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

December 11, 1973

MEMORANDUM FOR THE FILES

Mr. Robert Haack called today. He indicated that he was on the Lockheed board; indicated further that a committee of the board is considering a merger (I knew this from the meeting of the Emergency Loan Guarantee Board meeting on December 10, 1973). Haack went on to say that he (or the company) was thinking of having Lazard Freres do the canvassing with respect to the possible merger. He wanted to know whether I had any views about the firm; any objection to relying on this firm.

I replied that I am neither in favor of their doing so nor am I opposed to their doing so. This is a matter for their company's directors to determine. I added that I know nothing unfavorable about the firm or its partners and that the neutral stand that I took should merely be interpreted to mean that I as a member of the Emergency Loan Guarantee Board did not consider it proper to express any opinion about Lockheed getting involved with Lazard Freres or any other investment banking firm.

*AB*  
Arthur F. Burns



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

December 12, 1973

MEMORANDUM FOR THE RECORD

Bill Rogers called. He indicated that he was considering serving as Counsel to Lazard Freres in connection with merger conversations which that firm might undertake. He wanted to know whether I thought that his doing so would cause any embarrassment to the government.

I replied that I did not see why it should, but that this was a matter on which I was not really qualified to give an opinion and that he would have to make his own judgment. I indicated that he might want to talk to George Shultz who might have a basis for an independent judgment on this question.

*A 23*

Arthur F. Burns



January 31, 1974

MEMORANDUM FOR FILES

FROM: Arthur F. Burns

Dr. Karl Klasen telephoned today and reported as follows:

- (1) Germany has reduced its capital controls and this has had a good effect on the dollar, that is to say it has checked the appreciation of the dollar.
- (2) Klasen believes that the decision to keep the snake alive was very wise. Norway, Sweden and Switzerland are tied to the snake.
- (3) The United States and Germany should try to keep a stable rate between the dollar and the mark.

I indicated that I agreed in principle with regard to his third point and that I would welcome any concrete suggestions on his part.

We discussed the recent action of the French in abandoning the snake. According to Klasen, the Germans offered a loan of \$3 billion to the French in the course of the Rome meetings; Giscard d'Estaing liked the idea but apparently was turned down the next day by Pompidou.



I inquired of Klasen how he would feel about inviting one or more central bankers from the oil producing countries to a Basle meeting in the near future.

Klasen thought it would be a very useful idea. I indicated that I will talk this over with Shultz. If he also sees merit in the idea, I will get in touch with Zijlstra and make the suggestion to him. We talked about a possible meeting in March.

