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January 23, 1976

SUBJECT:

BANK HOLDING COMPANIES

Yesterday's New York Times and today's Post had stories that a secret FRB report of a year ago revealed that 12 of the nation's 50 largest bank holding companies were "financially vulnerable".

What is the President's reaction to the release of these documents? Is he worried about the situation with the banks?

GUIDANCE: The President has no comment on the release of this report. However, I recommend that you look at Chairman Burns' testimony on Wednesday before the House Banking Committee and his appearance Sunday on Issues and Answers. In those two appearances, he speaks to both your questions.

ME

February 19, 1975

SUBJECT:

HOUSING BANKING AND CURRENCY  
SUBCOMMITTEE PASSES HOUSING  
CREDIT SUBSIDY

The House Banking and Currency Subcommittee yesterday passed a \$650 million bill to provide for new and additional subsidies for new home building. According to the bill, the Government would provide 6% mortgages to new home purchasers. The Federal Government will pick up differences between the 6% face rate and the actual rate.

What's your reaction to the House Banking and Currency Subcommittee's proposal?

GUIDANCE: As you know, we already have a \$52 billion budget deficit. We have included in the programs for the current fiscal year and the coming fiscal year 400,000 units of subsidized housing at a lifetime cost of \$26 billion, and these funds have not yet been utilized. We feel this is an appropriate number of units.

JGC

