Correspondence:
General

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Federal Reserve Bank of St. Louis

THE SECRETARY OF THE TREASURY
WASHINGTON

August 31, 1987

Dear Paul:

It is my pleasure to invite you to the annual luncheon of the U. S. Savings Bonds Volunteer Committee scheduled for October 22, 1987 in the historic Cash Room at the Department of Treasury.

We will honor the 1987 Committee and its National Chairman, John Creedon, for their leadership of this year's bond campaign. We will also install next year's Committee, which will be led by John F. McGillicuddy, Chairman and CEO, Manufacturers Hanover Corporation.

If you can attend, you should plan to arrive by 11:30 A.M. and use the Pennsylvania Avenue entrance. The luncheon will be preceded by a reception. If the President's schedule permits, we will visit with him at the White House after the luncheon. We should be finished by 2:00 P.M.

Please let me know if you will be able to attend. You may telephone Mary Ann Brooking of the Savings Bonds Staff at (202) 634-5040.

Sincerely,

James A. Baker, III

The Honorable Paul A. Volcker
c/o Federal Reserve Board
20th and Constitution Avenue, N.W.
Washington, DC 20551

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Federal Reserve Bank of St. Louis

GEOFFREY BELL AND COMPANY, INC.
780 THIRD AVE NEW YORK, N.Y. 10017
TELEPHONE (212) 888-3700 TELEX: 239203

August 19, 1987

The Hon. Paul Volcker
Federal Reserve Board
Washington, D.C. 20551

Dear Paul,

Further to our conversation of this morning, if you could use a Midtown New York office I would love to offer you one here! We have a very nice conference room - a office which is not used and there is plenty of space to host a secretary. Also, we have three secretaries already in the office and they all would be flattered to help you in any way possible.

Naturally, I am sure that you will have lots of offers of fancy space but you would be most welcomed to join us for as long as it would suit you. Please give me a call when you are back in New York.

Best wishes,

Sincerely,

Geoffrey Bell

GB/ls

Bell

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 JUL 27 AM 9:33
RECEIVED
OFFICE OF THE CHAIRMAN

INSTITUTE FOR INTERNATIONAL ECONOMICS

11 Dupont Circle, NW, Washington, DC 20036
(202) 328-9000 Telex: 248329 CEIP

C. Fred Bergsten, *Director*

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July 24, 1987

The Honorable
Paul A. Volcker
Chairman, Board of Governors
of the Federal Reserve System
20th & C Streets, NW
Washington, DC 20551

Dear Mr. Chairman:

The focus on American trade policy will probably become even more intense in the fall, as the trade legislation approaches final decisions and the negotiations in the Uruguay Round intensify. The Institute will be holding a one-day conference on a number of the central issues in this debate on Monday, September 14 and I hope that you will be able to attend. An almost-complete agenda is enclosed.

yes — no X

BERGSTEN

High-level officials from the Administration, Congress and abroad will address the conference: Secretary of Commerce Malcolm Baldrige will speak at dinner, former German Economics Minister Count Otto Lambsdorff will talk at lunch, USTR General Counsel Alan Holmer and Under Secretary of Agriculture Daniel Amstutz will participate in the panels, and I am hopeful that Senator Bentsen and one or two others will join us during the day. Senior staff from both the Administration and Congressional committees will be participating throughout the day.

The conference itself will have four sessions, each focused on a major aspect of the issue: the overall outlook for US trade policy (particularly the pending legislation), proposed changes in the US approach to import controls, agriculture, and textiles and apparel. Each component will be introduced by a presentation based on (but going beyond) a new study which the Institute will be releasing on that date, copies of which will be provided to all participants:

requested 8/11/87 cm

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- o The Politics of Antiprotection by I. M. Destler and John Odell;
- o Auction Quotas and US Trade Policy by C. Fred Bergsten, Kimberly Ann Elliott, Jeffrey J. Schott and Wendy Takacs;
- o Agriculture and the GATT: Issues in a New Trade Round by Dale Hathaway; and
- o The Future of World Trade in Textiles and Apparel by William R. Cline.

After each presentation, the discussion will be launched with brief comments by two experts on the respective topics. Per the enclosed agenda, we will then have about an hour for general discussion of each.

Coffee and rolls will be served at 8:30 am, and the conference will begin at 9:00 am sharp on the eighth floor here at 11 Dupont Circle. We will continue through the working lunch and the two afternoon sessions until about 5:30 pm, when we will break for refreshments before resuming at 6:30 pm with Secretary Baldrige. Please RSVP via the enclosed card, indicating whether you will be able to attend for the entire day or only for the lunch or dinner sessions, or call Capathia Adams at 202-328-9000.

As you well know, the debate on trade policy is likely to continue at a very intense level in the fall. We hope that our session on September 14 will help set the tone for that discussion, and hope that you will be able to contribute to its doing so. I look forward to seeing you at that time.

Sincerely,

Fred

C. Fred Bergsten
Director

Enclosure

Even though you are not on the Board yet, I want to let you know what we are doing - and hope you might even want to come! It was good to talk last week.

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THE OUTLOOK FOR AMERICAN TRADE POLICY

A Conference Hosted
by the
INSTITUTE FOR INTERNATIONAL ECONOMICS

Eighth Floor
11 Dupont Circle
Washington

September 14, 1987

8:30 am Coffee and Rolls

9:00 am Welcome and Introduction

C. Fred Bergsten
Director, Institute for International Economics

9:15 am THE TRADE POLICY OF THE UNITED STATES: AN OVERVIEW

Presentation: I. M. Destler
Senior Fellow, Institute for International Economics
Professor at the School of Public Affairs, University of Maryland

Discussants: Charles Levy
Meyer, Brown and Platt

Alan Wm. Wolff
Dewey, Ballantine, Bushby, Palmer & Wood

Background Study: The Politics of Antiprotection
I. M. Destler and John Odell

10:45 am IMPORT CONTROLS: PROPOSALS FOR REFORM

Presentation: C. Fred Bergsten

Discussants: Alan Holmer
General Counsel, Office of the United States Trade Representative

Janet Nuzum
Subcommittee on Trade, Committee on Ways and Means, US House of Representatives

Background Study: Auction Quotas and United States Trade Policy
C. Fred Bergsten, Kimberly Ann Elliott, Jeffrey J. Schott and Wendy Takacs

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12:00 noon Lunch

THE VIEW FROM EUROPE

Count Otto Lambsdorff
Former Minister of Economic Affairs, Federal Republic of Germany

2:30 pm AGRICULTURAL TRADE POLICY

Presentation: Dale Hathaway
Vice President, Consultants International
Visiting Fellow, Institute for International Economics
Former Under Secretary for International Affairs and Commodity Programs, Department of Agriculture

Discussants: The Honorable Daniel G. Amstutz
Under Secretary for International Affairs and Commodity Programs, Department of Agriculture

Sir Roy Denman
Representative of the European Commission to the United States

Background Study: Agriculture and the GATT: Issues in a New Trade Round
Dale Hathaway

4:00 pm TEXTILES AND APPAREL

Presentation: William R. Cline
Senior Fellow, Institute for International Economics

Discussants: Felipe Jaramillo (invited)
Ambassador of Colombia to the GATT
Chairman, International Textile Negotiation Bureau

Jack Sheinkman
President, Amalgamated Clothing and Textile Workers Union

Background Study: The Future of World Trade in Textiles and Apparel
William R. Cline

5:30 pm Break and Refreshments

6:30 pm THE VIEW FROM THE ADMINISTRATION

The Honorable Malcolm Baldrige
Secretary of Commerce

8:00 pm Dinner and Closing Discussion

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Federal Reserve Bank of St. Louis

August 20, 1987

Mr. Robert P. Black
President
Federal Reserve Bank
of Richmond
701 East Byrd Street
P.O. Box 27622
Richmond, Virginia 23261

Dear Bob:

I have the note on Bob Tate -- and he will go on the list for consideration. But I have to say that now we have many more suggestions than we can possibly take.

Thanks again for all that support and generous words. Keep the ship of state sailing.

All the best,

Paul A. Volcker

PAV:gv

BLACK

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Federal Reserve Bank of St. Louis

FEDERAL RESERVE BANK OF RICHMOND

ROBERT P. BLACK
PRESIDENT

August 17, 1987

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

Dear Paul:

Bob Tate, a former chairman of the Board of Directors of our Baltimore Office, is quite interested in being named to the National Commission on the Public Service, so I am sending you his biographical sketch with the hope that he might be considered. He is quite a capable man and has an extremely high level of interest in such issues, and I think he would make an outstanding member of the Commission. Accordingly, I would be quite grateful if you could review his resume and share it with any others who will have an input in the selection of the members of the Commission.

Again, let me tell you how much all of those of us remaining behind in the System are going to miss you. I cannot conceive of how you could have done a more effective job, and I shall always consider it an honor to have been a member of the System team while you were chairman. In my judgment, your eight years as chairman represent the System's "finest hour."

Sincerely yours,

Bob

Enclosure

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New York University
A private university in the public service

Graduate School of Business Administration

100 Trinity Place
New York, N.Y. 10006
Telephone: (212) 285-6000

August 18, 1987

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

Dear Paul:

I wanted to wait until all the parties and dinners and other festivities were over to write my thanks to you for what you did for all of us. I don't think that any of your predecessors could have done any better in the tough environment of 1979-87 in beating inflation and in restoring confidence. So, once again, thanks.

Cordially,

Ernie

Ernest Bloch
Professor of Finance

EB/sr

P.S. All the best to Jimmy.

BLOCH

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Federal Reserve Bank of St. Louis

September 3, 1987

Mr. Richard M. Block
President
Edgewood Industries, Inc.
3 Forest Lane
Scarsdale, New York 10583

Dear Mr. Block:

I have your letter of July 27, but at this point do not contemplate the need for any services of the kind you describe.

I do appreciate your comments.

Sincerely,

Paul A. Volcker

PAV:gv

BLOCK

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Federal Reserve Bank of St. Louis

EDGEWOOD INDUSTRIES, INC.
3 Forest Lane, Scarsdale, New York 10583 • (914) 472-4655
Telex: 646364 BLUME SCDL

July 27, 1987

PERSONAL & CONFIDENTIAL

Chairman Paul Volcker
Board of Governors
Federal Reserve System
Washington, DC 20551

Dear Mr. Volcker:

I would like to offer my services in helping you to select the most suitable position for a man with your extraordinary talents. I understand that you plan to work part-time as chairman of the National Commission on Public Service. In addition, you will undoubtedly have many speaking engagements and will probably spend a part of your time writing. I would like to help you fill the balance of your schedule by negotiating on your behalf with the types of firms and organizations that might appeal to you.

It is often easier to have an intermediary search out executive positions rather than to make the approach on one's own. In that way, it might save embarrassment on the part of both parties if the offer and the requirements were far apart. It also will enable them to work together in the future in a non-employer/employee relationship. Naturally, all expenses that I would incur on your behalf would come from fees paid by the client that hires you assuming that I am successful in my search.

I bring to the table many talents. In addition to being a member of Mensa, I have twenty-five years of diversified business experience including a great deal of negotiating experience with top level executives. I have been described as incisive, decisive, articulate, tactful, very intelligent, industrious and aggressive. I also have a commanding presence although I am only six feet three and a half inches tall. My company, which is rated 3A1 with Dun & Bradstreet, does quite a bit of personnel placement in addition to providing other financial services.

I would handle this assignment personally and would devote whatever time and energy is necessary to find the proper position for a man who has done so much for his country. It would be a great honor to meet with you either in New York City or in Washington, DC to discuss the possibility of my representing you. I look forward to hearing from you.

Very truly yours,

Richard M. Block

Richard M. Block
President

RMB:cl

Dear Mr Block
I have your letter of July 27, but at this point do not contemplate the need for any services of the kind you describe. I do appreciate your comments.
Best,

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The Brookings Institution

1775 MASSACHUSETTS AVENUE N.W. / WASHINGTON D.C. 20036 / CABLES: BROOKINST / TELEPHONE: (202) 797-6000

Economic Studies Program

September 3, 1987

Mr. Paul A. Volcker
Federal Reserve Board
Room B-2406
Washington, D.C. 20551

Dear Paul:

I hope you will be able to join us for the meeting of the Brookings Panel on Economic Activity on September 10 and 11. An agenda is enclosed. You should feel free to come and go as your own schedule permits.

The only thing we need to know in advance is whether you can join us for cocktails and dinner on Thursday, September 10.

Sincerely,

George L. Perry
Senior Fellow

Enclosure

RSVP: Florence Montas
797-6283

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Columbia University in the City of New York | *New York, N.Y. 10027*

GRADUATE SCHOOL OF BUSINESS
Office of the Dean

Uris Hall

August 12, 1987

Mr. Paul Volcker
151 East 79 Street
New York, NY 10021

Dear Paul:

As I peruse the most recent issue of Hermes, I discover that you had indicated plans for a summer reading of "Shogun." I mentioned this cheerfully to our leading Japan scholar, Hugh Patrick, who approved of your studying Japanese history in this fashion, but felt that I should warn you of Mr. Clavell's inaccuracies. He and his wife, Barbara, (a Japanese scholar in her own right) provided me with a copy of a summary prepared to update those who read or saw the television show of Shogun. I thought you might be interested and I send it along herewith.

I was pleased to hear that you would consider making an appearance at the American Assembly on competitiveness if your next assignment did not interfere. We are happy to wait until September to see whether you can fit in this appearance. I do want to assure you that as Arthur Burns Professor of Competitive Business Enterprise, this type of assignment would be exactly the thing which we would hope you would do from time to time.

While I have nothing new to offer other than enthusiasm, I do want you to know that I continue to feel very strongly that Columbia Business School would be an excellent home and base of operations for you and I remain happy to talk with you further, if it would be a help to your decision-making process.

I will be in New Hampshire for the two weeks before Labor Day and my phone there is [redacted].

Warm personal regards to you and Barbara.

Cordially,

Sandy

John C. Burton
Dean

JCB/if

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STATE OF OHIO
OFFICE OF THE GOVERNOR
COLUMBUS, OHIO 43215

RICHARD F. CELESTE
GOVERNOR

Sept 21

#27

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 JUL 24 AM 9:16
RECEIVED
OFFICE OF THE CHAIRMAN

July 22, 1987

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

Dear Mr. Volcker:

I have the honor of hosting this fall the 19th Annual Joint Conference of the Midwest U.S.-Japan Association and the Japan-U.S. Midwest Association here in Columbus. The theme of this year's Conference is "Timely New Opportunities for Trade and Investment Relationships," and, in addition to our guests from among Japan's highest ranking business representatives, we expect to draw together over two hundred participants from both business and government in the Midwest region for two days of discussion on mutual opportunities in trade, investment, and technology.

I am writing to request your presence as the Conference Keynote Speaker at a luncheon on September 21. It is difficult to imagine a more distinguished or appropriate speaker for this event, and I hope you will agree that this gathering would be an excellent opportunity for you to address a key U.S.-Japan audience on the current trends in the economy.

Your role in the Ohio thrift crisis in 1985 was crucial and enormously constructive. Since I know first hand how effective you can be and how much the Conference participants would benefit from your expertise, I especially look forward to welcoming you to the Conference.

With best regards,

Dick Celeste

Richard F. Celeste
GOVERNOR

Celeste

Celeste 9/19

RFC/ecl

[redacted]

telephoned regrets RFC 5/16/87

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Cosby Bureau International, Inc.
2162 Wisconsin Avenue, N.W.
Washington, D.C. 20007
(202) 833-2344

August 19, 1987

Chairman Paul Volcker
Federal Reserve System
20th & Constitution Avenue, NW
Washington, DC 20551

Dear Mr. Volcker:

I very much appreciated the opportunity to meet with you last week and this letter would have gotten to you a bit sooner had I not been on a short sailing trip.

Very rarely does anyone have the opportunity to "call the shots". In your case, that is just the situation.

Judging from our conversation, I suspect you would rather do less dates than more, which means that we should be able to get the maximum dollar per engagement ($25-30,000) for those engagements you wish to accept and charge a standard fee.

I recommend that you use a format allowing for 10-15 minutes of provocative statements and overview followed by 20-25 minutes of Q&A. This will minimize the amount of total preparation you need to make and yet keep the entire presentation rather spontaneous and lively.

As I look at the list of organizations with a firm (written) commitment to having you on their program - over 60% are the corporate-type audiences of 100 or less in attendance.

Please feel free to call me at home [redacted]

Very truly,

JEC

Joseph E. Cosby

JEC:led

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Federal Reserve Bank of St. Louis

The Riggs National Bank
of
Washington, D. C. 20074

(202) 835-5507

TIMOTHY C. COUGHLIN
PRESIDENT
AND CHIEF OPERATING OFFICER

August 24, 1987

Called to regret 9/2 HV

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

Dear Mr. Volcker:

On behalf of Mr. Allbritton, who is currently on vacation, I would like to share some thoughts with you concerning Riggs' plans for a dinner to be held in Washington, D.C. this fall.

We are tentatively scheduling an economics dinner for Thursday, October 15, a date which would be convenient to our directors who will attend Riggs' October Board meeting the previous morning. Invitees would include several hundred guests from the public and private sectors.

No

COUGHLIN

If available, we would like you to be the after dinner speaker. We would be particularly interested in your addressing the economy and outlook for interest rates in the United States in relationship to worldwide economic activity, as well as discussing any other topical subjects you might feel appropriate. We are, of course, prepared to provide for your speaking engagement fee in this regard.

At this point, we have not finalized our plans, and there could be some flexibility if the October 15 date does not fit into your schedule. In any event, we look forward to hearing from you with respect to whether our fall dinner plans might fit with yours.

With best regards.

Sincerely,

Timothy C. Coughlin

Timothy C. Coughlin

Mayor Koch dinner for PAV in NY that evening.

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Federal Reserve Bank of St. Louis

September 3, 1987

Mr. Kempton Dunn
The Ambassadors' Roundtable
5 Landmark Square
Stamford, Connecticut 06901

Dear Mr. Dunn:

I apologize for not responding to your August 12 letter sooner -- I will simply have to attribute it to transitional problems. Those same problems lead me to want to avoid commitments of the sort you suggest for the time being, however intriguing the group.

Perhaps at some other -- and considerably later -- time.

Sincerely yours,

Paul A. Volcker

PAV:gv

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Federal Reserve Bank of St. Louis

cc Mr Cogne

THE AMBASSADORS' ROUNDTABLE

August 12, 1987

The Honorable Paul A. Volcker
Chairman, Board of Governors
Federal Reserve Systems
Washington, D.C. 20551

Dear Paul:

In my extra-curricular, voluntary capacity (unrelated to my position at the Council on Foreign Relations) as a director of The Forum for World Affairs in Stamford, Connecticut and co-chairman of its Ambassadors' Roundtable, I would like to invite you to address the Roundtable this autumn. Specifically we hope that you could speak to the group at a dinner meeting on Wednesday, November 4, 11 or 18. The session, from 6:30 to 9:30 p.m. with a reception preceding the substantive session from 7:30 to 9:30 p.m., would be held at The Landmark Club in downtown Stamford. Like the meetings format at the Council, your formal remarks preferably would last approximately 20 minutes followed by a question-and-answer period for the remainder of the evening. While your remarks presumably address the role of the U.S. in the world economy as from your unique point and tenure at the Fed., naturally, the choice of a topic is entirely your prerogative.

Now celebrating its 41st year, the Forum for World Affairs has an impressive record of presenting distinguished speakers ranging from Eleanor Roosevelt and John J. McCloy to Paul Henri Spaak and Henry A. Kissinger. In recent years, Zbigniew Brzezinski, J. William Fulbright and David Rockefeller have been among those who have addressed large audiences at the Forum.

The Ambassadors' Roundtable, launched last fall, is a new and important initiative of the Forum involving leaders from the public and private sectors in Fairfield and Westchester counties who have a special intellectual interest, experience, expertise and involvement in international affairs. As you will note from the enclosed materials, the Roundtable has enlisted a distinguished group of senior executives, professionals, scholars and former government officers. Given that this region is hom to nearly 30 world headquarters of Fortune 500 multinational firms, the Roundtable's members would be particularly interested in your insights and observations concerning monetary and fiscal policy and other aspects of international trade and finance.

5 LANDMARK SQUARE, STAMFORD, CONNECTICUT 06901 • (203) 356-0340

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The Roundtable sessions, open only to selected individuals, provide an unusual opportunity for members to hear and talk with invited guests from the United States and abroad. For the 1986-87 inaugural program year, for which the program is enclosed, those who addressed the group included Larry Eagleburger, Bruce Smart and Bob Roosa. In its first year, the Roundtable generated strong interest throughout the area (as reflected, in part, by the Advisory Council roster attached) and enrolled 125 members. We would anticipate and excellent turnout at your November dinner.

We earnestly hope that your schedule, quite probably just as hectic in your "retirement", will permit you to address the Ambassadors' Roundtable. It would certainly highlight our entire season.

I look forward to hearing from you at your convenience.

Cordially,

Kempton Dunn

Enclosures

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THE AMBASSADORS' ROUNDTABLE

1986-1987 Program

Date	Speaker & Topic	Presider
Wednesday December 17 Dinner	The Honorable S. BRUCE SMART, JR. Under Secretary of Commerce and Former Chairman, The Continental Group *The U.S. Trade Deficit: Causes and Cures*	David T. Kearns Chairman Xerox Corporation
Wednesday January 21 Breakfast	J. RICHARD MUNRO Chairman Time Incorporated *The First Amendment: Domestic and Foreign Limits on Dissent*	Richard Salant Former President, CBS News & NBC News
Wednesday February 25 Breakfast	The Honorable LAWRENCE S. EAGLEBURGER President, Kissinger Associates and Former Under Secretary of State *Future Challenges to American Foreign Policy*	Robert E. Pursley Lieutenant General U.S. Air Force (Ret.)
Wednesday March 18 Breakfast	The Honorable L. PAUL BREMER, III Ambassador at Large for Counter-Terrorism and Former United States Ambassador to The Netherlands *International Terrorism*	John N. Irwin, II Counsel, Patterson, Belknap, Webb and Tyler Former U.S. Ambassador to France
Wednesday April 22 Dinner	MICHAEL E. MANDELBAUM Senior Fellow & Director, East-West Relations Council on Foreign Relations STROBE TALBOTT Washington Bureau Chief, Time Inc. and Former Diplomatic Correspondent, *Time* Magazine *Reagan and Gorbachev: Summitry and Beyond*	Stanley R. Resor Partner, Debevoise & Plimpton Former Secretary of the Army
Wednesday May 20 Breakfast	SUSAN KAUFMAN PURCELL Senior Fellow & Director, Latin American Studies Council on Foreign Relations *Latin America: Prospects for Debt, Development and Democracy*	Kenneth W. Dam Vice President IBM Corporation Former Under Secretary of State
Wednesday June 3 Breakfast	The Honorable ROBERT V. ROOSA Partner, Brown Brothers, Harriman & Company and Former Under Secretary of the Treasury *International Financial Stability*	Norwick R. G. Goodspeed Chairman, People's Bank

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Paul A. Volcker

Joint Institute talk

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Dick Pratt

~~here~~ Hear me - but can't read notes
don't ~~need~~ need notes

Titles are not just a matter of office at a particular point of time.

Welcome initiative - fine tribute to Senator Garn
fought wars in this area + construction

conflict with skying football game

Suppose a reflection of two facts ~~that~~

① Sense that finance is where the action is
a. Enormous expansion in volume of activity
b. " " " area of activity - worldwide
c. " " " rewards

Question whether that is glorious or a witches brew
Quote Churchill (as chancellor of exchequer)
~~Happier if industry kept more content~~

"I would wish to see finance less proud and industry more content"

② Along with activity + sense of flux + money goes something with which Senator Garn must be world's leading expert.

There are enormous private interests at stake that want to push public policy agenda in their direction.

All of this makes effort all the more timely + important - (initiatives elsewhere as well)
Delighted to see it.
In encouraging dialogue, taking on a big job.

But circumstances provide not only stimulus + opportunities but hazards as well - and very large hazards as well for academic effort

① Careful economic analysis usually dependent upon careful sifting of data over a period of time - time for data + time for analysis.

But when change is rapid, ground slips out from the analyses under (Competitive analysis when products, area, scale technology changing)
Mortgage mkt. Securitization. Branch banking

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except stockholders

(1) no recession
(2) "Accidents" will be contained - nobody will lose

Therefore, risk taking is more justified.

Corollary -

Cynical view Government will take care of problems;
we'll take care of profits, and don't regulate us!
Problem is That attitude contributes to
every behavior that creates problems.

Socialize the losses. Privatize the profits

Some examples Kamikazi behavior of securitization.
i) "Junk bond" historical experience against
prospective experience

Commercial real estate easing of credit terms.

(2) Consumer credit - are we turning what
has been the safest credit into weak
credit.

II I know a lot of people do feel uneasy.
A. Obvious imbalances in economy - could generate
"dislocations"
B. Doubts about financial system itself
~~weaknesses~~ strains in institutional structure.
Debt creation.
C. But Those vague concerns not relevant in
short-term planning horizon, where enormous gains
in immediate deal.

III That ~~is classic~~ raises classic ~~role~~ and
~~dilemma for public policy~~ question for public policy -
How do you protect and encourage the stability
of the whole while leaving maximum room possible
for initiative + enterprise + freedom of markets?

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(2) Ah 2 Those private interests at stake may provide financing, but those doing financing have stake in results. Garn Institute putting itself in the middle

Borden on maintaining disinterestedness - controls & skepticism

Argues for variety of viewpoints on faculty

(3) Most difficult - here I speak with all the prejudices of a central banker & not as a researcher - is that intangible factors often drive most important financial developments, and those intangibles are hard to integrate in economic ~~research~~ (and particularly econometric) research. Judgement - even intuition - becomes very important

History, it seems to me, demonstrates importance of attitudes, psychology, almost inexplicable waves of confidence or the reverse.

~~Look at 5~~

Entered banking when attitudes were conservative didn't need safety net

What a change

Plea for history & intuition & judgement

But I hope frankly institute is more than a field of combat for competing parties. We have that in the congress already.

It also leads me to a few comments on current scene

A. On surface, a great feeling of confidence & exuberance in financial markets.

Base in growth & lower interest rates. Fine

~~But seems to me Their are~~

What seems to me not so fine is feeling of some that nothing can go wrong

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(A) I suppose some would say The governments responsibility starts & ends with providing a stable economic environment.

Not good enough answer.

1. IT won't - all the time - look at imbalances now

2. Financial problems may create the instability + false promise of economic stability may help generate the financial imbalance

1907? - Look at present.

Dilemma - do we provide the reserves or not.

Inflationary danger Need other instruments.

(B) Other extreme out - but that is danger of crisis.

(C) Middle ground is in Long Tradition here + abroad.

Protect some core of banking system because of systemic implications of failure.

ADAM SMITH.

Protection + regulation.

That balance is what has been placed in jeopardy.

Legislation stuck.

Obviously controversy, precisely because so much self-interest.

Unfortunately

~~Law School~~ Can't wait.

Basic elements seem to me clear - Let's get at it.

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August 20, 1987

Mr. John M. Hennessy
[redacted]

Dear Jack:

What's this Grianan business? Back to the Gaelic roots -- in a summer palace! It ain't the potato famine.

I'm jealous as hell of everybody else catching salmon, but I appreciate reading about it?

How long are you around? We ought to have a talk before Labor Day.

All the best,

Paul A. Volcker

PAV:gv

Hennessy

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[redacted]

July 27

Dear Paul

I've just returned from some excellent fishing on Beat # 1 of Grant Town on Spey - a new area for us - with plenty of fish!

I've bought you a farewell Red Book (and hello Salmon fishing, I hope) by Arthur Oglesby who teaches + fishes in that area. I hope you enjoy it.

Best wishes

Jock 8/4

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Copy for your personal

ARTHUR C. HOLDEN, FAIA

[redacted]

[redacted]

August 18, 1987

Dr. William G. Bowen
Princeton University
Princeton, New Jersey 08544

Dear Bill:

I can detect in what Chairman Volcker says, a note of hope. He seems to feel that a chance to think at Princeton might help us to find ways for improving money so that it should have a better chance of correctly measuring many complicated industrial and social relationships of our present day.

I feel that it is time that a great nation such as ours should put its first effort into trying to bring money "up-to-date."

I leave it to you to deal with ways and means, but I know there must be Princetonians ready to help financially.

Very sincerely,

Arthur C. Holden

ACH/rec

Enclosure: Copy of Volcker letter

Holden

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August 12, 1987

Mr. Arthur C. Holden
[redacted]

Dear Arthur,

I appreciate your further letter, and I have had a chance to read the interesting essay on Nicholas Biddle -- in one sense a predecessor of mine in office.

Soon I'm going to have to decide about what to do, and I will be talking to Bill Bowen in that context.

Sincerely,

Paul A. Volcker

PAV:gv

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ARTHUR C. HOLDEN, FAIA
[redacted]

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 AUG -6 AM 9:20
RECEIVED
OFFICE OF THE CHAIRMAN

August 4, 1987

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

Dear "Mr. Chairman:"

Thanks heartily for your letter of July 27th. I wanted to answer it immediately but, unfortunately, I get into a hole when my secretary isn't available.

I have talked to a few other Princetonians, one of whom said that if your fellow Princetonians could persuade you to live for a few years in Princeton it would be a very good thing, but that the University might need additional funds to pay you for the financial sacrifice. He went so far as to say that he had some classmates that he wanted to get interested in compensating for the"financial sacrifice." I wanted you to know that right away, even thought I haven't heard further, and to know also that there are others who have taken up the idea.

I am not sure, but I think Bill Bowen takes his vacation after college closes, so I don't know what he is presently up to. I sent him a copy of the letter I sent you and I thought it might be wise if I could recover the xerox sheets of title pages and tables of contents of the eleven books that I think "every banker ought to have read."

After mailing the letter to you, I got out Sir Norman Angell's book called The Story of Money. This time I started reading intensively the chapters XI to the end, giving the sort of attention that long ago I gave to the earlier chapters and to the particular work of Alexander Delmar. Thus, I confess, that I didn't have the two closing chapters accurately in my memory.

I say this because Angell gives a wonderful summary near the end in which he emphasizes the disparity of ideas. He points out that with so many differing opinions among the experts, it at least assures us that analytical as well as synthetic thinking is needed. That brought back to me vividly the interview I had with the late James Perkins, when he assured me that he believed we were on the eve of taking one of the most

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important financial steps in the development of human history. I cannot forget Mr. Perkin's sincerity and kindness with which he told me that my thought that we needed a Capital Reserve System, which differentiated respecting the extension of long term credit from our short term system of credit extension under our existing Federal Reserve Board.

Sometime ago I sent to the Board a xerox copy of an article written by Guy Greer in Harper's Magazine called Wanted, Real Banking Reform. Greer was far ahead of me in his thinking in 1933. I accused him of delaying progress by sticking out for a long range development. He felt that all the different types of finance should be worked into a system of over-all financial coordiantion able to manage the measurement of the many differing types of activity of modern human beings.

It is time for me to stop and apologize for trying to say too much. I am, however, anxious for you to read that Biddle article of mine, as well as to get a view of why I thought the eleven books that I tried to connect through xerox reproductions were of the utmost importance. Forgive me, again, if I press you because, that evening I had a chance to observe you at the Princeton Club I felt that you were a man who, if given the time and freed of executive work, could do thinking which would be of the greatest value to the rest of the financial community. I am serious about this.

With the best of wishes and hopes,

Very sincerely,

Arthur C. Holden

ACH/rec

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ARTHUR C. HOLDEN, FAIA
[redacted]

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 AUG -3 AM 9:53
RECEIVED
OFFICE OF THE CHAIRMAN

July 30, 1987

Mr. Paul A. Volcker
Chairman Federal Reserve Board
#B 2046 20th & Constitution Ave. NW
Washington, D.C. 20551

Dear Chairman Volcker,

I carry in my memory that it was not I alone who had the "hunch" that it would be good for Princeton University, as well as perhaps you yourself, if it could be made possible that you could spend the next few years at Princeton.

It would give you an opportunity to think of what must have been a very revealing experience in the Chairmanship of the Board of Governors of the Fed. When one is unoccupied with the routine of executive responsibilities, one gets a real opportunity to think. Sometimes the change makes possible thinking that is really analytical. Too many of us are held in a groove where we have to use our best thoughts to meet the everchanging current situation. This may be a wonderful training and it may even save many a present situation.

We do not always have time, however, to look back. It is necessary for present situations to turn into the past for us to give them the analysis necessary. It takes time and re-consideration to broaden our understanding.

A few years at Princeton might give you the opportunity to do both for yourself and for the coming generation something extraordinary.

When this idea first came to me I shuddered a bit because I wanted to urge it upon my friend, Bill Bowen, and I feared to suggest anything that might tend to interfere with the freedom of action and decision of his successor, Dr. Shapiro. If, however, things could be done in the right way there is always chance for success.

With sincere regards and hopes,

Arthur C. Holden

Arthur C. Holden

ACH/j

cc Dr. William G. Bowen
President Princeton University

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Federal Reserve Bank of St. Louis

July 30, 1987

Dr. William G. Bowen, President
Princeton University
Princeton, NJ 08544

Dear Bill:

Several years ago I can remember writing a letter to the Hon. Ron Paul who was then a member of the Banking and Currency Committee of the House of Representatives. I had been told by a friend of mine that he was the brainiest member of the committee. I attempted, therefore, to strike up a correspondence with him.

I remember that I sent him a letter saying that there were eleven books that I considered most essential for the understanding of money. I bound up, at that time, xerox copies of the title pages and table of contents of these particular eleven books and sent one bound copy to you. I don't think you ever mentioned it, but I had hoped you had put them in the Princeton Library. I heard nothing further about it. If you still have it and it is of no further use, I would be glad to have you return it.

The first book mentioned in it was by the late Sir Norman Angell which he called The Story of Money". It was through Angell's book that I first learned of the very significant work by Alexander DelMar. Later I had the pleasure of spending an evening with Sir Norman Angell. I remember telling him that most people thought that his "The Great Illusion" was a great book and his best. I told him I thought however, that his "Story of Money" was the best. He replied that he had felt that the "Story of Money" was perhaps his worst, meaning, I think, that it had never sold well.

Years ago I studied the first part of Angell's book very thoroughly. In the last week I have been reading the latter part of it which deals particularly with the history of money since the founding of our American Republic and I have been reimpressed with its importance. I have always wished that I had the time to discuss Sir Norman Angell's work with you.

I am enclosing herewith a letter I have sent this motning to one of the Sons of Nassau Hill, namely Paul A. Volcker. I wish that Nicholas Biddle were alive today

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to work and think with Paul A. Volcker. I still have hopes that perhaps you could influence a somewhat extended staybby him at Princeton.

Always sincerely, your friend

Arthur C. Holden

ACH/j

cc Paul A. Volcker

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July 27, 1987

Mr. Arthur C. Holden

[redacted]

Dear Arthur:

I appreciate that long letter and the material on Nicholas Biddle, which I shall read with interest.

Sincerely,

/s/ Paul A. Volcker

PAV:nlf

7/27/87

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BOARD OF GOVERNORS
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1987 JUL 17 AM 10:09
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OFFICE OF THE CHAIRMAN

ARTHUR C. HOLDEN, FAIA

[redacted]

[redacted]

July 13, 1987

Dear Chairman Volcker,
I appreciate that long letter and the material on Nicholas Biddle, which I shall read with interest presently.

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

Dear Chairman Volcker:

I got "another" surprise this morning. It was a letter from Bill Bowen of Princeton, a copy of which I enclose.

It appears that President Bowen had an idea similar to one I had: namely that you have an adequately open mind, for you to have "another" future.

I think President Bowen must realize, as well as you may realize, that when a great number of executive responsibilities are thrust upon a man, it is almost impossible for him to make use of "all" of his intellectual capacities.

When I read your letter of July 7th, it appeared to me that there is perhaps still enough time to "urge you a little more." That open mind that I speak of, could, in the atmosphere of Princeton, take in a great many things and by letting them revolve in the mind, find ways for developing their significance.

You have just completed a phenominal experience, which must have left you with many impressions, which you would like to take time to re-examine.

Many years ago I happened to come upon a very brief phrase from the writings of Cicero: "MENS DISCENDO ET COGITANDO." I don't think I need to say anymore. Cicero has said it better than I can.

I don't propose to write you a "long letter" but I feel the need of saying a little more.

Did you ever know Elgin Grosclose? He was for some time president of a small organization known as the Institute for Monetary Research. He wrote me one day to get in touch with Ron Paul, who was representative in Congress for Texas and a member of the Banking and Currency Committee of the House. He told me that he felt Mr. Paul to be the brainiest member of the committee. After making his acquaintance, I compiled for him a list of "Eleven Books Important For The Understanding of Money."

I bound up xerox copies of the title pages and tables of contents of these eleven books and they seemed to take on new significance. I enclose a copy of my transmitting letter and a list of the titles, as well as the material which

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was xeroxed of Sir Norman Angell's "Story of Money." Later I had the pleasure of meeting Sir Norman, who is principally known for producing a particular book entitled "The Great Illusion" published at the time of the First World War. It has been my feeling that Angell's "Story of Money" is today of far the greater significance.

Back in the 1930's I directed some research in the finance of construction and real estate. It was for the Land Utilization Committee of the New York Building Congress. One day I got a telephone call from a friend, who told me that a banker friend of his was going to call me up and find out what I had been up to. This was in about 1938 or 39. The banker turned out to be the late James Perkins, then about to retire. He asked if what we had been attempting to do was not really a search for a seventh great step. I confess that we felt that we had found indications that perhaps a Capital Reserve System was needed.

I was very insistent in saying that we were at that time most backward of all in the field of real estate finance. This was before I had read Sir Frederick Pollock's book called "Land Laws" (1883). In it Pollock regretted that the mort-gage had been used as the instrument to secure a debt on land, rather than the equally ancient instrument of vif-gage. The latter, he said, put the responsibility for repayment of the debt upon the income from real estate.

Mr. Perkins showed sympathy with my concern for what I called backward real estate finance, but he insisted that the step which he envisioned was far more comprehensive. He said he was sure that he would never live to see it, although he asserted: "You younger men may and it will be fully as important as when metal money came into use as a supplement to barter."

Since then almost all the nations of the world have been forced off the gold standard. In the last 20 or 30 years we have witnessed all kinds of financial institutions attempting to reach out and experiment in the field where other financial institutions were formerly recognized as "The Specialists."

After I retired from the practice of architecture, and I found that my mind was relieved of calls to satisfy daily routine, I found I could still think. I happened to turn seriously to the study of the life of our fellow Princetonian, Nicholas Biddle (1801). I discovered that after President Jackson vetoed the re-charter of the Bank of the United States, Biddle in 1834 was asked to address the Alumni of Nassau Hall at the time he was given an honorary degree. I found out that John McLean had recommended that Biddle's address on that occasion be published verbatim. I wrote to Princeton and was sent back a xerox copy of

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Biddle's address. Perhaps they would do the same thing for you. It is worth reading. It states in unmistakable terms that the broadest possible education is necessary as a background for the education of any and all specialists. Particularly the specialist who accepts political office, or for a man who attempts the position of potential leadership.

It is my feeling that if you go to Princeton, you will be able to do work even more important than that which you have so far completed, and that you will leave a record which will be significantly important to the young people of the coming day. I say all this very sincerely and humbly to you.

I want you to know that I am sending a copy of this letter to President Bowen. I enclose herewith a copy of the article on Nicholas Biddle which cost me months of trial and revision.

Always with sincere regards,

Arthur C. Holden

ACH/rec

cc: William G. Bowen, President
Princeton University

encl. Nicholas Biddle -- Princetonian Hero of American Finance

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Princeton University Princeton, New Jersey 08544
President's Room

copy to Mr. Volcker

July 9, 1987

Mr. Arthur C. Holden
[redacted]

Dear Arthur:

Thank you for your letters of June 23 and June 29. I am very glad to have the revised copy of your essay on Nicholas Biddle and the problems of banking that extend from his day to ours. I learned a great deal from your paper, and I appreciate your sending me a copy of it.

Also, I am very pleased that you wrote to Paul Volcker in the way that you did. In my judgment, he is one of the great public servants of our day. You may be interested to know that I have already been talking directly with Paul about the possibility of his teaching and doing research at Princeton. I do not know what will come of these conversations, but your letter to him can only help our cause.

With best personal regards, as always,

Sincerely,

Bill

William G. Bowen

WGB:lc

P.S. I spoke with Margaret Keenan at the PAW, and she expects to talk with you about Biddle in the fall (after her vacation). B

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NICHOLAS BIDDLE -- PRINCETONIAN HERO OF AMERICAN FINANCE

copy to Mr Volcker

I.

THE ACQUISITION OF UNDERSTANDING

In the class that graduated from Princeton back in the year 1801, there was an especially inquisitive student by the name of Nicholas Biddle. Through membership in the college's Cliosophic Society, he seemed to have found a way to keep his studies "in tune" with outside activities. Graduating at the age of fifteen, he was class valedictorian. Biddle's name and services to his country, ought to be better known today, as well as better understood, than they yet seem to have been.

James Monroe, fifth President of the United States, recognized Biddle's special abilities. In 1819, President Monroe appointed Biddle as one of the five Federal directors on the Board of the Bank of the United States. In his letter of acceptance, Nicholas Biddle wrote that he could not decline the request to represent his nation's interest in the bank although he had already declined an invitation to become a director, representative of the stockholders. Biddle's desire to devote his life to a public purpose is evident in this letter. Biddle, untimately, elected President of the Bank of the U. S. was to render services that still tower like a lighthouse in the history of American banking.

To most of us, however, the name of Alexander Hamilton is far better known as the man who put the United States on firm financial foundations. Had Hamilton not been lost by death in a duel, supposedly to protect the name of a woman, he and Biddle would probably have been associated in our memories today as the "Fathers of American Finance."

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Alexander Hamilton had served as Secretary of the Treasury, when Thomas Jefferson had been Secretary of State in Washington's administration. He and Jefferson then had differences of opinion. Later, when Jefferson became President of the United States, he appeared to have retained his unsympathetic attitude toward banking in general. Despite this fact, Jefferson had made an excellent choice for his Secretary of the Treasury, namely Albert Gallatin, who later supported Biddle's policies.

In 1791 Hamilton had insisted that the new nation needed a National Bank to serve purposes beyond the scope of local banks. This initial Bank of the U. S. was allowed to lapse. In 1816, after the expensive naval war with England, a second National Bank was chartered. The second president of this new Bank of the U. S. was Langdon Cheves. He was both intelligent and strong enough to put the bank on firm foundations. In this, Cheves found his strongest support in the energy and understanding of Nicholas Biddle.

In 1823, when Cheves retired, Nicholas Biddle was elected by the Board of Directors to be President of the Bank of the U. S.

Let us try to realize the phenominal task which he faced. So far as the public was concerned, it is probable that Hamilton was then less remembered for his financial genius, than as the man who had "enriched" the speculators, who had bought up the depreciated "Continental" notes, that had been issued by the Congress during the Revolutionary War. Most people sympathized with the depressed soldiers, who had had to sell the bills they had been paid for a few cents on the dollar. Hamilton knew that integrity in banking depended on a strict adherence to legal obligations. A scholarly man, such as Jefferson, certainly recognized this. President Jefferson had emphasized the duty of government to protect the interests of the people with the same consideration as given to those who had acquired wealth.

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The Continental Congress had been compelled to pay its soldiers with paper money. It became the duty of Congress, ultimately, to redeem these notes at par. The soldiers had not been able to wait. Those who had bought the certificates for a few cents on the dollar benefited. It was the loss which the soldiers suffered, which then appeared to cast a suspicion upon banking methods in general. It was this suspicion which at the beginning of Biddle's presidency offered a puzzling obstacle to real banking reform.

The sincerity of Thomas Jefferson and Alexander Hamilton, even if recognized, was of little help to Biddle. Few of the liberals who followed Jefferson's political leadership, could match his scholarship. In the early attempts to regulate banking, especially in the efforts to shape the policies of the National Bank, men of inferior mental caliber sought political advantage by joining the "popular" political party, then known as Republican. People of this type were in those days causing a great deal of confusion. All bankers tended to be denounced politically because bankers had seemed to support the "speculators" in continental currency. The self-interested politicians warned the people about the "danger" of a tyranny of the "rich."

Biddle had come into contact with an opportunist politician while serving a single term in the Legislature of Pennsylvania. When, in the closing days of the session of 1810-11, it happened to be Biddle's 25th birthday, Jacob Hodgate suddenly moved a denunciation of the efforts then underway to improve the banking situation. Biddle had prepared himself. He succeeded in getting the floor and delivered a surprising and comprehensive address on the principles of banking. It was this speech that seemingly had first marked Biddle as an "authority" in the field of banking. The speech did not prevent the Pennsylvania Legislature from passing the motion critical of the Bank of the U. S. It did secure

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the revision of the preamble, which had been so offensive to the sincere group seeking better understanding of banking on the part of the public. This effort must also have taught Biddle much about need for intelligent "enabling" legislation in order to provide for effective administrative action. The special studies in financial and economic thought, which his speech had required in its preparation, probably helped to divert the focus of Biddle's life from the more routine practice of the law and its precedents, to the need for analytical intelligence in the profession of banking, than then seemed to exist.

II.

PRESEDENT OF THE BANK OF THE UNITED STATES

When Biddle, in 1823, found himself President of the Bank of the U. S. he had had sufficient experience to realize that in the inter-relations between politics and business and finance, unbounded intellectual integrity was the most essential factor needed.

A banker is first of all a trained professional, whose task it is to devise and supervise the ways and means of payment for the exchange of goods and services between the members of a society, and/or the members of varied societies. A banker is the arbiter of the uses of money, which measure the values of the goods and services exchanged. The banker's task also requires a knowledge of the character and value of the varied tasks which citizens undertake to produce and to interchange. A banker must have imagination enough to be able to meet the exigencies of change, when men discover that some contracts are unlikely to be or cannot be executed as originally designed. A banker needs imagination as well as analytical ability. A banker must be able to recognize and to influence the adjustment of time factors in exchange,

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that must be reflected in the ways and means of payment that can be made available in terms that are understandable.

Nicholas Biddle was as well prepared as any American could be when he assumed the presidency of the Bank of the U. S. He had had the advantages of European travel, as well as his excellent academic education. No doubt he had a knowledge of the successful operation of the Bank of England, which over nearly a century and a half, had built up enormous financial resources. It had established itself as a great financial institution on which the far flung needs of Great Britain could depend.

In contrast, the United States had had little nationwide financial leadership. The position of the Bank of the U. S. was still questionable. It had not yet succeeded in establishing a uniform currency. The uncoordinated activities of state banks had produced only unrealistic circulation for the reason that the notes of many of these banks were accepted only at varied depreciated values. In the larger cities there were a few outstanding and dependable banks, but, in general, financial exchange could be described as haphazard.

While it was by no means widely realized, Biddle's task was threefold. In the first place, he had to create a coordinated and workable National Banking System. This was very little appreciated. The Bank of the U. S. and its Branches were permitted to handle private as well as the public accounts. As such it unfortunately created the appearance of being a competitor of existing banks already created by charter in the various states. In the second place, Biddle's task was to strengthen these state banks sufficiently to bring them to a standard of dependability. In the third place, he faced the need of improving the caliber of bank officials of the Bank of the U. S. and its Branches. In order to attract the type of men who might become

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"understanding leaders" in banking, Biddle sought the advice of those recognized as "leading citizens" in different parts of the country. His action was seized upon by the self-interested type of politician, who was urging President Jackson to go further and further to protect the "poor" against exploitation by the "rich and prominent." Most of Biddle's attempts to strengthen the financial competence of our young country seemed to be seized upon and to be misinterpreted.

When Biddle pointed out that "deposit banking" should not be pushed too aggressively in the west, and that first attention whould be given to strengthen the financial structure in the larger cities, his attitude was also criticized. Biddle did strengthen the Bank of the U. S. and its Branches as well as the State Banks. To create a stable currency he insisted that all banks must be in a position, when, if called upon, they must be able to meet their obligations by specie payments within a week's time.

Deposit Banks were denied credit or deposits from the Bank of the U. S. unless the sum total of their loans averaged less than sixty days to maturity.

It is to be regretted that Biddle's phenominal accomplishments were so misinterpreted in his own day. Biddle certainly knew what he was doing, especially the difference between what was then called a "National Bank" and a "Deposit Bank." The term "Central Bank" had not then come into use. If more of us today understood this difference, we might be better off. We still face many of the problems which confronted the bankers of the 1830's. Even today confusion is created when a bank spends too much of its energies trying to outstrip its competitors. Biddle seems to have foreseen that intelligent human judgment was a factor more important than rules. He couldn't talk about it directly. He must have realized that it might have opened new opportunities for ambitious pretenders to put themselves forward. It is to

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be regretted that he did not undertake to leave behind him his personal memoirs, which would let us see into the difficulties which then retarded financial progress.

A Deposit Bank must have an acquaintance with its depositors, at least sufficient to know their capabilities and reliability. It must know enough of its depositors to recognize whether or not their individual promises can be trusted. Deposit Banking is based on the assumption that through mutual participation, effectiveness can be increased, from which all can benefit. Depositors tend to vary in their calls for and their use of money, especially in the frequency and size of withdrawals. If the bank can provide for the satisfaction of their respective average needs, it ought to be able, by retaining adequate reserves, to satisfy these average needs as well as additional specialized needs of its depositors.

As an additional protection, it is an advantage to Deposit Banks to cooperate with what we have come to call "Central Banks." The effectiveness of reserves is increased on a far wider scale than it is possible for a local Deposit Bank to handle. Central Banks are today recognized as Bankers' Banks. In its charter the Bank of the U. S. was authorized to serve specifically as a depository of the Nation's funds and as the fiscal agent of the National Government. Biddle's skill and vision may be said to have been, probably, far in advance of most of the bankers of his day. The Bank of the U. S. received exceedingly large deposits from the Federal Treasury. Under Biddle's direction, these funds were not used to satisfy, either the needs of the "first comer" or the needs of the applicant, who was willing to pay the most profitable rate of interest. Biddle insisted, when he found himself strong enough, that the funds be distributed by deposit among its Branches as nearly as possible in accordance with the industrial and social needs of the nation, as these might vary from time to time.

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It was Biddle's belief that, as the pooling of funds through the Banks of Deposit tended to develop new credit, that it was the function of the National Bank (Bank of the U. S.) to help to increase the usefulness of credit extension by moving its deposits from branch to branch in different localities.

For example, Biddle was particularly solicitous to increase the deposits in Southern branches so as to provide the reserves needed to finance credit that made possible the harvesting and marketing of the cotton crop. At particular times industrial New England or commercial New York needed special attention. The Bank of the U. S. also recognized that special types of financial aid were needed to assure the intelligent development of the new Western Territories and States.

Biddle was farsighted enough, however, to recognize that there was a difference between long term capital finance and short term finance. He gave a farsighted warning that the advances for capital purposes should not be carried too far by American banks. Our young nation faced capital demands both for the improvement of steamboat lines, as well as the development of newly invented railroad traffic. For the coming demands, he said, investors must look for assistance from an older industrial country such as England, which had already accumulated excess funds seeking long term investment.

III.

POPULAR AND POLITICAL IGNORANCE BRING OPPOSITION

Such policies, of course, provoked criticism. Complaints were directed to the administration in Washington, that the Bank of the U. S. was showing "favoritism." Thus the charge of political favoritism was made an issue.

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It was furthered by sectional rivalries. New York had for some time been successfully challenging Philadelphia as the financial center of the nation. New York, even to a greater extent than New England, was becoming politically "Republican." Unfortunately, President Jackson did not possess the scholarly understanding of former Republican President Thomas Jefferson. He was, therefore, easily influenced by the opportunist type of politicians, who surrounded him. Accordingly, when in 1832, the bill came to him from Congress, authorizing the recharter of the Bank of the U. S., Andrew Jackson willingly and "ignorantly" prevented the continuance of enlightened financial progress by his Veto.

Nicholas Biddle had taken pains to open the Banks books for public investigation. He felt that he had kept the President informed. Biddle had won the support of such distinguished financiers as Alexander Dallas and Albert Gallatin.

Biddle had found popular understanding of banking and credit was in such an embryonic state, that no matter what he himself might undertake to do, would be misunderstood and thus of little avail. Biddle was criticized when he made arrangements to reprint articles from newspapers, which he felt gave a correct view of the function and policy of the Bank of the U. S. He was criticized also because the Bank paid for the preparation and mailing of material of this type.

Biddle did undertake to provide for continuance of the Bank by incorporation in the State of Pennsylvania. It was in vain. The federal deposits were removed, and deposited with selected local Banks of Deposit. The favored banks were characteristically dubbed "pet banks" by the minority political party. National financial policy soon got out of control and the

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nation found itself in the throes of the great financial crisis known as the Panic of 1837.

IV.

BIDDLE'S VISION OF THE LIBERAL EDUCATION

Between the veto and the Panic, there was an extended period of vehement and confused discussion about the bank and its fate, mixed with political wrangling from which Biddle tried to keep aloof. He declined invitations to express himself publicly, except an address to the Sons of Nassau Hall, at the Commencement of 1835, when he was invited to receive an honorary degree from Princeton. Biddle used this opportunity characteristically. He made no mention of the confused financial hysteria. His address was a phenominally able statement of the advisability of a broad academic education, as an essential preparation for a specialized or professional life. Biddle stressed that it was particularly important that broadly educated men should accept public and political position, because they were able to understand and differentiate between measures that were basically sound and helpful, in contrast to measures which appeared to be momentarily popular.

It was no other than John McLean who insisted on the publication of Biddle's "full" address. In this address, a mature Biddle showed wisdom and sincerity fully as great as the younger Biddle had put into the preparation of the address on banking and credit, which he had given before the Pennsylvania Legislature on his 25th birthday. Were it possible today to read Biddle's address to the "Sons of Nassau Hall" at the graves of Woodrow Wilson, 1879, and Dean Andrew F. West, 1874, it is my fancy that those two great proponents of the broadest possible education, in spite of their apparent "quarrel" over the Graduate School at Princeton, would try to find

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a way to incite all modern Princetonians with the appreciation of the genius and the integrity of Nicholas Biddle. In their day Wilson and West had spoken more emphatically than other Americans in favor of broader academic education.

V.

WILSON THE SCHOLAR IN POLITICS

As the Class of 1912 was entering college in 1908, Woodrow Wilson, then President of the University, had been invited to address the American Bankers' Association, at its meeting in Denver, Colorado.

His subject was the improvement of our Banking System. Five years later, as President of the United States, Woodrow Wilson was to insist that Congress pass the legislation that had been framed to authorize the creation of our Federal Reserve System.

Between 1836 and 1913 the United States had been without the services of a coordinating Central Bank. To remedy the chaotic financial situation caused by the Civil War, an attempt had been made to strengthen the national currency by permitting designated "National Banks" to issue notes which became known as "Greenbacks." Although insufficient, this device did furnish a needed expandable "paper" currency. The National Banks were put under the supervision of the office known as Comptroller of the Currency, created in 1863 as a war measure.

In spite of this, the phenominal and far-sighted leadership which had been shown by Nicholas Biddle seemed to have been in eclipse until that other Princeton "Scholar", Woodrow Wilson came on the scene. Again, it was the broad training which apparently helped Wilson to recognize that something very similar to the concept of banking for which Biddle had worked, was essential, How otherwise to promote the greatness of which the United States was capable of achieving in the Twentieth Century?

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Between President Jackson's veto of the recharter of the Bank of the U. S. in 1832 and the formation of the Federal Reserve System in 1913, our nation had been subjected to a series of disastrous panics. These had occurred in 1837; 1857; 1893; and 1907.

Following the "Trust Company" Panic of 1907 the Congress had authorized a National Monetary Commission to study ways and means for improving the increasingly complicated financial "system" of the United States. Although the Commission, under the chairmanship of Senator Nelson Aldrich, delivered a voluminous report in 1911, nothing significant resulted.

It was Princeton that had prepared Nicholas Biddle, or at least had helped prepare him for his phenominal advance of America's first "Central Bank." Princeton must have also furnished "something extraordinary" to another of her sons of the Class of 1879, Woodrow Wilson.

VI

THE FEDERAL RESERVE SYSTEM

Had it not been for Woodrow Wilson, the understanding scholar, the report of the National Monetary Commission mgiht have died in its pigeon-hole. With the legislative assistance of Carter Glass, later Secretary of the Treasury, the Federal Reserve System was formed to coordinate our Deposit Banking System.

Apparently to assure passage through Congress of the Federal Reserve legislation, the public was given the impression that the Federal Reserve System would be an almost certain protection against the periodic "panics" to which the nation had been subject. In fact it was pointed out that the stability of the currency required the ways and means for the distribution

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of the currency for productive purposes to differing parts of the country ~~and~~ at both times and places of need. Instead of one single Central Bank, the nation was divided into 12 Federal Reserve Districts, each with its district Federal Reserve Bank to provide for the financial needs of each particular district. Thus it was hoped that through the coordination of the 12 Federal Reserve Districts that adequate protection could be given against harmful or exaggerated concentrations of money flow to any particular point, such as the New York Stock Market, for avowedly speculative purposes.

It is unfortunate that the advent of the First World War, almost immediately after the formation of the Federal Reserve System, was to require one of the greatest and most immediate concentrations of finance that had taken place in the United States, namely to raise funds adequate to provide for America's participation in World War I. The Federal Reserve System was, in its early years, virtually looked upon as one national system of finance. The full functioning of the twelve Federal Reserve Banks was postponed to such time as the nation could afford to think about diversified productivity and distributive needs, rather than unified national defense.

By the year 1918, when the war ended, huge sums had been borrowed by the United States Government for the prosecution of the war. These had been drawn from the savings of the people. The problem became one of conversion from war to peace-time production. Almost immediately the New York Stock Market seemed to become the most useful and powerful of all financial institutions. Savings from all over the nation were drawn to New York City to provide for needed readjustments. Apparently nothing that could be done through the 12 Federal Reserve Banks, could check the increase in apparent market values and the speculation which led to unreasonable inflation.

Then in the fall of 1929 came a sudden recognition that the United States had brought upon itself the greatest panic and ensuing depression ever encountered.

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In 1929 a few Americans may have remembered the promises made in 1913 that under the new Federal Reserve System Americans would be "protected" against periodic depressions. In the confusion which followed, the American public of the 1930's, appeared to be no better prepared for the understanding of what had happened than was the public, when it had been confronted with the depression of 1837 that followed the destruction of the Bank of the U. S. Assuredly, however, we Americans have no greater need than the need of understanding.

VII.

HUMAN JUDGMENT AND INTEGRITY - A FUNDAMENTAL FOR BANKING

In 1979, another Princeton man, Paul A. Volcker, of the Class of 1949, was to find himself Chairman of the Board of Governors of the Federal Reserve System. He has been confronted with the seemingly separate problems of inflation and of foreign exchange in their relation to the policies of the Federal Reserve System. He has shown an appreciation of Biddle's attitude; banking cannot be subjected to "exact rules," but must depend on intellectual judgments and human integrity.

It was in 1935 that the Congress, recognizing the need for strengthening the directional controls of the Federal Reserve Board, passed legislation creating what became known as the "Open Market Committee." This committee was given the power to buy and sell securities, especially government securities, in the open market. By this means, aggregate bank deposits could be diminished or be increased. When administered narrowly and according to formula, this policy has shown shortcomings.

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Mr. Volcker has had the wisdom to temper the control of the monetary aggregate, by variations dependent upon specific conditions and specific needs. In other words, if the Open Market Committe had set what it calls specific "targets" with respect to time and total money supply, Mr. Volcker has made clear that, to attain a target, the rate of approach may, and perhaps should be varied considerably, according to specific needs or conditions that may currently prevail.

It is appropriate that Princeton men should go out of their way to express their gratification and appreciation for the originality and integrity of Nicholas Biddle. A popularization of Biddle's financial understanding should be a public service at the present time. We must also try to increase popular understanding of the function of the Federal Reserve. As Princeton men, we should recall the part that Woodrow Wilson played in its creation. Certainly greater appreciation than has been yet shown would reinforce the efforts which Mr. Volcker is capable of making as a broadly educated Princeton man, now the Chairman of the Federal Reserve Board.

Thomas Payne Govan, as long ago as 1959, wrote the outstanding life of Nicholas Biddle, published by the University Press of Chicago. A copy of it should be kept on the night-table of every wide awake Princetonian.

A.C.H.
6/18/87

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ELEVEN BOOKS IMPORTANT FOR THE UNDERSTANDING OF MONEY

compiled 1983
by Arthur C Holden

cpy to
Mr. Voldseth

3 copies made
No 1 to Ronald Paul
No 2 Princeton Univ
No 3 ACH

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ARTHUR C. HOLDEN, FAIA
[redacted]
CONSULTING
ARCHITECT
[redacted]

June 29, 1983

Hon Ron Paul
United States House
of Representatives
Washington, DC 20515

Dear Congressman Paul,

This letter transmits Xerox prints with title pages and tables of contents of eleven selected books by various authors written apparently to stimulate better understanding of money. A list of the eleven selected titles is enclosed. I am numbering these in an order selected in which I would like to read them today if I were reading them for the first time. In brief paragraphs below, I tried to explain why I feel the particular book important with an attempt to hint at why it seems to hold particular significance to me.

1. NORMAN ANGELL: THE STORY OF MONEY

While I was serving in Washington as an adviser to the Division of Research and Economic Planning, I came upon Norman Angell's book and found it especially illuminating for the overall picture which it gave. Until I came upon it, I had never heard of the work of Alexander Del Mar. I think that the story of the financing of the Guernsey market is better explained in this book than any other account I have come upon.

2. CHARLES RIST: HISTORY OF MONEY AND CREDIT THEORY

As a historical outline of the development of the understanding of credit, I think this book invaluable. Too few Americans seem to be able to differentiate between credit and money and how credits advanced come to be equivalent to money.

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3. IRVING FISHER: THE THEORY OF INTEREST

Fisher wrote more voluminously on interest theory than did Del Mar. I once possessed an almost complete set of Fisher's work. In a sense, his "Purchasing Power of Money" would have been a better volume to include. It is more important in the over-all picture and is the particular work of Fisher's toward which Anderson directs his principal criticism in his "Value of Money." "The Theory of Interest" however, stands alone as a work of fundamental importance.

4. BENJAMIN M. ANDERSON: THE VALUE OF MONEY

It was this book from which I derived the illuminating idea that qualitative controls for money were really far more important than attempts to control the quantity of money in circulation. The table of contents seems to me, inadequate to describe the importance of the book. I never met Anderson although I did have the pleasure of meeting both Sir Norman Angell, as well as Irving Fisher. Anderson appears to me to have possessed an imaginative intellect and a phenomenally sound judgment. I wish that I might have met him and learned from him, what he thought of the work accomplished by Nicholas Biddle as president of the Second Bank of the United States.

5. EDWARD KELLOGG: LABOR AND OTHER CAPITAL

This is a book which makes very difficult reading. Back in 1849, when the book appeared, it seems apparent that its main significance was overlooked because so many of Kellogg's contemporaries were frightened by the remedies he offered, especially respecting note issue. It was Kellogg's work that particularly called my attention to the damage that can be caused to any economy by allowing the total of debt in all forms to grow beyond a point where the annual charges for carrying debt may exceed the annual increment of the Gross National Product.

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6. WALTER BAGEHOT: LOMBARD STREET

For a long time, Walter Bagehot edited the London Economist. His great book which might also be said to have been misnamed, "Lombard Street" is a revealing description of the difference between central banking and local commercial banking and the necessity for an overseeing agency in the form of a banker's bank, that performs for banks in general, the services which individual local banks perform for their depositers.

7. STEPHEN COLWELL: WAYS AND MEANS OF PAYMENT

An almost forgotten book which is still capable of inspiring an enlightened understanding of the banking function.

8. ALEXANDER DEL MAR: MONEY AND CIVILIZATION

Del Mar, although the son of a mining engineer and a mining engineer himself, believed that human integrity could be made a better guarantee of the integrity of money than any previous metal. He was a phenomenal researcher. His comments upon early banking and the development of banking throughout the ages are invaluable.

9. THOMAS PAYNE COVAN: NICHOLAS BIDDLE

This biography of perhaps, the most far-sighted of all American bankers, is worth close study. The table of contents is too brief to give much idea of the importance of the book.

10. BRAY HAMMOND: BANKS AND POLITICS IN AMERICA,
FROM THE REVOLUTION TO THE CIVIL WAR

Bray Hammond served as an advisory economist to the Federal Reserve Board back in the 1930's at which time, I first knew him. I believe that he was one of the early editors of the general handbook that is issued on the Federal Reserve System by the Board of Governors. He did not live to finish his history, but his notes were put together for a shorter second volume carrying through the Civil War period. His history is full of

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illuminating criticism

11. FREDERICK SODDY: WEALTH, VIRTUAL WEALTH AND DEBT

This book was called to my attention just after my brief service with the National Recovery Administration. Soddy was a Nobel Prize winner for chemistry. His analytical abilities when applied to finance enabled him to think about finance in a way that it is regretable that most bankers seem to have been incapable of approaching. Soddy's differentiation between real weath and virtual wealth and the significance of debt as well as the lack of understanding of the significance of debt, should receive far broader consideration than it has yet received. I do not know enough about chemistry to know Dr. Soddy's qualifications for the Nobel Prize in that field. I do, however, recognize from what I know about long term finance, that "Wealth, Virtual Wealth and Debt" as analyzed by Dr. Soddy reveals him as a man worthy of receiving the Nobel Prize for economics.

Arthur C. Holden

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LIST OF TITLES

1. Norman Angell: The Story of Money, 1929
2. Charles Rist: History of Monetary and Credit Theory, 1938.
3. Irving Fisher: The Theory of Interest, 1930
4. Benjamin M. Anderson: The Value of Money, 1917
5. Edward Kellogg: Labor and Other Capital,
   The Right of Each Secured and the Wrongs of Both Eradicated, 1849
6. Walter Bagehot: Lombard Street, A Description of the Money Market, 1873
7. Stephen Colwell: Ways and Means of Payment
   A Full Analysis of the Credit System, 1859
8. Alexander Del Mar: Money and Civilization, 1886
9. Thomas Payne Govan: Nicholas Biddle, Nationalist and Public Banker, 1959
10. Bray Hammond: Banks and Politics in America, From the Revolution
    To the Civil War, 1957
11. Frederick Soddy: Wealth, Virtual Wealth and Debt
    The Solution of the Economic Paradox, 1933

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

THE EXECUTIVE DIRECTOR

cc: Mr. Cooper

September 1, 1987

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

Dear Mr. Volcker:

Just a note to express the appreciation of our entire membership for your participation in our 88th National Convention in New Orleans. Immediate Past Commander-in-Chief Norm Staab was honored to have you in attendance for the purpose of accepting the 1987 VFW Americanism Award.

I wish to assure you that the officials of the Veterans of Foreign Wars are most pleased with the outcome of this year's Convention. Realizing that much of the credit for this success must go to individuals such as you who contributed so much to the event, I want to take this opportunity to express our deep appreciation for your participation. Our organization was honored by your presence and is most grateful to you for taking the time from your busy schedule to join us in New Orleans.

If there is ever anything we can do to be of assistance to you, please feel free to contact us.

Sincerely yours,

Cooper T. Holt

COOPER T. HOLT
Executive Director

CTH:nlp

Holt

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August 20, 1987

Mr. Albert R. Hunt
Washington Bureau Chief
The Wall Street Journal
1025 Connecticut Avenue, N.W.
Suite 800
Washington, D.C. 20036

Dear Al:

Thanks for sending along some of those letters -- a couple of which I will file for Commission use. And I was reminded of how good Larry Woodworth was as the archtypical Congressional career staffer.

I reported to Barbara your bargain -- no more crabbing. She agrees. So everybody's happy.

All the best,

Paul A. Volcker

PAV:gv

HUNT

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ALBERT R. HUNT
WASHINGTON BUREAU CHIEF

Dear Mr. Chairman,

To my surprise a delight I've received dozens of letters from the Kolchen column. Thought you might get a kick out of a few. Hope to see you soon and best to Barbara.

Best,

Al

Dear Al,
Thanks for sending along some of those letters - a couple of which I will file for Commission use. And I was reminded me how good Larry Wordworth was as the archetypical Congressional career staffer. I reported to Barbara your bargain - no more crabbing - she agrees to everybodies happy.
all the best,

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Elena Schmid
[redacted]

July 28, 1987

Mr. Albert Hunt, Chief
Washington Bureau
Wall Street Journal
1025 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Hunt:

I am prompted to write this letter of appreciation after reading your article in the July 24, 1987 edition of the WSJ entitled "Paul Volcker, The Ultimate Public Servant." As one who has made the conscious choice to become a public service and has learned to live with the ridicule that goes with it, it renews my faith in my decision to read of Paul Volcker's commitment.

I appreciate you pointing out the good that is in public service. It is manna for those of us surrounded by the daily realities which give bureaucrats a bad name.

Sincerely,

Elena Schmid

Elena Schmid

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July 28, 1987

Mr. Albert R. Hunt
The Wall Street Journal
1025 Connecticut Avenue, N.W.
Washington, D. C. 20036

Dear Al:

Congratulations on your very fine column on Paul Volcker and public service. It deals with a theme close to my heart.

Your sons might be interested in my post-Watergate speech delivered to the students at the University of Virginia. Its founder, Thomas Jefferson, deeply felt that there is "a debt of service due from every man to his country." Clearly, we all have a stake in seeing that the best of our young people are attracted to government at some time during their careers.

With best regards.

Sincerely,

Mort Caplin

Mortimer M. Caplin

Enclosure

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ELWOOD N. THOMPSON [redacted] [redacted]

July 31, 1987

Mr. Albert R. Hunt
Wall Street Journal
200 Liberty St.
New York, NY 10281

Dear Mr. Hunt:

Your tribute to Paul Volcker in your column on Friday, July 24, certainly was appropriate. The reference to General Marshall was particularly apt; having worked under him in the State Department, I can also testify that he was one of the rare "great ones".

With your interest in these examples of genuine public service you would enjoy the recently published book, The Wise Men, tracing the dedicated public service of such wartime and postwar leaders as McCloy, Kennan, Bohlen, Lovett, Acheson, Marshall, etc. As a onetime aspiring reporter I especially enjoy your evenhanded treatment of the news, rather rare these days, both in print and on television.*

Sincerely,

Jack Thompson

E. N. Thompson

* Including the outstanding work of Mrs. Hunt (or is Judy Woodruff the preferred usage)

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RJR

R. J. Reynolds Tobacco Company
Winston-Salem, N. C. 27102

F. Hudnall Christopher, Jr.
Executive Vice President

August 3, 1987

Mr. Albert R. Hunt, Jr.
Washington Bureau Chief
The Wall Street Journal
1025 Connecticut Avenue NW, Suite 800
Washington, DC 20036

Dear Al:

Your editorial in the Journal on Paul Volcker was excellent. I couldn't agree more with your comments.

The move of Planters + Life Savers' corporate headquarters to Winston-Salem and our leasing about a third of Corporate Headquarters have given Tom Hearn some needed "breathing room." It's good for all concerned.

Best regards, and I look forward to seeing you this fall.

Sincerely,

Hudnall

F. Hudnall Christopher, Jr.

FHC:na

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INSTITUTE OF INTERNATIONAL EDUCATION
809 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017 (212) 984-5425

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July 29, 1987

Mr. Albert R. Hunt
Wall Street Journal
Washington Bureau
1025 Connecticut Avenue
Washington, D.C. 20036

Dear Al:

As just one of your millions of readers, I want to personally thank you for that beautiful article about Paul Volker, "The ultimate public servant". It was much deserved and the entire theme of the article is much needed.

My wife Loraine particularly appreciated it, inasmuch as her two brothers are both in public service, and have been most of their lives. Her older brother, David, serves as president of Save The Children, and her younger brother serves in Sri Lanka as Country Director of Asia Foundation. Before that, he was director of the Peace Corps in Bombay and then Country Director for the Peace Corps in Afghanistan. I am pleased at the very high proportion of our family members that are in positions of public service. We were all assembled last weekend around my mother here in Washington to celebrate her 95th birthday. Hers also has been a life of service.

Thanks again for your very well deserved article on Paul Volker. I thought his tribute to Arthur Burns at the funeral service was also great. We have both been privileged to know well both of these men. Should you ever want me to talk to your young sons anytime in the next decade about public life, I would be happy to meet with them.

Warmest personal regards,

Charles H. Percy
Chairman

CHP/pmt

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UNITED STATES TAX COURT

CHAMBERS OF
JUDGE HERBERT L. CHABOT

SUN 26 JUL 1987

Dear Al,

This is with regard to your article of last Friday on Paul Volcker, and especially its concluding sentence.

It is now almost 10 years since Larry Woodworth's death. It might be time for you, and any of your predecessors who are still around, to remind your children and other young people about Larry, who also deserves the sobriquet at the top of your Paul Volcker column.

Herb Chabot

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7/24/87

PHILIP R. LERNER
[redacted]

ALBERT R. HUNT

THE MAN VOLCKER ARTICLE —

THANKS - THE BUREAUCRAT FEELS BETTER FOR THE DAY.

SO MUCH HAS GONE OUT OF THE CIVIL SERVICE - MUCH BECAUSE PEOPLE SIT IN JOBS WHO ARE NOT QUALIFIED. THE MERIT SYSTEM HAS BEEN BURIED AS A FATHER OF A MIT ENGINEER - MBA DAUGHTER - AND CARNEGIE-MELLON TECHNICAL WRITER - NONE OF MY KIDS LOOK KINDLY ON FEDERAL WORKERS - THEY SHARE THE NEGATIVES OF THE PRESS AND THE REPUBLICAN PARTY - I DON'T INTEND TO FALL ON MY SPEAR - BUT I SUGGEST THAT THIS COUNTRY HEED THE WISDOM OF VOLCKER / BRADEMAS AND COMPANY.

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ABC News 7 West 66th Street New York, New York 10023 Telephone 212 887-4040

Peter Jennings
Anchor and Senior Editor
WORLD NEWS TONIGHT

18 August 1987

Dear Mr. Volcker,

As the Assistant to Peter Jennings, I wanted to take this opportunity to write on behalf of the Washington Speaker's Bureau. As you are probably aware, they represent Mr. Jennings exclusively and have for the last three years.

From the very beginning, both Mr. Jennings and I were highly impressed with the presentation that was made by Harry Rhoads and Bernard Swain. And, I can freely state that our first impressions have been borne out throughout our working relationship.

Because Mr. Jennings' time is so limited, the majority of his speaking engagements must be within easy distance of the New York area. The Washington Speaker's Bureau is extremely careful to focus on those engagements that he can do. There are times when we have had to call at the last minute due to 'breaking' news to cancel a speaking engagement that has been made as long as a year prior. We have never felt pressured by this organization. Our relationship is characterized by sensitivity, grace under pressure, and, above all, integrity.

I know that Mr. Jennings will agree with me when I say that we cannot recommend the Washington Speaker's Bureau more highly.

Sincerely yours,

Gretchen Babarovic

Gretchen Babarovic
Assistant to
Peter Jennings

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

JENNINGS

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* FAXED TO YOU JULY 17/87

moira johnston

8/19 Coyne called to cancel

July 16, 1987 20-10A

Aug. 19 3PM

Mr. Joseph R. Coyne
Assistant to the Board
Federal Reserve Board
Washington, D.C. 20551

Dear Mr. Coyne:

You have been discussing with my sister and associate Sheilagh Simpson the possibility of an interview with Mr. Paul Volcker when I am in Washington next week. At your request, I am writing now to flesh out my request with more information on both me and my book project.

I am a nationally-recognized author writing a major book on American banking. My focus will be on the Bank of America. I hope, however, to paint B of A's dramatic story on a canvas as large as the global financial system, and to make the book a revealing portrait of a time of change and challenge that touches us all. As Mr. Volcker is arguably the most influential figure in any portrait of the American economy - and the role of the Federal Reserve Board so integral to the functioning of banks in this nation, I am most eager to have his voice heard directly in my book. It was clear, in researching my book on corporate takeovers in Wall Street two years ago, that his policies and actions are a constant force and presence both here and abroad, and I have heard enormous praise (as well as some dissent!) for his remarkable years at the Fed. If Mr. Volcker is gracious enough to consent to an interview - and can fit it into his demanding schedule - the book will be immeasurably enriched. He will be in good company. I will be meeting Walter Wriston in New York on Monday, one of a number of world-rank financial men who are contributing their experiences and insight to my book. Even Tom Clausen, with his enormous pressures, has agreed to meet with me.

JOHNSTON

To give you a little more background on my project, my book will examine the Bank of America's struggle to redefine itself for survival in an environment which is transforming the very image and meaning of the word 'bank.' I will use B of A as a window into that explosively deregulating, globalizing world which challenges not just the Bank of America, but the entire American corporate, industrial and economic system. Mr. Volcker's powerful role at the very heart of the economic process would be invaluable. In fact, no truly authoritative book on the subject could be written without his contribution.

My book will be a very human telling of the tale, with motives

112 walnut street
san francisco, ca 94118
415-922-1578

Talked to Moira 7/30
She to call back to say when will be in DC
FRC
7/31/87

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and characters fully developed. But I will be examining BankAmerica, too, as a revealing mirror on events that go beyond the drama of personalities, conflicts of vision, flawed judgements and 'war stories' to touch the seminal issues of the decade: the boardroom as crucible for reexamination of the roles of directors, management and shareholders; paradigm changes in corporate cultures and management styles; productivity and America's international competitiveness; the entrepreneurial 'free market' versus a regulated bureaucratic system; the conundrum of third world debt; competing theories of governmental manipulation and intervention in the economy (part of Mr. Volcker's purview), and so on.

The book is an outgrowth of my most recent book, 'TAKEOVER: THE NEW WALL STREET WARRIORS,' published last fall and named by Business Week as one of the ten best books on business and economics of 1986. I have signed a superb contract with Weidenfeld & Nicholson, the new but already well-regarded New York publishing house formed by Lord Weidenfeld (the British publisher) and Ann Getty. My editor is one of the best in New York, and ambitions for the book are to make it a major non-fiction event of early fall 1988.

I have built a national reputation on bold investigative, but also balanced and objective, journalism. My expose of the Firestone 500 tire in New West Magazine led to recall of the tire and won me the prestigious National Magazine Award. On the other side of the corporate coin, I was the first writer permitted inside Intel to write a story on the U.S./Japan semiconductor trade wars. In TAKEOVER, I described the Unocal, Crown Zellerbach and TWA corporate control struggles each from a different perspective: the corporation's, the raider's, and the pilot/employee's respectively. The force and importance of this book will lie not in excoriating whipping-boys, but in tracing today's problems to their roots and laying bare the intricate web of cause. For even the most controversial judgements are made in the context of the corporate system, the social and political climate of the time, and the irresistible events of history. I believe in presenting events in these contexts, and intend my book to be a fair and balanced forum for all voices.

I am fully aware of the constraints forced on many of the book's key subjects by legal, economic and political considerations. None of the material I gather now will see print until publication at least a year from now, and will be held - on or off the record - in strictest confidence.

In addition to the enclosed clippings, it may interest you that mine was the cover story on the May issue of California

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magazine (an essay on the aftermath of the takeover wars), and that my story on the Queen Charlotte Islands in the July issue of the National Geographic appears to have contributed to the creation of a new national wilderness park in Canada. I have upcoming profiles of Sanford Weill in the New York Times Magazine, and of Edgar Bronfman Jr. in the October issue of Vanity Fair. I am the author of four previous books, including THE LAST NINE MINUTES, an investigative report on the Paris Air Disaster, reviewed on the front page of the New York Times Book Review on publication.

I plan to be in Washington July 22 through July 27. It would be a privilege to meet with Mr. Volcker during that time. I look forward to hearing from you as soon as possible, and thank you for your help.

Very best regards,

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James W. Kack
[redacted]

8-9-87

Paul ——

I thought you might enjoy the enclosed which appeared in todays newspaper.

Donna and I truly enjoyed your visit, and do hope you will return soon and frequently.

-- I spoke to two groups who were on the Yellowstone last thursday & Friday and did very well -- Brown trout -- on Wooly Buggers !! (They even had video tape to prove it !!! -- really !)

Regards,

Jim

8/14

KACK

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Paul A. Volcker

August 20, 1987

TO: Albert J. Kubeluis

Thanks for the memo. By coincidence, just this morning I got another strong recommendation for Mr. Burke for similar reasons. He is now on my list!

P.A.V.

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

DIVISION OF FEDERAL
RESERVE BANK OPERATIONS

August 13, 1987

To: Chairman Paul A. Volcker

From: Albert J. Kubeluis A.J.K.

Subject: National Commission on Public Service

I participated in the President's Executive Exchange Program in 1984-1985 going from the Board to Johnson & Johnson and was very impressed by the company's ethics, quality, and long-term success. When I read that you were becoming chairman of the National Commission on Public Service, the thought occurred to me that the values and experiences of J&J may be of great help to your Commission.

You may know Mr. James E. Burke, chairman and ceo of J&J. Mr. Burke was also chairman of the President's Commission on Executive Exchange. You may want to contact him regarding the Commission. Mr. Burke could provide good insights into public service because J&J has public service as an explicit philosophy and operating principle.

The attached credo states J&J's responsibilities to their customers, employees, communities, environments, businesses, and stockholders. I saw this credo reflected in operations, planning, crisis management, and key decisions at J&J.

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J&J has invested considerable effort over the years in order to infuse the principles of its credo in its employees. In 1975, some J&J executives became concerned over whether J&J was practicing what it was preaching. A meeting of managers from their United States and foreign companies was held to challenge the credo. This began a series of credo challenge meetings to recommend whether to get rid of the credo, rewrite it, or recommit to it. Clearly, J&J has remained committed to its credo. The success and reputation of J&J, the quality of its products, its handling of the Tylenol crisis, its staying in and helping the New Brunswick, New Jersey community, and its participation in education programs are evidence of J&J's commitment to the high principles of its credo.

Mr. Burke has led J&J for many years and has a wealth of experience which may be valuable to your Commission. I have not discussed this matter with Mr. Burke, nor do I have any knowledge of his interest and availability.

Good luck in your new work.

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August 20, 1987

Mr. Gerard Cameron Lacey
Senior Development Officer
Northwood Institute
19111 W. Ten Mile Road
Southfield, Michigan 48075

Dear Mr. Lacey:

I appreciate your letter -- and your tuition efforts.

I sympathize with anyone plowing through "Purposes and Functions" from a standing start. Maybe some day I'll write my book.

Meanwhile, keep up all that good work.

Sincerely,

PAV:gv

Paul A. Volcker

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NORTHWOOD INSTITUTE

19111 W. Ten Mile Road
Southfield, Michigan 48075
(313) 353-1360

GERARD CAMERON LACEY

SENIOR DEVELOPMENT OFFICER

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August 13, 1987

Mr. Paul Volcker,
Constitution Ave. & 20th St.,
Washington, D.C. 20551

Dear Mr. Volcker:

I hereby extend my own thanks and those of other Americans for your "YEOMAN'S SERVICE" to all of us, as Federal Reserve Board Chairman.

My current job is to make it possible for young people to attend Northwood Institute, a private College of Business Management, for the same cost as they would pay at a public state-supported College. Our costs range from 33% to 50% higher than public schools. Your brilliance in keeping inflation to a minimum enabled me to do a good job of matching public school costs.

The forcast is that a private College

NORTHWOOD INSTITUTE

19111 W. Ten Mile Rd. - Suite 169
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Telephone 313-353-1360

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education which now costs $8,200/yr. for board, room, tuition will be $30,000/yr. by 1997. That's would be incomprehensible, but for the fact that I had 1 term of college (nights) before enlisting in the Navy, 1942, and that term cost $200 vs today's $1,700, an 850% increase!

Currently, I'm reading "The Federal Reserve System, Purposes and Functions". I'm trying to fathom the techniques of $ infusion & defusion which you utilized to take an approximate 9% national interest rate and boost it to 19% & 20% in order to reduce it to the present 9% while stimulating a stagnant economy. It seemed to me that there was then, a relatively great amount of foreign investment flowing to our markets & the national debt wasn't any worse, relatively, than now, so you shouldn't have been able to create a situation where interest rose to 19%-20%. How did you do that --- what part of the equation am I missing?

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In 1977-78 I undertook to rescue an Indiana college. I engaged in many heroics such as enrolling retired carpenters, electricians masons, bricklayers, builders, and wives, and trading them board room and tuition for their artisanship. I eventually enlisted a significant part of the student body as maintenance workers, got a foundation grant, entitled "Toil Toward Tuition" and put the place in such good shape that we were enabled to sell the 400 acre campus and buildings for a decent price, and move the students, faculty et al to our Michigan and Texas campuses. I watched your economic machinations throughout this saga, with admiration.

Thank you & if you find time I'd be pleased if you would give me the cause and effect resumé of your actions in 1979-82.

Sincerely

Gerard Lacey - Senor Development Officer - Northwood Institute
19111 W. 10 Mile Rd - Suite 169
Southfield, Mi 48075

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LEIGH
BUREAU

The LEIGH Bureau
W. Colston Leigh, Inc.
1000 Herrontown Road
Princeton, NJ 08540
(609) 921-6141

August 26, 1987

Mr. Paul Volker
c/o Federal Reserve
20th & Constitution Avenue, NW
Washington, DC 20551

Dear Mr. Volker:

We are a large lecture bureau in business since 1926; we focus specifically on representing individuals who are known for the power of what they have to say, who have impact on their audience by the vision which they convey, rather than merely the celebrity of their past accomplishments.

Your career is undergoing a radical shift, from being renowned chiefly for your power to renowned chiefly for your ideas. Thus, our aim for you would be to ensure that over five years, lecturing accomplishes what you want, not merely in the source of income, but as a source for public contribution to the major economic and broader issues of our day. In short, lecturing must be handled in a way consistent with your past accomplishments of public service and your goals for the future.

You will want to turn down many times the number of engagements which you are going to want to accept. Engagements must always be consistent from time to time with your business or academic commitments, while at the same time providing you independent forums for expressing your thoughts to key segments of the population here and abroad. Our goal for you would be to establish the specific criteria for engagements, audience, to avoid excess travel, and to see that your lectures were promoted by the sponsor for what you have to say, rather than merely your glory shining on the sponsor.

LEIGH

The attached memo indicates some of the problems and opportunities which this field may have for you, and should indicate to you our approach. I look forward to the opportunity of meeting with you in Washington, New York, or elsewhere at your convenience and am holding next Thursday to visit you in Washington if that is appropriate.

9/3

Yours,

Bill Leigh

BL:mv

Tell them they can call me on the phone

I did not promise them 9/3 - only said you would be in Washington. G.

They will call you either in Wash. Thurs 9/3 or in NY later.

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The LEIGH Bureau
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Princeton, NJ 08540
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August 26, 1987

To: Paul Volker

From: Bill Leigh

ANALYSIS

As far as public addresses are concerned, your career is making a radical shift, from a man known chiefly for the power of his actions, to a man known chiefly for the power of his ideas. Thus, handling lectures for you is not the business of locating customers who can pay you a large fee; it is handling public appearances so that, five years from now, your stature as a public figure and as a thinker will be reinforced and enhanced. Thus, one must ensure that your lectures are viewed as part of a systematic program and not as immediate predictions (in the style of Henry Kaufman) nor as reflections of a sometime great man (in the style of Henry Kissinger).

Thus, we do not believe your interests are well served by simply exploiting your past. It is the design of your future with which we are concerned. Systematic choice and promotion of lectures for their development of a systematic view of economic governance is the proper end.

Our job is to set the stage for a multi-year plan of lectures on key themes which do not deal simply with short-term policy or economic issues. We would promote a multi-year plan (parallel to a prospective book) based on a broad theme, e.g., economic governance. We will see that audiences focus on your long-term views of the economic good which public and private policy seek to achieve.

From our point of view, the contents of your first lectures are paramount; they should set the agenda for Paul Volker for the future, and it should be clear that they are received by all significant audiences, in the lecture field, in the press in that way.

Indeed, in my judgment, the dangers of your position in lecturing are serious, for they can harm your overall interests unless handled with discretion and competence.

LECTURE-INDUSTRY SPECIFIC PROBLEMS

1. If you simply accept engagements without a pattern, without a firm plan of what you wish to accomplish from lecturing, then your criteria are limited simply to the richest groups. This approach

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can conflict with your public service history. Such groups are frequently of great interest, but the principles should be what the lecture brings to you in addition to the fee. Thus, you need control over the publicity, the context of the remarks, and the audience, both by type and in terms of its needs as it relates to your overall career. Careful attention needs to be paid to avoid excessive travel. In other words, lecturing must serve your non-financial agenda as well as your financial agenda.

SOLUTION -- You must proceed actively to select the audiences and occasions which serve your needs. The solution to these problems is two-fold: careful planning of audiences which it will serve your interests to address. All groups need to be investigated (which any large agency can but many are not trained to do), and the promotion of your addresses must be carefully monitored. Everyone here is trained to think of these issues in dealing with our extensive customer base. Otherwise you are going to be perceived for short-term sensationalism (interest-rate predictions) and/or celebrity soft-shoe.

2. Many groups sound innocuous, but in fact are funded through sources of which you should be aware before you accept an engagement. Under no circumstances should you accept any engagement where all you know is the ostensible name of the group, the predicted composition of the audience, and the like. You wish to know who is actually paying your fee, the nature of the publicity that the sponsor will do; then you can evaluate a prospective lecture in relation to your overall career needs. Many lecture programs are in fact designed to promote the image of the sponsor, something which you must be careful you wish to do. Lectures can, inauspiciously handled, be turned into implicit endorsements of the sponsoring organizations' particular self-interests and public policy goals, which, again, you need to investigate.

SOLUTION -- Know your audience in its full context. We are geared always to protecting all aspects of your interests, not simply finding good fees.

3. Naturally, there will be enormous public interest in your first lectures, but this focus on your past is entirely incorrect, and they should be aimed, promoted, and designed to promote your new agenda. Hence, you will want to turn down most offers.

In short, if you do not exercise active control over how you are publicly perceived, you will be constantly perceived as a man of the past rather than a man of the future, and you will simply be enjoying a seven-figure income at the expense of your long-term advantage. Without caution you can become the celebrity endorser of corporate or industry themes which do not serve your long-term interests.

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LECTURE-INDUSTRY OPPORTUNITIES

Despite these disadvantages, lectures have several advantages to you:

1. They provide you independence from institutions, as an individual whose persona is not simply the persona of an investment banker or academic. Lecturing can provide you a forum for independent intellectual visibility, not limited to your connections with any financial institution.

2. To reinforce your reputation as a thinker, you need an opportunity to find significant forums, and different forums, within the intellectual base of this country. Thus you should speak to a variety of types of groups, in accordance with spreading your message to the most significant constituencies here and abroad.

3. Provides a chance for you to make a potential future transition in your career by going from the financial community to a university or vice versa. This freedom and this control over your own future are the key elements, and the only way this selection can take place is through long-term planning of your goals in relating lecturing to your total career.

OUR BACKGROUND

We think first of the client's, not the customer's, overall long-term interest -- how, in particular, lecturing can assist in the development of a long-term career. By choice, we have always represented on an exclusive basis a very small number of clients worldwide, starting years ago with Eleanor Roosevelt and today working for the most part with speakers known for their ideas. Thus, we work with academics and CEOs, and we regularly coordinate their business, university, and publishing needs (you will see that the overwhelming majority of our clients are authors).

Lecturing is a minor part of a career, yet one with disproportionate potential harm or value depending on skill and discretion. Our training is always to focus on the long-term benefit to your career as we negotiate <u>each</u> opportunity. More than any other trait this focus represents our unique talent for serving your interests.

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Bank of England
London EC2R 8AH

The Governor

2 September 1987

Mr Paul A Volcker
Board of Governors of the
Federal Reserve System
Washington DC 20551
USA

Dear Paul,

I have just returned from leave to find your letter of 11 August. It was extremely good of you to find time on your very last day in office to write to John Whitehead about Palau. Your letter captured very precisely the nature of my own concerns about this extremely unfortunate precedent. We have not yet had any indication that the Administration as a whole has adopted a helpful position on this point. Indeed, now that the Palauans may have passed a plebiscite endorsing the Compact it would appear to require rather an activist approach by the Administration if the matter is to be resolved satisfactorily. I would, therefore, be grateful if you could find just a moment to brief Alan Greenspan on the matter in the midst of his many other pre-occupations so that he can lend his weight if it is needed in later discussions.

I was very pleased to learn that you were going to continue to work with Alan for a short time, particularly on international debt problems, and I certainly appreciate your offer to make yourself available if there is anything on which we need help.

I am looking forward to seeing you at Basle!

Yours ever,

Robin

LEIGH-PEMBERTON

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August 20, 1987

Mr. Nicholas G. Lieberman
Bona Fide Mortgage, Inc.
701 Parkcenter Drive, Suite 110
Santa Ana, California 92701

Dear Mr. Lieberman:

I appreciate that warm and long letter -- with its ambitious proposal.

I confess I, inevitably, am leaving the Federal Reserve (physically, literally today) with some mixed feelings, but my ambition has to be a little freedom and financial repair, not a presidential campaign! At the same time, the kind of confidence you express means a great deal as I return to New York.

Thanks so much for writing,

Paul A. Volcker

PAV:gv

LIEBERMAN

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BONA FIDE MORTGAGE, INC.
Residential and Commercial Mortgage Loans

701 PARKCENTER DRIVE, SUITE 110
SANTA ANA, CALIFORNIA 92701
(714) 547-1282

Mr. Paul Volcker
20th and C Street N.W.
Washington, D.C. 20551

August 11, 1987

Dear Chairman Volcker:

I write a weekly column about interest rates for the Orange County Register business section. As you might imagine, your name has appeared regularly in my column in past years.

I have enclosed a copy of my August 3, 1987 column in which I suggest you as a candidate for president of the United States in 1988. I hope you will seriously consider pursuing the job.

I am thirty-three and have never been active in a political campaign, perhaps because I've never been truly enthused by any presidential candidate. By contrast, I am greatly impressed with your credibility, statesmanship, strength of character and intellect.

I find myself surprised that an American leader could inspire in me the kind of confidence you have. I suppose being surprised at finding quality and integrity in leadership is a sad commentary. But the truth is that there's an entire generation of post-Watergate, rather cynical Americans with a similar perception of political leadership. You seem to be the antithesis of what has turned off Americans.

You have the substantive qualities voters respect and the star quality it takes to win an election where the television set is a primary place of battle.

I have actually seen very little of you on television - some of your reports to Congress over C-SPAN and some news coverage on the networks and CNN - but I think you come across with a humility and down to earth quality that is winning. On a purely pragmatic, public relations basis, I firmly believe that you have the right stuff for electability.

But, I ask myself if the presidency is really something Paul Volcker would want or feel comfortable with. Upon reflection, I must answer in the affirmative. Your uncommon dedication to public service exposes patriotism, a commitment to this nation, which makes me think you would take on the presidency if convinced it was in the best interests of our country.

Admittedly, I know nothing of your views outside a certain economic sphere, but I believe you are a sensible man and an

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honest man. Naturally, I am very interested in your views in all areas, but my point is that I like what I see about your basic values system. Pending explanations of your positions on everything from first amendment issues to foreign policy, I feel comfortable supporting you based on what I've seen about your character as a whole.

By virtually all accounts, you've been superb at your post the last eight years. Because your responsibilities as fed chairmain were almost "presidential" in scope, in the sense that your daily decisions were substantially impacting upon the nation and the world, you are proven as a man that can handle awesome power and responsibility. No other American, aside from former presidents, have known the degree of sustained pressure and responsibility that you did the past eight years.

In 1988, Americans will be looking for a president who can straighten out the country's budget deficit problem and make the U.S. more business minded to better compete in the global economy. You seem the stand out, natural choice to lead on those fronts.

I think your background and credentials are such that you could be democrat or republican and be successful in either party.

When I spoke to Peter Coyne two weeks ago, he advised that you were a democrat in 1979 when appointed to head the Fed. He also advised that it was out of the question that you would be a presidential candidate. With all due respect, I can't see why you wouldn't see yourself as the strongest, most capable candidate, certinaly within the democratic party. No one can touch your stature, your integrity, and your charisma. Can you honestly name a better man or woman to manage the nation's fortunes the next four to eight years?

I realize that its already relatively late to start a campaign for president. But given the lack of any formidable democratic party candidates, I would think astute party leaders would welcome and support your candidacy virtually anytime. In simplest terms, you are the "mensch" the democrats need but don't have.

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I have recently written to democratic party leaders asking them to think about Paul Volcker for president in 1988. I myself would be proud and excited to participate in working toward that goal.

I congratulate you on your sterling accomplishments as fed chairman. As you now leave that post, I can only hope that the passion you poured into the fed can now be redirected into service to the United States as our chief executive.

Whatever course you adopt, I wish the best for you and your family and I thank you for your courage and your class in representing this nation over the years.

Sincerely yours,

Nicholas G. Lieberman

NGL:vrc

enclosure

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Citation Information

Document Type: Newspaper article **Number of Pages Removed:** 1

Citations: Lieberman, Nicholas. "Volcker May Be the Right Man in 1988." *Orange County Register* (Anaheim, California), August 2, 1987.

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SOL M. LINOWITZ

ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

August 4, 1987

Dear Paul:

Now that Alan Greenspan has been approved by the Senate, you may want to have a chat about some of the things we discussed earlier. If so, please don't hesitate to give me a call and we'll go out to lunch together and talk about all manner of things.

Warm regards,

Sincerely,

Sol M. Linowitz

set up lunch sometime

LINOWITZ

breakfast at Hay Adams 8:30 Wed. 8/19

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

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TIME
INCORPORATED

399 BOYLSTON STREET
BOSTON, MASSACHUSETTS 02116
(617) 262-7551

TIME-LIFE NEWS SERVICE

August 11, 1987

Dear Chairman Volcker:

Catherine Mallardi passed on your message that you haven't yet addressed the question of whether to commit yourself to a book and would prefer to talk about it later next month. It does make sense for you to decide whether you want to do this after you have left the pressures of office.

All that I will add now is that editors have reinforced my belief that the viewpoint you have to convey and the story you have to tell would be hugely instructive. One editor says: "Volcker can tell us in a concrete way how things really work--and how they can be messed up. This can be done in a dignified way, and it would be a terrific book." (Bismarck's dictum about laws and sausages is outdated in modern democracies.) I should also point out that it would not be published until after the present administration is out of office.

I can certainly wait to hear your decision, although I hope you will permit me to talk with you if you are considering any literary commitments. In any case, this might be an interesting--and relaxed--discussion when you are settled early in the autumn. I will call you after I return on Sept. 20, and meanwhile, you can always reach me through this office.

Yours sincerely,

Lawrence Malkin

The Hon. Paul Volcker
Board of Governors
Federal Reserve System
Washington, D.C. 20551

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Federal Reserve Bank of St. Louis

July 31, 1987

Mr. Lawrence Malkin
Time Incorporated
399 Boylston Street
Boston, Massachusetts 02116

Dear Larry:

Yes, I received the letter.

I didn't answer for a simple reason.

I'm not at all sure it's a good idea, but I didn't want to say no preemptorilly, particularly after seeing your book!

Why don't you call me here before you go to Spain.

Sincerely,

PAV:ccm

MALKIN

Larry Malkin called 8/14/87 - will call after he returns from Spain.
CM

CM Fickler

TIME
INCORPORATED

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 JUL 29 PM 12: 37
RECEIVED
OFFICE OF THE CHAIRMAN

399 BOYLSTON STREET
BOSTON, MA 02116
(617) 262-7551
TIME-LIFE NEWS SERVICE

July 27, 1987

Dear Chairman Volcker:

I assume you have received my letter of June 10 and will be replying after leaving public office.

This letter simply is to inform you of my plans for the summer if you wish to contact me. I tentatively plan to leave here Aug.20 for one month's vacation in Spain, where I have a summer house. I can be reached there by phone (3471-639-159), or if the connection is difficult, through this office, which will relay messages through Ms. Julie Peterson. If you wish to discuss this before Aug. 20, I will be here and can come visit you. Needless to say, if your reaction to my proposal is positive and urgent, I would be pleased to change my summer plans.

If Al Hunt's piece in the Wall Street Journal last week is any guide, the comparison I made in my book between you and General Marshall is gaining circulation and credence.

Yours sincerely,

Larry Malkin

Lawrence Malkin

The Hon. Paul Volcker
Chairman, Board of Governors
Federal Reserve System
Washington, D.C. 20551

Dear Larry,
Yes, I received the ~~ett~~ letter, ~~as~~ I didn't answer for a simple reason. I'm not at all sure it's a good idea, but I didn't want to say ~~not~~ no preemptorily. Why don't you call me here before you go to Spain. Bill

particularly after reading your book!

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(COPY)

TIME
INCORPORATED

399 Boylston Street
Boston, Massachusetts 02116
(617) 262-7551

Time-Life News Service

June 10, 1987

Dear Chairman Volcker:

Now that you are returning to private life, I want to propose formally a collaboration on a book of your memoirs. As I wrote in April, I believe it would fulfill an important public purpose. A copy of that letter is enclosed.

People want to know what it was like to be the most important individual in the U.S. (if not the world) economy during a dangerous period. They want to know what the issues were (and are) and how you saw them when you were in the eye of the storm. There would be a sizeable readership for a book giving your account of how the personalities and issues intersected. Markets, nations, and society as a whole depended on decisions you made and things you did. People want to know how and why they happened.

Given the uncertain outlook for the world economy through the end of the decade, your memoirs would be timely and instructive. You may well wish to undertake them without assistance. But if you seek someone to gather information and help organize and refine the manuscript, I offer a combination of advantages: numerous mutual friends and contacts to help refresh your recollections, long experience writing about the domestic and international economy and politics, and success in journalism and publishing.

For a straightforward and well written book with style, we are talking about an advance sum of seven figures (although the commercial failure of Stockman's book has depressed the market somewhat). It would be wise to negotiate jointly through an agent, and there could be considerable advantage in going to Little Brown (Time's publishing house, which successfully handled Kissinger's memoirs). I would be able to work on this with you for a year or more, with Time's support.

I have some ideas on how to put together an outline proposal to tell the story without compromising your integrity. Are you interested in exploring this privately? I expect to be in Washington June 18-19 to promote my own book and would welcome an opportunity to talk with you. We might be able to start on a proposal that would be offered after you leave office. Or you may prefer to wait until after you leave, perhaps for several months. In any case, I hope to hear from you.

Yours sincerely,

Lawrence Malkin

The Hon. Paul Volcker
Chairman, Board of Governors
Federal Reserve System

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FORTUNE

SUITE 850
1050 CONNECTICUT AVE. N.W.
WASHINGTON, D.C. 20036
(202) 861-4092

Bob,
fyi,
Regards,
Lee

LEE SMITH
WASHINGTON EDITOR

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FORTUNE

TIME & LIFE BUILDING
ROCKEFELLER CENTER
NEW YORK, N.Y. 10020
(212) 841-2457

MARSHALL LOEB
MANAGING EDITOR

212-522-1212

August 3, 1987

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

Dear Mr. Volcker,

Like so many others, I was saddened by your decision to step down as chairman of the Fed. It does, however, give me an early opportunity to ask you something I've been wanting to ask for some time. I'd like to have you do an article for Fortune on your stewardship of the Fed, or, if you prefer, any other subject that is on your mind.

I know you must have received many similar requests, but I believe Fortune is the best channel through which to speak. Ours is a sophisticated readership, not only of business leaders but also of economists, attorneys, professors and policymakers to whom you can communicate important ideas without having to oversimplify them. We can offer you as much space as you would like and also a format of your choice.

What I have in mind at the moment is an article by you of anywhere from 1,000 to 5,000 words, or more if you wish. Alternatively, the article could appear as a series of questions and answers, or perhaps some other format that you might propose.

Our readers have strong ideas about what Paul Volcker has meant to the national and global economy over the past eight years. They would be fascinated to learn what Paul Volcker thinks his accomplishments have been. And what he might suggest to policymakers now.

I hope you won't mind if I follow up this letter with a phone call. Thank you very much.

Sincerely,

Marshall Loeb
Managing Editor

4706

bcc: Dick Armstrong
Allan Demaree
✓ Lee Smith

LOEB

telephoned regrets
JRC
8/25/87

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9/2

Mr. Coyne --

This letterhead looked vaguely familiar -- is this something I typed for you the other day and you regretted?

gail

I regretted
JRC
9/2/87

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August 3, 1987

Dear Chairman Volcker,

I'm sending to your home a copy of a letter I mailed to your office requesting an interview. This is just in case the letter never found its way to you at the Federal Reserve Board.

Sincerely,
Barbara Mankel

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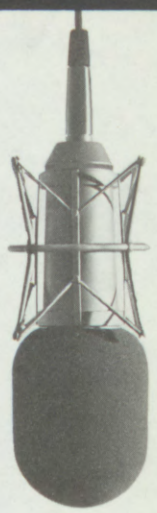
NATIONAL PUBLIC RADIO



July 29, 1987

Paul Volcker, Chairman
Federal Reserve Board
Washington, D.C. 20551

Dear Chairman Volcker:

National Public Radio has always tried to cover economic issues with a bit more imagination than the financial press. We try hard to captivate our millions of listeners; it's not always easy.

But I think I can fairly say that our listeners would be fascinated by an interview with you. Would you consent to tape an interview with NPR after you have left the Federal Reserve Board?

It would be an excellent opportunity for NPR to explain to our audience the critical issues that you have faced as Federal Reserve Board chairman, how the Board made many of its key policy decisions during your tenure, the limits on the Board's range of influence, the political pressures that you may have experienced as chairman and any particular frustrations you may have had in the job.

As you may know, NPR is committed to comprehensive reporting. For example, when our legal affairs correspondent interviewed William Brennan, the interview aired as two parts on consecutive days, each segment lasting twenty two minutes.

I hope you will agree to an interview. I'll call your office in a few days to check.

Best regards,

Barbara Mantel

Barbara Mantel
Business and economics reporter

MANTEL

Dear Mr Mantel,
I agree that NPR has tried to cover economic issues with imagination - and it isn't easy!
So I have some bias toward accepting your invitation for an interview.
But I won't - at least yet.
If you don't lose interest you might write again in two or three months.
Sincerely,

801 Second Avenue Suite 701 New York NY 10017 Telephone 212-490-2444

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NATIONAL PUBLIC RADIO

MANTEL
801 Second Avenue
Suite 701 New York NY 10017

NEW YORK, NY 100
PM
5 AUG
1987

INCLUDE Y
APT # FOR
BETTER SE

USA 22

PAUL VOLCKER
151 E. 79TH STREET
NEW YORK, N.Y. 10021

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CAPITAL SPEAKERS
INCORPORATED

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BOARD OF GOVERNORS
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1987 AUG -4 PM 12:35
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OFFICE OF THE CHAIRMAN

August 1, 1987

Sorry

The Honorable Paul A. Volker
Chairman, Federal Reserve Board of Governors
20th Street and Constitution Ave., N. W.
Washington, DC 20551

Dear Mr. Volker:

On June 3 I wrote you asking that you permit my firm to offer you to our clients as a speaker after you step down as Federal Reserve Chairman. I also pointed out what we believe to be the disadvantages of entering into a contract with any speakers bureau on an exclusive basis and suggested that our arrangement be informal and non-exclusive.

The president of our firm, Ms. Phyllis Corbitt, and I would very much appreciate an opportunity to discuss this matter with you. We will be out of the country until August 19. Could you give us an appointment on the 19th or as soon thereafter as convenient? Thank you very much.

McKenzie

Sincerely,

Frank E. McKenzie

Frank E. McKenzie
Chairman

called 8/13/87 "no"

yes — no X

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Mayo Foundation Rochester, Minnesota 55905 Telephone 507 284-2511

S. C. Johnson, *Chairman*
W. E. Mayberry, M.D., *President*
R. R. Waller, M.D., *Vice President*
R. W. Fleming, *Vice President*
G. Orwoll, *Secretary*
D. A. Barnes, *Assistant Secretary*
J. H. Herrell, *Treasurer*
A. W. Putnam, *Assistant Treasurer*

August 13, 1987

Mr. Paul A. Volcker
Chairman, Board of Governors
Federal Reserve
20th and C. Street
Washington, DC 20551

Dear Paul:

We were pleased to learn that you can attend the meeting of trustees scheduled for Friday, August 21st. The meeting is scheduled to begin at 8:30 a.m. as usual. Clinic cars will be at the west door of the Kahler Hotel at 8:15 to take public trustees to the Foundation House for the meeting. The meeting should end at noon and will be followed by a picnic luncheon on the grounds of the Foundation House. Former internal trustees and their spouses have been invited to attend.

I am enclosing the following:

1. Minutes of the following meetings:

   --Board of Trustees, May 15, 1987
   --Executive Committee, May 27, 1987
   --Executive Committee, June 17 and June 18, 1987
   --Executive Committee, July 2, 1987
   --Executive Committee, July 15, 1987
   --Executive Committee, August 12, 1987

2. Quarterly financial report for the quarter ending June 30, 1987.

As I mentioned in my letter of July 22nd, Gene and Jane Mayberry will be hosting a reception and dinner at their home beginning at 6:30 p.m. on Thursday evening, August 20th. Clinic cars will be available either at the west entrance of the Kahler or across the street from the west entrance of the Kahler in front of the Damon Parkade shortly before 6:30 to take public trustees and spouses to the Mayberrys. Return transportation, of course, will be available.

Clinic cars will be at the west entrance of the Kahler Hotel at approximately 11:15 a.m. on Friday to take spouses of public trustees to the Foundation House for the reception and picnic luncheon. Transportation will be available at the Foundation House following the meeting and the luncheon to meet your transportation needs.

Mayo

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If there are any changes in your plans, we would appreciate it if you or your secretary would call Dee Gill (507-284-2221) to let her know of them. We look forward to seeing you.

Very truly yours,

Gregg Orwoll

GO/pi
Encs.

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Citation Information

Document Type: Meeting minutes & documents **Number of Pages Removed:** 34

Citations:

Minutes of the Quarterly Meeting: Board of Trustees of Mayo Foundation, May 15, 1987.

Minutes of Mayo Foundation Executive Committee, May 27, 1987.

Minutes of Mayo Foundation Executive Committee Special Sessions, June 17-18, 1987.

Minutes of Mayo Foundation Executive Committee, July 2, 1987.

Minutes of Mayo Foundation Executive Committee, July 15, 1987.

Minutes of Mayo Foundation Executive Committee, August 12, 1987.

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August 20, 1987

Mr. Arthur R. Miller
Harvard Law School
Cambridge, Massachusetts 02138

Dear Mr. Miller:

Thanks for the note on the Washington Speakers Bureau.

It seems to be a very competitive business, but I'm not yet fully convinced I want anybody!

Sincerely,

Paul A. Volcker

PAV:gv

MILLER

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HARVARD LAW SCHOOL

CAMBRIDGE · MASSACHUSETTS · 02138

August 18, 1987

The Honorable Paul Volcker
c/o Catherine Mallardi
Federal Reserve Board
20th and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Chairman Volcker:

I wanted to write to you to wish you the very best upon your departure as Chairman of the Federal Reserve Board. I am certain I am among countless Americans who admire what you have done for us over the past eight years.

I also would like to take this opportunity to recommend my lecture agency, the Washington Speakers Bureau, to you in the highest terms. After dealing with a number of agencies, I have concluded that many of them make a lot of promises or live on their reputations. In my case, only the Washington Speakers Bureau has lived up to every promise and expectation.

Since I am certain that the demands on your time will be even greater than mine seem to be each semester, the Washington Speakers Bureau has the unique ability to make the engagements I accept both logistically convenient and rewarding experiences. Furthermore, its personnel are true professionals at their craft.

The Washington Speakers Bureau has been extremely effective for me. I recommend them without qualification. If you have any questions about them, I hope you will call me (617-495-4111).

Sincerely yours,

Arthur R. Miller

ARM:dja

Dear Mr Miller
Thanks for the note on Washington Speakers Bureau.
It seems to be a very competitive business, ~~and~~ but I'm not yet fully convinced I want anybody!
Sincerely,

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Federal Reserve Bank of St. Louis

August 20, 1987

Ms. Elaine J. Mittleman
[redacted]

Dear Ms. Mittleman:

I hardly know how to carefully respond to your letter since my recollections of particular events in 1980 with respect to the Chrysler Loan Guarantee program are hazy at best. Certainly, there were many doubts, questions, and difficult decisions at that time, and a good many people were working under strong pressure. In the end, the purpose seems to have been successfully achieved, and I am sure close monitoring of Chrysler's performance played a key part in that success.

I am afraid I have little recollection, and had no first-hand knowledge, of the events you describe.

Sincerely yours,

Paul A. Volcker

PAV:gv

MITTLEMAN

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Federal Reserve Bank of St. Louis

ELAINE J. MITTLEMAN
ATTORNEY AT LAW
2040 ARCH DRIVE
FALLS CHURCH, VIRGINIA 22043
TELEPHONE (703) 734-0482

August 15, 1987

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

Dear Mr. Volcker:

My congratulations on your retirement from the Federal Reserve. It can only be hoped that you are not totally irreplaceable. In any event, the economy has fared quite well on your watch.

I am writing to you concerning the Chrysler Loan Guarantee program. I worked at the Treasury on the Loan Guarantee Board staff from May 1980 until I was fired in January 1981. (See enclosed New York Times article, dated March 6, 1981.) As I am certain you recall, the Chrysler loan guarantee program was highly visible, and, particularly in 1980, the numbers were quite unsettling. I can remember one Board meeting in which you asked the Ernst & Whinney partner about the forecast. As you pointed out, very astutely, if you divided Chrysler's projected sales by projected industry volume, the result was about a 15% market share for Chrysler. That share was wildly optimistic. (The Ernst & Whinney analysis did not include this calculation.) The Ernst & Whinney partner could not reply to your inquiry. You answered something like, "Well, I'm going to have to vote yes, but not based on the numbers."

As 1980 wore on, it was my job to be certain that Chrysler was submitting the appropriate documents. I was concerned about the difficulties we were having with the documents, and I was also concerned about being in compliance with the Operating Plan, given the ever-worsening loss projections. I tried as best I could to raise these issues, but my asking questions did nothing except get me into trouble. When I was threatened with termination, I went to the Treasury Inspector General. The I.G. basically investigated me, rather than the concerns I raised.

Unfortunately, not only was I fired, but I was falsely

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accused of a number of things and was not confronted with these accusations. Several years later, I sought a Schedule C position at Commerce, and these allegations were raised again in the Office of Personnel Management full-field investigation. Because of the continued existence of these documents, I have initiated a law suit to clear my name and amend the record.

As an example of the accusations, Mr. Driggs stated that I leaked a transcript of a Chrysler Loan Board meeting to The New York Times. I have letters from former Secretary Miller, Bill Kovach, formerly of The Times, and Joseph Laitin, Ombudsman of The Washington Post, which I believe prove that the allegation is baseless. As I am certain you can understand, my reputation and career have been severely hampered by these accusations.

I have no presumption whatever that you know who I am or could provide any information as to these accusations. I am contacting you for any recollection you might have about the events of 1980 and Chrysler's compliance with reporting requirements. At the Treasury, I was simply trying to insure that we really complied with the procedural requirements, so that, if we had to go to Congress, we would not be embarrassed. In no sense was I attempting to harm Chrysler's chances of recovery. Unfortunately, my good intentions ended up causing me a lot of difficulty.

I would very much appreciate learning your comments on the Chrysler Loan Guarantee program, and appreciate your uprightness and analytical ability.

Sincerely,

Elaine Mittleman

Enclosures

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Citation Information

Document Type: Newspaper article

Number of Pages Removed: 2

Citations: Crittenden, Ann. "Treasury's Ousted Chrysler Critic." *New York Times*, March 6, 1981.

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Citation Information

Document Type: Reports, correspondence **Number of Pages Removed:** 9

Citations:

Report of Investigation, U.S. Office of Personnel Management, 1985.

Letter to Elaine Mittleman from Bill Kovach, *New York Times*, May 24, 1985.

Letter to Elaine Mittleman from Joseph Laitin, *Washington Post*, March 20, 1987.

Letter to Elaine Mittleman from G. William Miller, January 6, 1987.

Memorandum of Interview, Robert F. Cahill, undated.

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MUTUAL BROADCASTING SYSTEM

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Telephone: (703)685-2134

August 14, 1987

RON NESSEN
Vice President
News

The Hon. Paul A. Volcker
Chairman
Board of Governors
Federal Reserve System
Washington D.C. 20551

Dear Chairman Volcker:

I understand that you have recently met with Harry Rhoads and Bernie Swaine of the Washington Speakers Bureau to discuss their proprosal for managing and arranging your speaking schedule after you leave the Federal Reserve Board.

I want to offer my strong personal endorsement of Harry, Bernie, and their organization. I have known them since shortly after I left my position in the White House as Press Secretary to President Gerald R. Ford.

Their skills and innovation as lecture agents is obvious from the success of the Washington Speakers Bureau and the long list of top-caliber speakers they represent.

However, more important to me has been the well-deserved reputation of Harry and Bernie for absolute integrity and honesty. (And these qualities are not always present with some agents in the lecture business!) They are always scrupulously honest and fair; they always live up to their word. They would rather do the right thing than the most profitable thing.

Harry and Bernie are true gentlemen in the old-fashion sense of the word. And for that reason I consider them my friends as well as professional associates.

You could not do better than to entrust the management of your speaking schedule to the Washington Speakers Bureau. If you have any questions about my experience with Harry and Bernie (and other speakers bureaus) please don't hesitate to call.

Good luck on what I suspect will be a very busy "retirement."

Yours truly,

Ron Nessen

Ron Nessen
VP News and Special Programs

RHN:ssn

NESSEN

8/14

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Federal Reserve Bank of St. Louis

August 20, 1987

Mr. Ron Nessen
Vice President - News
Mutual Broadcasting
1755 South Jefferson Davis Highway
Arlington, Virginia 22202

Dear Mr. Nessen:

I confess that I am very doubtful that I would want to tie myself down to a daily, or even less frequent, radio commentary.

In any event, I still haven't decided what I really want to do as my main commitment. Until I do, everything else is in abeyance, so I don't really think it is worth talking about your idea more.

But I do appreciate your initiative in bringing it to my attention.

Sincerely,

Paul A. Volcker

PAV:gv

NESSEN

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Federal Reserve Bank of St. Louis

MUTUAL BROADCASTING SYSTEM

1755 South Jefferson Davis Hwy.
Arlington, Virginia 22202
Telephone: (703)685-2134

August 18, 1987

RON NESSEN
Vice President
News

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

Dear Chairman Volcker:

Now that you are about to leave the Federal Reserve Board, I'd like to propose that you consider undertaking a regularly scheduled program of economic commentary on the Mutual Broadcasting System. (I wrote you recently endorsing the qualifications of Harry Rhoads and Bernie Swain of the Washington Speakers Bureau; your impending availability for speeches persuaded me to write you again to determine your availability for broadcasting.)

As you may know, Mutual is the world's largest radio network, with more than 900 affiliated stations, and one of the oldest. Mutual's parent company, Westwood One, is in the process of acquiring the NBC Radio Networks. This combination will create an even larger audience and stronger lineup of affiliate stations for our programs.

In addition to broadcasting four newscasts per hour, Mutual also carries the daily "debate" program between Senator Edward Kennedy and Senator Robert Dole, called "Face-Off."

Mutual's best-known personality is Larry King, whose all-night talk show is one of the most listened to programs on radio. Daniel Schorr is a regular commentator on Mutual's "The Newsbreakers" panel show. Another popular Mutual program is the "Changing Times Personal Financial Report," produced in cooperation with the Kiplinger organization. And in November we will launch a 13-week series, "The Next President," featuring David Frost and interviews with all major presidential candidates as well as former Presidents Ford and Carter.

Additionally, Mutual broadcasts three business news programs each day. We have won virtually every major broadcast award for outstanding news programming, including a Peabody, a Gabriel, a Gold Medal from the International Radio Festival and two Janus awards for business reporting.

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I believe a daily Paul Volcker program of economic commentary on Mutual would reach a large audience of Americans with important news, information, and analysis. During your service on the Federal Reserve Board you did so much to raise the level of public awareness about vital economic issues. You can continue and expand that educational process on Mutual.

Obviously, we would work out compensation and logistic arrangements totally agreeable to you. After you've had time to consider this proposal, I'll phone to arrange a meeting to discuss it further.

Yours truly,

Ron Nessen

Ron Nessen
Vice President News

RHN/bab

cc: Harry Rhoads

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Federal Reserve Bank of St. Louis

9-3

FEDERAL RESERVE BANK OF BOSTON

FRANK E. MORRIS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

BOSTON, MASSACHUSETTS 02106
TELEPHONE (617) 973-3630
TWX: 710-321-1435
CABLE: FEDRES BSN

August 18, 1987

The Honorable Paul Volcker
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

10/12 Mon - holiday
13 Tues - Greenbrier?
14 Weds - clear

Dear Paul: Mon - Weds

I am writing to invite you to a major economic conference sponsored by the Federal Reserve Bank of Boston on October 12-14, 1987. The conference topic is The Merger Boom, and our agenda includes papers exploring why we are having a merger boom now, the effects of mergers and acquisitions on the U.S. economy, and how policy should respond to the current wave of mergers. I have included an agenda for your information.

The conference will be held at the Bald Peak Colony Club, Melvin Village, New Hampshire from Monday afternoon, October 12 through Wednesday, October 14. Conference sessions are scheduled to end after lunch on Tuesday and Wednesday, leaving Tuesday afternoon free for golf and tennis. Spouses are invited to the conference, and many have attended our conferences in the past. The daily rate at the Bald Peak Colony Club is about $105 per person, full American plan.

MORRIS

The Bank will provide bus transportation for all attendees between Boston's Logan Airport and the conference site in New Hampshire. The bus will depart from Logan Airport at 1:00 p.m. on Monday, October 12, and will arrive at Logan Airport about 5:15 p.m. on Wednesday, October 14. If you accept our invitation, we will send you further details as soon as they are available.

This conference will be the 31st in a series that we have sponsored on current economic issues. All have brought together eminent authorities on a variety of public policy issues, and the published proceedings have been widely distributed.

We expect that many people will want to attend this conference and space is limited. Therefore, we would appreciate it if you would let us know as soon as possible if you will attend. I do hope you will accept this invitation, and I look forward to hearing from you.

Sincerely yours,

FEMorris

Frank E. Morris

Enclosure

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September 3, 1987

Mrs. Judity Kooker Paulus
[redacted]

Dear Judy:

I appreciate your letter on a number of counts -- including the interest in the National Commission.

This is a shoestring operation, and will remain that way. But one possibility is some regional meetings. All I can do now is to make sure we have you "on file" should some need arise for help in the Mid-West.

Thanks for writing.

Sincerely,

Paul A. Volcker

PAV:gv

PAULUS

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JUDITH KOOKER PAULUS
[redacted]

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

Dear Paul:

Congratulations appear to be in order on any number of counts-- your brilliant tenure at the Fed, your graceful exit to the private sector, and the legacy of respect and affection you leave behind. We're all watching to see which of the many opportunities available to you you'll choose.

As you might recall, I left the Treasury in 1978 to work for Bob Malott, the Chairman of Chicago-based FMC Corp. I believe you dealt with him quite regularly during the early Continental Bank crisis days. Anyway, he's been a good mentor and the corporate experience has been very valuable. I resigned from FMC in 1985 for family reasons, but continue to work on a free lance basis for Bob and other business leaders here.

I was intrigued with our local report that you'll be heading a new commission on public service. If you need any aides outside of the New York/Washington corridor, I'd be delighted if you'd call on me. As someone at mid-career, I find the trade-offs between the private and public sectors quite challenging.

With best wishes to you,

Sincerely,

Judy

Judith K. Paulus

Enclosure

copy sent to Bruce Langer 8/21

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Washington Speakers Bureau, Inc.

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888 Seventh Avenue New York, New York 10106 (212) 541-7980

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★ Stew Leonard, Jr.
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★ Patricia Neal
★ John Gavin
★ William Freund
★ Robert Krulwich
★ Tim Johnson
★ Robert Waterman

August 14, 1987

Hon. Paul A. Volcker
Board of Governors
Federal Reserve System
Washington, DC 20551

Dear Chairman Volcker:

It was a pleasure to meet you this week. Bernie and I greatly appreciate your allowing us the opportunity to meet with you and to express our interests in managing your outside speaking activity.

On a separate note, I visited with my good friend, Ron Nessen this morning. As Vice President of News and Special Programs for Mutual Broadcasting (the nation's largest radio network), he is producing new business programming for the network. And, he expressed his interest in speaking with you about the possibility of your involvement in this new programming effort.

I'm sure you will be hearing from him soon. I have great respect for his business acumen and trust you will find his proposal of interest.

Thank you for this consideration.

Sincerely,

Harry Rhoads, Jr.
President

HR:ml

RHOADS

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September 3, 1987

Mr. Robert H. Riley
Chairman of the Board
U.S. Digital Disc Corporation
14 Holland Road
Middletown, New Jersey 07748

Dear Bob:

It sounds as if you are off on an intriguing and potentially exciting challenge.

At this point, without knowing what I am going to be doing more generally, I can't possibly think of taking on a commitment as a director. In a few months maybe we could talk. But I certainly would not delay any decisions you should make on a long shot.

In any event, I can certainly wish you Godspeed and good luck.

Regards,

Paul A. Volcker

PAV:gv

RILEY

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U.S. Digital Disc Corporation

14 Holland Road, Middletown, NJ 07748

Dear Bob,
It sounds as if you are off on an intriguing and potentially exciting challenge. At this point, without knowing what I am going to be doing more generally, I can't possibly think of taking on a commitment as a director. In a few months, maybe we could talk. But I certainly would not delay any decisions you should make on ~~[illegible]~~ a long shot. In any event, I can certainly wish you Godspeed and good luck.
Regards

August 21, 1987

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

Dear Paul:

Last year, as an outgrowth of what started as a consulting assignment, I became chairman and chief executive officer of a start-up business, U.S. Digital Disc Corporation, which will make its initial public offering in about four to six weeks. Therefore, going from the extreme of macroeconomics to that of a very microeconomic situation, I wonder whether you would have any interest in being a director of the Company.

This is definately not a lucrative offer. The Board will meet about four to eight times a year, and outside directors will be paid a fee of $500 for each meeting, and also receive an option to buy 10,000 shares of the Company's common stock at the public offering price (representing no more than .4 percent of the shares outstanding).

The Company will manufacture compact discs -- both those used for reproducing music and those employed for recording all kinds of databases and designs, as well as provide related consulting services. The Company's factory is being built in the Bathgate Industrial Park operated by The Port Authority of New York & New Jersey in the Bronx (near the Cross Bronx Expressway). Offices also will be located in Manhattan.

Besides proceeds from the public offering, to be underwritten by D. H. Blair & Company, additional financing is being provided by The Port Authority and the Financial Services Corporation of New York City. We hope, within three years, to create about 175 jobs in the City.

There are currently five directors, including myself, who are all insiders, but we must have two outside directors. One outside director most likely will be Malcolm Corrin (President, Interracial Council for Business Opportunity). As the other outside

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director, I first considered Chuck Fiero, but he is unavailable for a year due to a contractual obligation incurred with Sachi & Sachi when the Hay Group was acquired. As a result, Chuck is on our Company's Advisory Board.

In any event, if you have interest, I can send you a copy of a draft of the prospectus and other related background materials.

Best regards.

Sincerely yours,

Robert H. Riley
Chairman of the Board

RHR/jz

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Federal Reserve Bank of St. Louis

August 20, 1987

Mr. Pierre A. Rinfret
Rinfret Associates, Inc.
641 Lexington Avenue
New York, New York 10022

Dear Pierre:

I have the message, but I'm not fully convinced. A lot depends upon whether I decide upon some academic connection.

But, in any case, I appreciate the urging as an indication of interest.

Sincerely,

Paul A. Volcker

PAV:gv

RINFRET

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Federal Reserve Bank of St. Louis

RAI RINFRET ASSOCIATES, INC.

Dear Pierre,
I have the message, but I'm not fully convinced. A lot depends upon whether I decide upon some academic connection. But, in any event, I appreciate the urging on an indication of interest.
Barry,

August 13, 1987

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

Dear Paul:

As you may know, my mentor was a fine gentleman by the name of Dr. Lionel D. Edie. He had worked for President Hoover as an unofficial consultant, and then when Franklin Roosevelt became President, Dr. Edie acted as a consultant to him from 1932 to 1935.

The New York Herald printed a headline in 1933, which headline said "Dr. Edie sees President Roosevelt".

I used to plead with Dr. Edie to write up his memoirs of having worked for President Hoover and then moving to the opposite side and working for President Roosevelt. You have to admit that that combination was unique, but the sad fact of the matter is that Dr. Edie refused to even consider writing his memoirs. The involvement, knowledge and perspective of Dr. Edie was lost irrevocably, and we will never have the advantage of his insights at a crucial stage in the evolution of the United States.

You have lived through an incredibly crucial stage in the evolution of a global economy. You were at the helm of the Federal Reserve when the international debt crisis reached its peak. That crisis is past us and all the dire predictions of world financial collapse have proven to be untrue.

You owe it to history to write your memoirs. To fail to do so would be a catastrophe and you would be short-changing the American people. You have the responsibility to put on paper the evolution

... /

RINFRET ASSOCIATES, INC.
641 Lexington Ave., New York, N.Y. 10022
Telephone: (212) 688-2620
Telex: 284646 RAI UR (RCA)
Cable Address: FORECAST NEW YORK

RINFRET ET BENBASSAT
8, Place Camoletti
1207 Geneva, Switzerland
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11 bis, Blvd. Haussmann
75 Paris IXe, France
Telephone: Paris 770 90 80
Telex: 842 65949

Economic and Financial Correspondents:
Hong Kong Johannesburg London Melbourne Montreal Perth Rio de Janeiro Tokyo Toronto

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Federal Reserve Bank of St. Louis

RAI RINFRET ASSOCIATES, INC.

of the global economy while you were at the helm of the Federal Reserve.

We must have the insights, the knowledge and the tensions involved in the crucial years of the global economy. Students of the future will read your memoirs with great interest and will derive great value from those memoirs.

I have probably read the biography of Benjamin Strong a dozen times. You will recall that he was first President of the Federal Reserve of New York, and his biographer had access to his papers.

Those of us who are fortunate may leave a legacy of intellectual knowledge which is far more valuable than mere money. I suggest to you, as an old friend and as an admirer, that you should put on paper as soon as possible your memoirs, particularly as they regard the years 1979 to 1987.

As always, I send you my best regards, and assure you that I have no vested interest in your writing your memoirs other than to know that without them we will be short-changed.

Most sincerely yours,

Pierre

Pierre A. Rinfret

PAR:mq

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Federal Reserve Bank of St. Louis

September 3, 1987

Mr. David Rockefeller
North American Chairman
The Trilateral Commission
345 East 46th Street
New York, New York 10017

Dear David:

As I try to sort things out in terms of future commitments, I'm prepared to accept your invitation to rejoin the Trilateral Commission and become a member of the Executive Committee provided I understand your letter correctly -- that is the Executive Committee only requires two meetings a year, one of which coincides with the plenary.

I look forward to seeing you long before Tokyo!

Sincerely,

Paul A. Volcker

PAV:gv

Rockefeller

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Federal Reserve Bank of St. Louis

The Trilateral Commission

345 EAST 46th STREET, NEW YORK, N.Y. 10017 • (212) 661-1180
Cable: TRILACOM NEWYORK • Telex: 424787

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North American Chairman

Isamu Yamashita
Japanese Chairman

Georges Berthoin
European Chairman

J. H. Warren
North American Deputy Chairman

Yoshio Okawara
Japanese Deputy Chairman

Egidio Ortona
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Charles B. Heck
North American Director

Paul Révay
European Director

Tadashi Yamamoto
Japanese Director

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Otto Wolff von Amerongen

July 29, 1987

The Honorable Paul A. Volcker, Jr.
Chairman
The Federal Reserve System
The Federal Reserve
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Paul:

As I mentioned at dinner on July 13th, it would mean a lot to all of us if you felt disposed again to become a member of the Trilateral Commission and also to join its Executive Committee. You know so much about the Commission that I won't try any further persuasion, much as we would like to have you.

Perhaps I should add, however, that we ordinarily have two meetings of the Executive Committee each year, a late morning and lunch meeting in the summer in New York or Washington, usually Washington, for the North American members of the Committee, and a breakfast meeting for the members of all three regions at the time of our plenary session, which, next year, will be in Tokyo, April 9-11.

If you could join the Commission and its Executive Committee, we would all be delighted. I am enclosing the minutes of our last Executive Committee meeting in Washington to give you an idea of what we discuss at these meetings. You have already done a great deal for us, both as a member and as a speaker, and I might add that I really can think of no one in recent years who has done more for the Trilateralism we all espouse.

Hopefully,

David

David Rockefeller

:rhm

P.S. The dinner George gave Tuesday evening was a wonderful affair and a well deserved tribute.

EUROPEAN OFFICE: 35, avenue de Friedland, 75008 Paris, France
JAPANESE OFFICE: Japan Center for International Exchange, 4-9-17 Minami-Azabu, Minato-ku, Tokyo, Japan

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Federal Reserve Bank of St. Louis

September 2, 1987

Mr. Klaus Ruege
Corporate Offices
Montgomery Ward
Montgomery Ward Plaza
Chicago, Illinois 60671

Dear Mr. Ruege:

Given the uncertain nature of my plans at present, I will have to decline your invitation to address your Chicago group in January.

Sincerely,

Paul A. Volcker

PAV:gv

RUEGE

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Federal Reserve Bank of St. Louis

Montgomery Ward
Corporate Offices
Montgomery Ward Plaza
Chicago, Illinois 60671

a Mobil company

Corporate Offices

312-467-2000

cc: Mr Coyne

August 17, 1987

WO

The Honorable Paul A. Volker
Board of Governors
Federal Reserve System
Washington, D. C. 20551

Dear Mr. Volker:

On January 27 and 28, 1988, the Chicago Association of Direct Marketing will host "Chicago Direct Marketing Days" in the Chicago Hilton Hotel. This annual event draws over 2,000 attendees.

Each year a main speaker is featured at the luncheon in the filled-to-capacity Grand Ballroom.

Although our attendees come mainly from the Chicago Metropolitan Area, we have quite a few visitors from throughout the Midwest. Many of the attendees are owners of small service organizations, a good number are highly placed executives of some of the best known corporations in America. Usually the period from 1:00 to 3:00 p.m. is set aside for the luncheon/presentation activities with the main speaker being featured at approximately 2:00 p.m. Presentations usually range from twenty-five to thirty-five minutes with a limited number of questions allowed. Media coverage by Chicago newspapers, trade publications and one or two of the major television networks can be assumed.

Speakers have ranged from Dr. Kissinger to Bears' Coach Mike Ditka. They have been given a free hand in the selection of their topics. The audience has reacted well to presentations dealing with the nation, the economy, the foreseeable future, i.e. comments that would give them a perspective of issues/events having the potential of affecting their business.

As Program Chairman for this gathering, I'd like to ask you whether your would be willing to address our group on January 28, 1988 and if our date fits into your schedule. Could your let us know whether the possibility of your presence exists? As always, time is of the essence in order to prepare the necessary advertising/promotional campaign.

Sincerely yours,

Klaus Ruege

Klaus Ruege

Dear Mr Ruege,
Given the ~~uncertain~~ uncertain
nature of my plans at present, I will
have to decline your invitation to
address your Chicago group in
January.
Sincerely.

Montgomery Ward

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FREDERICK H. SCHULTZ
118 WEST ADAMS STREET
JACKSONVILLE, FLORIDA 32202

August 5, 1987

The Honorable Paul A. Volcker
Chairman
The Federal Reserve System
20th & Constitution Avenues, N.W.
Washington, DC 20551

Dear Paul:

Regretfully I will be unable to attend the dinner for you on August 18th. We have a Barnett Bank's Board meeting and Audit Committee meeting early the next morning. Since I am chairman of the Audit Committee, it is important for me to attend. I am, therefore, doubly delighted that I could attend the dinner at the State Department last week. It was truly a memorable occasion.

The Florida Council of 100 continues to push me to try to get you down here for the Florida Economic Seminar next January. I will give you a call in a couple of weeks to see how you are coming with your plans for the future. Perhaps you can give me some kind of answer for the Council of 100 then.

Nancy and I both appreciate your letter very much. Please give our best to Barbara and Jimmy.

Sincerely,

Fred

Frederick H. Schultz

FHS:gs

SCHULTZ

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Federal Reserve Bank of St. Louis

August 19, 1987

Mr. and Mrs. David Sellin
[redacted]

Dear Mr. and Mrs. Sellin:

Since last November I have had the pleasure of enjoying the loan of the Homer "fish" painting. It has been hanging in my office to the right of my desk to remind me of the pleasure angling presents.

Now, in theory, I will have more time to catch my own salmon, but, alas, without Homer by my side. But my purpose is to thank you both for the loan in the support of the Board's Fine Arts Program.

Sincerely,

Paul A. Volcker

PAV:gv

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MILLER,
ANDERSON
& SHERRERD

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Call Sam 8/20

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1987 AUG 10 PM 3:04
RECEIVED
OFFICE OF THE CHAIRMAN

August 7, 1987

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

Dear Paul:

I am sure that there is no shortage of people with business proposals for you to consider. A Princeton classmate of mine by the name of Peter Battin contacted me as someone he assumed knew you with an idea. I assured him that I did not know you well, but I did listen to his thoughts. The only reason I bring this to your attention is that Peter emphasized so strongly that a fundamental part of this idea is that you would have a major say in virtually all aspects of it.

Peter feels confident that he can bring substantial backing to a possible business venture of this kind. The general idea would be to form what he believes could become a substantial financial company with significant equity ownership in your hands. Whatever form this venture would take would have to be completely compatible with your ideas. The directors would be approved by you as would be the sources of capital. In other words, as I understood Peter, you would have primary say over virtually all important matters and you would be the CEO.

One other probably important point for you, the backers would understand from the outset that you would probably want a reasonable amount of time to pursue other personal interests.

I realize, Paul, that I have not told you much about a proposal, primarily because those who would like to start something like this want your thoughts. The question, it seems to me, is whether the general idea of your involvement with a new financial company has any appeal to you if the organizers are people with whom you would like to be associated. Unfortunately, I cannot be helpful in commenting on the people beyond Peter.

SHERRERD

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I will be away next week, returning to my office on Monday, August 17. If you have any interest in meeting with Peter, could you either drop me a note or call me when I return.

In any event, I look forward to seeing you at Princeton this Fall.

With best regards.

Sincerely,

Jay

John J. F. Sherrerd

cc: Peter C. Battin

P.S. Jim just started with us on Monday. He is clearly going to be a great addition to our firm, no news to you.

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Federal Reserve Bank of St. Louis

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August 10, 1987

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

Dear Mr. Volcker:

Thank you very much for your letter welcoming me to the Board of Directors of the Federal Reserve Bank of Cleveland. I look forward to service in such capacity, and to meeting other new directors as well as members of the Board of Governors.

On this occasion, too, I join the company of the many, many persons in America and abroad who have expressed gratitude for your years of distinguished service as Chairman of the Federal Reserve System. You guided the nation both wisely and well through some very difficult times.

Best wishes to you in your future endeavors.

Sincerely,

Robert D. Storey

RDS:ea

STOREY

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Federal Reserve Bank of St. Louis

September 3, 1987

Mr. James D. Sutherland
President
Meredith Village Savings Bank
Lock Drawer 177
Meredith, New Hampshire 03253

Dear Mr. Sutherland:

I appreciate those comments all the more from a savings banker who, I suspect, had some difficult years.

Sincerely yours,

Paul A. Volcker

PAV:gv

SUTHERLAND

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MEREDITH VILLAGE
SAVINGS BANK
LOCK DRAWER 177 • MEREDITH, NEW HAMPSHIRE 03253

August 18, 1987

Mr. Paul Volcker
Federal Reserve Board
20th & Constitution, NW
Washington, DC 20551

Dear Mr. Volcker:

Just a note of sincere thanks for the job that you did as Chairman of the Fed.

I think none of us really wanted to know what you knew during the early 80's. It did hit our business hard but, in my view, your action was overdue. The alternative was chaos.

We are fortunate indeed to have selfless public servants such as yourself in our Government.

Sincerely yours,

James D. Sutherland
President

JDS:nkf

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Washington Speakers Bureau, Inc.

123 N. Henry Street Old Town Alexandria Virginia 22314 (703) 684-0555
888 Seventh Avenue New York, New York 10106 (212) 541-7980

★★★

August 31, 1987

Paul Volcker
151 East 79th Street
New York, NY 10021

Dear Paul:

Great Western Savings just told me that you have accepted their invitation for October 26, 1987, in Palm Springs, California.

While we have numerous invitations for you to consider including many from Institutional Investor Magazine, would you now consider the invitation from Barry F. Sullivan, Chairman of the Board, and Richard Thomas, President, of the First National Bank of Chicago for Monday evening, November 23, 1987, in Chicago. This is their forum for business executives throughout that region of the country.

Thank you for your prompt attention.

With best regards,

Bernard L. Swain
Executive Vice President

BLS:bbh

Have I accepted this?
not on my calendar
J.

call him & tell him I had not accepted (still open) & no to FNB of Chicago

Called Swain 9/3
JV

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★★★

August 25, 1987

Honorable Paul A. Volcker
Federal Reserve System
20th & Constitution Avenue, N.W.
Washington, D.C. 20551

SWAIN

Dear Paul:

Thanks for your note. I never want to be unfair, but, there are certainly times I need an advantage.

Also, please keep in mind that whether you accept many opportunities, or you eventually accept only a very few, we can best serve you. We have only your best interests at heart.

With best regards,

Bernard L. Swain
Executive Vice President

BLS:lao

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August 20, 1987

Mr. Bernard L. Swain
Executive Vice President
Washington Speakers Bureau, Inc.
123 N. Henry Street
Alexandria, Virginia 22314

Dear Bernie:

Unfair advantage!

Sincerely,

Paul A. Volcker

PAV:gv

SWAIN

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Washington Speakers Bureau, Inc.

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★★★

August 14, 1987

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

Dear Chairman Volcker:

I thought we might want to suppliment your speaking with this contest. I am ready to go when you are.

With best regards,

Bernard L. Swain
Executive Vice President

BLS:lao

enclosure

Dear Bernie,
Unfair advantage!
Success!

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★★★

August 20, 1987

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

Dear Paul,

It is important to realize that the letters you receive about us are being written not because we have asked for them to be sent, but because these people care about the decision you will make. When you read these letters, you can tell that these people have strong opinions based on their past experience and intimate knowledge of other agencies (lecture agencies have changed in the last five years). These letters are your truest way to separate fact from fiction.

The Washington Speakers Bureau will annually schedule more speakers than any agency in America. Among speakers and among corporations, the Washington Speakers Bureau has the best reputation of any agency in America.

We care about you and we want to represent you.

With best regards,

BERNIE

Bernard L. Swain
Executive Vice President

BLS:lao

enclosure

SWAIN

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cc: McCoy

FINANCIAL AWARENESS® INSTITUTE

Education in Personal Money Management

August 17, 1987

The Honorable Paul Volker, Chairman
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Dear Chairman Volker:

I hope that you found our concept of objectively educating consumers about deregulation of the financial services industry intriguing. This concept offers the potential for tremendous monetary and social rewards.

Imagine the positive impact you could have upon the entire world if you decided to educate the masses about the evolving globalization of our world economy. Our entrepreneurial venture offers the opportunity to realize the same monetary rewards as Wall Street offers, in addition to the personal satisfaction of knowing that you continue to make the world a better place in which to live, even after you leave office.

I would like to discuss this opportunity with you in more detail. I will call in the near future.

Sincerely,

Gary Tagtmeier

Gary Tagtmeier, CPA
PRESIDENT

GT/bd

TAGTMEIER

900 Jorie Blvd., Suite 110 Oak Brook, Illinois USA 60521 312/963-7000

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THE HARRY WALKER AGENCY, INC.

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TELEX 423211 WALKTALK

August 27, 1987

No

The Hon. Paul A. Volcker
Federal Reserve System
Washington, D.C. 20551

Dear Mr. Volcker:

The INSTITUTIONAL INVESTOR has been one of our best clients for many years. We have had almost all of our important speakers for their meetings, not only in the United States, but all around the world. They have had people like Dr. Henry Kissinger, President Valery Giscard d'Estaing, Chancellor Helmut Schmidt, The Rt. Hon. Malcolm Fraser, Ambassador Sol Linowitz, The Rt. Hon. Edward Heath, Ambassador Abba Eban, etc.

Oct 15 Mayor Koch dinner in your honor

They are having two meetings that they would like you to consider.

The first is on Thursday, Friday, & Saturday, October 15, 16, & 17, 1987, but their preferred date is Thursday, October 15. This will be held in Naples, FL., at which there will be approximately one hundred chief executive officers of U.S. corporations in attendance. The honorarium would be $30,000, less our commission, plus all of your expenses.

The second meeting is for their chief executive officers International Roundtable sometime in June, 1988, to be held in Europe. The location and exact dates are to be determined. This will be for approximately one hundred chief executive officers of European corporations. The honorarium would also be $30,000, less our commission, plus all of your expenses.

WALKER, Harry

I hope that we will have a chance to meet once again to discuss your plans for the future, and that you will accept some of these invitations I have submitted to you.

Cordially yours,

Harry Walker

Harry Walker

HW/jc

Called to regret 9/2 gv

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THE CEO INTERNATIONAL ROUNDTABLE

"THE CEO AS THE GLOBAL STRATEGIST"

April 17-19, 1986

Villa d'Este

Lake Como, Italy

Final Program

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THURSDAY
APRIL 17

7:00 P.M. **Registration and Cocktail Reception**
Foyer/Ballroom

8:00 P.M. **Welcome**
Verandah

Gilbert E. Kaplan
Chairman
INSTITUTIONAL INVESTOR

Dinner and Special Address

The Evolution of European Politics

Introduction
John M. Diefenbach
President and Chief Executive Officer
LANDOR ASSOCIATES

Presentation
His Excellency Valery Giscard d'Estaing
FORMER PRESIDENT OF THE FRENCH REPUBLIC

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FRIDAY
APRIL 18

7:30- 8:30 A.M. **Breakfast**
Verandah

8:30- 9:30 A.M. **The CEO as the Global Strategist**
Empire Room

How are chief executives positioning their corporations within a new business climate characterized by global competition and rapid changes in technology? What creative strategies are they employing to capture and maintain a leadership position in their selected markets?

J. Donald Hanson, moderator
Managing Partner, U.K.
ARTHUR ANDERSEN & CO.

Thomas Wachtmeister
President
ATLAS COPCO AB

Rand V. Araskog
Chairman and Chief Executive Officer
ITT CORPORATION

John M. Diefenbach
President
LANDOR ASSOCIATES

Fuat Süren
Chairman
TRANSTÜRK HOLDING A.S.

9:30- 10:00 A.M. **Intermission**
Terrace

10:00- 11:00 A.M. **Discussion Groups**

There will be two simultaneous discussion groups to facilitate an exchange of ideas and experiences. Participants select the session they wish to attend.

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Discussion Group I

Competing in America: Barriers and Inroads
Cinema

The pressures for protectionist legislation and other restrictions to foreign business entry into the U.S. market have increased in the past year. What is the current state of these limitations and their likely future course? What are the strategies employed by successful corporations to gain market share in the U.S.?

Harry W. Strachan
Vice President
BAIN & COMPANY

Klaus Luft
Vice Chairman
NIXDORF COMPUTER AG

Discussion Group II

Examining Critical Issues for Mergers and Acquisitions
Gallio

How do CEOs maximize the profitability of mergers, acquisitions and divestitures? What is the latest thinking about valuation, goodwill and other practical aspects of this corporate practice? What key financial strategies underlie successful mergers and acquisitions?

Michael Oaten
Partner
ARTHUR ANDERSEN & CO.

Nahum Vaskevitch
Managing Director
MERRILL LYNCH CAPITAL MARKETS

Alain Chevalier
President - Chairman
MOET-HENNESSY

11:10- **Discussion Groups**
12:10 P.M.

There will be two simultaneous discussion groups to facilitate an exchange of ideas and experiences. Participants select the session they wish to attend.

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Discussion Group I

Global Marketing: Adding Imagination to Strategy
Cinema

How do CEOs communicate corporate goals creatively and clearly in an increasingly intricate business world? How can they capitalize on rapid change and position their firms and products for long-term competitive advantage?

Philip M. Durbrow
Executive Vice President and
Managing Director - U.S.
LANDOR ASSOCIATES

Peter Farnell-Watson
Associate Group Director
LANDOR ASSOCIATES

Discussion Group II

Today's Business Opportunities in China
Gallio

Recent political and economic changes in the People's Republic of China have spurred greater activity by many corporations. What types of projects are encouraged by the Chinese government? What financing alternatives are now available? This session will identify the successful strategies that companies are using to forge business deals in China.

Fong Chi
Managing Director
MERRILL LYNCH ASIA-PACIFIC

12:10- 2:30 P.M. **Luncheon and Panel Discussion**
Empire Room

The Shifting Power Balance in Global Politics

Many contemporary thinkers have identified two significant trends that are shaping our world: political fragmentation and economic integration. This distinguished panel will explore the former trend and will analyze the changing relationships between the super-

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powers, the apparent rise of neutralism and isolationism, and the impact of these forces on the global balance of power.

Introduction
J. Donald Hanson
Managing Partner, U.K.
ARTHUR ANDERSEN & CO.

Presentation
William G. Hyland, moderator
Editor, Foreign Affairs
THE COUNCIL ON FOREIGN RELATIONS

The Right Honorable Malcolm Fraser, C.H.
FORMER PRIME MINISTER OF AUSTRALIA

The Right Honorable Denis Healey
FORMER CHANCELLOR OF THE EXCHEQUER OF GREAT BRITAIN

2:30 P.M. Afternoon is free for private discussions, sightseeing and tennis.

6:30-8:30 P.M. **Cocktail Cruise on Lake Como**

8:30 P.M. **Dinner and Special Address**
Verandah

The World Financial Scene: Balancing Risks and Rewards

Introduction
Sir Campbell Fraser, FRSE
Chairman, International Advisory Committee
METRA PROUDFOOT INTERNATIONAL S.A.

Presentation
Dr. Preston Martin
Vice Chairman
UNITED STATES FEDERAL RESERVE BOARD

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SATURDAY
APRIL 19

8:00-9:00 A.M. **Breakfast**
Verandah

9:00-10:00 A.M. **Focus on Two Business Priorities: Creating a Global Financial Strategy and Building Management Consensus**
Empire Room

Two of the most important issues facing CEOs as they compete in volatile markets will be discussed in this session. First, what are the implications of global financial markets and which strategies allow multinational corporations to capitalize on this new environment? Second, how can CEOs build commitment to corporate priorities to effectively execute strategy, particularly at the crucial operating level of the multinational firm?

Harvey D. Shapiro, moderator
Contributing Editor
INSTITUTIONAL INVESTOR

Jack Chiarapurk
Chairman and Chief Executive Officer
JACK CHIA-MPH LTD.

Sergio Orlandini
President
KLM ROYAL DUTCH AIRLINES

Stanislas M. Yassukovich
Chairman and Chief Executive Officer
MERRILL LYNCH EUROPE LIMITED

Patrick J. McIvor
Vice President, International
METRA PROUDFOOT INTERNATIONAL S.A.

10:00-10:30 A.M. **Intermission**
Terrace

10:30-11:30 A.M. **Discussion Groups**

There will be three simultaneous discussion groups to facilitate the exchange of ideas and experiences. Participants select the session they wish to attend.

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Discussion Group I

Productivity Management for Renewed Corporate Vitality
Gallio

The CEO constantly faces the challenge of effectively managing fundamental corporate resources. Particularly in the current competitive environment, the efficient use of production capacity and human resources is essential to expanding profitability. How can chief executives reduce wasted internal resources to enhance their corporations' dynamism?

B.N. Gilson
Executive Director
METAL BOX PLC

Allen Borucke
Vice President, International
METRA PROUDFOOT INTERNATIONAL S.A.

Patrick J. McIvor
Vice President, International
METRA PROUDFOOT INTERNATIONAL S.A.

Discussion Group II

Competitive Advantage: How to Attain Industry Leadership
Cinema

How can chief executives profit from changing competitive forces within their industry? How long can technological and product innovations sustain competitive advantage? What are the principles employed by leading CEOs to successfully differentiate their companies in an increasingly cluttered marketplace?

Ali I. Ghandour
Chairman and Chief Executive Officer
ALIA-THE ROYAL JORDANIAN AIRLINE

Arthur S. Liss
Consulting Partner, U.K.
ARTHUR ANDERSEN & CO.

Michel J. Falcotet
Consulting Partner, France
ARTHUR ANDERSEN & CO.

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Discussion Group III

A Strategic Approach to Mergers and Acquisitions
Sala Ciani

What are the important trends and developments that are shaping the rapidly changing world of mergers and acquisitions? How do they fit into a corporation's strategic objectives? And, based on both successful and unsuccessful cases, what are the "dos and don'ts" of mergers and acquisitions?

Kenneth H. Miller
Managing Director
MERRILL LYNCH CAPITAL MARKETS

Nahum Vaskevitch
Managing Director
MERRILL LYNCH CAPITAL MARKETS

11:40- **Special Address**
12:30 P.M. Pino Room

The Future of Private Enterprise in Space Exploration

Introduction
Philip M. Durbrow
Executive Vice President and
Managing Director - U.S.
LANDOR ASSOCIATES

Presentation
James A. Lovell
Executive Vice President
CENTEL CORPORATION
Former United States Astronaut

12:30- **Cocktail Reception**
1:00 P.M. Terrace

1:00- **Luncheon and Panel Discussion**
3:00 P.M. Empire Room

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The World Economy in Transition

Can European corporations succeed against American and Asian competition in technology and entrepreneurship? What are the political and economic realities that will shape the financial order of the future? This panel of distinguished leaders and outstanding thinkers will identify the fundamental forces driving the world economy.

Introduction
John B. Theroux
Director
BAIN & COMPANY

Presentation
Dr. Heinz T. Thanheiser, moderator
Dean
INSEAD (EUROPEAN INSTITUTE OF BUSINESS ADMINISTRATION)

✓ His Excellency Raymond Barre
FORMER PRIME MINISTER OF THE FRENCH REPUBLIC

✓ Dr. Martin Feldstein
FORMER CHAIRMAN OF PRESIDENT REAGAN'S COUNCIL OF ECONOMIC ADVISERS

✓ His Excellency Helmut Schmidt
FORMER CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY

3:00 P.M. **Roundtable Concludes**

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1986 European International Finance Seminar

"The Challenges of Globalized Decision-Making"

April 15–16, 1986

Noga Hilton

Geneva, Switzerland

PRELIMINARY PROGRAM

Institutional Investor
488 Madison Avenue
New York, New York 10022
(212) 303-3300

Institutional Investor

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Yamaichi Securities Co. Ltd.

Noga Hilton
19, Quai du Mont Blanc
CH-1211 Geneva 2
Switzerland
TELEPHONE: (022) 31 98 11
TELEX: 289704 HIG

Tuesday
April 15

8:00 A.M. **Registration and Coffee**

8:40 **Opening Remarks**

8:45 **Panel Discussion**
"World Economic Outlook: Stepped-Up Recovery or Malaise?

Will the European, U.S. and Japanese governments adapt more growth-oriented policies? Or will concern over budget deficits continue to dominate government thinking? How will plunging oil prices affect global economic growth? What are the prospects for the U.S. economy? What consequences will growing protectionist pressures have on Europe's recovery? How will European governments cope with the persistent high levels of unemployment? What business sectors and economies will fare better in the year ahead? Distinguished speakers will tackle these questions and share their forecasts for the year ahead.

9:45 **Coffee Intermission**

10:00 **Three Simultaneous Workshops**
(Delegates may select the session they wish to attend.)

Workshop I
Emerging Financial Markets and Products: Implications for Corporate Borrowers and Investors
(This session will be repeated at 3:45 p.m. today)

Stock index futures and options, interest rate capping agreements and over-the-counter currency options are just a few of the new products flooding the financial arena today. Getting the most out of these innovative techniques requires a thorough understanding of their mechanics, distinctive risks and their practical applications. Experts will take a close look at some of the more creative products recently developed that enable corporations to protect or enhance portfolios and financings.

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Workshop II

Local Capital Markets' International Foray

Corporate borrowers are witnessing the transformation of local capital markets into major players on the international landscape. Indeed, The Big Bang is spreading to money centers worldwide. This session will explore deregulatory moves in the British, French, Swiss, Japanese and other capital markets. Speakers will discuss the regulatory structure that will result from London's Big Bang and assess the wisdom of today's accelerated deregulatory pace.

Workshop III

Steering Your Corporation Through Today's M&A Maze

This session will cover the most critical questions to consider when entering the merger and acquisition arena, including: When looking to diversify, what are the key legal, regulatory and financial considerations in launching a successful bid? How can buyers avoid paying too much for an acquisition? What's ahead in the way of trans-European and trans-Atlantic merger and acquisition activity? Once a transaction is completed, how should the acquirer go about assimilating a different corporate culture? And when should you consider a development pact, minority investment or joint venture as an alternative to a full-scale acquisition?

11:25 **Panel Discussion**
The CFO Forum: Innovative Approaches to Worldwide Financing

The globalization of capital markets may have its most lasting impact on corporate financial officers who now face a mind-boggling number of financing alternatives. The CFO Forum will present leading executives who will discuss creative approaches for today's worldwide financial marketplace.

12:30 P.M. **Reception and Luncheon**

2:30 **Three Simultaneous Workshops**
(Delegates may select the session they wish to attend.)

Workshop I

Averting a Hostile Takeover

Aggressive takeover techniques, once rare in Europe, are now increasing the vulnerability of many publicly-held corporations. Only a well-devised defensive strategy can ensure that a corporation maintains its independence. What specific steps can corporations take to deter unwanted predators? And how can you analyze expected shareholder reactions to your defensive moves?

Workshop II

Tapping Japan's Capital Sources

Over a year has passed since the MOF liberalized its capital markets, leading to a proliferation of yen-linked financing options for corporations worldwide. What level of savings can be realized by tapping the Euroyen market and what capacity does this market offer today? Is the Japanese market really ready to absorb shogun and other more innovative forms of financing? Are dual-currency issues a viable borrowing alternative? And which of the new yen-related instruments will find a permanent place in the international capital markets?

Workshop III

Leasing's Ongoing Benefits for Corporations

The leasing market continues to undergo marked expansion, offering numerous advantages to corporations despite restricted tax benefits. What are the latest tax rulings affecting lessees in the U.S., Scandinavia, U.K. and other major European countries? What are the structural complexities of the more sophisticated cross-border, leveraged and operating leases, as well as similar arrangements such as bare boat charters? How can lessees decide which structure best suits a given transaction? As leasing becomes less of a tax-driven activity, what other benefits does it offer industry? How do exchange control regulations and insurance considerations affect leasing arrangements? What accounting treatments do the various techniques require?

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3:45 **Three Simultaneous Workshops**
(Delegates may select the session they wish to attend.)

Workshop I
Managing Diversified Groups: Can Information Technology Resolve the Dilemma?

Centralized control or divisional autonomy: These conflicting philosophies are critical to the management of diversified groups of companies. Where should control be exercised? How does strategic financial planning relate to the corporate structure? What are the critical performance measures? How can they be measured and used for motivation? Can head office contribute towards group profitability? Should information technology respond to or drive corporate strategy? And what are the opportunities for competitive advantage arising from the imaginative implementation of information technology? Experts will discuss how information technology can help management monitor and improve performance within a variety of diversified group structures.

Workshop II
ECUs in the Eurobond Market: An Update

In today's fast-moving world of new financing schemes and products, the ECU may prove to be one of the products with the greatest staying power. This update of the ECU and Eurobond markets will cover: What are the prospects for continued rapid growth of the ECU market? As the market develops, how can the investor base be broadened? Which of the more innovative financing formulas will appear on the market? How will the advent of futures contracts affect the market? What structures currently have most appeal for investors in the Eurobond market today?

Workshop III
Emerging Financial Markets and Products: Implications for Corporate Borrowers and Investors
(Repeat of session held today at 10:00 a.m. See earlier description.)

6:45 **Cocktail Reception**

7:30 **Dinner and Keynote Address**
"East-West Relations: A Current Perspective"

His Excellency Helmut Schmidt
Former Chancellor of the Federal Republic of Germany

Chancellor of the Federal Republic of Germany from 1974 to 1982, Helmut Schmidt remains a dynamic and popular figure in the economic and political arena.

Mr. Schmidt came to the chancellorship as an economist who studied the workings of German economic policy first-hand, as Joint Minister of Economics and Finance, and as Finance Minister in earlier governments.

Helmut Schmidt was one of the founders of the Economic Summits, which started in 1975 in order to coordinate the policies of the major western nations. Mr. Schmidt was the only statesman who took part in all eight summits from 1975 to 1982. He has received the U.S. Medal for Distinguished Service, as well as honorary doctorate degrees from Harvard, Johns Hopkins, Oxford and the Sorbonne.

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Wednesday
April 16

8:00 A.M. **Coffee**

8:40 **Panel Discussion**
The Keys to a More Competitive Europe: Technology, Leadership and Productivity

Europe is at a crossroad. Competition for markets at home, as well as abroad has skyrocketed in recent years and European organizations must regroup if they are to meet the challenges posed by industrial powers in other countries. What steps should European organizations take to upgrade their technological levels? What are Eureka's prospects? What role should this project play in Europe's future? How can various alliances and strategies augment the search for technological and global advances? What are the ingredients to a genuine "global vision" for future corporate growth? And what traditions and habits must be cast aside to make way for more productive, innovative corporate entities?

9:45 **Two Simultaneous Workshops**
(Delegates may select the session they wish to attend.)

Workshop I
The Philosophy of Treasury Management

While treasury management is receiving an increasing amount of attention from the corporate sector, much of this attention is focused solely on the mechanical aspects of what instruments to use in certain situations. But for those executives who are planning to install or revamp their treasury management systems, it is critical to also examine the broader fundamentals of exposure management and the identification of risk. This workshop will take a look at the underlying philosophy of treasury management as experts discuss the following issues: How do you define and identify an organization's "Base" currency? How should you deal with transaction, structural and investment exposure?

Workshop II
The Global Equity Market: An Idea Whose Time Has Come?

Japan's enormous pool of savings is shifting attention to foreign investment for higher returns: 24-hour trading is firmly entrenched; link-ups between markets now dot the financial landscape; and governments everywhere are opening their markets to foreign capital. Where does the hype surrounding the global equity market end and the realities of reaching investors abroad begin? What investor relations' programs are vital to increase understanding of a corporation among investors in diverse cultures? How can international equity issuers, investment managers and other intermediaries anticipate and control flowback problems? How lasting will the trend toward non-voting shares be? What regulatory moves are needed to oversee a global equity market?

11:00 **Coffee Intermission**

11:25 **Two Simultaneous Workshops**
(Delegates may select the session they wish to attend.)

Workshop I
Swaps: The Ultimate Global Market

The intricacy of many of today's swap transactions challenges the understanding of even the most sophisticated borrowers. The possibilities are seemingly endless in the swap market and are equalled only by the questions surrounding these transactions. Who are the new players and how are they changing the character of the market? What currencies can this market accommodate today? What are some of the more creative deals seen recently? How serious are the risks associated with the lack of procedures in this market? How deep are the secondary markets for swaps and what opportunities do they afford the financial executive? These and other questions will be explored by experienced players in the swap market.

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Workshop II

The Maturing of the Euronote Market: Added Benefits for Corporate Borrowers

How is the investor base for Euronotes changing? And how can these facilities broaden a corporation's investor profile? What cost benefits will continue into the future? How will Euro-commercial paper programs compare and compete with their U.S. counterpart? Will Euronote facilities become viewed as tradable securities? Even more critical, how will the placement and pricing mechanisms evolve for this burgeoning market?

12:45 P.M. **Special Address**
"Prospects for Global Economic Growth: A Report from the Federal Reserve Board"

Preston Martin
Vice Chairman
FEDERAL RESERVE BOARD

Vice Chairman of the Federal Reserve Board since 1982, Dr. Martin previously held a wide variety of executive positions in both the public and private sectors. He was chairman of the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Mortgage Corporation. Dr. Martin has been chief executive officer of a group of Sears Roebuck companies and founded a private insurance company. He holds a Ph.D. in Monetary Economics from Indiana University and was a professor of Finance at the University of Southern California.

1:30 **Cocktail Reception and Buffet Luncheon**

3:00 **Seminar Concludes**

Partial List of Guest Speakers

E. John P. Browne
Group Treasurer
THE BRITISH PETROLEUM COMPANY PLC

Javier Monzon de Caceres
Deputy General Manager
COMPANIA TELEFONICA NACIONAL DE ESPANA, S.A.

Jean Maurice Reboul
Deputy Financial Manager
GAZ DE FRANCE

Peter Ehmanns
Vice President
KLOCKNER & CO.

Daniel N. Regolatti
Senior Vice President-Finance
NESTLE S.A.

Loukas Tsoukalis
University Lecturer and Fellow
ST. ANTONY'S COLLEGE, OXFORD

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Federal Reserve Bank of St. Louis

Thursday

December 9

6:45 **Registration and welcome reception**

7:45 **Dinner**
The new geopolitical environment

Henry A. Kissinger
Former U.S. Secretary of State

Friday

December 10

8:00 **Breakfast**

8:30 **Is U.S. foreign policy on the mark?**

Alexander M. Haig
Former U.S. Secretary of State

9:30 **Intermission**

10:00 **Rethinking corporate strategy**

- **The new environment**

John F. McGillicuddy
Chairman and President
MANUFACTURERS HANOVER TRUST CO.

J. Perry Ruddick
Executive Vice President
SMITH BARNEY, HARRIS UPHAM & CO.

- **Asset redeployment**

Donald P. Kelly
President and CEO
ESMARK, INC.

Edwin A. Gee
Chairman and CEO
INTERNATIONAL PAPER COMPANY

- **Operating structure**

Robert P. Straetz
Chairman and CEO
TEXTRON, INC.

- **Information**

Victor E. Millar
Managing Partner–Consulting
ARTHUR ANDERSEN & CO.

11:30 **Financing strategy: A CEO perspective**
Simultaneous discussion groups

Chief executives will participate in small discussion groups to facilitate an exchange of experiences and ideas.

12:45 **Intermission**

1:15 **Luncheon and Panel Forum:**
Five critical issues facing major corporations

William D. Mulholland
Chairman and CEO
BANK OF MONTREAL

Albert J. Tahmoush
Chairman and President
FRANK B. HALL & CO., INC.

William Batten
Chairman
THE NEW YORK STOCK EXCHANGE

Pierre Haas
Chairman
PARIBAS INTERNATIONAL

David M. Roderick
Chairman
UNITED STATES STEEL CORPORATION

3:15 **Discussion groups**
Participants will select the session they wish to attend.

- **Strategic planning and the CEO**
- **Minimizing political risk**
- **Profiting from the new legal and regulatory environment**
- **Controlling environmental liabilities**

4:15 **Dealing effectively with shifting government policy**

Robert D. Kilpatrick
President and Co-Chief Executive Officer
CIGNA CORPORATION

Leon Silverman
Partner
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON

W. Paul Thayer
Chairman of the Board and CEO
THE LTV CORPORATION

Thornton Bradshaw
Chairman of the Board and CEO
RCA CORPORATION

7:30 **Reception and Dinner**
U.S. foreign policy and the Soviet threat

Zbigniew Brzezinski
Former U.S. National Security Adviser

Saturday

December 11

8:00 **Breakfast**

8:30 **Energy:**
Surplus or shortage and U.S. energy policy

John R. Hall
CEO and Chairman of the Board
ASHLAND OIL, INC.

James E. Lee
Chairman of the Board
GULF OIL CORPORATION

James L. Ketelsen
Chairman of the Board and CEO
TENNECO, INC.

9:15 **Meeting the challenge of foreign competition**

Yoh Kurosawa
Managing Director
THE INDUSTRIAL BANK OF JAPAN, LTD.

George Weissman
Chairman of the Board and CEO
PHILIP MORRIS, INC.

Robert E. Kirby
Chairman of the Board and CEO
WESTINGHOUSE ELECTRIC CORPORATION

10:00 **Intermission**

10:15 **Discussion groups: Frontiers**
Participants will select the session they wish to attend.

- **Tapping new pools of international capital**
- **Containing employee benefit costs**
- **The new information technology**
- **Minimizing political risk**

11:30 **Can Western strategy meet the challenges of the 80s?**

The Right Honourable Edward Heath
Former Prime Minister of Great Britain

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12:15 **Intermission**

12:45 **Luncheon**
The next issues in U.S. foreign policy

Daniel Patrick Moynihan
United States Senator

2:00 **Mergers and acquisitions:**
The tactics to win and prevail

Simultaneous discussion groups

3:00 **The new power balances in the Middle East and Asia**

Prince Bandar Bin Sultan Bin Abdulaziz
MINISTRY OF DEFENSE, SAUDI ARABIA

Allen S. Whiting
Professor of Political Science
UNIVERSITY OF ARIZONA

7:30 **Reception and Dinner**

A tour of the world's trouble spots

Peter Jennings
Chief Foreign Correspondent
AMERICAN BROADCASTING COMPANY

Wives' Program

The Impact of Your Communicating Style
In special workshop sessions, Institutional Investor will introduce a new technique–Communicating Styles Technology. Participants will come away with a far greater understanding of their own communicating style, as well as a concrete–and better–approach to both personal and professional relationships.

Larry Bledsoe, who will conduct these sessions, is a Vice President of Paul Mok & Associates, a firm that specializes in consulting to organizations on communications. He is the co-author of *The Strategic Woman*.

Workshops will take place from 9:00-12:00 on December 10th and 11th. Participating wives may attend on either day.

The CEO International Roundtable is sponsored by Institutional Investor and the following institutions:

Arthur Andersen & Co.
Bank of Montreal
CIGNA Corporation
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Frank B. Hall & Co. Inc.
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Lloyds Bank International Ltd.
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Institutional Investor
488 Madison Avenue
New York, New York 10022 U.S.A.
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DECEMBER 9 10 11 1982

PALM BEACH
The Breakers

CEO
International Roundtable

Preliminary Program

As an early guide for delegates, this preliminary program indicates the topics that will be covered at the CEO International Roundtable.

Institutional Investor

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Princeton University

International Finance Section
Department of Economics, Dickinson Hall
Princeton, New Jersey 08544
Tel. 609-452-5493 (or 4048)

Ellen V. Seiler
Editor

cc: M Lopez

August 19, 1987

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

Dear Mr. Volcker:

Thank you for submitting so promptly your "Introduction" to the group of essays in honor of Henry Wallich. I enclose for your approval a printout of the keyboarded and edited version. It has been dated July 31, 1987, and you will be identified in the Foreword as Chairman of the Board of Governors of the Federal Reserve System (1979-87).

To see the minor wording changes I have made, you will have to compare this printout with your original copy. Disregard such odd signs as open quotes ("") and close quotes (''). They are signals for the computerized typesetter and will appear normal when printed. Two queries have been printed out right in the manuscript, indented and set off in red at the point queried. Answer right on the page or in an accompanying note.

Please read the manuscript carefully to make sure I have not altered your meaning, and return it promptly. Remember that authors will not see proof, so this is your last chance to make changes.

Under the provisions of the copyright law, we must ask you to complete and sign one of the statements enclosed and return it with the manuscript. The duplicate is for your files.

Your ten complimentary copies will be sent to your New York address as you requested.

Sincerely yours,

Ellen Seiler

Ellen Seiler

WALLICH

returned 9/1/87

cc: Mr. Edwin M. Truman

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Paul A Volcker

Author

9/1/87

Date

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Princeton University

International Finance Section
Department of Economics, Dickinson Hall
Princeton, New Jersey 08544
Tel. 609-452-5493 (or 4048)

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Please read the manuscript carefully to make sure I have not altered your meaning, and return it promptly. Remember that authors will not see proof, so this is your last chance to make changes.

Under the provisions of the copyright law, we must ask you to complete and sign one of the statements enclosed and return it with the manuscript. The duplicate is for your files.

Your ten complimentary copies will be sent to your New York address as you requested.

Sincerely yours,

Ellen Seiler

Ellen Seiler

cc: Mr. Edwin M. Truman

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_____

Author

_____

Date

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INTRODUCTION

Paul A. Volcker

In his long career as an economist, Henry C. Wallich has had many roles--researcher, professor, journalist, policy adviser, and policymaker. Two strong threads have run through all those roles, his interest in education and his talent for clarification. This group of essays by a small sample of his many students, friends, and colleagues is designed to reflect the diversity of Henry's interests and the range of his influence in order to honor in some small way his contributions to his profession, to his adopted country, and to international cooperation.

Like so many economists, policymakers, and other serious students of public policy, each of the authors in this tribute has been educated by Henry Wallich--some in the classroom or through his writings, and others by professional interaction in academic or policy forums. Indeed, it is a measure of Henry's experience and influence that several of the authors have been both his student and his professional colleague. All of them proudly count him as a friend.

The central subject of these essays is international monetary cooperation. This is, of course, just one of many important issues about which Henry has thought and written extensively, but, looking back at his career, I perceive it to be a major recurring theme of his work in public service. Indeed, when I first met Henry Wallich almost forty years ago at the Federal Reserve Bank of New York, he was already professionally concerned with analyzing problems of international finance. As I noted on the occasion of his retirement from the Federal Reserve Board, his work in the area of international monetary arrangements and financial diplomacy during his term on the Board stood as a

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lasting contribution to international cooperation among central banks.

In an autobiographical essay published in June 1982 in the Quarterly Review of the Banca Nazionale del Lavoro,

au: I have used this form of citation here as an exception in order to avoid a one-item "Reference" section at the end of your Introduction. I think it provides enough information to enable a reader to find the essay.

Henry leaves the impression that he believes he had a somewhat misspent youth. But I must disagree. After all, learning about the dangers of inflation in interwar Germany and how to drink sherry at Oxford would seem to be important preparatory steps to a career in central banking and international finance! Be that as it may, after his early education in Europe and a spell as an exporter in Argentina, Henry made his way to New York, and eventually Harvard University, where he completed his formal education in economics.

Even before he had written his dissertation, Henry became involved in public policy when he took a job at the Federal Reserve Bank of New York. There he specialized at first in the problems of Latin America--problems that were to continue to exploit his talents in later years. And his experience at the New York Reserve Bank led to another important milestone--his marriage to a research colleague, Mable

Yes, it is MABLE.

au: Spelling OK, or Mabel (usual spelling)?

Brown, who became his partner not only in raising a family but also in some of his professional work.

Tape 1

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In 1951, Henry took a professorship at Yale, which subsequently served as his ""home base'' until he was appointed to the Federal Reserve Board in 1974. During that twenty-three-year period, he never lost his dedication to public service, as evidenced by stints as an adviser to President Eisenhower, Assistant to the Secretary of the Treasury, chief economic consultant to the Treasury, consultant to the Federal Reserve Board, and, in 1959-61, member of the President's Council of Economic Advisers.

Shortly after leaving the Council, Henry broadened his audience to include the general public as well as students and policymakers by adding journalism to his professional repertoire. His work with the media, which began with editorials for the Washington Post and ended with a regular column in Newsweek magazine, continued until his appointment to the Federal Reserve Board.

At the Federal Reserve Board, Henry was of course involved in all the policy and regulatory issues that confronted the Board during a period of turbulent change. For much of his thirteen years on the Board, he was the senior member, providing an element of experience and continuity that added to his intellectual leadership.

Henry's contributions during that period were particularly noteworthy in two areas. He was certainly the most persistently vocal and prescient among the Board members in calling attention to the dangers of inflation, and his voting record reflected his strong commitment to price stability. That commitment was related in part to his theoretical studies and in part to practical experience in the area of international economics and finance. Henry is by nature a true internationalist, never doubting that peace and prosperity for the United States must be found in the context of a stable international economic order. During his tenure on the Board, Henry readily accepted, and urged others to accept,

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that international considerations were becoming increasingly important to the formulation of U.S. economic policy. Henry ably represented the Board at innumerable international meetings, forming close professional relationships and personal friendships with many central-banking leaders in all parts of the world.

Throughout Henry Wallich's career, he continued to educate, whether in the confidential settings of meetings at the Federal Reserve or the Bank for International Settlements or through the public medium of one of his many articles or speeches. His is the career of an immensely talented intellectual dedicated to public service. In his 1982 essay noted earlier, he set down two rules that he tried to abide by: the general rule that ""an economist has an obligation to accept a call to public service if and when it comes'' and the personal rule that he ""would not do something purely for the money that might be in it if there was not sufficient intellectual interest.''

I trust this small volume is a testimony to how well he followed those precepts--and in doing so served and honored us all.

July 31, 1987

Tape 1

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August 20

Mr. Volcker --

This invitation is for you -- they have also invited Mr. Greenspan. They have acceptances from 20 CEO's, 35 Congressmen, Secretary Baker, and Under Secretary of Commerce Bruce Smart. They hope you will be able to attend.

gail

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THE HOUSE WEDNESDAY GROUP

386 HOB Annex #2, Washington, D.C. 20515 (202) 226-3236

August 14, 1987

The Honorable Paul Volcker
Chairman
Federal Reserve System
20th Street & Constitution Ave., NW
Washington, DC 20551

Dear Chairman Volcker:

As you may recall, the Wednesday Group has periodically initiated informal dinners and roundtable discussions designed to provide some perspective on major issues of the day.

As chairman of the Wednesday Group, I hope you will be able to attend our next dinner, to be held on September 15, 1987 at 6:00 p.m. in Room 2237 of the Rayburn House Office Building. The theme of our "off-the-record" discussion will be "New Challenges to Old Structures: Responding to the Changing Face of Global Economic Competition." A number of my Wednesday Group colleagues and chief executives from many of the country's major corporations and financial institutions are expected to attend.

In past years, we have met with groups from the financial and business communities for similar informal dinners and discussions. These have included the corporate leadership from Citicorp, Bank of America, Exxon, Pfizer, and Westinghouse, to name a few. The dinners have been highly successful, and we are hoping that this year's will be no exception. Your presence will contribute to that end.

The topic for this year's dinner was suggested to us during a recent weekend conference held by the Wednesday Group on "A Post-Reagan America." At that time, policy experts such as Zbigniew Brzezinski, Alan Greenspan, and Robert Reich suggested that critical challenges lay ahead for the United States in the areas of social, economic, and security policy. Meeting these challenges, they went on to say, might require a substantial rethinking of long established policies and programs in each of these areas. As we considered the agenda for this year's meeting with business leaders, we kept this theme in mind.

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The specific question which we would like to discuss during the seminar is the following: If it were possible to begin from scratch in structuring policies critical to America's economic future, how would we do it? What, for example, would optimum fiscal, monetary, and exchange rate policies look like given current international economic realities? It is my hope that an exercise such as this, which we might define as "zero-based," will provide clearer targets for our legislative efforts.

We hope you share our enthusiasm for this event. Please let us know at your earliest convenience whether you will be joining us by contacting either Gretchen Pagel or John Anelli at (202) 226-3236. We look forward to your response.

Sincerely,

Bill Gradison

Bill Gradison
Chairman

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FR 239
(Rev. 12-70)

TRAVEL VOUCHER 8/19/87

Voucher No. _____

(Prepare in Duplicate)

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

Payee Paul A. Volcker Official Headquarters Washington, D.C.

Address B-2064 Eccles Building (Stop 49)

DATE 19 ~~76~~	For reimbursement of travel and other expenses incurred in the discharge of official duty under authorization No. _____, dated August 17 1987. Itinerary and Expenditures	AMOUNT
8/16 (Sun.)	FRBank car to airport LV New York (LaGuardia) at 3:00 y.m. on CO 879 AR New Orleans at 5:05 p.m. FRBranch car provided transportation to and from airport Hotel expenses paid by host (Veterans of Foreign Wars)	
8/17 (Mon.)	Speech and acceptance of award in morning LV New Orleans at 4:20 p.m. on United 1066 AR Washington (Dulles) at 7:40 p.m. Board car at airport Per diem: 1-1/2 days @ $46	69.00

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MEMORANDUM

TRANSPORTATION REQUESTS ISSUED

NUMBER	DATE ISSUED	POINTS OF TRAVEL FROM–	TO–	MODE AND CLASS OF SERVICE	AGENT'S VALUATION OF TICKET
007 1426111888		Washington	NY-New Orleans-Washington	mixed air	$928.70
		Washington-NY portion not used and attached for refund			

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Travel Authorization

Board of Governors
of the Federal Reserve System

To: Joseph R. Coyne Date August 12, 1987
To be addressed to division head, Controller or Staff Director for Management, as prescribed in Board's travel regulations

1. Authority is requested for proposed travel on official business of the Board as follows:

Name and title Paul A. Volcker (consultant)
Person for whom authorization is requested

Duration of travel Sunday p.m., August 16 - Monday, August 17
Give approximate dates

Itinerary New York to New Orleans, La. to Washington, D.C.
Indicate departure, destination, and stop-over points

2. Statement of purpose of proposed travel

To accept award from Veterans of Foreign Wars

3. a. Travel within continental U.S. will be performed on the basis of actual necessary transportation expenses and:

Current per diem rate plus actual cost of room, or [X]

Actual expense (explain circumstances; special approval required) [ ]

b. Foreign travel will be performed on the basis of actual necessary transportation expenses and:

[ ] Locality per diem rate, or [ ] Actual expense

4. Commitment authorization

Division code	Object/Sub-Object	Program	Estimated commitment	Division representative

5. If an advance of funds is necessary, state: Amount requested $

Date required

Travel authorized:

Signature X Paul A Volcker

Following approval, forward to Office of the Controller. If an advance of funds is requested, present Travel Authorization to the Cashier, Room M-1221.

FOR USE BY OFFICE OF THE CONTROLLER ONLY

	Amount paid	Check no.	Date paid	Initials
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Commitment No.	T			

See Summary Regulations on reverse.

FR 649 (Rev. 4/81)

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Itinerary -- Paul A. Volcker

Thursday, August 13, 1987

2:30 PM Depart National on PA Shuttle
3:30 PM Arrive New York

NY Fed car will meet you and take you to Mr. Roosa's office (car should go to the side door of Brown Brothers Harriman @ 20 Exchange Place where Mr. Roosa will meet you)

4:00 PM Meeting followed by dinner
(Mr. Roosa's phone: [redacted])

8:30 PM Car to pick you up and take you home.

Friday, August 14

11:00 Mr. Cathcart & ~~Mr. Welch~~ (Mr. Cathcart [redacted])

12:00 Frank Zarb (phone: [redacted])

1:00 Lunch - John Weinberg & Joe Fowler (@ FED
3:00 Bill Bowen (phone: [redacted])
5:30 New York Fed Softball Game ??? (with Mrs. Volcker)

Sunday, August 16

3:00 PM Depart New York (LaGuardia) on CO #879 (with Joe Coyne)
5:05 PM Arrive New Orleans

New Orleans Branch car will meet you and take you to the Hilton Hotel (phone: 504-561-0500)

Monday, August 17

11:15 AM Award of 1987 VFW Americanism Award @
South Hall of Rivergate Convention Center

4:20 PM Depart New Orleans on UA # 1066(dinner)
7:40 PM Arrive Dulles

Car will meet you

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

July 28, 1987

THE EXECUTIVE DIRECTOR

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

Dear Mr. Volcker:

National Commander-in-Chief Norman Staab was delighted to learn of your acceptance of his invitation to attend the 88th National Convention of the Veterans of Foreign Wars to be held in New Orleans, Louisiana, for the purpose of accepting the VFW Americanism Award.

I have been assigned the pleasant responsibility of coordinating the appearance of distinguished guests and Commander Staab has asked me to assure you our organization will do everything within its power to make your visit to New Orleans as enjoyable as humanly possible.

The presentation of the Americanism award is scheduled for Monday, August 17, at 11:15 A.M. in the South Hall of the Rivergate Convention Center. Ten minutes have been allocated for your response to the presentation.

For your information, our Distinguished Guests Banquet is scheduled for 7 P.M. on Monday, August 17, preceded by a reception at 6 P.M. If your schedule permits, we would be delighted to have you attend the Banquet as a head table guest. Summer tux is recommended for head table guests.

As soon as your trip to New Orleans is finalized I would appreciate receiving a copy of your travel itinerary. Upon receipt of this information I will make the necessary hotel reservations for you at the New Orleans Hilton Hotel and will arrange for a member of my staff to meet you upon your arrival at the airport.

Our organization will, of course, be happy to provide travel and incidental expenses incurred in connection with your visit to New Orleans. We can either forward an advance check for your air travel or you can submit your airline voucher for payment following your visit to our Convention. Please advise how you wish this to be handled. Your hotel expense while in New Orleans will be charged to our master account.

We are certainly looking forward to having you in attendance at our Convention. If you should have any questions regarding your visit, please feel free to phone me at 543-2239.

Sincerely yours,

Cooper T. Holt

COOPER T. HOLT
Executive Director

CTH:nlp

Hilton Hotel
504-561-0500

★ WASHINGTON OFFICE ★
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	EASTERN	OPEN U	WASH/NATIONAL		NYC/LAGUARDIA	
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17AUG MO	UNITED SEAT 1A	1066 F	NEW ORLEANS	420P DINNER	WASH/DULLES	740P

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SUMMER & FALL 1987

INTEREST-BEARING NOTES

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

"In the face of hysteria Volcker remains *unflappably impassive*. His words and manner are *mild*. But he argues with *quiet force and conviction* . . ."

Time March 8, 1982

"Growing up, I thought vacation *meant* going fishing," he says. That led to a major miscalculation 28 years ago when he scheduled a Maine bass-fishing trip for his honeymoon."

People magazine May 1982

"He is the most revered economic leader of his era . . .By most accounts Volcker ranks as the best-known chairman in the Fed's history."

Time June 15, 1987

"Paul Volcker 'was *born to be chairman of the Fed*,' says an old friend, First Boston Corp. Economist Albert Wojnilower."

Institutional Investor May 1987



MESSAGE FROM CHAIRMAN VOLCKER TO THE BOARD'S STAFF

"For me, leaving the Board is a difficult personal experience. I will certainly miss the challenges and the excitement of dealing with the changing and sometimes intractable problems that crossed my desk and confront us all. But I also leave with a deep sense of satisfaction in having represented a highly respected institution that can work and does work at a time when so much is questioned.

In very large part, that's all a Chairman can really do—represent an institution that others build and serve. The traditions, the ethics, the talents are mostly inherited—and if they are in working order, we all benefit. And, in turn, we each can try to do our bit to keep it that way.

That seems to me what the Federal Reserve at its best is all about—and its best means the best in town! For that, my thanks to all of you who have helped me and supported me and, more appropriate and important, worked so effectively toward the public purposes we serve.

To those who regulate and to those who deregulate; to those who feed us and to those who protect us; to those who think and to those who do; and to those that manage both—I'll miss you all!"

Paul A Volcker

"Making big money though, has never had much appeal for the Fed chief, who has had plenty of chances to cash in on his government service. Once an associate told him he could easily earn $1 million a year in the private sector, 'How boring,' the Fed chairman replied."

Business Week March 30, 1987

"He can be quite funny especially at his own expense. He once came to a Washington costume party dressed as the Jolly Green Giant—a nickname he had won for being so tall."

Newsweek February 24, 1986

Weidenbaum, a longtime friend, explained how serious Volcker took his job:

"Volcker, in the midst of a relaxed, but intense monologue on monetary policy, was flickering ashes from his ever-present cigar into Weidenbaum's wastepaper basket and the basket began burning. Volcker continued his discourse oblivious to the fire. It was only after Weidenbaum jumped and began to smother the flames that Volcker realized what was happening."

Business Week December 3, 1982

"Usually he was the last to speak; after listening to a wild array of arguments, he would dryly remark, 'Well, we really don't have many differences today', and the whole committee would break up with laughter."

Business Week May 1984

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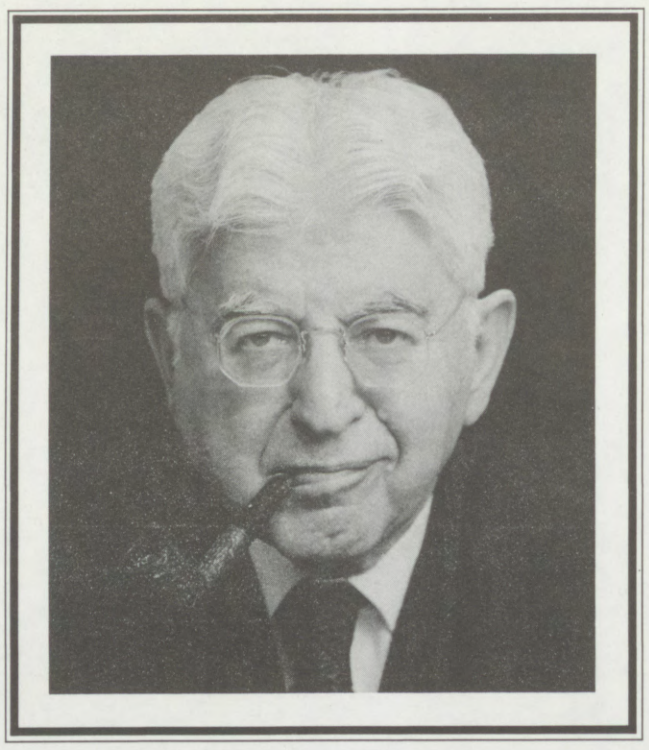

WASHINGTON PAYS TRIBUTE TO ARTHUR F. BURNS
1904–1987

BY MICHAEL A. WHITEHOUSE

It was truly a sad occasion for the Federal Reserve System. The July 22 memorial service for former Federal Reserve Board Chairman Arthur F. Burns, was a memorable, if not momentous, event.

Presidents Ford and Nixon delivered moving eulogies. Chairman Paul A. Volcker, Senator Peter V. Domenici and economist Milton Friedman also paid special homage. Secretary of State George P. Shultz sang a touching song he wrote for Dr. Burns.

The distinguished gathering, which also included White House officials, members of the Washington diplomatic corps, and many of the nation's past and present economic policymakers, was certainly evidence that the Federal Reserve and the nation lost one of its most eloquent spokesmen and gifted minds. But the service at the Adas Israel Synagogue, in Northwest Washington, D.C., was also testimony that the students of the eminent professor, Arthur Burns, were many, his lessons well-learned, and his legacy everlasting.

Dr. Burns served as Chairman of the Council of Economic Advisors to the president and in several other official advisory roles to Presidents Eisenhower and Nixon throughout the 1950s and 1960s. While he was perhaps best known for his position of greatest influence, Chairman of the Federal Reserve Board from 1970 to 1978, in 1980, at the age of 77, he accepted an appointment from President Reagan to become the U.S. Ambassador to West Germany.

Dr. Burns died at age 83 on June 26 following heart surgery performed in April. He is survived by his wife Helen and two sons.

A message sent by President Reagan summarized the ambassador's public service career: "His career spanned more than three decades of service under five presidents, and there is scarcely a single government institution of importance in the area of financial and economic policy today that does not bear the mark of his intellectual force and presence."

Milton Friedman spoke of Dr. Burns's academic contributions he made to the country, recognizing him as the world's leading authority on business cycles. Friedman said that as far back as the 1930s, when he first studied under Burns, that he displayed "force of character, the maturity of judgment." These qualities later led people to realize that "no matter what job Burns holds, where Arthur sits, there is the head of the table."

"There was never much doubt that on the main issues he was like a great oak under which we all could take intellectual and moral shelter," said Chairman Volcker.

Secretary of State George Shultz noted that "Arthur's scholarship was truly of biblical scope. "Helmut Schmidt [former Chancellor of West Germany] called him the pope of economics," noted Shultz.

If Dr. Burns was the pope of economics, then the service was more than just a solemn event for the Federal Reserve—it was a hallowed meeting that brought together, for a special moment, the Federal Reserve's past, present and future. In addition to outgoing Chairman Volcker, Federal Reserve System representatives included the Board's new Chairman Alan Greenspan and the remaining Governors and five Federal Reserve Bank presidents. William McChesney Martin Jr., the 80-year-old former Board Chairman (1951–1970) and a number of former Board Governors, were also at the observance. The temple ceremony was in one sense a reflection on central banking tradition and a passing of the torch.

"The Fed, under Arthur's strong leadership, strove mightily—and in the process the institution was attacked, probably more strongly than at any time in its history," said Chairman Volcker in his remarks.

"And it was the defense of the Federal Reserve—an institution that he saw as central to any realistic hope of monetary stability—that aroused all of Arthur's formidable fighting instincts. He was fond of comparing the Federal Reserve to the Supreme Court. But he knew very well our independence was not a matter of divine right, or even Constitutional provision; it was something that would have to be defended, and justified, and earned, year after year. And it was certainly not a partisan matter."

President Gerald R. Ford also made note of Dr. Burns's strong convictions on central bank independence. "The Fed, all of you know, is an independent body and its chairmen historically, zealously guard their independence from presidential direction. So did Arthur Burns."

President Ford went on to reflect on Burns's power of persuasion. "He often protested that he was not a politician. Let me say on this point he was dead wrong," said President Ford.

"In its finest form, politics is the art of persuasion and principled compromise of addressing the complex problems and contradictions of society with reason and resolving them with justice and compassion.

The mind of Dr. Burns was truly one of God's masterpieces. His intellect was a very special order. We have all known many people in our lives who thought they were very smart and actually were. Arthur was very special to me because he never pretended to be as smart as he really was."

Speaking last and without any prepared comments President Richard Nixon delivered a memorable testimonial, perhaps best summarizing the old professor's most admirable quality and the depth of his contribution to the country.

". . . Old age is not usually kind to most great men," said President Nixon. "All of us . . . can be thankful that was not the case with Arthur Burns. You see, he refused to get old. To the very last he lived life right up to the hilt."

"How then do we want to remember him? We could remember him as a wise counselor; we could remember him as a great central banker; we could remember him as a great economist; we could remember him as a skilled diplomat. But above all, and I think he would like this, Arthur Burns was a great teacher. His students are his best memorial. And along with so many others in this room, I was privileged to be one of them."

Arthur Burns' own words taken from his last public statement, March 18, 1987, best state his philosophy:

> "I feel moved to share with you a few thoughts on a problem that characterizes much of mankind across the world—indifference to violation of human life, indifference to violation of human dignity, indifference to violation of human freedom. . . . There is no better cure of apathy than Micah's noble rules. They sum up, of course, what the entire Bible teaches and what theologians and moral philosophers have taught across the ages. Closer attention to moral and religious values in our homes is vital if the evil of apathy is to be subdued.
>
> But what we do in our homes needs to be supplemented by what we do in our schools and universities. In their zeal to prepare students for successful careers in business and professions, there is a danger that educators are neglecting the paramount need of helping young men and women appreciate the moral values of Western civilization, the importance of ethical conduct, the necessity of understanding peoples of other countries and working harmoniously with them. . . .
>
> It is deeply encouraging [when] . . . the scholars and leaders assemble not only to assess the current state of science, technology and finance throughout the world; but also, and mainly, in the interest of a moral and harmonious international order, to seek ways of promoting 'the ideal of the open society, based on the values of human dignity, freedom and truth.'" ◆

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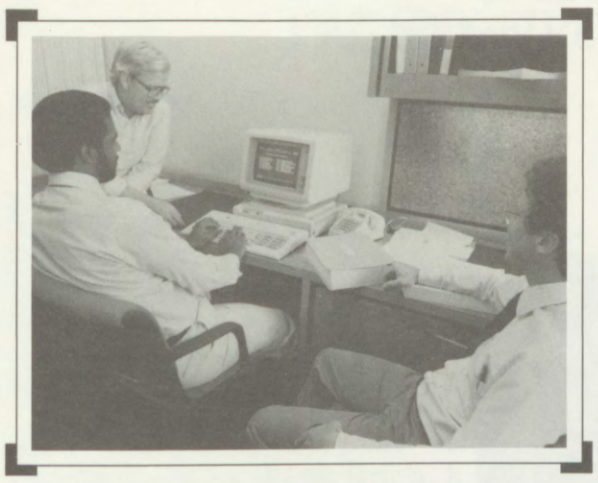


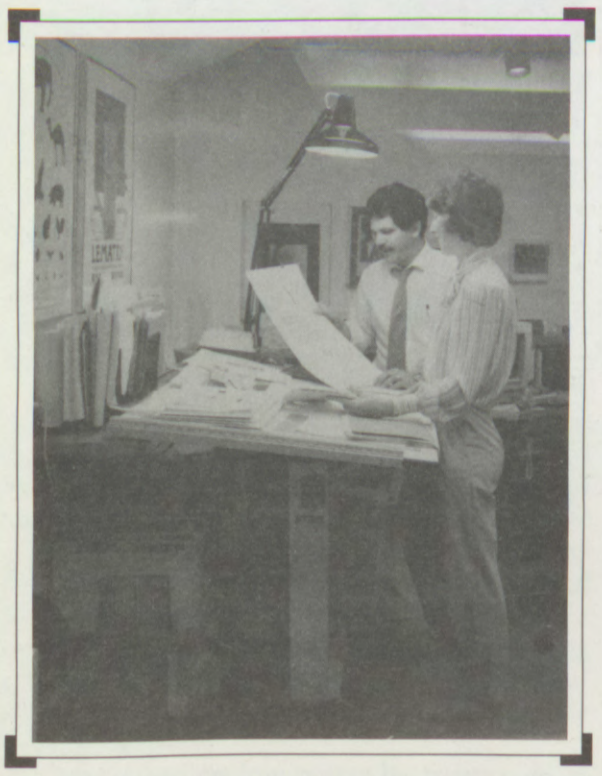
Applications Development and Statistical Services programmers. Photo by Helen Gebhardt.



Contingency Processing Center, Culpeper, Virginia. Photo by Helen Gebhardt.



Hardware and Software Systems.



Applied Technology Branch.

New Directions for IRM

AD&SS • H&SS • AT

BY DONNA M. HILL

"The mission of Information Resources Management is to provide quality, effective, efficient, timely, and professional state-of-the-art automation services in support of all applicable Board requirements."

At first reading, this mission statement doesn't seem too complicated. But in the computer field, where the environment is changing so rapidly that noncomputer professionals are learning to use personal computers in the office, such a mission is quite formidable.

Yet IRM staff feels this task is within reach because the organization has gone through a series of major changes over the last two years designed to improve its ability to perform work needed to meet user requirements.

These changes culminated in April 1986, when the old Division of Data Processing became Information Resources Management. The chief components of the new organization include the following:

- Office of Executive Director for Information Resources Management, which provides guidance and direction to the other components (headed by Allen Beutel).
- Division of Applications Development and Statistical Services, which develops and maintains mainframe applications software and collects and processes statistical and regulatory data (headed by William Jones).
- Division of Hardware and Software Systems is responsible for the planning, acquisition, operation, and maintenance of computer and data communications equipment and operating systems; and manages a Contingency Processing Center for the Board and the Federal Reserve System. Acting Director is Steve Malphrus.
- Applied Technology is responsible for new technology testing and evaluation, graphic production, and support for end-user computing and office automation. Acting director is Bruce Beardsley.

The goals of the new organization clearly indicate what staff want to accomplish.

"We plan to introduce proven technology that can increase our efficiency and effectiveness in meeting the needs of our user divisions," states Bill Jones.

The goals were set as part of an annual planning exercise. To ensure that goals are met, several task forces have been developed to implement this.

Specifically, some of the goals are as follows:

- Manage the Board's information resources and provide cost-effective and efficient, central and distributed automation products and services to attain overall Board objectives;
- Position the organization to introduce and respond to change by enhancing the efficiency, productivity, effectiveness, and flexibility of IRM functions in support of the Board; and
- Provide leadership and support the introduction of proven state-of-the-art technology to meet the automation requirements of the Board and the Federal Reserve System.

Since IRM's reorganization, it has had several major accomplishments that indicate staff are on track with expectations.

In 1986, for example, the Division of Hardware and Software Systems replaced computer equipment in support of its computer upgrade effort; contributed automation background and expertise to the Division of Research and Statistics' Request for Proposals (RFP) for high-level workstations; and supported the implementation of office automation systems based on a token-ring network throughout the Board.

Also in 1986, the Division of Applications Development and Statistical Services made significant accomplishments: evaluated and installed productivity-enhancing automation tools including Transform, an applications program generator, and XPEDITER, a program testing and debugging facility; reviewed vendor qualifications and established basic ordering agreements that will allow procurement of contract programming services on a timely and flexible basis; and successfully met 97.5 percent of the approximately 3,700 Statistical Services deadlines for delivery of edited data files and reports to end users.

But those accomplishments are only what IRM management expect to be the beginning of a renewed commitment to fulfilling the expectations of the Board user community.

"We all have different functions," concludes Jones, "but we're working toward the same goal of delivering efficient and effective information services to our automation users." ◆

"Do It Right The First Time"

These words are the key to the Quality Improvement Process implemented by Information Resources Management. IRM staff have received training in this process that will improve the quality of products delivered by IRM. Staff was taught that quality is defined as conformance to requirements; that quality is the first among the equal considerations of cost and schedule; the performance standard is "zero defects;" and that any problem that prevents staff from reaching that standard must be eliminated. The quality process begins with clear requirements for any task to be accomplished by staff.

Once staff was trained in the process, procedures were implemented to ensure that the essential elements to achieving quality are maintained on a continuing basis. Betsy Riggs, assistant director of the Division of Hardware and Software Systems, is the officer currently in charge of the quality process. ◆

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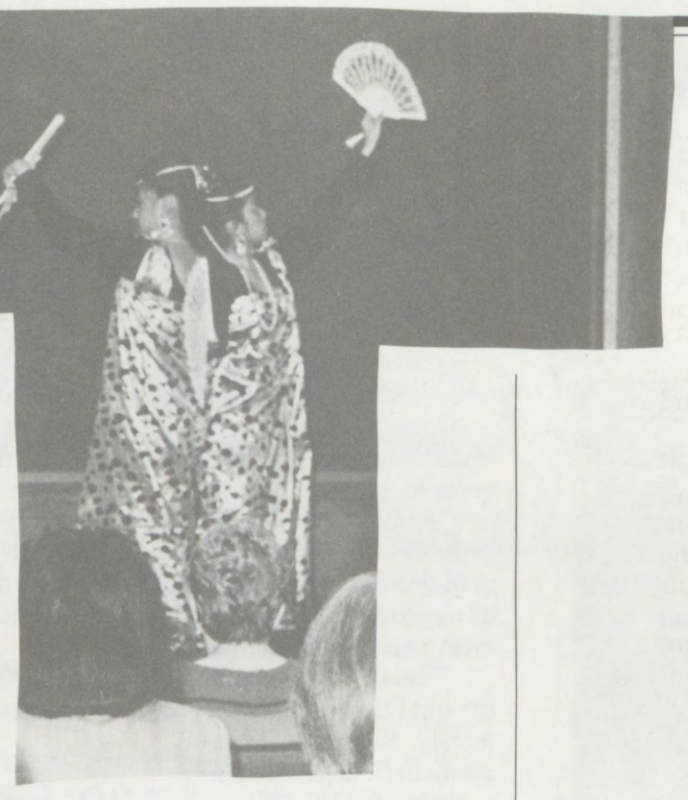
ASIAN–PACIFIC AMERICANS
CELEBRATE HERITAGE
AT THE BOARD



If you were around Dining Room E on May 8, between 12:30 p.m. and 2:00 p.m., you may have heard the music, seen the dancing, and tasted the delicious cuisine offered at the Asian Pacific American Heritage Celebration.

For the first time, the Board's Asian community joined in the national week-long celebration of their heritage and culture. The result was a culture-filled week of a slide presentation on Nepal by Peter von zur Muehlen (*Jewel in the Lotus*) and specially prepared entrees in the cafeteria that culminated in the dance, feast, and festival on May 8, built around the theme *Pista Sa Aming Bayan—Festivity in Our Village*.

What made the finale so special was that the Board's Asian population, a representative 1.8 percent, united to organize a program. Those involved in the planning committee included Merphil Kondo, Loreta Sarmiento, Susie Taylor, Louella Moreno, Huilun Tsao, Jong Park, Dawson Nan, Lyle Kumasaka, and P.A.V.B. Swamy. Roberto Lizama created a sculpture made of vegetables that displayed coconut trees and other indigenous delights.



Estrella Family of Musicians performs an old ballad.

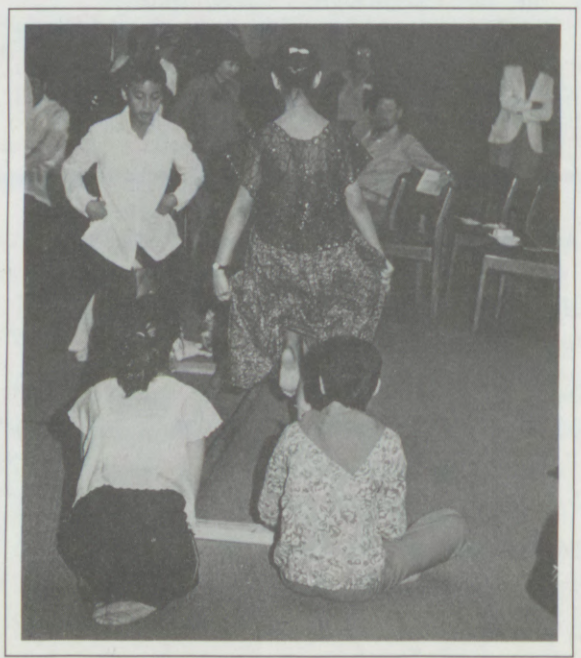
The photo at top of page framed in kimono silhouette represents Moslem courtship dance. Dancers are wearing Moslem costumes with malong.

The representative countries, in addition to the Asian–Pacific, were Japan, China, Korea, and Vietnam. This was particularly evident in the buffet prepared by members of the committee, which included two types of Sushi (Japanese and Korean), Dim Sum (Chinese Steamed Dumplings), Lumpia (Chinese Eggroll), and Fortune Cookies filled with special FRB messages.

The Filipino fare consisted of rice- and coconut-based entrees and desserts, such as Pancit (noodles or rice sticks) and Meriendas (afternoon snacks of sweetened rice and coconut). The only item in the buffet that was not Asian was the Colombian coffee. The Filipinos have a special brand of coffee brewed from roasted rice.

The Spanish, Moslem, and Chinese influence was evident in the song and dance. Board employees were treated to a special presentation of music and folklore by the Estrella family of musicians and the Tanghalang Pilipino (Philippine Theatre) singers, dancers, and actors. The diverse group of performers graced the audience with ballets, plays, and ethnic dances and songs that captured a variety of the 87 Filipino dialects.

The singers and dancers enacted the activities of the day with songs such as "My Love, My Love," sung by two courting lovers, "Because of a Flower," and the universally applicable "No Money, No Honey," sung by an eligible village damsel making her criteria clear. Dances included the Moslem courtship dance, Candlelight dance, Waterglass dance, and Bamboo dance, which was so much fun that many members of the audience joined in and danced to the tune of bamboo sticks.



Bamboo dancing: skill, style, and fun.

Amid the dancing, eating, and singing was an ambience of good cheer and appreciation for a diverse culture. So, if you weren't around on May 8 to hear the music, sample the delicious cuisine, see the dancers perform, or share in the fun . . . there's always next year. ◆



A work of art: Roberto Lizama's vegetable sculpture.



What do I choose? Where do I begin? There's so much!

Photos by Helen Gebhardt.

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TWENTY-FIVE YEAR EMPLOYEES ENTER SELECT GROUP

BY DONNA M. HILL

On Friday, July 17 at 12:30 p.m., Director of Personnel David L. Shannon began the ceremonies that honored four Board employees for completing 25 years of service with the Federal Reserve System.

Among those that Mr. Shannon called the "latest of a select group" were Theodore L. Jones, Walter Jordan, Jr., Roberta H. Lear, and Mary L. Scott. (A fifth honoree, James T. Jones, was not present at the ceremony.) Mr. Shannon said that out of 1,500 employees, only 31 had passed the 25-year mark. Twenty-two were present at the ceremony and luncheon.

Mr. Shannon then introduced Chairman Paul A. Volcker, who expressed his appreciation for the continuity these employees brought to the Board. He presented the honorees with certificates and jewelry. The presentation of awards was followed by a group photograph of the recipients and Board Members, a reception, and a luncheon that included other 25-year service employees.



From left to right: Back row—Vice Chairman Johnson, Chairman Volcker, Governor Kelley, Governor Heller, Governor Angell; Front row—Mary L. Scott, Roberta M. Lear, Walter R. Jordan, Theodore L. Jones. *Photo by Lee Hobson*

Of the five who reached the 25-year mark, Roberta Lear was the first to join the Board's staff. A native Washingtonian, Bobbie started in June 1958 as a clerk–stenographer in the Division of Personnel. After several different job assignments, she left the Board for two years and returned in August 1968 as a secretary in the Office of the Secretary. She currently is an administrative assistant in the Division of International Finance.

Mary Scott, another native Washingtonian, spent her 25 years in the Office of the Secretary. She began in November 1961 as a records clerk in the Records Section. She held various positions until she was promoted to her current job of supervisor of the Minutes Section. Mary was recognized for her role in the Board's Volunteer Tour Program.

Of the other three recipients, each began in the Division of Support Services. Ted Jones and Walter Jordan are native North Carolinians; James Jones is from Bedford, Virginia.

Ted Jones currently serves as plant manager for the Duplicating Section (better known as the printshop). He worked his way up from a cafeteria laborer, which was his first job in December 1961. Other jobs he held included mail clerk, mimeograph operator, and foreman–operator.

Walter Jordan joined the Board in October 1960 as a cafeteria laborer. He and Ted Jones worked for a time in the same section—Duplicating Mail Messenger and Supply Section. In 1965 Walter went back to the cafeteria as a cook trainee and stayed there moving up to his current position of lead cook.

James Jones began in July 1961 as a messenger. He has served in the printshop as a multilith operator, foreman–operator, and senior lead operator—his current position.

Most of the recipients shared the same two statements: they were honored and it didn't seem to have been even close to 25 years.

"It really doesn't feel like it's been that long," said Ted Jones. "I've had some good years here at the Board."

Several employees who reached 25 years of service retired in 1986 and were not present at the ceremony and luncheon. However, Rosemary Jordan, Jane Wilson, and Carol Harlow are distinguished members of the list of employees who gave the Board 25 years of faithful service. ◆

THE BOARD'S BARD RECITES

BY DONNA HILL

After participating in a poetry reading as a follow-up to the Board's Black History Month program, Sam Nixon found that others besides himself are interested in his work.

Shortly after the reading, Sam was approached by a local publisher who is interested in producing some of his poetry. He told the publisher he'd have to think about it.

Not accustomed to sharing his poetry, which he calls a "release of inward expression without constraint," Sam isn't sure it's such a good idea. He has to decide whether he wants to publish material he has already written, or whether he will produce new material.

Since he wasn't sure about whether he wanted his poetry published, the publisher said, 'Okay, so how about participating in a poetry reading this fall?'

"Alright," responded Sam, "I might do that. Let me think about it."

Sam is flattered, though, that someone thinks his work is good. He began writing in high school. He had always been interested in writing, but a writers workshop in his school led him to produce short stories and poems. The short stories eventually became a project Sam would resume "someday," while the poetry became an ongoing activity. Besides creating poems for his own expression, Sam often writes poetry and presents them as gifts to family members and friends, mainly for birthdays.

Originally from St. Louis, Sam migrated to this area from Boston about 10 years ago. Sam joined the Board's staff in November 1983 as a systems analyst in the Division of Data Processing. He was responsible for developing a personal computer program at the Board. Now, Sam works in the Communications and Software Systems Branch of Information Resource Management. He's now responsible for automation security, developing programs, procedures, and policies. The occasional travel needed in this job leaves Sam with less time for writing poetry.

Sam enjoys reading poetry by artists such as James Weldon Johnson and Gwendolyn Brooks. He also enjoys playing chess, basketball, volleyball, and the piano. ◆

UNTITLED

Elements of doubt in a sea of despair,
elements of doubt in a sea of despair,
speak a word of caution,
and whisper a prayer.

Elements of doubt in a sea of despair,
elements of doubt in a sea of despair,
why don't you listen
and learn to care?

Elements of doubt in a sea of despair,
elements of doubt in a sea of despair,
Turn from your ways
And hear my words in the air.

Elements of doubt in a sea of despair,
elements of doubt in a sea of despair,
touch me, feel me, hearken to a call,
it won't be long before you involve all.

The time is limited,
my message is brief,
don't plant those elements of doubt,
except you provide a sea of relief!"

"IT'S ME, LORD MAY I HAVE A WORD?"

It's me, Lord.
May I have a word with you?

Just sitting here wondering about a few things.
Can you tell me something?
How does life REALLY have to be?
Can I truly be free?

You know me, Lord.
I'm one of your own special creations.
It was me that you introduced to the world
Back in that October year.

My St. Louis beginnings
Started right in the middle of things . . .
Between the two shores of the foreign country.
I came on in but didn't know just where to start.
But you did.
Tell me, Lord, is it I?
Is it I who am privileged to do your will?
Will your work grow more and more in me?
The mirror of my life already begins to show
that you are here with me . . .
changing some things around!

Go ahead, Lord, make me anew.
It's a privilege, to be in you!
I'm like a vessel, here to be filled,
with the sweet wine of your spirit,
then I can be sealed.

Oh, more of your love
please do pour in.
My life must be full
As you work from within.

Thank you, my Father, for just who you are
My life has now grown and I know you're the star!

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SECRETARIES
MOVING ONWARD AND UPWARD



The theme was *Color Me Beautiful*. The message was "You Can Make a Difference." The event was the National Secretaries' Day Luncheon. The speaker of the day, Gloria McKenzie, Division of Consumer and Community Affairs, set the tone of the luncheon with her opening remarks. She chose an excerpt from a speech by Dr. Martin Luther King, Jr.:

> "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."



Gloria McKenzie, speaker for National Secretaries' Day Luncheon.

Gloria, a senior secretary at the Board, chose this message to express the dynamics of the secretarial job family here at the Board. She stressed that secretaries play significant roles at the Board that involve a great deal of challenge and at times controversy. Secretaries have risen to the demands of their jobs and are taking on more and more responsibility. The *position* of secretary, therefore, has become the *profession* of secretary. And, as Gloria describes, is "going onward and coming into view."

She feels, however, that in any profession, the continued effort to grow is important and even required. Secretaries must continue moving in the right direction. In her closing remarks, Gloria offered several proven suggestions on how Board secretaries could grow, accomplish their goals, and keep their profession moving onward. . . .

"Set goals for yourself. These goals should be both personal and professional. Keep in mind when you set these goals that education and training are the vehicles with which you can achieve. Seek new learning experiences on the job. Ask questions. Get involved. Accept challenges. Remember, even routine tasks can be done more efficiently. Try out new ideas. Discuss ways in which you can enhance your career with your manager. . . . After you've gathered the experience and knowledge, apply them."

Following a tasty luncheon, Director of the Division of Personnel, David L. Shannon, hosted a question-answer forum on secretarial salary issues. In his opening remarks, he gave the secretaries these simple words to remember: Thank you for the year. Thank you for your careers at the Board. Thank you for being here today. You are quality people, and I want you to know how much I, not only professionally, but also personally appreciate your presence and your effort in your work. . . ◆

. . . THE POSITION OF SECRETARY HAS BECOME THE PROFESSION OF SECRETARY.

Together we have united our voices
and shown our management and
managers that we can do more.

We have a unique position.
We are at the hub of all activity.
We see the creation of the
workload and are directly involved
in its execution and
in the finished product.

All of you have helped to bring
about this change.

It has been a long hard road
fraught with mastering many
technological advances
in the field.

We can make a difference.
But where do we begin?
How can we bring the profession,
not only into view, but rather
into full *view.*

We can start . . . making . . .
strides for ourselves.

Set goals for yourselves.
These goals should be both
short-term and long-term
and should be both
personal and professional.

What better place is there to
develop one's skills in planning,
prioritizing, and organization.

Keep in mind that when you set
these goals, education and training
are the vehicles with which you
can achieve.

Explore additional resources to gain
experience and knowledge.

Seek new learning experiences
on the job. Ask questions.
Get involved.

The quotes above are excerpted from Gloria McKenzie's speech.

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PEOPLE AT THE BOARD

NUMBERS ONE AND SIX
The Road Ducks Walk to the Top They Did It Again For The Third Time

The Road Ducks finished in first place in the Federal Fitness Day walking races. Although the team has been together for only two years, it has won three meets, including this year's victory over some 1,500 feds, who combined for a total of 165 six-person, coed teams representing federal agencies.

According to Richard Ralston, the team's captain, a lot of their success can be attributed to Marie Himel, who trains the Road Ducks for competition. "A month before a major race, the call goes out to those interested in learning how to race-walk and who want to compete. After Marie teaches the techniques and we've practiced for a few weeks, an unofficial race is held to pick the qualifiers for the final race."

Only six walkers are chosen—three women and three men—to compete in the 3k walking races. This year the Road Ducks sent their six best to bring home the National Institutes of Health Recreation and Welfare trophy. They brought it home. While exercising and staying fit is the primary motivation for the team, Dick Ralston also added, "In some ways we have a title to defend, too."

The Road Ducks, who are always looking for new walkers, practice every Tuesday evening. A local track club, the Potomac Valley Seniors, are usually on hand to teach some of the techniques. So, if you're looking for another way to stay healthy, maybe racewalking is the way to go.

ROAD DUCKS

Cecilia DeWitt
Michelle Link
Cynthia Udhiri
Richard Ralston
Robert Renke
Elmer Roddy ◆

HELLER AND KELLEY JOIN THE BOARD

The man with the distinguished German accent, Governor H. Robert Heller, is one of the Board's most recent members. You might bump into him on a ski slope or see him while sailing on the bay. He enjoys the outdoor life.



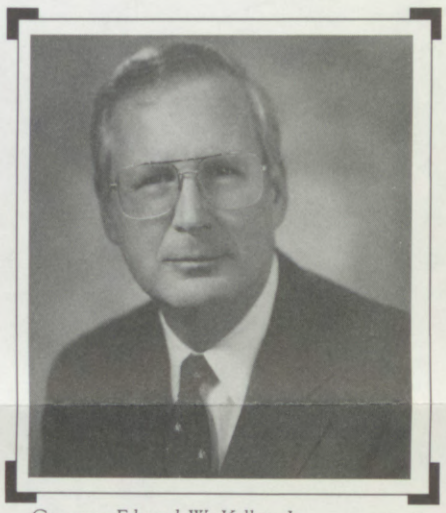
Governor H. Robert Heller

At the Fed he is the Board's Administrative Officer and a member of five major Board committees. He is the representative of the Federal Reserve System on the National Advisory Council on International Monetary and Financial Policies.

Governor Heller is a native of Cologne, West Germany. He received his postgraduate education in the United States. He holds an M.A. in Economics from the University of Minnesota and a Ph.D. from the University of California at Berkeley. He also taught at UCLA and the University of Hawaii where he served as Chairman of the Economics Department. He came to Washington in 1974 as Chief of the Financial Studies Division of the International Monetary Fund. In 1978 he went to San Francisco to serve as Senior Vice President and Director of International Economic Research for Bank of America. At that time, he continued to teach international financial management at the University of California at Berkeley.

Governor Heller is the author of five books on international trade and finance and has edited several books and published numerous articles in economic journals and the financial press. He has also served on the board of several professional associations in banking, business, and finance.

The Board welcomes Governor Heller, his wife Emily, and their two children, Kimberly and Christopher.



Governor Edward W. Kelley, Jr.

Governor Edward W. Kelley, Jr., the most recent member of the Board, was sworn in on May 26 of this year to fill an unexpired term which will end on January 31, 1990.

You may have heard that Governor Kelley, or *Mike* as he is nicknamed, was born in Eugene, Oregon, but there is no doubt that he's a Texan through and through. At an early age his family moved to Houston where he settled. If you listen closely, you'll detect a charming Texan drawl.

Governor Kelley received his undergraduate degree in history from Rice University and his MBA from Harvard University. Upon graduation in 1959, he returned to the Lone Star state to head up Kelley Industries, which was a Houston-based holding company with subsidiaries including Kelley Manufacturing, Data Systems, Co., and Covey Corporation. Kelley Industries was later sold, and he became chairman of the board of the Investment Advisors Incorporated. He also served as chairman of the Shoreline Companies, Inc., and director of Texas Industries, Inc.

In addition to these posts, Governor Kelley has served as director of several banks including West Belt National, Westwood Commerce Bank, and Southern National Bank.

Governor Kelley was serving as Chairman of the Board of the Investment Advisors, Inc., in Houston when he was tapped by President Reagan to fill the unexpired term as a Member of the Board of Governors.

One should not deduce from Govenor Kelley's rapid rise to the top that his success is attributed to all work and no rest. Governor Kelley is a firm believer in exercise and sports. He frequently takes long walks and enjoys fishing and scuba diving. He also teaches the Bible and is active in the St. Luke's United Methodist Church.

The Board welcomes Governor Kelley and his wife Ellen Louise. ◆

SNOWSTORM '87

Those of you who find the heat this summer unbearable may want to try remembering the snowstorm this year. Several of our co-workers do. Of those who submitted articles on the Blizzard of '87, here are a couple of the most memorable.

Our vanpool was making its daily ride home to Baltimore, which usually takes about an hour. While stopped in traffic, we noticed a pizza parlor across the street and decided to order two pizzas and have them delivered to the van. By the time the pizza was delivered, we had only driven one block. Seven hours later we arrived home.

—Bonnie Sprinkel

* * *

What I remember was the beauty of the snow as it fell. Then later I began to feel anxious about getting home when it started to pile up.

The snow started early Thursday morning while I was on the job. Those of us who work in Security had to stay because our replacements couldn't get into work. At first it was fun and exciting. Most of us came to work. An hour after we arrived, we were told to try to get home before the weather got worse. Some of us had to stay, so I went into my second shift. By Friday morning most of the vending machines were empty.

The next worry was how to get more food into the building. News came to us about how Metro service had been severely cut back due to the storm, so we realized that we were probably better off at work. At least we were warm.

After 24 hours, I really wanted to get home. The fun was over. Still I could not leave without a replacement. Finally, I was told that someone was coming to relieve me. Then I had to figure out how to get home. I don't have a car and most of my friends and family were not venturing out because few had snow tires and/or four-wheel drive.

So, I started walking to the nearest bus stop. Mostly everyone was walking in the middle of the street because the snow on the sidewalks was deeper. Even so, it was slow progress. I remember waiting a long time for the bus and even longer when I transferred downtown. I can still recall the intense cold and the numbness in my hand and feet. It was sheer joy to reach home.

—Officer H. V. Green ◆

BS&R SOFTBALL UPDATE

The *Fed* is still on top. The defending champion finished its regular season on July 22, with an 11–3 record in its division, which includes teams from the Justice Department, Office of the Comptroller of the Currency, the United States Navy, and NASDAQ. Up to the last game, the *Fed* was tied for first place with Navy. But Navy lost its game; and the *Fed*, playing until dark, walked away with the tie-breaker and the victory.

Playoffs started in early August and will end in mid-August with the championship game. Congratulations on a great season, and good luck to the *Fed*! ◆

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SUMMER & FALL 1987

ACTIVITIES CALENDAR

INTEREST-BEARING NOTES

August

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23 30	24 31	25	26	27	28	29

September

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

COMMITTEES

AUGUST

20 *BEAC meeting*
10:00 a.m.
B-3234

SEPTEMBER

1 *EAC meeting*
10:00 a.m.
B-4001

FWPAC meeting
2:30 p.m.
B-3234

3 *BEAC meeting*
10:00 a.m.
B-3234

17 *BEAC meeting*
10:00 a.m.
M-3255

OCTOBER

1 *BEAC meeting*
10:00 a.m.
M-3234

6 *EAC meeting*
10:00 a.m.
B-4001

FWPAC meeting
2:30 p.m.
B-3234

15 *BEAC meeting*
10:00 a.m.
M-3234

NOVEMBER

3 *EAC meeting*
10:00 a.m.
B-4001

10 *FWPAC meeting*
2:30 p.m.
B-3234

12 *BEAC meeting*
10:00 a.m.
M-3234



MISCELLANEOUS

AUGUST

11 *Toastmasters meeting*
12:00 noon
M-4255

19 PAYDAY

21 *Toastmasters Area Auction*
12:00 noon
Dining Room F

25 *Toastmasters meeting*
12:00 noon
M-4255

SEPTEMBER

2 *PAYDAY*

7 *Labor Day*

9 *Toastmasters meeting*
12:00 noon
M-4255/4355

16 PAYDAY

23 *Toastmasters meeting*
12:00 noon
M-4255/4355

30 PAYDAY

OCTOBER

12 *Columbus Day*

14 *Toastmasters meeting*
12:00 noon
M-4255/4355

PAYDAY

28 *Toastmasters meeting*
12:00 noon
M-4255/4355

PAYDAY

NOVEMBER

3 *PAYDAY*

11 *Veteran's Day*

25 *Toastmasters meeting*
12:00 noon
M-4255/4355

PAYDAY

26 *Thanksgiving Day*



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May 10

Twodot Land & Livestock Co.

Since 1908

Robert O. Jones
Box 794
Harlowton, MT 59036
(406) 632-4785

Warren B. Jones
Box 268
Harlowton, MT 59036
(406) 632-4496

William P. Jones
Box 769
Harlowton, MT 59036
(406) 632-4715

PAV responded FRC 9/4/87

Aug 24, 1987

Dear Paul

Your kind thank you letter to Scotty and myself is much appreciated. Please realize you and your friends will always be welcome here.

It is gratifying to us to think your visits here provided a needed and refreshing shift from those tough duties you performed with such credit to yourself and benefit to the country.

And now for some business. Would you be available as a speaker for the annual shareholder's meeting of the Montana Power Co? It falls on Tuesday May 10th 1988. The officers, directors and myself would very much enjoy having you.

Past speakers have included ex-President Ford and Sec. of State Schultz while with Bechtel — and your fee and expenses will be paid by the company.

Perhaps you could get in a few days fishing at the ranch — with better luck. Those stubborn damn fish need a lesson. A grade school chum was aced out over three days last weekend — but just enjoyed the change from Chicago — and he has fly fished for 50 years all over N. America.

42 AS TT LV

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Corrigan I have concluded is just plain lucky — no one has caught any fish since, though my friend saw several huge ones look at his fly. —

With kind regards —

Buck

P.S. Those four thousand plants should be big enough by May — and there is always the creek and other places.

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National Westminster Bank USA

350 Fifth Avenue
New York, NY 10118-0110
212 290 1743

Amy S. Trapp
Assistant Vice President

cc: Mr Coyne

Joe - could you please tell them no - possibly sometimes later, well after & entrettled, if that is in N.Y.

August 17, 1987

Mr. Paul Volker
Former Chairman
Federal Reserve
20th & C St. N.W.
Washington, D.C. 20551

Dear Mr. Volker

I am writing to you as a representative of the Manhattan Chapter of the National Association of Bank Women. Our group consists of 100+ women officers from New York City's major money center banks.

We are now planning our fall schedule of luncheon meetings and have overwhelmingly selected you as our first choice guest speaker to launch our 87-88 year.

Although our organization is relatively young, we have attracted some noteworthy speakers from the financial world, such as John Reed from Citicorp and Dan Davison from U.S. Trust. We were also pleased to have Mayor Koch as our 1986 kickoff speaker. Since our constituency is very interested in the opinions and outlooks of distinguished political and financial leaders such as yourself, we would be very honored and privileged if you would consider this invitation.

I would very much appreciate hearing from you at your earliest convenience (212) 290-1743. We can be totally flexible at this point and schedule the luncheon for a date and at a time convenient for you, when you may already have plans to be in New York City.

Thank you very much for reviewing this request. I sincerely hope that our invitation will be looked upon positively.

With Best Regards,

Amy S. Trapp

Amy S. Trapp
Program Chairperson, Manhattan Group NABW
Assistant Vice President, National Westminster Bank USA
1472F

telephoned regrets but she'll be back after you get settled
FRC
8/21/87

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JC

Burson-Marsteller

[illegible] Avenue [illegible]
New York, NY 10003
[illegible] 4000

What is this all about? Did you tell them no.

August 21, 1987

Already told them No ARC 9/4/87

Mr. Harry Walker
THE HARRY WALKER AGENCY, INC.
1 Penn Plaza
New York, N. Y. 10119

Dear Harry:

On behalf of the European division of Digital Equipment Corporation, a Burson-Marsteller client of long standing, I would like to enlist your assistance in forwarding an invitation to The Hon. Paul Volcker to address a group of approximately 100 Chief Executive Officers of the larger Europeran corporations at a function that will be sponsored by DEC.

Clear?

The date is Monday, November 16; the place Brussels, Belgium.

Maybe Tuckley Nov 13-14

A speech by Mr. Volcker, who would be asked to address the international monetary situation as a subject, would be the highlight of an all-day conference. While I do not have all the details at this time (they will soon be forthcoming from our Brussels office), the schedule is such that we can be flexible on the specific timing during the day of Mr. Volcker's address. In addition to making his talk, our client would want to have Mr. Volcker present for at least a portion of a reception that will follow his address.

My Nov 17 Artwitis dinner

While I suspect that Mr. Volcker has not heard of me or perhaps even Burson-Marsteller, he may want to check with his former associate at the Federal Reserve Bank of New York, Peter Bakstansky, as to our bona fides. I am sure Mr. Volcker knows our client, Digital Equipment.

As I indicated during our telephone call, I will be in Seoul during the week of August 24. During my absence, will you communicate with my associate, Laura Schoen, (212) 614-4459. Laura is fully aware of the program which is being coordinated by our Brussels office.

This is the $50,000 honorarium mentioned in my 8/21 note to you. JC.

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Both our client and we at Burson-Marsteller believe that Mr. Volcker would add immense distinction to the program that is being prepared for this prestigious and important group of European business leaders. My appreciation to you for any assistance you are able to give us in making possible his appearance.

Sincerely,

Harold Burson

HB:mr
cc: Ms. Laura Schoen

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already turned down

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