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THE WHITE HOUSE
WASHINGTON

Dorothy brought
this in - from
The President's out
box .

Joel
2.35pm
1/31

JOE BARTLETT
MINORITY CLERK

[1/1975]

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

Dear Bob

MR 4
What can I do?
& should I?

The Capital Hill
Club has arrived at
a very critical
situation.

I know you
have a feel for this,
and I know the

ORIGINAL RETIRED FOR PRESERVATION

JOE BARTLETT
MINORITY CLERK

II

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

President has a
real interest in it.

If they are
still letting you
see him (!), you
may want to
acquaint him with
the current status.

JOE BARTLETT
MINORITY CLERK

III
CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

If you want
further particulars,
call me.

Warm regards
and best wishes,

Joe

24 Jan 75

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

January 24, 1975

MEMO TO THE MINORITY LEADER:

I have been given to understand that you are holding an important meeting with respect to the status of the Capitol Hill Club. Having been "assigned" to the Board of Governors by the House Minority Leadership some years ago to keep an eye on matters of interest, I feel obliged to offer a few notes on the present situation as I view it.

You have been apprised of the rather desperate financial plight of the Club. It is really nothing new, just continuing and getting worse. While Club management has diminished our annual loss, the immediate prospect, even with stringent new disciplines, still forecasts an altogether unacceptable loss for the coming year, in the neighborhood of \$140,000. Most of the proposals and discussions dealing with our problems have been less than comprehensive, and many offer nothing more than the proverbial "band-aid on a cancer."

Forgive me if I am presumptuous and candid, but I believe that is the only way this report serves any usefulness for you.

The problems, as I see them, are:

- 1) An impossible capital burden;
- 2) An insufficient, and insignificant, membership for a club which claims to be the National Republican Club; and
- 3) A contract for club management which I think is both unrealistic, and has been, for the first three years, less than rewarding.

Dealing with the first and major problem, the only altogether satisfactory solution to this problem, it seems to me, would be a drive to free the entire Eisenhower Center, including the Club and National Committee buildings, from capital debt. Merely refinancing Capitol Hill Associates, while it might serve some immediate relief, would simply postpone the day of reckoning, I am sure. In my judgment, the Associates, if at all possible, ought to be liquidated. Many of the apprehensions with regard to this process are, in my judgment, much exaggerated. For instance, the legal and binding facts of the matter are that the Club has one purchaser (the Congress) and one price (the cost of the buildings). You may want to bear this in mind because people will continue to raise the specter of market value, and such things, when I don't think they actually apply. Surely, there are leaders with resources to bring about the relief of the mortgage on this Eisenhower Center. And is there not some organizational money that will be avail-

able to a worthy purpose one day soon?

In any event, of all the approaches, the elimination of this debt is the most ideal, so why not try that first?

Secondly, a club with the few hundred members that we presently have, hardly qualifies as a "national" Republican club. Valiant efforts have been made by recent Club leadership to build that number up to the six or seven thousand that it ought to be. If we had membership of that magnitude, there would be no doubt that we could look forward to a prosperous future. It probably has not occurred to very many members of Congress, and other Party leaders, how important the growth in membership is to the survival of the Club. The present emergency may bring this to their attention and cause them to get a little more involved in recruiting for the Club. If that should happen, the present anguish would have been even worthwhile. Some of those you will be talking with today will undoubtedly be in a position to help in this area. I hope so.

As to the third consideration, if the Club were totally solvent today, I still would be less than satisfied with our management fee arrangement with the Marriott Corporation. At a fixed fee of 10% of gross, in addition to all salaries and costs, there is simply no incentive for Marriott management to make a profit. Please understand, I have a high regard and appreciation for the present managers of the Club. I think

they are a distinct improvement over our earlier associates. But our present debt to the Marriott Corporation is, I am told, about two-thirds attributable to a fee (above all salaries and costs) for "helping" us to manage the Capitol Hill Club. There is something awfully ironic about that. I cannot believe Mr. and Mrs. Willard Marriott can be fully aware of this experience.

In addition to the above considerations, may I say it would be my own personal, most reluctant last choice, to see the Club constricted into a diminutive contradiction of all that we have labored so hard to build during the last 25 years. The present club facility is surely no more commodious than is fitting and proper for a place that claims to be the national Republican social center!

If there is any way to assure its viability and prosperity into the future I, for one, feel that it is a cause worthy of the best efforts of all of us who are privileged to serve the Grand Old Party.

Respectfully,

Joe Bartlett

JB:fvc

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

PERSONAL

MR. ROBERT HARTMANN
THE WHITE HOUSE
WASHINGTON, D.C. 20500

DERIVING THEIR
JUST POWERS
FROM THE CONSENT
OF THE GOVERNED

Declaration of Independence 1776

Bicentennial Era

U.S. 10c

WHITE HOUSE MAIL
RECEPTION & SECURITY

JA 28 1975

Processed by:

RTA

January 31, 1975

File
CHe

Dear Tom:

Thank you for your courtesy in providing
the President with the financial statement of
the National Republican Club of Capitol Hill.

I will make certain he receives this at the
earliest opportunity.

With kindest regards,

Sincerely,

Max L. Friedersdorf
Assistant to the President

Mr. Thomas J. Lankford
Minority Clerk
House of Representatives
Washington, D.C. 20515



~~cc:~~ w/incoming to Robert Hartmann for appropriate handling

MLF:EF:VO:vo

Bob - FYI, I have been asked to fill
the spot on the Capitol Hill Associates
Board which The President formerly filled.

Jack

T. J. L.
HOMAS ANKFORD

January 29, 1975

The Honorable Gerald R. Ford
The White House
Washington, D. C. 20500

JAN 30 1975

My dear Mr. President:

Having given you these reports in the past, I am sending the enclosed copy of the 1974 Arthur Andersen & Co. audit.

I wish to point out that the Club is in debt to the Marriott Corporation at the end of 1974 in the amount of \$279,801. as stated in this report. Unless immediate steps are taken, the Club can not long survive.

It is my understanding you are aware of this situation, however, knowing of your long interest and work in behalf of the Club I wanted you to have this report.

With every good wish, I am sincerely,

Your friend,


Thomas J. Lankford

L:g
Enclosure



NATIONAL REPUBLICAN CLUB OF CAPITOL HILL
=====

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1974 AND 1973

TOGETHER WITH AUDITORS' REPORT

ARTHUR ANDERSEN & Co.

ARTHUR ANDERSEN & CO.

WASHINGTON, D. C.

To the Board of Governors

National Republican Club of Capitol Hill:

We have examined the balance sheets of NATIONAL REPUBLICAN CLUB OF CAPITOL HILL (a District of Columbia corporation, not for profit and trading as Capitol Hill Club) as of December 31, 1974, and December 31, 1973, and the related statements of loss and members' equity and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The costs of certain assets, principally furniture and fixtures, leasehold improvements and equipment, normally can only be recovered in their entirety through successful operations. Since the Club's operations have resulted in losses of \$242,214 in 1974 and \$335,609 in 1973, as shown in the accompanying financial statements, and since there is no indication that future operations will improve sufficiently to eliminate the working capital deficiency of \$221,650 at December 31, 1974, caused by prior losses, there is serious doubt as to whether the costs will be recovered. Reference is made to Note 1 to the accompanying financial statements in which other aspects of these matters are discussed.

Furthermore, as explained in Note 4 to the financial statements, the Club has a note receivable of \$109,618 from Capitol Hill Associates, Inc. ("CHA"), the organization that owns and leases the building occupied by the Club. The collectibility of this receivable is dependent upon the ability of CHA to generate sufficient funds for repayment, either from future operations or from other sources.

In our opinion, subject to the recovery of the carrying value of certain assets and the collectibility of the note receivable from CHA discussed in the preceding paragraphs, the accompanying financial statements present fairly the financial position of National Republican Club of Capitol Hill as of December 31, 1974, and December 31, 1973, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Arthur Andersen & Co.

Washington, D. C.,

January 24, 1975.

NATIONAL REPUBLICAN CLUB OF CAPITOL HILL

BALANCE SHEET AS OF DECEMBER 31, 1974 AND 1973

A S S E T S

LIABILITIES AND MEMBERS' EQUITY

	<u>1974</u>	<u>1973</u>		<u>1974</u>	<u>1973</u>
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash	\$ 16,638	\$ 3,011	Accounts payable - Marriott Corporation (Note 3)	\$279,801	\$185,116
Certificate of deposit, including accrued interest at 5.75%	-	68,354	Other accounts payable and accrued expenses	32,646	24,706
Accounts receivable, less reserve for uncollectible accounts of \$36,450 in 1974 and \$23,950 in 1973	82,218	121,641	Current portion of installment contract payable	1,008	1,008
Food and beverage inventories, at the lower of FIFO cost or market	9,700	10,588	Deferred dues income (Note 2)	30,473	13,536
Prepaid expenses and supplies	13,722	11,349		-----	-----
	-----	-----	Total current liabilities	343,928	224,366
Total current assets	122,278	214,943		-----	-----
	-----	-----			
FIXED ASSETS, at cost:			LONG TERM DEBT:		
Furniture and fixtures	246,590	246,590	Equipment installment contract payable (excluding current portion)	1,428	2,436
Leasehold improvements	47,830	47,830		-----	-----
Kitchen and office equipment	41,353	41,353	Total liabilities	345,356	226,802
	-----	-----		-----	-----
	335,773	335,773			
Accumulated depreciation and amortization (Note 2)	(91,087)	(59,867)			
	-----	-----			
	244,686	275,906			
	-----	-----			
OTHER ASSETS:			LEASE COMMITMENT AND CONTINGENCIES (Notes 3 and 5)		
Note receivable - Capitol Hill Associates, Inc. - noninterest bearing, unsecured (Note 4)	109,618	109,618			
Portraits	36,125	35,000			
	-----	-----			
	145,743	144,618	MEMBERS' EQUITY	167,351	408,665
	-----	-----		-----	-----
	\$512,707	\$635,467		\$512,707	\$635,467
	=====	=====		=====	=====

The accompanying notes are an integral part of this balance sheet.

NATIONAL REPUBLICAN CLUB OF CAPITOL HILL

STATEMENT OF LOSS AND MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

	<u>1974</u>	<u>1973</u>
REVENUES:		
Sales	\$ 583,298	\$ 598,486
Less- Cost of sales	(205,641)	(214,771)
	-----	-----
Gross profit on sales	377,657	383,715
Membership dues (Note 2)	418,800	340,196
Initiation fees	41,075	66,104
Rental and interest income (Note 5)	15,447	12,447
	-----	-----
	852,979	802,462
	-----	-----
OPERATING EXPENSES:		
Salaries and wages	403,801	427,513
Employee benefits	97,935	91,140
Management fee (Note 3)	58,330	61,403
Printing, office supplies and postage (Note 3)	53,711	57,362
Restaurant supplies	44,449	55,589
Bad debt expense	36,890	44,196
Other general and administrative expenses	42,021	46,186
	-----	-----
	737,137	783,389
	-----	-----
CLUB FACILITY EXPENSES:		
Rent (Note 5)	190,170	190,510
Utilities and telephone	69,663	64,464
Real and personal property taxes	38,332	40,294
Depreciation (Note 2)	31,220	30,990
Maintenance and insurance (Note 2)	28,671	28,424
	-----	-----
	358,056	354,682
	-----	-----
NET LOSS	(242,214)	(335,609)
MEMBERS' EQUITY, beginning of year	408,665	744,274
Capital contributed by members for purchase of portrait	900	-
	-----	-----
MEMBERS' EQUITY, end of year	\$ 167,351	\$ 408,665
	=====	=====

The accompanying notes are an integral
part of this statement.

NATIONAL REPUBLICAN CLUB OF CAPITOL HILL

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 1974 AND 1973

	<u>1974</u>	<u>1973</u>
SOURCES OF FUNDS:		
Capital contributed by members for purchase of portrait	\$ 900	\$ -
Disposal of equipment	-	2,828
	-----	-----
Total sources	900	2,828
	-----	-----
APPLICATIONS OF FUNDS:		
Net loss from operations	242,214	335,609
Less- Expenses not requiring current outlay of working capital -		
Depreciation and amortization of fixed assets	(31,220)	(30,990)
	-----	-----
To operations	210,994	304,619
Purchases of fixed assets	-	9,568
Purchase of portrait	1,125	-
Payments on installment contract	1,008	2,134
	-----	-----
Total applications	213,127	316,321
	-----	-----
Decrease in working capital	\$(212,227)	\$(313,493)
	=====	=====
SUMMARY OF CHANGES IN WORKING CAPITAL:		
Increase (decrease) in current assets -		
Cash	\$ 13,627	\$ 2,675
Certificate of deposit	(68,354)	(31,607)
Accounts receivable	(39,423)	(193,411)
Food and beverage inventories	(888)	510
Prepaid expenses and supplies	2,373	(28,052)
(Increase) decrease in current liabilities -		
Accounts payable - Marriott Corporation	(94,685)	(98,528)
Other accounts payable and accrued expenses	(7,940)	37,154
Deferred dues income	(16,937)	(4,106)
Current portion of installment contract payable	-	1,872
	-----	-----
Decrease in working capital	\$(212,227)	\$(313,493)
	=====	=====

The accompanying notes are an integral part of this statement.

NATIONAL REPUBLICAN CLUB OF CAPITOL HILL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1974 AND 1973

(1) OPERATIONS

As indicated in the accompanying financial statements, the Club has incurred substantial losses for the two years ended December 31, 1974. The current losses have been financed primarily through funds advanced by Marriott Food Service Management, Inc. Management estimates that the Club's operating and facility expenses for the year ended December 31, 1975, will exceed revenues and are considering various alternatives to meet operating cash requirements. These include, but are not limited to, obtaining funds through member contributions, renegotiating the building lease with Capitol Hill Associates, Inc. (see Note 4), and reducing the operating hours of the Club. At this time, there can be no assurance that any of the various alternatives will occur.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation and Amortization

Depreciation of furniture and equipment is provided on the straight-line basis using estimated lives of from three to ten years. Leasehold improvements are amortized over either the life of the lease or the useful life of the improvements, whichever period is shorter.

Life Membership Income

Life membership agreements require that life members pay \$200 at the initiation date and the remaining balance of \$1,800 in monthly installments of \$100. The total amounts to be received are recognized as income at the date of the agreements. Income recognized from life memberships sold in 1974 was \$13,000. No life memberships were sold in 1973. As of December 31, 1974, there were 728 life members.

Annual Dues

Annual dues are billed in advance and are recognized as income ratably over the months to which they relate.

Maintenance and Repairs

Routine maintenance and repairs are expensed. Expenditures which improve or extend the lives of existing properties are capitalized.

(3) TRANSACTIONS WITH MARRIOTT CORPORATION AND OFFICERS

The Club has been operating under a management agreement with Marriott Food Service Management, Inc. ("Marriott"), a subsidiary of Marriott Corporation, since September, 1972. The agreement stipulates that Marriott is to receive 10% of gross sales to manage the Club's facilities. This agreement may be cancelled by either party upon thirty days written notice.

The balance due Marriott as of December 31, 1974, represents the excess of expenses paid by Marriott in its operation of the Club over the amounts received from the Club. The following is a summary of the transactions with Marriott during the year ended December 31, 1974.

Accounts payable, beginning of year	\$ 185,116
Add -	
Expenses paid by Marriott	985,654
Advances to the Club for the payment of rent, etc.	282,819
Gratuities and sales taxes paid by Marriott on the Club's behalf	82,413
Deduct -	
Cash collections by Marriott	(1,187,683)
Proceeds from certificate of deposit	(68,518)

Accounts payable, end of year	\$ 279,801
	=====

The management agreement gives Marriott the right to require the Club, upon demand, to advance working funds to Marriott in the amount of \$50,000 and that the advance be replenished in a timely manner and in sufficient amount to enable Marriott to pay the obligations of the Club as they become due. As of December 31, 1974, Marriott had not exercised this option.

The Club paid approximately \$16,000 in 1974 and \$31,400 in 1973 to a company operated by the Club's Treasurer for printing newsletters, brochures, menus, etc., copying services and postage on invitations. In the opinion of management, these services were provided at costs more favorable than would be obtainable from unrelated suppliers.

(4) NOTE RECEIVABLE - CAPITOL HILL ASSOCIATES, INC.

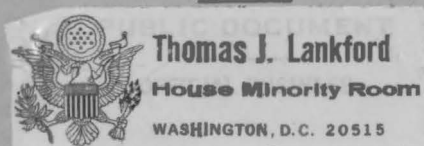
The Club is located in a building owned by Capitol Hill Associates, Inc. ("CHA"), an unrelated entity. In July, 1971, the Club advanced \$109,618 in the form of a noninterest bearing, unsecured note to CHA to assist in financing the construction of the building. The note requires payments from the proceeds of stock offerings, if effected, equal to one-half of the proceeds in excess of \$150,000, up to the balance of the note. If the note is not paid in full by 1976, annual payments of \$10,000 commence in 1977. If the building is sold during the term of the note, the note will be paid from the proceeds of sale. Based on published audited financial statements, CHA has incurred losses in each of the last two fiscal years ended January 31, 1974. No payments have been made to date on this note.

(5) LEASE COMMITMENT

The Club's facilities are leased from Capitol Hill Associates, Inc., at \$190,000 per year through January 31, 1992. The lease is noncancelable and includes an option to purchase the Club's facilities during the tenth, fifteenth, nineteenth and twentieth years of the term of the lease or at any other time mutually agreed upon by the landlord and tenant for an amount equal to the fair market value of the facilities. If rent payments are not made on a current basis, the lease provides for termination at the landlord's option and holds the tenant responsible for damages or loss of rent sustained by the landlord.

The Club subleases a portion of its facilities and has reflected rental income in the accompanying financial statements of \$12,000 in 1974 and 1973.

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515



The Honorable Gerald R. Ford
The White House
Washington, D. C. 20500

ATTN: Mr. Max L. Friedersdorf

THE WHITE HOUSE

WASHINGTON

February 17, 1975

Dear Harold:

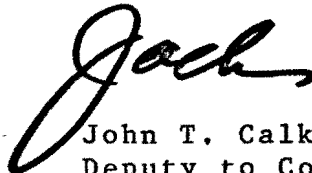
There is no objection to the Capitol Hill Club's accepting the painting by Mr. Johnson, but care should be taken to make sure that everyone understands this painting is not the official portrait of the President. It is likely that an artist will be commissioned at a later date to paint the official portrait of the President as has been customary in past presidencies.

The above information has been relayed by me by telephone to Judy Moore Kaufman. I have also left word for her that it will not be necessary for anyone here to view the actual painting. As you may know, she furnished me with a Polaroid photo of the painting.

I hope the above information clarifies the situation, and I shall look forward to seeing Mr. Johnson's painting of President Ford at a forthcoming visit to our Capitol Hill Club.

All best regards and good wishes, Harold.

Sincerely,



John T. Calkins
Deputy to Counsellor Hartmann

The Honorable Harold R. Collier
Tenneco, Inc.
490 L'Enfant Plaza East, S. W.
Suite 2202
Washington, D. C. 20024

cc: Mr. Roland Elliott
Mrs. Judy Moore Kaufmann

bcc: RTH



THE WHITE HOUSE
WASHINGTON

April 23

Mr. Hartmann:

Mr. Calkins wanted you to have the attached to take into the President Thursday morning because he thought the President might want to have this information before he went to the Capitol Hill Club Thursday night for the portrait unveiling.

Ruth Greenwell

THE WHITE HOUSE

WASHINGTON

RTH-

this is only for
your background
info from JTC.

gail

The Dwight D. Eisenhower National Republican Center


April 8, 1975

General Dwight D. Eisenhower
Honorary Chairman
1961-1969

Theodore N. Danforth
Chairman of the Board

Fred L. Dixon
President

TO: Mr. John T. Calkins

FROM: Fred L. Dixon 

RE: Letter to the President re Capitol Hill Associates.

Enclosed is a letter to the President concerning the present activities of Capitol Hill Associates which I hope you will bring to his attention. Enclosed also is a copy for your information.

Since Congressman Rhodes served as a member of our Board of Directors and Executive Committee and has been our liaison with the White House, we have provided a copy for his information also.

We sincerely hope that you will find it possible to attend our annual Board Meeting which will be held next Tuesday the 15th at 2:30 in the Conference Room here in the RNC building.

In the meantime, if we may provide any further information in any possible way, please call us.

FLD/mhj

enclosure

The Dwight D. Eisenhower National Republican Center

April 8, 1975

General Dwight D. Eisenhower
Honorary Chairman
-1969

Frederic N. Danforth
Member of the Board

L. Dixon
President

The President
The White House
Washington, D. C.

My dear Mr. President:

There may be some publicity over the proposed sale of the building now occupied by the National Republican Club of Capitol Hill (Club) to the United States Government. In view of your position and former position as a member of the Board of Directors and Executive Committee of Capitol Hill Associates, Inc. (Associates), we feel you should have the following facts:

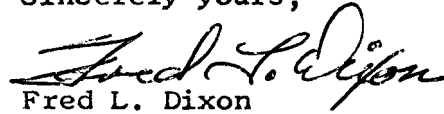
1. Associates is a reporting public company with approximately 1100 stockholders.
2. Associates solicited funds through the sale of its stock and contracted for the purchase of the land and the construction of the Republican National Committee (Committee) building to the specifications of the Committee and the Club building to the specifications of the Club.
3. Both buildings are leased to the respective parties under long term net net leases, i.e., the tenant is responsible for taxes, insurance, etc. The rent from these two leases is the sole source of income for Associates.
4. Both buildings were financed by The Travelers Insurance Company (Travelers). The Committee building has a balance due of approximately \$1,000,000, and the Club building has a balance due of approximately \$1,500,000. The deeds of trust on these buildings have a cross default provision so default of either is a default of both.
5. The Committee rent just meets the payments due Travelers on the building. The Club rent meets the payments due Travelers on its building with an excess of \$3,000 per month which has been used by Associates to meet its operating expenses and obligations.

6. As additional security, there is an Assignment of the rent and lease to Travelers effective upon default under the deeds of trust. This assignment precludes any act by Associates in relation to the leases without the written consent of Travelers. Travelers is represented in Washington, D. C. by the H. G. Smithy Company.
7. Both properties are subject to an agreement with the House Office Building Commission granting the United States a right of first refusal to purchase the buildings and fixing the price to be paid in the event of purchase or condemnation.
8. On January 21, 1975, Associates was notified of a Club Board of Directors meeting to be held that date where it was disclosed that the Club had lost approximately \$335,000 in 1973, \$245,000 in 1974 and anticipated a loss of \$140,000 in 1975, and would be compelled to close its doors March 1, 1975 unless it could have relief. The Club disclosed it was indebted to the Marriott Corporation in excess of \$270,000.
9. Associates has explored, with the Committee and the Club, various alternatives to preserve the Club building including re-financing, rezoning, additional tenants, etc., which have been found impracticable. The February rent payment from the Club was not paid until the end of the month and Associates was advised that no additional rent payment would be made adequate to meet the payments due Travelers. This being the case, the only alternative left was the sale of the building to avoid foreclosure perhaps of both buildings.
10. H. G. Smithy Company, as representative of Travelers, was given notice of this problem. Smithy representatives met with the Minority Leader of the House, the Committee and the Club representatives and Associates the latter part of February. Travelers was requested to grant Associates permission to act under the lease to obtain waiver of certain provisions thereof by the Club so notice could be given to the House Office Building Commission of the proposed sale. This request was confirmed by letter on March 6, 1975.
11. Travelers has, to date, not given such permission, but it is anticipated any day. At such time, notice will be given to the House Office Building Commission. It is anticipated the United States will purchase the building, as it is the most logical purchaser.
12. The obligation on the Club building being in default since March 1, 1975, Travelers has the right to foreclose on both buildings. As assignor of the leases on the buildings, Travelers could give notice to terminate the lease of the Club and demand that they vacate the building.

Mr. President
April 8, 1975
page 3

If there are any questions that you or your Staff may have concerning this matter, I would greatly appreciate it if you would call me at St-3-5252, or Ronald E. Madsen who is acting as general counsel in this matter. Mr. Madsen may be reached at 587-2090.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Fred L. Dixon".

Fred L. Dixon
President

FLD/mhj

cc: Honorable John J. Rhodes

file - Capital Hill Club

RTA - 3 YI. STP?

The Dwight D. Eisenhower National Republican Center

May 4, 1975

General Dwight D. Eisenhower
Honorary Chairman
1961-1969

Theodore N. Danforth
Chairman of the Board

Fred L. Dixon
President

Mr. John T. Calkins
Executive Assistant to Mr. Hartmann
Counsellor to the President
The White House
Washington, D. C.

Re: The Capitol Hill Club

Dear Jack:

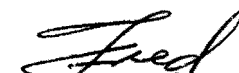
I am certain you have been informed that the funds required to avoid foreclosure have been advanced, and I am advised that funds will be forthcoming to pay the rent on the Club building through September.

While this does not solve the underlying problem, it does provide at least three months to work out a solution. I understand a major campaign is now under way to permit the Club to purchase its building, and several groups are considering the rental of the excess space in the Club building. I sincerely hope these efforts may be successful so that the Eisenhower Center can remain intact.

Should the Club succeed in purchasing its building, the next step would seem to be the sale of the Committee building to the RNC and the subsequent dissolution of Associates. During this interim period, it will be necessary to increase the rent on the Committee building by \$3,000 per month in order to continue essential operations of the Associates.

Although we still have many details to be resolved, I want to thank you for your very helpful assistance in this matter. Without your help, the present interim solution would not have been possible.

Sincerely yours,


Fred L. Dixon
President

FLD/mhj

THE WHITE HOUSE

WASHINGTON

May 20, 1975

Mr. Calkins:

I cleared Ronald Madsen to hand deliver this to me for you -- from Dixon of Capitol Hill Associates.

Mr. Madsen said that you should have no qualms about calling him at home this eveing. He considers this a very urgent matter.

Gail

RONALD E. MADSEN
ATTORNEY AT LAW
962 WAYNE AVENUE
SILVER SPRING, MD. 20910
(301) 587-2090

May 20, 1975

PMS

The Honorable John T. Calkins
Counselor to the President
The White House
Washington, D. C.

Dear Mr. Calkins:

This letter will attempt to update Mr. Dixon's letter, dated April 8, 1975, with regard to the Capitol Hill Club building.

It has been and is the objective of Associates to preserve the Club and the Committee buildings - The Eisenhower Center. Associates has attempted to do everything it could, but has no control over the matter. Without the revenue from the rental of the buildings, Associates cannot meet its obligations and pay the loans from Travelers secured by the buildings.

Everyone is familiar with the reluctance with which Travelers financed these properties and the difficulty in obtaining a waiver of the zoning condition from their commitment. Traveler's local agent, H. G. Smithy Company, who was bypassed in obtaining that waiver, has repeatedly stated that without current payments, Travelers would have no alternative but to foreclose. In fact, upon being advised that the Club's Board of Directors had repudiated the waiver of notice of default and agreement to terminate the lease, Associates was told by Smithy that Travelers sought Smithy's advice as to why immediate steps should not be taken toward foreclosure.

If a choice must be made between foreclosure on the Club building (or on both the Club and Committee buildings under the cross default in the deeds of trust) and the orderly sale of the Club building to the United States under the agreement with the House Office Building Commission, even with the risk that the Government would take both buildings, it is obvious that it is in the best interests of all parties to avoid the adverse publicity and to protect the equity of the Associates in the property (to say nothing of the cost of foreclosure which could exceed \$125,000 if both buildings are foreclosed) to sell to the United States, however painful that will be.

May 20, 1975

Since Mr. Dixon's letter, the following has taken place:

1. While Mr. Collier had executed the waiver of notice and consent to termination of the lease for the Club (deemed necessary to provide for the orderly sale of the Club building to the United States), and had orally advised Associates that it had been approved by the Club's Board of Directors, it was determined that it had not been approved by the Club's Board and when submitted to it, the agreement was repudiated by the Board.

2. H. G. Smithy, as agent for Travelers, upon being advised of the repudiation, stated that it was their intention to give notice to the District of Columbia on May 1, of foreclosure under the deeds of trust securing Travelers. They were persuaded to wait until the situation could be clarified and later, after direct appeal to Travelers, agreed to postpone foreclosure until May 30, 1975, if a payment of \$12,600 was made before May 12, 1975 and thereafter only if Associates was then current on its loans and Smithy was paid its attorney's fees.

3. Subsequent to the repudiation of the waiver of notice by the Club and the initial threat by Travelers to foreclose, a meeting was held Friday, May 2, by Mr. Dixon, Miss "Beebe" Bourne, Vice Chairman of the Board of Associates, and Mr. Owsley and me, Counsel for Associates, with Mr. Peter Wallison, Counsel to the Vice President, pursuant to a call to Mr. Dixon from the Vice President. At this meeting Mr. Wallison was briefed, as well as could be done in a short time, on the situation. In short, it was pointed out that at that time Associates faced two alternatives - a sale to the United States or foreclosure by Travelers. We also discussed how sale or foreclosure could be avoided, i.e.,

a) Loss of the Club building and possible loss of the Committee building can be avoided (i) by a loan to the Club of approximately \$2,000,000 to be secured by the Club building to permit the Club to purchase its building with additional arrangements to permit the Club to meet its other current obligations or (ii) by some means for the Club to make up all past due sums (approximately \$70,000 assuming real estate taxes have not been paid) and to keep payments current (approximately \$15,800 per month). It is to be noted that whether the Club purchases its building or not, Associates must have assistance to meet its obligations. Rent on the Committee building will have to be increased to meet this need until the Committee can purchase its building.

May 20, 1975

b) If, and again it is hoped that it can be avoided, the Club building must be sacrificed, either (i) Travelers must be persuaded to give Associates the necessary consents and time, without payments on its loan, or (ii) Associates must obtain a loan of approximately \$250,000 to enable Associates to meet its payments due to Travelers and its current obligations, each alternative to permit the orderly sale of the building to the United States. The loan to Associates could be secured by the equity of Associates in the Committee and Club buildings and would be repaid from the proceeds of sale. It is not considered feasible, however, that such a loan to Associates can be obtained from conventional sources. We have this week been turned down by both the Riggs National Bank and the Union Trust Company of the District of Columbia.

4. A meeting was held Wednesday, May 7, by Mr. Wallison with representatives of the Club. I was called from that meeting by Mr. Wallison and requested to prepare a 120-day option contract for the Club to purchase its building for approximately \$2,000,000. This contract is contingent upon the Club meeting all payments due under its lease and sums required to satisfy Travelers for expenses incurred as a result of the default. A copy of the contract is attached.

5. In meetings with Mr. Collier, Mr. Owsley and Mr. Dixon were advised that the Club had no particular source of funds but expected the Marriott Corporation to advance the initial \$12,600 to be paid by May 12, but that Marriott had refused to obligate itself to pay the additional funds required on May 30. The source of the approximately \$2,000,000 to exercise the option to purchase the building is as far as we know uncertain, no possible source having been disclosed.

6. The option contract was signed by the Club and by Associates and was conditionally approved by Travelers. (See letter from H. G. Smithy Company dated May 14 attached) The payment of \$12,600 to Travelers, due May 12, was paid.

7. At the same time it consented to the option contract, Smithy, on behalf of Travelers, consented that Notice of Default under the Club lease be given to the Club by Associates, which notice has been duly given. This was deemed necessary because of the Club's refusal to approve the waiver of notice and termination agreement.

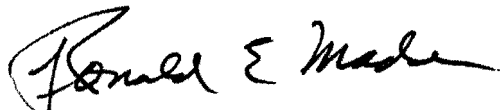
8. On May 30, 1975, the Club will be obligated to pay Associates under the option contract an estimated \$55,000 (including the June 1 rent payment) and to pay to the District of Columbia the sum of approximately \$15,000 if the over due real estate taxes have not then been paid, a total of approximately \$70,000.

May 20, 1975

9. Unless Associates receives the funds from which it can pay Travelers, or unless Travelers can be persuaded to wait for the orderly resolution of the matter, it is anticipated that Travelers will commence foreclosure action on June 2, 1975. From past conversations with Mr. Franklin of the H. G. Smithy Company, it is considered unlikely that the local representative of Travelers will recommend that Travelers assist us in this matter.

Again it must be repeated that Associates desires to see the Club and Committee buildings remain in the Eisenhower Complex. In view of the inability of the Club to obtain the funding sought in the past and in the absence of any real source or commitment to provide the funding required for the May 30 deadline, Associates must take steps in anticipation that such funding will not be forthcoming from the Club. Associates would then be faced with a forced sale at foreclosure, unless Associates is able to borrow funds to pay all sums due Travelers on May 30 and gain time to permit an orderly sale to the United States.

Sincerely yours,



Ronald E. Madsen

REM:kh
Enclosures

cc: The Honorable John Rhodes
Peter Wallison, Esq.

H. G. SMITHY COMPANY

REALTORS

J. D. FRANKLIN
PRESIDENT

F. S. FISHER
EXECUTIVE VICE PRESIDENT

M. H. GROVES
EXECUTIVE VICE PRESIDENT
SECRETARY

811 - 15TH STREET, N. W.
WASHINGTON, D. C. 20005
ST 3-3300

May 15, 1975

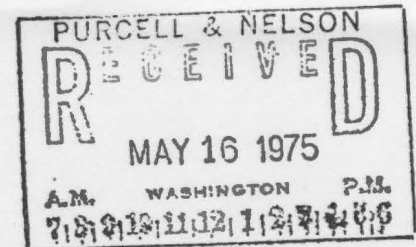
MORTGAGE LOAN DEPARTMENT

D. W. CLARKE
VICE PRESIDENT

F. V. ESSEX
VICE PRESIDENT
TREASURER

D. S. SMITH
ASST. SECRETARY-TREASURER

Mr. Fred L. Dixon
President
Capitol Hill Associates, Inc.
c/o Folger, Nolan, Fleming, Douglas, Incorporated
725 Fifteenth Street, N. W.
Washington, D. C. 20005



Dear Fred,

Pursuant to our conversation of yesterday, enclosed are three copies of a Consent to the Option Agreement, between you and The National Republican Club of Capitol Hill, Incorporated.

Please have all copies of the enclosed Consent executed by your organization and The National Republican Club of Capitol Hill, Incorporated, and, in accordance with the terms of the Consent, please return one fully executed copy to me by Monday, May 19, 1975.

Very truly yours,

David W. Clarke

DWC:gg
enclosures

copies to: National Republican Club of
Capitol Hill, Incorporated
The Travelers Insurance Company
BY HAND ✓ Thomas L. Owsley, Attorney
Jo V. Morgan, Jr., Attorney

H. G. SMITHY COMPANY

REALTORS

J. D. FRANKLIN
PRESIDENT
F. S. FISHER
EXECUTIVE VICE PRESIDENT

M. H. GROVES
EXECUTIVE VICE PRESIDENT
SECRETARY

811 - 15TH STREET, N. W.
WASHINGTON, D. C. 20005
ST 3-3300

May 14, 1975

MORTGAGE LOAN DEPARTMENT

D. W. CLARKE
VICE PRESIDENT

F. V. ESSEX
VICE PRESIDENT
TREASURER

D. S. SMITH
ASST. SECRETARY-TREASURER

Capitol Hill Associates, Inc.
310 First Street, S. E.
Washington, D. C. 20003

Re: Travelers Mortgage #1938984
of Lot 47 in Square 733
Known as 300 First Street, S. E.
Washington, D. C.

Gentlemen:

In response to your verbal request that this Company consent to the execution of an option agreement between you and The National Republican Club of Capitol Hill, Incorporated, a copy of which is attached hereto, the undersigned, The Travelers Insurance Company, hereby consents to such execution upon the following terms and conditions:

1. This Company is not a party to such agreement as a result of this consent.
2. Despite any term of said option agreement, the lease, between the Club and you, may not be terminated without the prior written consent of The Travelers Insurance Company.
3. Both parties to the option agreement agree that until The Travelers takes some affirmative action to enforce its rights under the assignment of lease and rents, The Travelers Insurance Company shall not be deemed to be a landlord of said premises, unless The Travelers so elects.
4. The Travelers Insurance Company does not hereby waive or agree not to exercise any rights it may have under the first trust on said property or under a certain assignment of lease and rents of the said property. If there is a foreclosure of the deed of trust, The Travelers shall have the option to withdraw its consent to the option agreement, if not then performed.
5. Both parties to said option agreement sign and return to The Travelers Insurance Company or its mortgage loan correspondent, a copy of this letter by May 19, 1975, indicating thereby their agreement to all the terms herein stated.
6. Notwithstanding anything to the contrary contained herein or in the option agreement, it is hereby expressly understood

Capitol Hill Associates
Washington, D. C.

May 14, 1975

by the parties that The Travelers Insurance Company may commence foreclosure proceedings in the event that The Travelers Insurance Company loan is not made current on or before May 30, 1975, and its costs herein, including its reasonable attorneys' fees, are not then paid.

Very truly yours,

THE TRAVELERS INSURANCE COMPANY

By: H. G. Smithy Company, Mortgage
Loan Correspondent

By:  _____

President

JDF:gg
attachment

copies to: National Republican Club of
Capitol Hill, Incorporated
The Travelers Insurance Company
Thomas L. Owsley, Attorney
Jo V. Morgan, Jr., Attorney

We Consent:

CAPITOL HILL ASSOCIATES, INC.

By: _____

THE NATIONAL REPUBLICAN CLUB OF
CAPITOL HILL, INCORPORATED

By: _____



OPTION AGREEMENT

THIS AGREEMENT made this 12th day of May, 1975, by and between CAPITOL HILL ASSOCIATES, INC., a Delaware corporation, hereinafter referred to as "Associates", and THE NATIONAL REPUBLICAN CLUB OF CAPITOL HILL, INCORPORATED, a District of Columbia corporation, hereinafter referred to as the "Club".

WITNESSETH:

WHEREAS the Club entered into an agreement of lease with Associates dated the 23rd day of August, 1971, for certain land and premises situate and lying in the District of Columbia known as Lot 47 in Square 733 in a combination made by Capitol Hill Associates, Inc., as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 154 at folio 92, improved by the premises known as 300 First Street, S.E., and

WHEREAS said real property is subject to a first deed of trust dated the 22nd day of December, 1971 and recorded among the land records of the District of Columbia in Deed Book 13298 at page 364, to secure a note of even date therewith in the original principal sum of \$1,500,000 payable to The Travelers Insurance Company, hereinafter referred to as "Travelers", and

WHEREAS said real property is subject to a "cross default" Agreement dated the 21st day of June 1972 with indebtedness held by Travelers secured by certain real property in the District of Columbia known as Lot 46 in Square 733 improved by the premises 310 First Street, S.E., and recorded among the land records of the District of Columbia on August 25, 1972 in Book 13383 at Page 503 and,

WHEREAS the Club is in default under its said lease having failed to pay the monthly installments of rent due the first day of March, April and May, 1975, and the real estate taxes currently due to the District of Columbia, and

WHEREAS because of the Club's said default, Associates is in default under the said deed of trust because the real estate taxes have not been paid and Associates is unable to pay the sums due on the note secured by the deed of

trust for the months of March, April and May, 1975 and is subject to a penalty for late payment and possible foreclosure if said default is not promptly cured, and

WHEREAS the said lease and the rentals therefrom have been assigned to Travelers under an Assignment of Lease and Rentals dated the 14th day of July, 1972 and recorded among the land records of the District of Columbia on the 25th day of August, 1972, in Book 13380 at page 514, and

WHEREAS the Club now desires an option to purchase the premises covered by said lease and, in consideration for said option to purchase, is willing to grant Associates certain rights as hereinafter set forth,

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) by each to the other paid, receipt of which is hereby acknowledged, these presents and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by both parties, it is agreed by and between the parties as follows:

1. This Agreement shall be and is subject to the rights of Travelers under its note and Deed of Trust and Assignment of Lease and Rental to secure the same.

2. Associates hereby grants the Club the option to purchase the real property known as Lot 47 in Square 733 in a combination made by Capitol Hill Associates, Inc., as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 154 at folio 92 improved by the premises known as 300 First Street, S. E. in the District of Columbia, hereinafter referred to as the "property".

3. The purchase price to be paid Associates by the Club for the property upon the exercise of this option shall be the actual cost of the land to Associates plus the cost of improving the land, namely zoning, construction and other improvement costs as well as real estate taxes prior to completion of original construction as shown to have been incurred by certified records, estimated to be approximately \$2,011,478.

4. Payment of the full purchase price shall be in cash at the time of closing less the sum of \$109,618.08 owed by Associates to the Club and

any indebtedness of Associates which the Club may assume. Associates makes no representation that the Club will be permitted to assume any indebtedness held by Travelers upon the property or the release of the cross-default agreement with the indebtedness held by Travelers secured by the premises 310 First Street, S.E. in the District of Columbia to which the property is subject.

5. The property is sold subject to an agreement with the House Office Building Commission dated July 19, 1965, as amended March 4, 1971, free of other encumbrances except as herein set forth; title is to be good of record and in fact subject, however, to covenants, conditions and restrictions of record, if any, otherwise said sale may be declared off at the option of the Club, unless the defects are of such character that they may be readily remedied by legal action, but Associates is hereby expressly released from all liability for damages by reason of any defect in the title. In case legal action is necessary to perfect the title, such action must be taken by Associates promptly at its expense, whereupon the time herein specified for settlement will thereby be extended for the period necessary for such prompt action.

6. Rents and interest on existing encumbrances, if any are to be adjusted to the date of transfer.

7. Any and all Federal and District of Columbia deed recording taxes due and payable on the conveyance shall be borne in equal shares by Associates and the Club. Examination of title, conveyancing, notary fees, transfer taxes and all other recording charges are to be at the cost of the Club; provided however, that if upon examination of the title it should be found to be defective and said defect cannot be remedied as hereinabove provided, Associates hereby agrees to pay the expense of the examination of title.

8. This option shall be for and shall be exercised on^{or}/before 120 days from the date hereof by delivery to Associates of written notice by the Club that it exercises said option. In the event Associates does not receive said written notice within said time, the said option to purchase shall be null and void but all other terms and conditions of this agreement shall remain in full force and effect.

9. On or before thirty (30) days after the Club exercises its option, or as soon thereafter as a report on the title can be secured if promptly ordered, the Club and Associates hereby agree to make full settlement in accordance with the terms and conditions hereof.

10. Settlement shall be held at the office of a title company in the District of Columbia selected by the Club with the written consent of Associates and deposit with the said title company of the purchase money, the deed of conveyance for execution and such other papers as are required of either party by the terms of this agreement shall be considered good and sufficient tender of performance of the terms hereof.

11. Associates agrees to execute and to deliver the usual special warranty deed.

12. The Club is the tenant of the premises and shall be liable under the terms of its lease to and including the date of transfer of title.

13. The Club agrees that on or before 3:00 PM EDT, May 12, 1975 it will pay to Associates the sum of Twelve Thousand Six Hundred Dollars (\$12,600.) to be paid to Travelers on or before said date which said sum Travelers has agreed to accept to forestall foreclosure of the property until May 30, 1975. Said Twelve Thousand Six Hundred Dollars (\$12,600.) shall be applied by Associates toward the unpaid balance of rent that was due and payable by the Club on March 1, 1975. On or before 3:00 PM EDT, May 30, 1975, the Club agrees that it will pay to Associates all past due rent under its lease with Associates together with any and all penalties, costs and expenses (including reasonable attorney's fees) imposed by Travelers and shall pay to the District of Columbia all past due real estate taxes, together with any interest and penalties thereon to cure or permit Associates to cure all defaults under the deed of trust securing Travelers. The Club agrees that it will thereafter promptly pay when due all sums due under its lease with Associates. If the option created by this Agreement is exercised and the property is conveyed, the Club's lease with Associates shall terminate on the date of transfer of ownership of the property to the Club.

14. In the event the Club shall fail to make any of the payments referred to in paragraph 13 above, its option to purchase the property shall, at the option of Associates, become null and void, but all other terms and conditions of this Agreement shall remain in full force and effect.

15. This Agreement, and the provisions hereof, shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and assigns.

16. All notices shall be in writing and shall be given to the parties by registered mail at the following addresses:

Capitol Hill Associates, Inc.
310 First Street, S.E.
Washington, D. C.

The National Republican Club
of Capitol Hill, Incorporated
300 First Street, S.E.
Washington, D. C.

17. This Agreement constitutes the entire agreement by and between the parties and together with the lease aforesaid may not be amended except in writing signed by the party to be charged.

IN WITNESS WHEREOF Capitol Hill Associates, Inc. has caused these presents to be signed in its name by Fred L. Dixon, its President and its corporate seal to be affixed and duly attested by Mary Helen Jackson, its Secretary, and does hereby constitute and appoint Fred L. Dixon its attorney in fact to acknowledge and deliver these presents as its act and deed; and The National Republican Club of Capitol Hill, Incorporated has caused these presents to be signed in its name by Harold R. Collier, its President and its corporate seal to be affixed and duly attested by Glee Gomien, its Secretary and does hereby constitute and appoint Harold R. Collier, its attorney in fact to acknowledge and deliver these presents as its act and deed; all done as of the day and year first above set forth.

ATTEST:

Mary Helen Jackson, Secretary

ATTEST

Glee Gomien, Secretary

CAPITOL HILL ASSOCIATES, INC.

By

Fred L. Dixon, President

THE NATIONAL REPUBLICAN CLUB
OF CAPITOL HILL, INCORPORATED

By

Harold R. Collier, President

DISTRICT OF COLUMBIA, ss:

I, _____, a Notary Public in and for the District of Columbia, do hereby certify that Fred L. Dixon who is personally well known to me to be the person named as attorney in fact for Capitol Hill Associates, Inc. in the foregoing Agreement bearing date on the 12th day of May, 1975, and hereto annexed, personally appeared before me in said District of Columbia and, as attorney in fact as aforesaid, and by virtue of the authority vested in him by said Agreement, acknowledged the same to be the act and deed of Capitol Hill Associates, Inc.

Given under my hand and seal this 12th day of May, 1975.

Notary Public, D. C.

DISTRICT OF COLUMBIA, SS:

I, _____, a Notary Public in and for the District of Columbia, do hereby certify that Harold R. Collier, who is personally well known to me to be the person named as attorney in fact for The National Republican Club of Capitol Hill, Incorporated, in the foregoing Agreement bearing date on the 12th day of May, 1975, and hereto annexed, personally appeared before me in said District of Columbia and, as attorney in fact as aforesaid, and by virtue of the authority vested in him by said Agreement, acknowledged the same to be the act and deed of The National Republican Club of Capitol Hill, Incorporated.

Given under my hand and seal this 12th day of May, 1975.

Notary Public, D. C.

APPROVED:

The Travelers Insurance Company

By _____

THE WHITE HOUSE
WASHINGTON

June 5, 1975

Neta:

I was certain that you had
a CAPITOL HILL CLUB FILE
but I could not find it.

Gail

THE WHITE HOUSE
WASHINGTON

Jack
C

Bob H

I gave it
from Fred Dixon to the
V. P. for his observations.
We will talk to me on
Monday.

ORIGINAL RETIRED FOR PRESERVATION

THE WHITE HOUSE

WASHINGTON

April 23, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JACK CALKINS *JC*

VIA: ROBERT T. HARTMANN

The enclosed confidential report to you concerning activities and problems of Capitol Hill Associates, Inc. and particularly the Capitol Hill Club has been sent to me by Fred Dixon, President of Capitol Hill Associates, with the request that I transmit the information to you, because of your long standing interest in the Capitol Hill Club.

I have also been advised by Fred that at a recent meeting I was elected to the Board of Directors of Capitol Hill Associates, and they are asking if I wish to accept this election. I told Fred that I believed I should ask your permission and opinion before accepting. He replied that if I cannot or do not accept election to the Board, they would still like to use me as "a conduit to the Oval Office."

FOR IMMEDIATE RELEASE

SEPTEMBER 10, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
REMARKS OF THE PRESIDENT
AT THE
FUND RAISING RECEPTION
FOR THE
NATIONAL REPUBLICAN CLUB
OF
CAPITOL HILL

7:44 P.M. EDT

Nelson and Happy, Harold and Chuck, and, of course, Betty, let me say at the outset that I am delighted to be here and I am most grateful and deeply appreciative of how many of you have come from many, many States. I certainly can't count them on both hands.

I have met so many downstairs and up here who have come a long distance -- north, south, east and west -- and for your efforts let me assure you I can't express deeply enough my gratitude and appreciation.

As you know, I am a firm believer in decontrol, and just let me thank you for the way you have decontrolled your pocketbooks tonight. (Laughter)

I also wish to thank you for the Capitol Hill Club. I thank you from the bottom of my heart, and the Capitol Hill Club thanks you from the bottom of its treasury. (Laughter) But anyhow, your generosity -- and I say this with sincerity -- has kept the Capitol Hill Club from becoming an over-the-hill club.

Now there are a lot of people who are participants in making this affair possible, and the one that I can speak most forthrightly about is the Vice President. Harold Collier has been working hard, and Chuck Marck, along with many others, but the Vice President undertook a responsibility at my request to see how it might be done to get everything organized and straightened out. And, Nelson, in this case, as in every other that I have asked you to do, you have done a superb job and for that I am deeply grateful.

MORE

I never like to make a speech in the Capitol Hill Club because the atmosphere just isn't right. (Laughter) And obviously, the atmosphere isn't right here tonight to make a speech. Betty and I would both prefer to simply mill around and shake hands, to get acquainted with those we don't know and to renew acquaintances with those that we have known for so many years, both in Washington and elsewhere.

We, on occasions like this, like the informality and the opportunity to just be friends, and so my remarks tonight will be very short; in fact, are almost over. (Laughter) Is that short enough?

But the future of the Capitol Hill Club is much brighter tonight because of your participation, and for those of you who don't know the history -- and I won't recount it except in summary -- it began up here where the new Library annex is, the Madison Library, and then it went over to the hotel and finally it came here.

In the process some great people participated in making it feasible. Jim Auchincloss was probably the father of the idea, but after him a great many other people likewise were strong and helpful.

I got involved a few years ago and I believe the future existence of this club is extremely important to our Republican family; I mean, a Republican family that encompasses everybody in the Republican Party.

So when I, after talking with Harold Collier and Chuck, found that we needed a real boost from some stalwart people, I asked Nelson to take the leadership. He did. But I thank you for coming and I thank you especially for giving.

I see a lot of people from Texas, from Nebraska, from Mississippi -- well, from all over the country -- and isn't that what we really want? We want Republicans in this building and in this country from all 50 States.

So thank you very much for being here.

END (AT 7:49 P.M. EDT)

File

THE WHITE HOUSE
WASHINGTON

January 14, 1976

MEMORANDUM FOR: ROBERT H. HARTMANN

FROM: PAUL A. THEIS *PAH*

SUBJECT: Capitol Hill Club

As you know, the Capitol Hill Club has now purchased the building which houses the Club and is close to operating at a break-even point. But a push from the President would be most helpful at this time in making the Club the place for Administration and party officials to meet, not only for an occasional luncheon or dinner but for special receptions and similar events.

Question: Do you think the President would raise this point at his next Cabinet meeting, suggesting that the Club deserves the support of Republicans everywhere and of Administration officials in particular? At the present time, only two Cabinet officers are Club Members: Earl Butz and Elliott Richardson. One other senior official, Jim Lynn, is also a member of the Club.

If the President could mention this at his next Cabinet session, the Club could then effectively follow up with a letter of invitation to Cabinet officials who are not members to join. The appearance of Cabinet officers on the roster of Club members would be helpful in recruiting new members; the appearance of Cabinet officers at the Club for an occasional luncheon or dinner would be even more helpful.

FYI: Of the 485 White House staff members, only seven in key positions are Club members: Bob Hartmann, Bill Baroody, Doug Bennett, Jack Calkins, Bill Kendall, Charlie Leppert and Paul Theis.

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