geoffrey C. Shepard
Staff Vice President
Government Affairs
INA Corporation
1600 Arch Street
Philadelphia, Pennsylvania 19101

INA

INA Corporation
1600 Arch Street
Philadelphia, Pa. 19101
215-241-2811

Geoffrey C. Shepard
Staff Vice President
Government Affairs

July 26, 1979

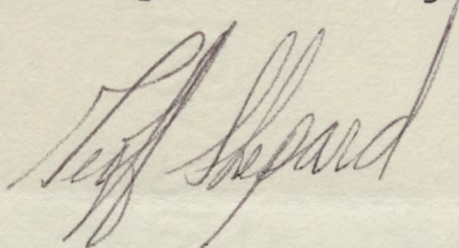
Mr. Paul A. Volcker
Chairman
Federal Reserve Bank
of New York
33 Liberty
New York, New York 10005

Dear Paul:

When I worked for you at the Treasury as a White House Fellow in 1969-70, I was the only one tall enough to claim that you and I "saw things eye-to-eye."

I am genuinely pleased you accepted the appointment as Federal Reserve Board Chairman -- in spite of the financial sacrifice. It is not only immediately reassuring for Americans and foreign bankers alike, it also provides great hope for the future.

Best personal regards,



GCS:avf

RECEIVED

JUL 31 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

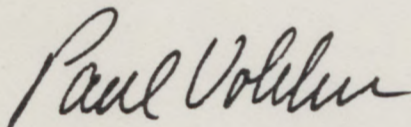
August 6, 1979

Dear Bill:

Thanks for writing--haven't
seen the Courier-News for years.

We'll try out best.

Sincerely,



Paul A. Volcker

Mr. William J. Shepherd
President and Chief Executive
Officer
Horizon Bancorp
334 Madison Avenue
Morristown, New Jersey 07960

HORIZON

Bancorp

American National Bank & Trust of New Jersey
Princeton Bank and Trust Company
Horizon Creditcorp

Corporate Offices:
334 Madison Ave.
Morristown, N. J. 07960
(201) 539-7700

William J. Shepherd
President and
Chief Executive Officer

July 31, 1979

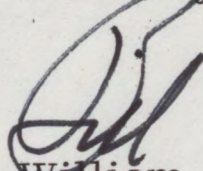
Mr. Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

I thought you might be interested in the enclosed clipping from The Courier-News which we continue to get in Westfield, because my wife grew up in Plainfield and I in Dunellen. The photograph needs a little retouching, but all the sentiments are positive.

We will miss you as President of the Federal Reserve Bank of New York, but I would like to congratulate you on your nomination as Chairman of the Federal Reserve Board. I am confident that you will do a wonderful job, and want to extend best wishes for every possible success.

Sincerely,



William J. Shepherd

WJS:ab
Enclosure

RECEIVED

AUG 3 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

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@ _____

Document type: newspaper article

Pages

Removed: A-21

Author(s): [Associated Press]

Title: Financial Community Hails Pick for Fed Chief...

Date: July 26, 1979

Journal: The Courier-News

Volume:

URL:

Federal Reserve Bank of St. Louis

<https://fraser.stlouisfed.org>

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Document type: newspaper article

Pages

Removed: A-21

Author(s): The Courier-News Staff and The Associated Press

Title: ... And Volcker's Former Plainfield Neighbor Agrees

Date: July 26, 1979

Journal: The Courier-News

Volume:

URL:

Federal Reserve Bank of St. Louis

<https://fraser.stlouisfed.org>

August 7, 1979

Dear Gene:

Many thanks for your note. I'll need lots
of support and I know I can count on you.

Sincerely,

Paul A. Volcker

Mr. Eugene J. Sherman
Executive Vice President
Lasser Marshall, Inc.
76 William Street
New York, New York 10005

LASSER MARSHALL INC.
INTERNATIONAL & DOMESTIC MONEY MARKET SERVICE
76 WILLIAM STREET
NEW YORK, N. Y. 10005

EUGENE J. SHERMAN
EXECUTIVE VICE PRESIDENT

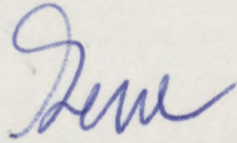
July 26, 1979

Mr. Paul A. Volcker
President
Federal Reserve Bank
33 Liberty Street
New York, New York 10045

Dear Paul:

Heartiest congratulations and best of luck on your appointment to Chairman. You can be assured of our support and the support of your many friends and acquaintances in the financial community.

Very truly yours,



EJS:jam

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

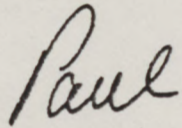
August 1, 1979

Dear Al:

Many thanks for your congratulations
and kind words. We will do our best.

Best regards.

Sincerely,



Paul A. Volcker

Mr. Alvin V. Shoemaker
President
Blyth Eastman Dillon & Co., Inc.
1221 Avenue of the Americas
New York, New York 10020

BLYTH EASTMAN DILLON & Co.
INCORPORATED
1221 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020

ALVIN V. SHOEMAKER
PRESIDENT

(212) 730-8500

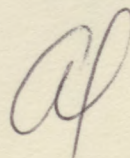
July 25, 1979

Dear Paul:

Congratulations on your new position. We are all
counting on you to straighten out those people in
Washington.

Best personal regards,

Sincerely,



Mr. Paul Volcker, President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10005

RECEIVED

JUL 27 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

August 8, 1979

Dear Terence:

I can't reciprocate the poetry, but I
can enjoy it!

Your letter is greatly appreciated--all
the more so after so many corporate congratulations.
You are doing the work of the Lord so well--I only
regret that I am even more poorly placed to help!

Best regards.

Sincerely,

A handwritten signature in cursive script that reads "Paul".

Paul A. Volcker

Mr. Terence Shook
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

July 31, 1979

PAUL A. VOLCKER, President
The Federal Reserve Bank of New York
Thirty-three Liberty Street
New York, N. Y. 10045

Dear Mr. Volcker:

What a curious thing time is. The last time I saw you, it was here in Newark--the next time, on nationwide TV--I simply was reminded how much time has passed, but how short the span seems.

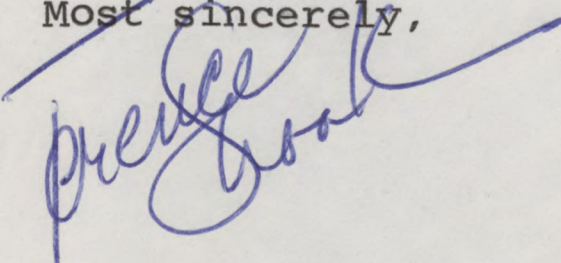
At any rate, I want to offer my congratulations on your recent appointment. I guess I feel somewhat like Allstate--we are certainly in good hands.

The attached lines are written because I need only an occasion and I then have reason to rhyme.

The Chorus goes well; a struggle as always, but we've managed to stay in existence and actually do some truly creative work.

Again, my most sincere good wishes, for great reward and success in this new venture.

Most sincerely,



Terence Shook

RECEIVED

AUG 1 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

LINES COMPOSED TO PAUL VOLCKER ON THE OCCASION OF HIS BEING NAMED TO
HEAD THE FEDERAL RESERVE BOARD

At a benefit dinner
(Bill Simon was the lure)
I met a man
(Because the timing was poor).

Full was the tunnel
(And so he was late)
Steuben Glass for the Honoree-
(Better,--my fate).

I remember it well
('Twas the Old Robert Treat)
He entered, then occupied,
(A lone, vacant seat).

I liked him at once.
(A bit different, he seemed)
Distinctly Individual
(Among those, Corporate-teamed).

Well,

Now there's been a shuffle,
A big over-haul.
This man seems a winner--
(I knew not DeGaulle).

However.

Personally.

I think.

Politics need watching.
There's that constant turning.
But,
Appointing you Chairman
Was assuredly discerning!

-----TERENCE SHOOK
July 31, 1979

August 16, 1979

The Honorable Muriel F. Siebert
Superintendent of Banks
No. 2 World Trade Center
32nd Floor
New York, New York 10047

Dear Mickie:

Many thanks for the note! Keep the New York flag flying while I tilt at the windmills down here. I know I'll need the luck.

Keep in touch; you illustrate directly the courage and independence we all need.

Best regards,

Paul A. Volcker

PAV:mhw



NEW YORK STATE BANKING DEPARTMENT

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG 15 AM 10:30

RECEIVED
OFFICE OF THE CHAIRMAN

MURIEL SIEBERT
SUPERINTENDENT

August 13, 1979

Mr. Paul A. Volcker
Chairman
Board of Governors
Federal Reserve System
Constitution Avenue, N. W.
Washington, D. C. 20551

Dear Paul:

I am proud of you and wish to express my best wishes for your continued success.

The personal sacrifice you are making is the highest deed you can do for the country in these trying and difficult times. The President made an excellent choice and I am sure you will make a very positive and lasting contribution to our nation.

Good luck.

Cordially, & with kindest regards
Mickie

*Dear Mickie,
Many thanks for
the note. Keep the
New York flag flying
while I test at the
academy down here.
I know I'll need the luck.
Keep in touch. You
illustrate exactly
the course &
independence we all need.
Best regards,*

August 7, 1979

Dear Mr. Silbert:

Many thanks for your note. All I can do is try
my best.

Sincerely,

Paul A. Volcker

Mr. Theodore H. Silbert
Chairman
Sterling National Bank & Trust
Company
540 Madison Avenue
New York, New York 10022

PAV:smk

Sterling National Bank & Trust Company
OF NEW YORK

THEODORE H. SILBERT
CHAIRMAN

THIS IS OUR
50TH
ANNIVERSARY

ADDRESS ALL REPLIES TO:
540 MADISON AVENUE
NEW YORK, N. Y. 10022
(212) 826-8010

PERSONAL & UNOFFICIAL

July 25, 1979

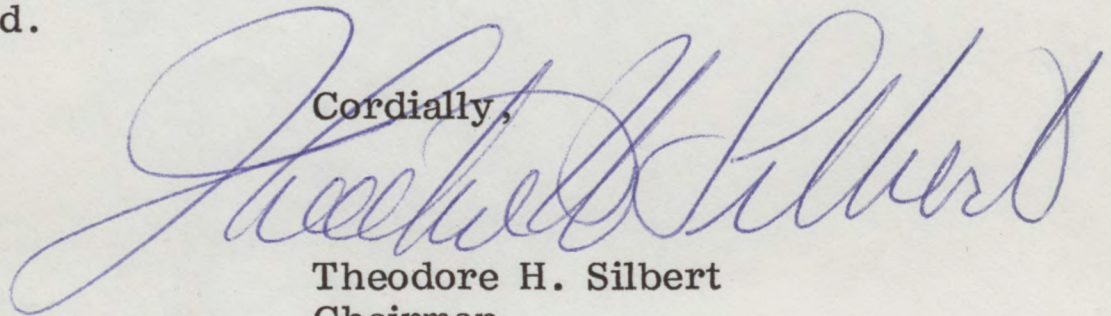
Mr. Paul A. Volcker
Federal Reserve Bank
Washington, D.C.

Dear Paul:

Congratulations on the good news that you
have been appointed to head the Federal
Reserve Bank in Washington.

You have my best wishes for success and good
health in meeting the new challenges which will
be facing you. I am sure that with your capability
you will succeed.

Cordially,



Theodore H. Silbert
Chairman

THS/E

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-6173

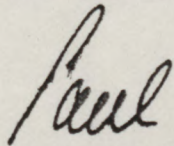
PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Charles:

You have such a nice way to
congratulate people! Thanks so much for
the note--we have thought of you and your
warmth frequently.

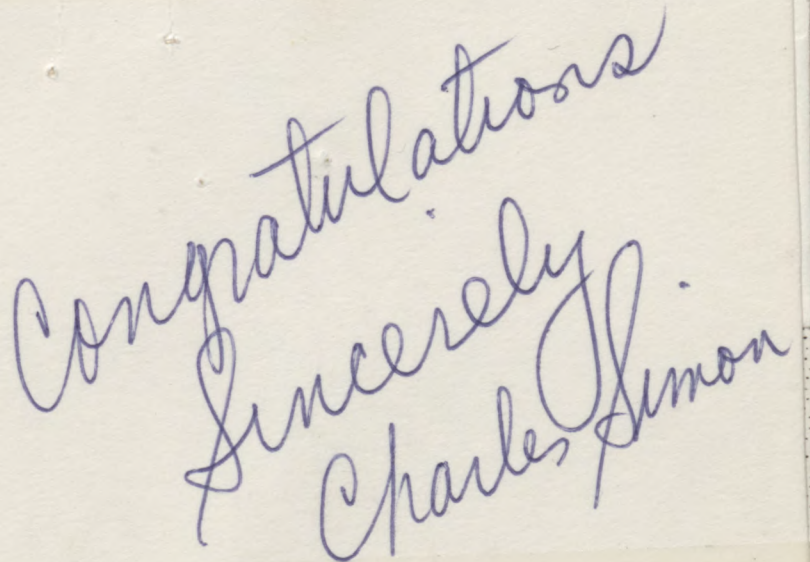
Sincerely,



Paul A. Volcker

Mr. Charles Simon
Salomon Brothers
One New York Plaza
New York, New York

FLOWERS BY CORT
821 PARK AVENUE
NEW YORK, N. Y. 10021
REgent 7-9141



Congratulations
Sincerely,
Charles Simon

CHARLES SIMON

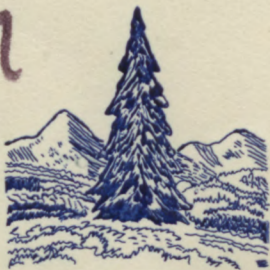
Dear Volkers

I am so happy
for you both. I am
also happy for our
Country because of
your appointment

Kind Thoughts

Charles Simon

New Secretary
of Transportation
Pretty Super
Knew him when



(Graham Clayton)
he ran Southern R.R.

August 20, 1979

Mr. H. Simonet
Ministere des Affaires Etrangeres
Du Commerce Exterieur Et De La
Cooperation Au Develpoment
1000 Bruxelles
Rue Des Quatre-Bras, 2
Belgium

Dear Mr. Simonet:

Many thanks for your note. I was delighted
to have the chance to dine with you in New York recently,
and do hope to see you again, in October or otherwise.

Sincerely,

Paul A. Volcker

PAV:pg



Le Ministre des
Affaires Etrangères

HS/JW / 2752

1000 BRUXELLES, le July 27, 1979
RUE DES QUATRE-BRAS, 2
TÉL. : 513.62.40

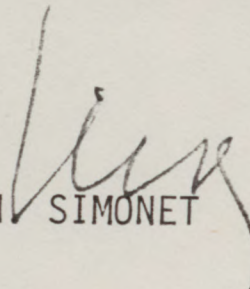
Dear Mr Volcker,

It was not a real surprise but a true pleasure to hear about your appointment to be Chairman of the Federal Reserve Board.

Since I had the privilege in meeting with you during my last stay in New-York, early april this year, at the Lehrmann's Institute, I am deeply convinced that your qualify in every respect to face the challenges of your high office.

I wish you success in your task and hope to meet again with you early october when I expect to be back in New-York.

Yours ever,


H. SIMONET

*Dear Mr. Volcker
Very thanks for your
note. I was delighted
to have the chance to dine
with you in New York
recently, and do hope to see
you again, in October or otherwise.
Sincerely,
H. Simonet*

Mr. P. VOLCKER
Chairman of the Federal Reserve Board
WASHINGTON D.C.

August 23, 1979

Dear Mike:

49 will triumph--or at least try and hope for
the best. Thanks for writing.

Sincerely,

Paul A. Volcker

Mr. Michael Singer
Office of the Executive
Vice President
The Van Heusen Company
1290 Avenue of the Americas
New York, New York 10019

THE VAN HEUSEN COMPANY

1290 AVENUE OF THE AMERICAS, NEW YORK, N.Y. 10019 / (212) 541-5200

OFFICE OF THE EXECUTIVE VICE PRESIDENT

July 27, 1979

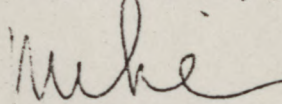
Mr. Paul Volcker
President
The Federal Reserve Bank of N.Y.
33 Liberty Street
New York, N.Y. 10045

Dear Paul:

Absolutely delighted to hear of your appointment as Chairman of the Federal Reserve Board. It looks like the Class of '49 is finally getting some meaningful representation in our government. We sincerely hope that it will bring some stability and order to the current confusing situation.

If there is anything that I can do to help you in your new assignment, please don't hesitate to call upon me. In the meantime, I look forward to seeing you when you come back to the Club in New York.

Sincerely,



Michael Singer

*Dear Mike -
49 will triumph
try + hope for the best -
Thank you for writing.
Kenny*

MS:bjs

RECEIVED

AUG 2 1979

P. A. V.

ANSWERED.....

ATTENDED TO.....

August 23, 1979

Mr. Walter A. Slowinski
Baker & McKenzie
815 Connecticut Avenue, N.W.
Washington, D. C. 20006

Dear Walter:

Many thanks for the note, but I assure you Annette's concern about the salary doesn't begin to match Barbara's!

It was nice to have Mary see me sworn in -- we'll see how long before I'm sworn at. Barbara stays in New York for the time being -- but we hope to see you both at some point.

Best regards,

Paul A. Volcker

PAV:mhw

BAKER & MCKENZIE
ATTORNEYS AT LAW

815 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20006
TELEPHONE (202) 298-8290
TELECOPIER (202) 338-1296
CABLE ABOGADO
TELEX 89-552 (WU)
248441 (RCA)

July 26, 1979

AMSTERDAM	MINNEAPOLIS
BANGKOK	NEW YORK
BOGOTA	PARIS
BRUSSELS	RIO DE JANEIRO
CARACAS	ROME
CHICAGO	SAN FRANCISCO
FRANKFURT	SAO PAULO
GENEVA	SYDNEY
HONG KONG	TAIPEI
LONDON	TOKYO
MADRID	TORONTO
MANILA	WASHINGTON, D. C.
MEXICO CITY	ZURICH
MILAN	

Dear Paul:

We were all very pleased with your nomination, and Annette joins me in sending congratulations. However, she was a little disappointed with your cut in salary!

We look forward to seeing you with your family in Washington.

With kindest regards,

Sincerely,

Walter A. Slowinski

Walter

Mr. Paul Volcker
Federal Reserve Bank
of New York
33 Liberty Street
New York, NY 10045

*Dear Walter,
Mary thanks for the note but I am sure you
Annette's concern about the salary doesn't begin to
worry Barbara. It was nice to have
Mary see how soon in
we'd see how long before
I'm even at. Barbara
thinks in how long for
the time being - but
we hope to see you
soon. Love
Mary*

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 23, 1979

Dear Ed:

I appreciate your note, however belated the response. Look forward to seeing you again.

Sincerely,

Paul A. Volcker

Mr. Edward K. Smith
Senior Economic Consultant
Brimmer & Company, Inc.
1201 Connecticut Avenue, N.W.
Suite 916
Washington, D. C. 20036

BRIMMER & COMPANY, INC.

SUITE 916 (202) 466-3474

Economic and Financial Consultants

1201 CONNECTICUT AVENUE, N.W.

WASHINGTON, D. C. 20036

July 27, 1979

Mr. Paul A. Volker
President
Federal Reserve Bank
Of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

Let me congratulate you on your nomination as Chairman of the Federal Reserve Board. Your talents are much needed. It will be a pleasure to see you in Washington again, and I wish you all the best.

Sincerely yours,

[Signature]
Edward K. Smith
Senior Economic Consultant

EKS/by

*Dear Ed -
I appreciate your
note however believe the
response. Look forward to
seeing you again.
Thank you*

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED

ATTENDED TO

August 20, 1979

Dear Bill:

Many thanks for the note--but much more for your support and wisdom over these recent years. Don't let us get isolated down here--keep in touch, and keep New York in shape!

Very best regards,

Sincerely,

Paul A. Volcker

Mr. William S. Sneath
Chairman of the Board
Union Carbide Corporation
270 Park Avenue
New York, New York 10017

UNION CARBIDE CORPORATION

270 PARK AVENUE

NEW YORK, N. Y. 10017

WILLIAM S. SNEATH
CHAIRMAN OF THE BOARD

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG 10 PM 4:15
RECEIVED
OFFICE OF THE CHAIRMAN

August 7, 1979

Mr. Paul A. Volcker
Chairman
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D. C. 20551

Dear Paul:

I had hoped to be able to attend the dinner in New York to congratulate you personally, but the date selected was already committed.

In any event, congratulations and good luck. I greatly admired your performance as head of the New York Fed, and the country is extremely fortunate to have you move into a position of such importance -- particularly since you so well recognize the interdependence of the United States with the World's economies.

If there is any way I, or my associates at Union Carbide, can be of assistance, I hope you will give us a call.

Kindest personal regards,

Bill

WSS/rjb

*Dear Bill -
Many thanks for
the note - but much
more for your support &
wisdom over these recent years.
Don't let me get isolated down
here - help in touch, and keep
N.Y. in close. My best regards,*

August 3, 1979

Dear John:

Thanks so much for your note. Now that I'm back,
I hope to see you soon.

Sincerely,

Paul A. Volcker

Mr. John W. Snyder

[REDACTED]

JOHN W. SNYDER

July 27, 1979

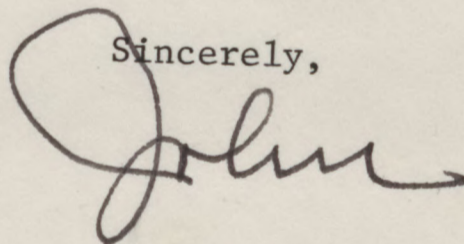
Mr. Paul A. Volcker
President
Federal Reserve Bank
New York, New York 10045

Dear Paul:

I was delighted to hear of your well received nomination as Member of the Board of Governors of the Federal Reserve Bank and as its Chairman.

Please accept my warmest wishes for an interesting, productive and satisfying experience in your tremendously important undertaking.

Sincerely,



John W. Snyder

RECEIVED

AUG 1 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

John W. Snyder

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 AUG -8 AM 10: 24

RECEIVED
OFFICE OF THE CHAIRMAN

Washington, D. C. 20008

August 7, 1979

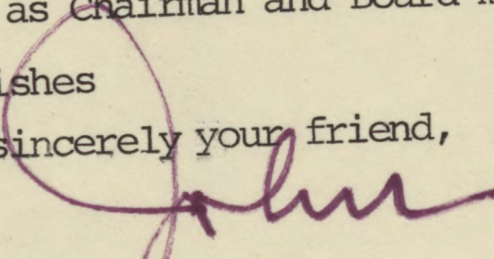
Dear Paul: ✓

It was a great privilege to be present on the occasion of your swearing-in ceremony as Chairman of the Federal Reserve Board at the White House yesterday. I greatly appreciate your including me.

I am very happy over your appointment and know that the monetary and fiscal operations of our government will be greatly stimulated and administered during your tour of office as Chairman and Board member.

With warmest good wishes

I am sincerely your friend,


John W. Snyder

August 10, 1979

Dear Mr. Solis:

I appreciate your note and best wishes. These are difficult times, but I will try my best.

Sincerely,

Paul A. Volcker

Mr. Alejandro Albert Solis
President
Banco Hispano Americano
Madrid
SPAIN

BANCO HISPANO AMERICANO
MADRID

PRESIDENT

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

ALEJANDRO ALBERT SOLIS

1979 AUG -9 AM 11:29

July 28, 1979

RECEIVED
OFFICE OF THE CHAIRMAN

Mr. Paul Volcker
Chairman of the Board
Federal Bank of Reserve
20th Street at Constitution Avenue
Washington, D.C. 20551

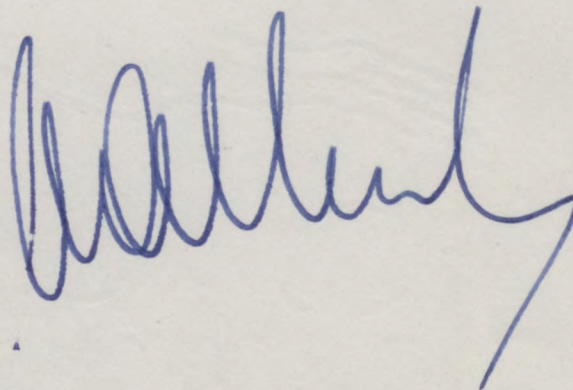
Dear Mr. Volcker,

I was delighted to read today in the international press of your elevation to the post of Chairman of the Board of the Federal Bank of Reserve of the United States - a promotion not only well deserved but also truly earned.

I need not mention that we at Banco Hispano Americano are convinced that your vast experience and renown value will provide you with many years of continued success.

Please accept my warmest congratulations and best wishes in the accomplishment of your new duties.

Sincerely yours,



*Dear Mr. Solis
I appreciate your
note & best wishes. There
are difficult times, but I
will try my best.*

August 7, 1979

Dear Peter:

I appreciate the note. For the time being,
I will keep one foot in the City, so keep it up!

Sincerely,

Paul A. Volcker

The Honorable Peter J. Solomon
Deputy Mayor
The City of New York
New York, N. Y. 10007

PAV:jrg



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N. Y. 10007

PETER J. SOLOMON
DEPUTY MAYOR

July 26, 1979

Mr. Paul A. Volcker
President
Federal Reserve Board of New York
33 Liberty Street
New York, New York 10045

Dear Paul:

Heartiest congratulations
on your appointment. You are the
perfect man for the job even though
we are sorry to lose you in the City.

With best wishes.

Yours truly,

PJS:hb

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED
ATTENDED TO

August 7, 1979

Dear Beryl:

Many thanks for the note and the good advice. Keep
in touch.

Sincerely,

Paul A. Volcker

Mr. Beryl W. Sprinkel
Executive Vice President and
Economist
Harris Bank
111 West Monroe Street
Chicago, Illinois 60690

Beryl W. Sprinkel
Executive Vice President and Economist



July 27, 1979

Dear Paul:

Congratulations on your recent nomination as Chairman of the Federal Reserve Board. In my opinion that position is the second most powerful one in the U.S. Government, and can make a major contribution towards getting our serious inflation under control.

Needless to say, I have been distressed at the massive money growth that has been encouraged in recent years and I am certainly looking for better performance during your tenure. I noted with interest your press conference comment that you would be much more interested in evaluations after you leave the job, and I fully share that view. Performance is the name of the game, and of course that is especially difficult given the political pressures that inevitably descend on the office.

If at any point there is anything that I can do to help, please let me know.

Sincerely,

Mr. Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

RECEIVED

JUL 31 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 7, 1979

Dear Elmer:

I appreciate your letter, and the subsequent ruling. I take it as a happy augury of the prospect that we can "live together." All the best,

Sincerely,

The Honorable Elmer B. Staats
Comptroller General of the
United States
Washington, D. C. 20548



COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

July 27, 1979

The Honorable Paul A. Volcker
President
Federal Reserve Bank
33 Liberty Street
New York, New York 10045

Dear Paul:

Let me join in the chorus and say how pleased I am that you will become Chairman of the Federal Reserve Board. You and Bill Miller will make a fine team. In no time since World War II has it been more important to have strong people in these two posts.

Our relationship to the Federal Reserve Board has changed since you and I last visited. I think things have gone well and there have been no particular problems on either side. We look forward to working with you.

Best wishes.

Sincerely,

Elmer B. Staats

RECEIVED

JUL 30 1979

P. A. V.

ANSWERED
ATTENDED TO



COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

July 30, 1979

The Honorable Paul A. Volcker
President
Federal Reserve Bank
33 Liberty Street
New York, New York 10045

Dear Paul:

I realize that you are not yet in business at the Fed but I thought you might wish to have this ruling which is being issued here today which takes exception to the executive branch view that the Federal Reserve Board comes under the provisions of the Civil Service Reform Act of 1978 establishing a Senior Executive Service.

Best wishes.

Sincerely,

Elmer B. Staats

*Dear Elmer,
I appreciate
your letter, and the
subsequent writing. I take
it as a happy
surprise of the project.
"that we can
live together."
all the best,
Lancey,*

Enclosure

RECEIVED

AUG 3 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

FILE: B-195418

DATE:

MATTER OF: Federal Reserve Board - Applicability of Senior Executive Service

DIGEST: Federal Reserve Act, as amended, expressly excepts the appointment and compensation of all employees of the Board of Governors, Federal Reserve System, from the provisions of the civil service laws and regulations. The Act must be given priority over a subsequently enacted statute applicable to Federal agencies generally, absent a clear indication that the Congress intended otherwise. Hence, the provisions of Civil Service Reform Act of 1978 establishing a Senior Executive Service do not apply to the employees of the Board.

By letter dated July 10, 1979, the General Counsel of the Office of Personnel Management (OPM) has requested our opinion whether the employees of the Board of Governors of the Federal Reserve System are subject to the provisions of Title IV of the Civil Service Reform Act of 1978, Public Law No. 95-454, October 13, 1978, 92 Stat. 1111, 5 U.S.C. § 3131 *et seq.*, establishing a Government-wide Senior Executive Service (SES), designed to insure the high quality of Government executives.

It is the position of OPM that the employees of the Board of Governors of the Federal Reserve System ("Federal Reserve Board") are subject to the provisions of Title IV of the Civil Service Reform Act governing the Senior Executive Service. OPM has found that the Board falls under the SES criteria contained in 5 U.S.C. § 3132(a), and thus is included under SES, unless excluded by the President pursuant to 5 U.S.C. § 3132(c). OPM points to Executive Order No. 9004, dated December 30, 1941, which placed all positions under the Board of Governors in Schedule A, Positions Excepted From Examination, which thereby excluded all Board employees from the competitive service. OPM argues that but for this Executive order, the Board's employees would have been swept into the competitive service by Executive Order No. 8743, dated April 23, 1941. Executive Order No. 8743 provided that all offices and positions in the executive civil service are covered into the classified civil service, unless excepted under Schedule A of the Civil Service Rules (and other exceptions not applicable).

B-195418

OPM believes that the provisions in section 11(1) of the Federal Reserve Act of 1913, which states that "nothing herein shall prevent the President from placing said employees in the classified service," made the Board's independent status conditional and provided the statutory authority for a subsequent change in that status. As stated in a letter of June 15, 1979, to the Board, OPM's position is as follows:

"Under the condition, the Board positions could have been brought into the competitive service well before the reach of the Ramspeck Act [54 Stat. 1211, November 26, 1940] and Executive Order No. 8743, had the President elected to do so. The terms of the Executive Order No. 8743 superseding the Board's independent authority to place Board employees in the competitive service left the President no choice but the need to exercise his Presidential authority under the Federal Reserve Act's conditional provision if he wanted to avoid the competitive service reach of Executive Order No. 8743."

OPM concludes that the placement of the Board employees in Schedule A unequivocally placed them in the civil service, and "owing to the excepted service Schedule A status of the Board's employees, their positions would qualify as SES positions under the definition in 5 U. S. C. § 3132(a)."

The Board of Governors disagrees with the conclusions reached by OPM. In concluding that its employees are not subject to the Senior Executive Services, the Board relies on section 11(1) of the Federal Reserve Act of 1913, and section 6(b) of the Banking Act of 1933, both of which are set out below.

Section 11(1) of the Federal Reserve Act of 1913, 38 Stat. 251, 262, as enacted authorized the Board:

"(1) To employ such attorneys, experts, assistants, clerks, or other employees as may be deemed necessary to conduct the business of the board. All salaries and fees shall be fixed in advance by said board and shall be paid in the same manner as the

B-195418

salaries of the members of said board. All such attorneys, experts, assistants, clerks, and other employees shall be appointed without regard to the provisions of the Act of January sixteenth, eighteen hundred and eighty-three (volume twenty-two, United States Statutes at Large, page four hundred and three), and amendments thereto, or any rule or regulation made in pursuance thereof: Provided, That nothing herein shall prevent the President from placing said employees in the classified service. " (Emphasis added.)

In 1933, Congress moved to strengthen the independence of the Federal Reserve Board. Section 6(b) of the Banking Act of 1933, 48 Stat. 162, 167, amended section 10 of the Federal Reserve Act, 12 U. S. C. § 244 to read, in pertinent part, as follows:

"* * * The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal Reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys * * *"

The Board points out that these provisions expressly empowered the Board to appoint employees without regard to the provisions of the Civil Service Act of 1883 "and amendments thereto or any rule or regulation made pursuant thereof." Further, section 6(b) states that the "employment, compensation, leave, and other expenses" of employees of the Board "shall be governed solely by the provisions" of the Federal Reserve Act, or "specific amendments thereof, and rules and regulations of the Board not inconsistent therewith." The Board's letter of March 12, 1979, to OPM states:

B-195418

"the purpose of this amendment to the Act was to reinforce the importance of the Board's independence within the government and in particular to insure that the Board is able to exercise control over its own internal management policies. H. Rep. No. 150, 73d Cong., 1st Sess. [2] (1933) * * *. Furthermore, it is the Board's view that, under generally accepted rules of statutory construction, civil service legislation enacted after the Federal Reserve Act and applying to all federal employees in general does not repeal by implication the express language of that Act, which confers on the Board the sole authority to manage its own employees * * *. It should be noted that Congress has never acted to revoke those provisions of the Federal Reserve Act that established the Board's independent status, nor has any such revocation been contained in any legislation dealing with the federal civil service in general."

We are of the opinion that the Board of Governors of the Federal Reserve System is not subject to Title IV, Senior Executive Service, of the Civil Service Reform Act for the following reasons.

The provisions of the Federal Reserve Act of 1913, as amended by the Banking Act of 1933, show a clear intent to give the Board independence in regard to its own personnel system. This intent is also reflected in the events that occurred in 1940 and 1941 following the passage of the Ramspeck Act of November 26, 1940. The understandings between the President, the Federal Reserve Board, and the Civil Service Commission during the period in which the executive orders relied upon by OPM were issued do not support the interpretation that OPM has placed on the executive orders.

Specifically, our Office was furnished three documents which support a different interpretation of the President's actions. These documents consist of a draft letter prepared by the Board for signature by the President which was forwarded to the President on December 27, 1940, by the chairman of the Board.

B-195418

The draft letter prepared for the President and addressed to the President of the Civil Service Commission reads as follows:

"The Chairman of the Board of Governors of the Federal Reserve System has conferred with me regarding the possibility of action under the Ramspeck Civil Service Act of November 26, 1940, to place the employees of his Board under the classified civil service and the Classification Act of 1923, as amended.

"I have advised him that it is not my intention to place the employees of the Board of Governors of the Federal Reserve System under the classified civil service or the Classification Act, as amended, in view of the desirability of avoiding a condition under which the employees of the Board of Governors would be placed in a different status in this regard from those of the Federal Reserve Banks and their branches, and in view also of the fact that the salaries of the Board's employees are paid from funds derived from assessments on the Federal Reserve Banks and not from appropriations by Congress."

According to a memorandum of December 30, 1940, in the Board's files the draft letter was retyped on White House stationery and signed by the President. The Commissioners replied to the President by letter dated January 3, 1941, which reads as follows:

"The Commission has received your letter of December 27, 1940, to the effect that it is not your intention to place the employees of the Board of Governors of the Federal Reserve System under the classified Civil Service Act or the Classification Act, as amended. The Commission, of course, will be guided accordingly."

Finally, a Board of Governors' memorandum, written for the files of the Board of Governors and dated March 10, 1941, summarized a conversation concluded that day between the Chairman of the Board of Governors, Mr. Eccles, and the Administrative

B-195418

Assistant to the President, Mr. McReynolds, with regard to the status of the Board under the Ramspeck Act and the proposed Executive Order [8743] of the President. Chairman Eccles is reported to have related the substance of what Mr. McReynolds said in pertinent part as follows:

"He said that he was perfectly sure that we were not included. He said that there was nothing further for us to do, nothing whatever; just to forget it."

The memorandum concluded as follows:

"Chairman Eccles said that Mr. McReynolds said that he considered that we were not under the law because we are an independent agency reporting directly to Congress and that we do not get any appropriations from Congress. Mr. McReynolds went on to say that as far as he was concerned, it would be a big mistake to put us under because we have a special status in relation to Congress and that he thought that until the whole System is changed there would be no point in putting us under. He emphasized the fact that that was his view; that it was also the view of the Commission, and that the Attorney General's office agreed."

We find the exchange of letters between the President and the Civil Service Commission, along with the contemporaneous memorandum reporting the position of the White House, to be persuasive in showing a clear intent to keep the Board entirely independent of the civil service system. We believe that these documents contradict the interpretation placed by OPM on the intent of Executive Orders 8743 and 9004. Further, we find nothing inherent in either of these Executive Orders which is inconsistent with the independence given the Board in hiring its employees and fixing their compensation under section 11(1) of the Federal Reserve Act of 1913 and by section 6(b) of the Banking Act of 1933. Further, in view of the history of these Executive Orders we can not envision the President intending that either of these Executive Orders would provide the means by which future legislation, such as that creating the SES, would result in the Board losing its independence with respect to its employees.

B-195418

There is nothing in the legislative history of the Civil Service Reform Act of 1978 indicating any intent to alter the Board's independent status in the Government or to eliminate the Board's autonomy in matters of personnel management. In enacting the Federal Reserve Act and in amending section 10 of the Act in 1933, Congress dealt specifically with the precise issue of the Board's relationship to the Federal civil service system. On the basis of an explicit finding that the Board's insulation from external influences was essential to the performance of its mandated functions, Congress provided that the Board's personnel policies and actions are to be governed solely by the provisions of the Federal Reserve Act. On the other hand, Title IV of the Civil Service Reform Act deals generally with senior management practices in the civil service at large and, consequently, Title IV cannot reasonably be viewed as repealing by implication the earlier congressional determination giving the Board exclusive authority over its own employees.

It is a basic principle of statutory construction that a statute dealing with a narrow, precise, and specific subject is not submerged by a later enacted statute covering a more generalized spectrum. "Where there is no clear intention otherwise, a specific statute will not be controlled or nullified by a general one, regardless of the priority of enactment." Morton v. Mancari, 417 U.S. 535, 550-551. The principle has also been stated as follows:

"The enactment of a general law broad enough in its scope and application to cover the field of operation of a special or local statute will generally not repeal a statute which limits its operation to a particular phase of the subject covered by the general law * * * An implied repeal of prior statutes will be restricted to statutes of the same general nature, since the legislature is presumed to have known of the existence of prior special or particular legislation, and to have contemplated only a general enactment. Therefore, where the later general statute does not present an irreconcilable conflict the prior special statute will be construed as remaining in effect as a qualification of or exception to the general law." 1A J. Sutherland, Statutes and Statutory Construction § 23.15 (4th

B-195418

ed. C. Sands 1972). See United States v. United Continental Tuna Corp., 425 U.S. 164, 168; Pasadas v. National City Bank, 296 U.S. 497, 503.

When Congress enacted the employee provisions of the Federal Reserve Act, it was focusing on the independence of the Board of Governors, specifically with regard to the hiring and compensating of its own employees. When Congress enacted the Civil Service Reform Act of 1978, its focus was on the objective of improving the quality of public service, and it enacted a general provision, creating the Senior Executive Service applicable to the broad universe of civil service employees not otherwise exempt. Thus, unless a "clear intention otherwise" can be discerned, the principle of statutory construction discussed above counsels that the specific provisions of the Federal Reserve Act are to be given effect.

We do not believe that the present situation falls into any of the categories of repeals by implication. The statutory provisions at issue here cannot be said to be in "irreconcilable conflict" in the sense that there is a positive repugnancy between them or that they cannot mutually coexist. "When two statutes are capable of co-existence, it is the duty of the courts * * * to regard each as effective." Morton v. Mancuri, supra., 417 U.S. at 551.

Here, the basic purposes of the Civil Service Reform Act can be fairly served by giving full effect to the provisions of the Federal Reserve Act. The primary purpose of the Civil Service Reform Act provisions establishing the SES "was to establish a Senior Executive Service to ensure that the executive management of the Government of the United States is responsive to the needs, policies, and goals of the Nation and otherwise of the highest quality." 5 U.S.C. § 3131. The purpose of the Banking Act of 1933 in amending the Federal Reserve Act was to leave "to the Board the determination of its own internal management policies." S. Rep. No. 77, 73d Cong., 1st Sess. 14 (1933).

By allowing the Board to continue to hire and compensate its employees outside of the civil service system, the purposes of the Federal Reserve Act will obviously be served. Yet continued application of

B-195418

12 U.S.C. 244 and 248(1) will not unduly interfere with the operation of the Civil Service Reform Act and specifically the SES. Since it is possible for the statutes to coexist in this manner, they are not so repugnant to each other as to justify a finding of an implied repeal. Further, there is nothing in the legislative history of the Civil Service Reform Act to suggest that Congress gave any consideration to a repeal of these provisions of the Federal Reserve Act. We conclude, therefore, that the specific provisions of the Federal Reserve Act must prevail over the broader, more generally applicable SES provisions of the Civil Service Reform Act.

Accordingly, although we recognize that the scope of the Senior Executive Service was intended to be very broad, we believe, in the absence of contrary legislative history, that the statutory independence of the Federal Reserve System mandates the conclusion that the employees of the Board of Governors are not covered by the Senior Executive Service.

Comptroller General
of the United States

August 6, 1979

Dear Pastor:

The one real blessing of this appointment is hearing from so many friends from the past and most particularly those who, whether they knew it or not, influenced my "growing up."

Mother is a bit excited, especially when the local press wants interviews!

Forget about the cheering, but at this point I'll sit still for a prayer or two.

All the best,

Sincerely,

STAUDERMAN
Pastor Albert P. ~~A~~tauderman

[REDACTED]
[REDACTED]
[REDACTED]

RECEIVED

Albert P. Stauderman

AUG 1 1979

P. A. V.

July 26, 1979

ANSWERED.....

ATTENDED TO.....

Dear Paul:

Congratulations! I rejoice with all your friends on your appointment to one of the most responsible jobs in our land, but even more touching were the many tributes that came from leaders both here and abroad. For a man to have such respect and admiration from his colleagues says a great deal about his character and competence.

Naturally, all of us who had something to do with you during your formative years preen a little when we hear such good things about you, whether we deserve any credit or not.

Surely your mother must be proud! And your dad would have puffed on his pipe and said, "Well, I expected it!"

God's blessings be with you as you tackle your tough job. We need your kind of leadership today! And believe me, we're all with you, cheering some and praying some.

With kind regards,

Pastor

Albert P. Stauderman

August 23, 1979

Dear Mr. Steigmann:

I appreciate your note and will pursue the
heresies.

Sincerely,

Paul A. Volcker

Mr. A. J. Steigmann
Ford Motor Company
The American Road
Dearborn, Michigan 48121



Economics Department

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

August 17, 1979

1979 AUG 20 AM 10:37

Mr. Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

RECEIVED
OFFICE OF THE CHAIRMAN

peruse

Dear Sir:

Congratulations on your
new appointment.

You should be warned, sir,
that my heresies have spread to the
Fed.

A. J. Steigmann

A. J. Steigmann

Enclosures

*I see Mr. Steigmann
I appreciate your
note & will ~~peruse~~ *peruse*
hurry. (initials)*

August 17, 1979

Economics Department

1979 AUG 20 PM 10:37

A. J. Steigmann - 1126

Mr. Paul A.
Chairman
Board of Governors
Federal Reserve
Washington



Ford Motor Company
The American Road
Dearborn, Michigan 48121

Dear Sir

new appointment
You should
that my heresies have
Fed.

A. J. Steigmann

Enclosures

Removal Notice



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Document type: journal article

**Pages
Removed:** 188-192

Author(s): A. J. Steigmann

Title: A Reformation of the Keynesian System

Date: May 1965

Journal: The Canadian Journal of Economics and Political Science / Revue canadienne d'Economie et de Science politique

Volume: Vol. 31, No. 2

URL:

Federal Reserve Bank of St. Louis

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Citations: Floyd, John E. and J. Allan Hynes. "The Structure of Production, The Composition of Final Demand, and the Determination of the Price Level and Employment." *Journal of Money, Credit, and Banking*, Vol. X, No. 2, May 1978.

August 7, 1979

Dear Herb:

Now-retired professors have the responsibility
for advice, public or private. Keep in touch.

Our best to both of you.

Sincerely,

Paul A. Volcker

Mr. Herbert Stein
Senior Fellow
American Enterprise Institute
for Public Policy Research
1150 Seventeenth Street, N.W.
Washington, D. C. 20036



American Enterprise Institute for Public Policy Research
1150 Seventeenth Street, N.W., Washington, D.C. 20036

(202) 862-5800

July 31, 1979

Honorable Paul A. Volcher
Chairman-Designate
Board of Governors of the
Federal Reserve System
Washington, DC

Dear Paul:

Some of my friends think that a Volcher Rally is an auto race for small German cars. However, I have assured them that all of us old professors who have been waiting for the Dow to reach 1200 and the CPI to settle at 200 so we can retire now have our last best hope.

Mildred and I congratulate you and the country on your appointment and wish you all success.

Sincerely,

Herb Stein

Herbert Stein
Senior Fellow

*Dear Herb -
Non-utered
professors have the
responsibility for advice,
public or private. Keep
in touch.
Our best to both of you.*

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

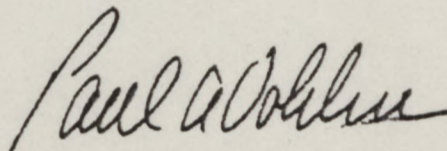
AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

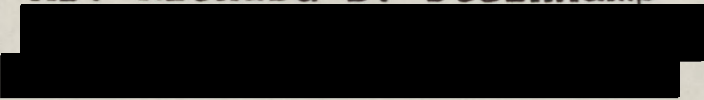
Dear Mr. Steinkamp:

I appreciate your letter and
congratulations--but it is far too soon
for me to be thinking of a house.

Sincerely,



Paul A. Volcker

Mr. Richard B. Steinkamp


RICHARD B. STEINKAMP

[REDACTED]

July 29, 1979

Honorable Paul Volcker,
Chairman-designate
Office of the Chairman
Board of Governors of the Federal
Reserve System
Washington, D.C. 20551

Dear Mr. Volcker:

Congratulations on your appointment to be
Chairman of the FED.

In your search for a Washington residence you
may wish to consider renting our lovely home,
located on one of capitol hill's finest blocks.
+ have enclosed a description of it for your
convenience.

We will be pleased to show it to you anytime
during August 2-5. We will be out of town before
and after these dates. Please call us
at 547-5816 if you would like to see it.

Perhaps its only disadvantage is that you may
find our home too close to the Congress!!! Best
wishes for a successful tenure.

Sincerely,

Richard B. Steinkamp.

*Dear Mr. —
Appreciate
your letter & congratulations
but it is far too soon for me
to be thinking of a house.*

FOR RENT

CAPITOL HILL

[REDACTED]
(above Lincoln Park)

Live in restored elegance of this 1890 brick three-story Victorian mansion. Perfect for VIP, family ~~and~~ entertaining.

Four spacious bedrooms + den. 2 baths. Fireplaces in living and dining room. Pantry with wet bar leads into gourmet eat-in kitchen which overlooks secluded and shaded brick patio and yard. Garage with automatic door. Central air-conditioning and separate gas-fired radiator heat. Many extras: original wood paneling and detail, skylight above unusual u-shaped staircase, ceiling fans, laundry.

Available immediately after Labor Day.
\$900 plus utilities,

August 3, 1979

Dear Fritz:

It was nice of you to write. I can't live up to all those notices, but I think I can interpret the real meaning of all those measures of support. I can only try my best.

Sincerely,

Paul A. Volcker

Mr. Fritz Stern
[REDACTED]

FRITZ STERN

July 25, 1979

Mr. Paul A. Volcker
The Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10004

Dear Paul,

That's the best Presidential appointment in many, many years. I am absolutely delighted. How fortunate for the nation and the world -- even as at times it might be hard for you.

So, warmest congratulations and all good wishes,

RECEIVED Yours sincerely,

Fritz

AUG 1 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

August 8, 1979

Dear Gary:

I appreciate the note--and you are
right about the challenges.

Sincerely,

A handwritten signature in cursive script that reads "Paul".

Paul A. Volcker

Mr. Gary H. Stern
A. Gary Shilling & Company, Inc.
111 Broadway
New York, New York 10006

E C O N O M I C C O N S U L T A N T S

A. Gary Shilling & Company, Inc.

111 BROADWAY, NEW YORK, NY 10006, 212 349-6000

August 1, 1979

Mr. Paul A. Volcker
President
FEDERAL RESERVE BANK OF NEW YORK
33 Liberty Street
New York, NY 10045

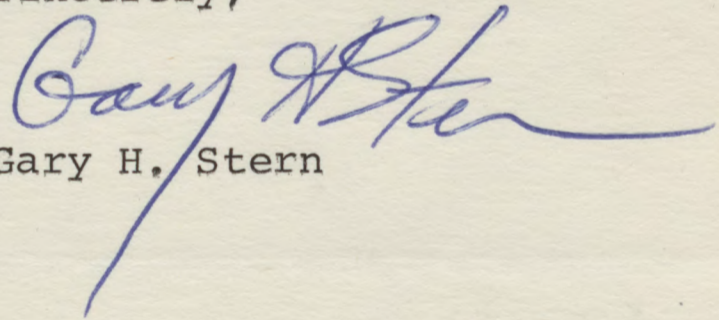
Dear Paul,

Congratulations on your appointment as Chairman.

I trust that the very favorable reaction of the
currency markets will prove accurate. And at the
least, I'm sure there will be plenty of challenges
for you in Washington.

Best personal regards.

Sincerely,



Gary H. Stern

GHS:jg

RECEIVED

AUG 3 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

August 3, 1979

Dear Ralph:

I appreciate the note and the support. I shall
try!

Sincerely,

Paul A. Volcker

Mr. Ralph S. Stillman
[REDACTED]
[REDACTED]

RALPH S. STILLMAN

Dear Hult -
I appreciate the
note & the support
I shall try
hardly

Dear Paul:

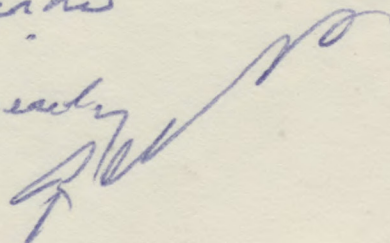
This note is to congratulate you on
your new appointment to the Chairmanship
of the Federal Reserve Board. This
is a great honor and the President also
must be congratulated on your selection.

I know the Washington scene is
not new to you. You have a really
great opportunity to do a tremendous job
especially in view of the high esteem
in which you are held by the bank-
ing fraternity and whose complete
support you surely have.

Please accept my very best wishes
for a long and successful tenure in the
high post.

Best regards

Sincerely



July 31st 79

August 20, 1979

Dear Don:

I appreciate so much your letter--and I can only wish you success in getting Mike to spend some time up there.

But I recognize I still owe you a report. When do I do it? Maybe for relaxation after this job gets me down!

All the best,

Sincerely,

Paul A. Volcker

Mr. Donald E. Stokes
Dean
Princeton University
Princeton, New Jersey 08540

Princeton University

WOODROW WILSON SCHOOL
OF PUBLIC AND INTERNATIONAL AFFAIRS
OFFICE OF THE DEAN
PRINCETON, NEW JERSEY 08540
(609) 452-4800

July 30, 1979

Personal

Mr. Paul A. Volcker
President
Federal Reserve Bank of New York
33 Liberty Street,
New York, N. Y. 10005

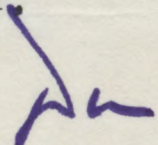
Dear Paul:

Let me add my own congratulations to the many others you will have had on the news of your appointment to the chairmanship of the Federal Reserve Board. All of your friends in Princeton are perfectly delighted by a splendid piece of news.

You had been very much in my thoughts for several days. Not just because the press had for once correctly divined who was on the President's mind. But also because I had written Mike Blumenthal to say that he ought certainly to take the Volcker Senior Fellowship for Treasury Officials for a term or year of writing and teaching as he made up his mind what he would do after that. You are very warmly remembered, sir.

With congratulations for the country and warm good wishes for you in the months ahead,

As ever,


Donald E. Stokes
Dean

*Dear Don -
I appreciate so
much your letter - and
I can only wish you success
in getting things done - and
maybe for relaxation after this job
acts me down. All the best,*

August 7, 1979

Dear Tom:

I appreciate the note, and even more, your intelligence and advice.

Regards,

Sincerely,

Paul A. Volcker

Mr. Tom Storrs

[REDACTED]

TOM STORRS

Dear Paul,

We are to be congratulated on
your decision to accept the job.

I am grateful to you.

It goes without saying that
I will be ready whenever you

August 16, 1979

Dear John:

The bunus of this is hearing from old
friends and associates.

Many thanks for writing.

Sincerely,

Paul A. Volcker

Mr. Joachim Stresemann

[REDACTED]
[REDACTED]

PAV:tb

Joachim Stresemann

[Redacted]
[Redacted]
[Redacted]

July 30, 1979

Mr. Paul Volcker
Chairman
Federal Reserve Board
Washington, D. C.

Dear Paul,

Between Florence and Siena I learned the great news of your appointment which was the best news to come out of Washington in some time. Everyone who - in the U.S. and around the world - appreciates the essentiality of an independent Federal Reserve System for a sound Dollar must be equally happy with your choice and acceptance.

Permit me, among so many others, to express my congratulations and good wishes.

With kind regards,

Sincerely

RECEIVED

John Stresemann

(formerly Chase Banker!)

AUG 14 1979

F. A. V.

ANSWERED

ATTENDED TO

Dear John -
The Board of their interest
in old friends + associates.
Many thanks for writing.

September 7, 1979

Dear Mr. Strauss:

Many thanks for your note and good wishes. I do hope we can meet when I get to Dallas.

Sincerely,

Paul A. Volcker

Mr. Theodore H. Strauss
Chairman of the Board
First City Bank of Dallas
One Main Place
Dallas, Texas 75250

PAV:ccm



FIRST CITY BANK
OF DALLAS

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1979 SEP 4 AM 11:25

RECEIVED
OFFICE OF THE CHAIRMAN

THEODORE H. STRAUSS
Chairman of the Board
(214) 655-8234

August 30, 1979

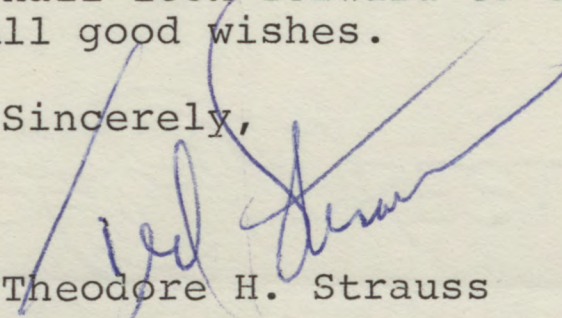
Mr. Paul A. Volcker
Chairman
Federal Reserve Board
20th and Constitution Avenue, N.W.
Washington, D. C. 20551

Dear Chairman Volcker:

Congratulations on your new assignment which has reflected such a positive response throughout the nation and the world.

I hope that the future will provide an opportunity for us to meet, and I shall look forward to that with great pleasure. All good wishes.

Sincerely,


Theodore H. Strauss

THS/cm

*Dear Mr. Strauss
Many thanks for
your note + good wishes.
I do hope we can meet
when I get to Dallas.
Sincerely,
Paul*

August 16, 1979

Dear Allen:

Many thanks for the note. We can only try!

Sincerely,

Paul A. Volcker

Mr. Allen P. Stults
Chairman of the Executive Committee
American National Bank and
Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

PAV:ccm

American National Bank & Trust Company of Chicago

33 North LaSalle Street, Chicago 60690

ALLEN P. STULTS
CHAIRMAN OF THE EXECUTIVE COMMITTEE

August 8, 1979

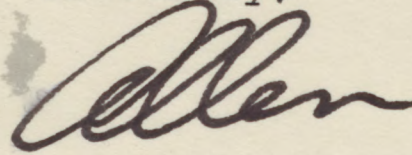
Honorable Paul A. Volcker
Chairman
Federal Reserve System
Washington, D. C. 20551

Dear Paul:

What an extremely beneficial
turn of events.

It's great for the country,
and I couldn't be more pleased.

Sincerely,



*Dear Allen
They thank for
the vote. We can only
try!*

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1979 AUG 13 PM 12:16
RECEIVED
OFFICE OF THE CHAIRMAN

August 16, 1979

Mr. Daniel Sugarman
Ms. Annette Cohen
& Collingwood Hotel
45 West 35th Street
New York, New York 10001

Dear Mr. Sugarman and Ms. Cohen:

I appreciate your letter, many thanks.

Sincerely,

Paul A. Volcker

July 30, 1979

Paul Volcker
Federal Reserve Board
Washington, D.C.

Dear Sir:

My good friend joins with me in this letter
wishing you the very best of luck in your
new position.

Respectfully yours,

Daniel Sugarman
Daniel Sugarman
c/o Collingwood Hotel
45 West 35th Street
New York, New York 10001

Bonette Cohen

*I appreciate your
letter, very much*

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 791-6173

PAUL A. VOLCKER
PRESIDENT

August 1, 1979

Dear Mike:

Thanks for your telegram of
congratulations and your offer of assistance.

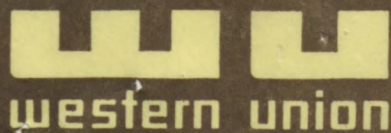
I appreciated hearing from you.

Sincerely,

Paul

Paul A. Volcker

Mr. Michael Sumichrast
Staff Vice President/Chief
Economist
National Association of
Home Builders
Washington, D.C.



Telegram

YSC049(1306)(1-012338A206)PD 07/25/79 1305

ICS IPMNQNC NYK

318

ICS IPMYS31

/1-013471C206 07/25/79

TLX NAHB WSH

01 WASHINGTON DC 7/25/79

PMS

MR PAUL VOLKER

PRESIDENT

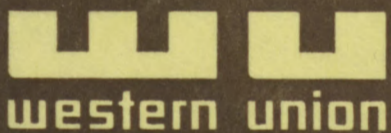
FEDERAL RESERVE BANK (TWX7105815500 BIZY)

33 LIBERTY STREET

NY NY 10045

881807-8

SF-1201 (R5-69)



Telegram

SINCERE CONGRATULATIONS ON YOUR NEW APPOINTMENT. I LOOK FORWARD TO WELCOMING YOU BACK TO WASHINGTON. PLEASE CALL ON ME IF I CAN ASSIST YOU IN ANY WAY.

VERY BEST WISHES.

MICHAEL SUMICHRAST

STAFF VICE PRESIDENT/CHIEF ECONOMIST

NATIONAL ASSOCIATION OF HOME BUILDERS

TELEX 89260WASH DC

NNNN

RECEIVED

JUL 25 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....

881807-8

SF-1201 (R5-69)

August 14, 1979

Dear Alexander:

Many thanks for your note and good wishes. I don't have many illusions about the job or, more precisely, about the problems. So don't keep your good analyses hidden waiting for me to get to Geneva.

Someday--but meanwhile, my best to you both.

Sincerely,

Paul A. Volcker

Mr. Alexander Swoboda
International Center for Monetary
and Banking Studies
Geneva
SWITZERLAND

centre international
d'études
monétaires et bancaires

international center
for monetary
and banking studies

Dr. Paul Volcker
President
Federal Reserve Bank of New York
33, Liberty Street
New York, N.Y. 10045

U.S.A.

Geneva, August 1, 1979

Dear Dr. Volcker:

Just a few lines to offer my heartfelt congratulations on your nomination to the Chairmanship of the Board of Governors. This is obviously not an easy time in which to take on that responsibility but monetary policy in the United States could not have been entrusted to better hands.

Manigé joins me in expressing our very best wishes - and the hope that your new duties will, some day, leave you enough time to visit us again in Geneva.

With best personal regards.

Yours sincerely,

Alexander

Alexander Swoboda

*Dear Alexander,
Many thanks for your
note + good wishes. I don't
have many illusions about the
job / or more precisely, about the
problems. So don't keep your good
analysis hidden waiting for me
to get to Geneva. - but meanwhile
my best to your work.*

RECEIVED

AUG 8 1979

P. A. V.

ANSWERED.....
ATTENDED TO.....