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THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

FEDERAL AGENCY RELATIONS

FEDERAL ADMINISTRATIVE ADVISER

HAMPTON A. RABON

202/467-4200

March 9, 1973

Mrs. Catherine Mallardi
Secretary to Chairman Burns
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Mrs. Mallardi:

There is enclosed for your information a copy of the agenda for the next meeting of the Government Borrowing Committee. Please call to Chairman Burns' attention that the Committee will be meeting in our offices at 1120 Connecticut Avenue, N.W. The building (Bender) has another entrance on L Street, near 18th. Our board room is on the 7th floor.

The Committee will look forward, as usual, to meeting with Chairman Burns at 4:00 p.m. on Tuesday, April 24, 1973.

I am also enclosing for Chairman Burns' information a list of the members of the Government Borrowing Committee.

Sincerely,

Hampton A. Rabon

HAR: fmm
Enclosures

*APP
attended*



AGENDA
GOVERNMENT BORROWING COMMITTEE
The American Bankers Association
April 24-25, 1973



Tuesday, April 24, 1973

9:00 a.m.	Committee meets in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th floor) <u>1/</u>
10:00 a.m.	Committee to review slides in Room 2334 of the Treasury building <u>2/</u>
11:00 a.m.	Committee to meet with Under Secretary for Monetary Affairs, Mr. Paul Volcker in Room 4426 of the Treasury building for backgrounding. <u>3/</u>
12:30 p.m.	Refreshments. Virginia Room, Mayflower Hotel (2nd floor)
1:00 p.m.	Luncheon. Maryland Room, Mayflower Hotel (2nd floor)
2:30 p.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th floor) <u>1/</u> Chairman Burns (Federal Reserve Board) will meet with the Committee at 4:00 p.m.
6:30 p.m. 7:00 p.m.	Cocktails Dinner New York Room, Mayflower Hotel (2nd floor)

Wednesday, April 25, 1973

9:00 a.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th floor) <u>1/</u>
9:45 a.m.	Committee to report its recommendations to Secretary Shultz and the Treasury Financing Group in Room 4426 of the Treasury building <u>3/</u>

- 1/ This location is on Connecticut Avenue across from the Mayflower Hotel.
- 2/ Treasury will use the regular projection room on the second floor in southwest corner of building (corner facing the Mall and the White House)
- 3/ Conference with Under Secretary for Monetary Affairs and report to the Secretary of the Treasury will be held in the 4th floor Conference Room on west side of building near the center elevators opposite the White House.

GOVERNMENT BORROWING COMMITTEE

Chairman: Robert M. Surdam
Chairman and Chief Executive Officer
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RPA Box 116
Detroit, Michigan 48232

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D. Thomas Trigg
Chairman and Chief Executive Officer
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Chairman
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EX OFFICIO

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President
The First National Bank
P.O. Box 5808, Terminal Annex
Denver, Colorado 80217
(President, ABA)

Willis W. Alexander
Executive Vice President
The American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

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(President-Elect, ABA)

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President and Chairman of the Board
National Savings & Trust Company
Washington, D.C. 20005
(Chairman, ABA Savings Bond Committee)

Allen P. Stults
Chairman and Chief Executive Officer
American National Bank & Trust Company
P.O. Box DD
Chicago, Illinois 60690
(Past President, ABA)

Hampton A. Rabon
A.B.A. Director (202/467-4200)

April 1973





THE AMERICAN BANKERS ASSOCIATION, 1200 CONNECTICUT AVENUE, N. W., WASHINGTON, D. C. 20036

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1973 MAR 16 PM 1:34

RECEIVED
OFFICE OF THE CHAIRMAN

March 15, 1973

PRESIDENT

EUGENE H. ADAMS

PRESIDENT

THE FIRST NATIONAL BANK
DENVER, COLORADO 80217

The Honorable Wright Patman
Chairman, Joint Economic Committee
Room G 133 - New Senate Office Building
Washington, D. C. 20510

Dear Mr. Patman:

This letter is being submitted in response to your recent request for comments from The American Bankers Association on the 1973 Economic Report of the President.

We were pleased to note that the Report suggests that a range of goals rather than a single value is desirable at the present time as a guide to governmental economic policies. To adopt a "range of values" recognizes both the practical difficulties of "fine tuning" and the fact that in the economic environment of the 1970's it may at times be necessary to accept a lower level of achievement in one area while striving for a higher level in another.

We believe the Administration will continue its efforts to curb inflation. The danger is still very great that unacceptable inflationary pressures will reappear as the result of budgetary deficits, excessive wage settlements, the rising prices of imported goods (especially raw materials not available in the U.S.) and, finally, the belated effect of past expansionary monetary policies. Any relaxation in the government's anti-inflationary posture is certain to rekindle an inflationary psychology that will be much more difficult to deal with as the economy approaches full employment.

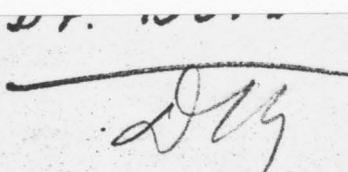
We wish also to emphasize the special importance of implementing a sound fiscal policy. We strongly urge the Congress and the Administration to work together to control Federal spending within the limits suggested in the Report. Monetary policy of course can make a contribution toward curbing inflation, but it cannot shoulder the burden alone.

In summary, we believe inflation still remains the most important problem confronting our nation, and we wish to emphasize again the importance of adopting and adhering to anti-inflationary policies. The spending policies outlined in the Economic Report, in our judgment, provide an appropriate guide for governmental expenditures for the present and for the 1973-1974 fiscal year.

Sincerely,

Eugene H. Adams




PRESIDENT
EUGENE H. ADAMS

PRESIDENT
THE FIRST NATIONAL BANK
DENVER, COLORADO 80217

April 18, 1973

Dear Fellow Banker:

By this time you probably are familiar with the "dual prime rate" and profit margin guidelines issued April 16 by the Committee on Interest and Dividends. I am enclosing a copy of the complete CID guidelines for your further information.

After a careful study of the guidelines, I would like to share with you my views on what they mean to the banking industry. I believe they contain, for us, both an opportunity and an obligation.

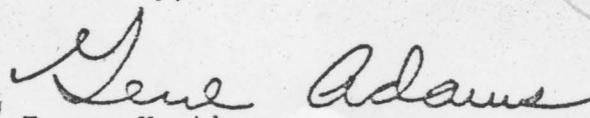
Quite simply, the new program places banking on a footing similar to that of other businesses in the Administration's efforts to combat persistent inflationary forces in the nation's economy. The guidelines can go a long way toward easing what had become an increasingly difficult situation for banks. Had the intense pressures of recent months been continued, we might well have seen the return of critical conditions similar to those of 1969-70 -- a situation ultimately injurious to all banks.

We are strongly urged by the guidelines to continue supplying adequate funds to small businesses, consumers, homebuyers, and farmers, at reasonably stable rates of interest. We are also asked to keep a tight rein on our over-all profit margins.

We should recognize the dual-prime system for what it is. It is an effort to minimize the distortions in the money market caused by regulatory action. And it might help to show more accurately the role of the widely misunderstood prime rate, whose fluctuations always have had far less impact on small business and consumer loans than has been generally believed.

There will likely be some annoyances -- perhaps another reporting requirement, for example. However, I am convinced our industry can operate within the framework of the new CID guidelines. And just as banking gave its support to Phases I and II of the Administration's economic program, I am confident the industry will accept its share of the burden under this temporary program aimed at restoring stability to the economy.

Sincerely,


Eugene H. Adams



COMMITTEE ON INTEREST AND DIVIDENDS
WASHINGTON, D. C. 20551

Criteria Established by the Committee on Interest
and Dividends for Interest Rates Charged by
Commercial Banks

1. A major purpose of the criteria described below is to protect small business and farm borrowers against burdensome increases in interest rates, and yet make it possible for rates on loans to large national firms to respond flexibly to changes in money market conditions. It is not intended, however, either in the case of loans to large firms or to small firms, to interfere with normal business practices relating to differentials in interest rates that reflect credit risk and similar factors.

2. Major corporations ordinarily have extensive banking relationships across the country. The "large-business prime rate" is to be understood as the rate charged by a commercial bank on short-term loans to large businesses with the highest credit standing. This rate, which corresponds to what is now usually termed the prime rate, generally will apply to borrowers who have access to national money and capital markets.

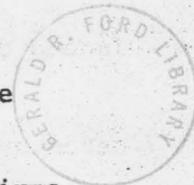
3. Small businesses and farms normally are restricted to local banking sources and do not have access to national money markets. The "small-business prime rate," which will apply to such borrowers, is to be understood as the best rate charged by a bank to its most credit-worthy local customers. This rate may vary from bank to bank.

4. The interest rate charged by a commercial bank on a business loan, whether to a large or small firm, is part of its structure of rates reflecting degree of risk, size of loan, and other factors. This structure is to be based on the "large-business prime rate" in the case of large borrowers, and on the "small-business prime rate" in the case of small businesses and farms.

5. For present purposes, a small business is any domestic -- commercial, industrial, or agricultural -- borrower whose total borrowings outstanding at any one time over the preceding 12 months (exclusive of long-term real estate mortgage debt) did not exceed \$350,000 and whose assets do not exceed \$1 million. This definition covers the great majority of business establishments and farms.

6. Banks may extend application of the small business rate structure to any firm regardless of size.

7. Rates charged by a commercial bank on loans to large firms may respond flexibly to changes in open market interest rates. By keeping the "large-business prime rate" consistent with the cost of borrowing from alternative market sources, the recent large diversion of financing from the commercial paper market to banks would be halted and tendencies toward excessive and unhealthy expansion of bank credit would be moderated.



8. If an increase in the "large-business prime rate" occurs, it should be made in moderate steps in order to avoid disruptive market effects.

9. Rates charged by a commercial bank to small business and farm borrowers should remain at levels no higher than those prevailing on the date these criteria are issued unless an increase can be fully justified by increases in costs. If increases in these rates occur, they are to be decidedly smaller, and are also to be made less frequently, than changes in rates on loans to large firms.

10. Interest rates charged by banks on home mortgage loans and consumer loans should remain under special restraint. They are to continue relatively stable even if the "large-business prime rate" and associated rates move up significantly.

11. Any increase in rates to small business and farm borrowers, to home mortgage borrowers, and to consumer borrowers must be justified by increases in the cost of lendable funds and other operating costs related to the commercial banking function, to the extent that such increased costs are not offset by higher earnings on large business loans and other loans and investments. Any increase in rates justified by costs should not be unduly concentrated in any single category of loans.

12. Since under the current economic stabilization program, all segments of our society -- business firms and wage earners alike -- are called upon to forego for the sake of the general welfare some of the earnings that they might otherwise have realized, banks should accept similar restraints. While present criteria provide for flexibility in the "large-business prime rate," increases in a bank's entire structure of lending rates must in no instance lead to undue increases in the bank's profit margin.

13. If increases in interest rates on loans occur, they shall not raise the bank's over-all profit margins on domestic operations (excluding revenues from service functions such as trust departments and data processing) above the average of the best two years in the four preceding calendar years. For purposes of this test, the profit margin is defined as the ratio of net operating income, on a fully taxable equivalent basis before income taxes and securities gains or losses, to gross operating income on a fully taxable equivalent basis.

14. Commercial banks are to continue to meet legitimate credit needs of home buyers, consumers, small business, and farmers. Periodic reports will be required to assure that these needs are being met.

April 16, 1973





THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

PRESIDENT

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THE FIRST NATIONAL BANK
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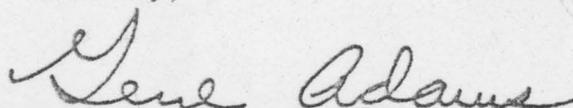
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April 16, 1973



Executive Report

April 23, 1973

Good Morning!

Inflation is rubbing raw the public's sensitive "pocketbook nerve"--and inflation has become as much a political as an economic issue. Congress is acting to extend the President's power to impose controls on much of the national economy. With final action still to come, it looks as though the new law to be adopted will stick close to the measure consistently advocated by your ABA in telegrams and other communications to Congress: a one-year extension that gives the President broad discretion.

Political concern about inflation is having a direct impact on banks. Creation of the dual prime rate by the Committee on Interest and Dividends is a political response to an economic problem. The CID, confronted by the thankless and probably hopeless task of explaining to the public where the customary prime rate fits into the economic spectrum, chose instead to restrict the impact of the free prime rate to our large corporate customers. In addition, it created a second base lending rate for loans to small business, farmers, and consumers. Needless to say, representative bankers were consulted in the deliberations that led to this temporary solution.

Quick federal action in finding and approving the two-tier prime rate underscores the fact that government acts faster when prodded by a crisis. Solutions devised in a crisis atmosphere are often expedient, but they do not necessarily take into account all the long-range considerations.

Both the House and Senate Banking Committees have approved legislation that would not prohibit mutual savings banks in Massachusetts and New Hampshire from offering NOW accounts, subject to potential rate regulation by FDIC. Chairman Thomas J. McIntyre (D-N.H.) of the Senate Financial Institutions Subcommittee says candidly: "I haven't encountered such intense interest in such a localized issue for several years."

I question whether NOW accounts are truly a local issue. If, or when, NOW accounts spread to other states their impact will increase--and it will touch many aspects of the nation's financial system. Availability of these interest-bearing checking accounts from MSBs and cooperative banks could prompt a shift of funds out of checking accounts as people find they can enjoy the fruits of their savings and the convenience of checking in a NOW account. Widespread NOW accounts could also make it more difficult for the Federal Reserve to adjust the money supply. If thrift institutions offer the more liquid NOW accounts, would reserve requirements be imposed on a fair basis? Even if they were, thrifts would continue to have a significant competitive

Route to:



advantage over commercial banks. Their taxes are lower, under today's rules they can pay higher interest rates on savings, and their regulatory burdens are lighter.

Piecemeal legislation tends to create as many problems as it solves. Over the years, bankers have consistently asked Congress to pass laws that foster fair and equal competition--the heart of the Hunt Commission's recommendations, which strongly urged that they be considered as a package.

Congress is already considering some--but not all--of the Commission's recommendations. Sen. McIntyre points out that it will be difficult for the lawmakers to consider a single legislative package: the tax recommendations will go before different committees from those that deal with financial structure. We hope Congress can be convinced that even though insurmountable jurisdictional problems preclude consideration of the Hunt report as a "package," it is essential to coordinate legislative handling of the tax and structural recommendations. It is possible that the tax aspects of the legislation based on the Hunt report could be considered along with the tax reform proposals now before the House Ways and Means Committee.

Both the Senate and House are expected to vote on the NOW account issue (and extending Reg. Q ceilings) early in May.

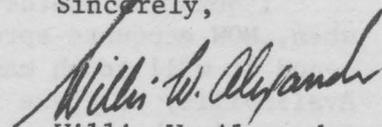
Sen. McIntyre anticipates that his subcommittee will "get more and more involved with the Hunt Commission study." Later this year or early next year, he expects the subcommittee to "be holding comprehensive hearings and moving toward the implementation of a number of the Commission's recommendations."

Sen. McIntyre believes that "there are clear indications that the movement within the financial community is toward more competition between commercial banks and thrift institutions." He says he is "sure" a central issue to be dealt with "in the near future is the question of third party payments systems, whether they are in the form of demand deposits, electronic transfer systems, or an expansion of the NOW account concept."

I believe it is of utmost importance to all the nation's financial institutions to persuade the Administration and the federal banking regulatory agencies that Congressional consideration of the full range of Hunt Commission recommendations must be fully coordinated, and that this merits priority.

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of Willis Alexander 1980
3) Adams -
C.I.D.
F.R. interest rates
4) administrative 1985 -*

Sincerely,



Willis W. Alexander
Executive Vice President

GOVERNMENT BORROWING COMMITTEE
The American Bankers Association

Report to the Secretary of the Treasury
The Honorable George P. Shultz

Washington, D.C.

April 25, 1973

In response to your request, the Committee was pleased to consider the refinancing of the \$3.8 billion, 4 3/4% and \$5.8 billion, 7 3/4% Treasury notes maturing May 15, 1973, of which \$4.3 billion are privately held.

We recommend a three part program as follows:

1. The offering through a cash auction of \$750 million of 24 year, 7% bonds due May 15, 1997;

2. The offering on a rights basis of a new 6 year, 6 7/8% note due May 15, 1979 to the holders of the:

7 3/4% notes due May 15, 1973,

4 3/4% notes due May 15, 1973,

and as a prerefunding, to the holders of the:

4% bonds due August 15, 1973,

4 1/8% bonds due November 15, 1973,

4 1/8% bonds due February 15, 1974, and

4 1/4% bonds due May 15, 1974.

3. The reactivation at an early date of the 2 year note cycle for such further cash as may be needed for any May 15 attrition or additional cash needs.

This recommendation reflects a consensus of all members present except for a reservation on the part of a minority of our members as to the wisdom of the inclusion of the two issues maturing in 1974.



In recommending this program, the Committee was mindful of:

- a) the Treasury's presentation suggesting a comfortable cash position,
- b) the unlikelihood of any immediate major cash requirements,
- c) the flatness of the present interest rate curve,
- d) the reasonably healthy technical state of the market,
- e) the need for further progress in reactivating a viable long-term market, and
- f) the anti-inflationary effect of such an extension.

All this suggests that some reasonable debt extension may be achieved with this package without causing a major market disruption.

The background briefing by the Treasury staff was most helpful to the Committee. We hope that our recommendations will be useful to you and your associates in reaching your decision.





THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

FEDERAL AGENCY RELATIONS

FEDERAL ADMINISTRATIVE ADVISER

HAMPTON A. RABON

202/467-4200

June 18, 1973

Mrs. Catherine Mallardi
Secretary to Chairman Burns
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Mrs. Mallardi:

There is enclosed for your information a copy of the agenda for the next meeting of the Government Borrowing Committee. Please call to Chairman Burns' attention that the Committee will be meeting in our offices at 1120 Connecticut Avenue, N.W. The building (Bender) has another entrance on L Street, near 18th. Our Board Room is on the 7th floor.

The Committee will look forward, as usual, to meeting with Chairman Burns at 4:00 p.m. on Tuesday, July 24, 1973.

I am also enclosing for Chairman Burns' information a list of the members of the Government Borrowing Committee.

Sincerely,

Hampton A. Rabon

HAR:fmm
Enclosures

AFB attended



GOVERNMENT BORROWING COMMITTEE

Chairman: Robert M. Surdam
Chairman and Chief Executive Officer
National Bank of Detroit
RPA Box 116
Detroit, Michigan 48232

Alfred Brittain III
President
Bankers Trust Company
P.O. Box 318, Church Street Station
New York, New York 10015

Robert E. Bryans
President
First National Bank of Casper
P.O. Box 40
Casper, Wyoming 82601

Willard C. Butcher
President
The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

A.W. Clausen
President and Chief Executive Officer
Bank of America, N.T. & S.A.
P.O. Box 37000
San Francisco, California 94137

Richard P. Cooley
President and Chief Executive Officer
Wells Fargo Bank, N.A.
464 California Street
San Francisco, California 94120

Gaylord Freeman
Chairman of the Board
The First National Bank
P.O. Box A
Chicago, Illinois 60670

Robert J. Gaddy
Chairman and President
Tower Grove Bank and Trust Company
3134 South Grand Boulevard
St. Louis, Missouri 63118

Donald M. Graham
Chairman and Chief Executive Officer
Continental Illinois National Bank and
Trust Company
Lock Box H
Chicago, Illinois 60693

William M. Jenkins
Chairman
Seattle-First National Bank
P.O. Box 3586
Seattle, Washington 98124

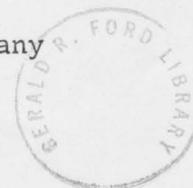
Ben F. Love
Chairman and Chief Executive Officer
Texas Commerce Bank, N.A.
P.O. Box 2558
Houston, Texas 77001

C. Coleman McGehee
President and Chief Executive Officer
First and Merchants National Bank
P.O. Box 27025
Richmond, Virginia 23261

John A. Moorhead
Chairman and Chief Executive Officer
Northwestern National Bank
Seventh and Marquette
Minneapolis, Minnesota 55440

John A. Oulliber
Chairman of the Board
First National Bank of Commerce
P.O. Box 60279
New Orleans, Louisiana 70160

Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty Trust Company
23 Wall Street
New York, New York 10015



Howard C. Petersen
Chairman of the Board
The Fidelity Bank
Broad and Walnut Streets
Philadelphia, Pennsylvania 19109

Robert V. Roosa
Partner
Brown Brothers Harriman & Company
59 Wall Street
New York, New York 10005

D. Thomas Trigg
Chairman and Chief Executive Officer
National Shawmut Bank of Boston
P.O. Box 2176
Boston, Massachusetts 02106

ADVISORY MEMBERS

John J. Larkin
Senior Vice President
First National City Bank
P.O. Box 850, Wall Street Station
New York, New York 10015

Donald C. Miller
Executive Vice President
Continental Illinois National Bank
and Trust Company
Lock Box H
Chicago, Illinois 60693

Leland S. Prussia, Jr.
Senior Vice President
Bank of America, N.T. & S.A.
P.O. Box 37000
San Francisco, California 94137

James R. Sheridan
Senior Vice President
North Carolina National Bank
P.O. Box 120
Charlotte, North Carolina 28201

EX OFFICIO

Eugene H. Adams
President
The First National Bank
P.O. Box 5808, Terminal Annex
Denver, Colorado 80217
(President, ABA)

Willis W. Alexander
Executive Vice President
The American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Rex J. Morthland
Chairman of the Board
The Peoples Bank and Trust Company
of Selma
P.O. Box 799
Selma, Alabama 36701
(President-Elect, ABA)

Douglas R. Smith
President and Chairman of the Board
National Savings & Trust Company
Washington, D.C. 20005
(Chairman, ABA Savings Bonds Committee)

Allen P. Stults
Chairman and Chief Executive Officer
American National Bank & Trust Company
P.O. Box DD
Chicago, Illinois 60690
(Past President, ABA)

Hampton A. Rabon
A.B.A. Director (202/467-4200)



AGENDA
GOVERNMENT BORROWING COMMITTEE
The American Bankers Association
July 24-25, 1973

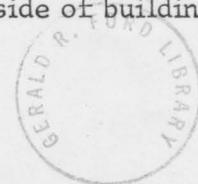
Tuesday, July 24, 1973

9:00 a.m.	Committee meets in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
10:00 a.m.	Committee to review slides in Room 2334 of the Treasury building <u>2/</u>
11:00 a.m.	Committee to meet with Under Secretary for Monetary Affairs, Mr. Paul Volcker in Room 4426 of the Treasury building for backgrounding <u>3/</u>
12:30 p.m. 1:00 p.m.	Refreshments Luncheon Cabinet & Pan American Rooms, Mayflower Hotel
2:30 p.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u> Chairman Burns (Federal Reserve Board) will meet with the Committee at 4:00 p.m.
6:30 p.m. 7:00 p.m.	Cocktails Dinner Cabinet & Pan American Rooms, Mayflower Hotel

Wednesday, July 25, 1973

9:00 a.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
9:45 a.m.	Committee to report its recommendations to Secretary Shultz and the Treasury Financing Group in Room 4426 of the Treasury building <u>3/</u>

- 1/ This location is on Connecticut Avenue across from the Mayflower Hotel.
- 2/ Treasury will use the regular projection room on the second floor in southwest corner of building (corner facing the Mall and the White House).
- 3/ Conference with Under Secretary for Monetary Affairs and report to the Secretary of the Treasury will be held in the 4th floor Conference Room on west side of building near the center elevators opposite the White House.





THE AMERICAN BANKERS ASSOCIATION

1120 L STREET, N.W., WASHINGTON, D. C. 20036

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1973 AUG 7 AM 10:07

RECEIVED
OFFICE OF THE CHAIRMAN

#1837
NB

PRESIDENT
EUGENE H. ADAMS

PRESIDENT
THE FIRST NATIONAL BANK
DENVER, COLORADO 80217

July 31, 1973

Mr. Donald Macdonald
Senior Vice President
Dow Jones & Company, Inc. ✓
Wall Street Journal
22 Cortlandt Street
New York, New York 10007

Dear Mr. Macdonald:

As a long time reader and admirer of your great newspaper, I am writing this letter to you to call your attention to an error in fact which appeared in your July 25th edition.

I am enclosing a copy of an article by one of your staff reporters in regard to the changes in the loan interest rates published each month by the Federal Reserve Board, which instituted in January of 1972 a monthly survey of some 400 banks (I believe this is approximately the right number) asking them to report the average interest rate charged by them in the first five business days of the previous month on a total of eight types of bank loans.

The staff reporter who wrote the article of July 25 must be familiar with the publication to which I am referring and his article had to be based on the July 23 release by the Fed.

I take particular exception to the statement in the third paragraph of the news item which states as follows: "It was the fourth consecutive month during which the rates on small business loans had risen substantially. In January the rate was 7.31%."

I am enclosing herewith for your perusal a copy of the July 23, 1973 Federal Reserve release, and I call your attention to the fact that the 7.31% rate quoted in your paper as applying to January of this year actually was the average January, 1972 rate; the rate in January, 1973 was 7.70%. The rate in June this year was 8.19%, so the change in the last six months amounts to 49 basis points, which is less than one-half of one percent, and the change in the 18-month period, from January, 1972 through June, 1973 was 88 basis points, which, while representing a 12% increase over the January, 1972 rate, was nevertheless not even a base rate increase of one percent.

In the last four reported months, March, April, May and June, this small business loan rate changed from 7.83% in March, to 7.95% in April, to 8.10% in May, and 8.19% in June. I realize I am editorializing, but I do not consider those increases "substantial."



Mr. Donald Macdonald
July 31, 1973
Page 2

In the 18-month period covered by the Fed's ongoing survey, it is my personal opinion that the American commercial banking industry has shown very considerable restraint in loan rate increases. Particularly do I think this is true in the consumer loan area.

The final paragraph of your news article contains this sentence: "The average rate on loans to buy new automobiles climbed to 10.08% last month from 10.05% in May." Some climb!-- .03%.

It would be much fairer to point out that, in two of the five consumer rate categories used by the Fed, there has been in the last 18 months either a decline in the average rate or no change at all, and the only reason there has been an increase in the bank credit card rate (and here only 13 basis points) is the fact that, in the intervening period during which the Fed has been making these surveys, several states of our nation have amended their usury laws to allow a higher interest rate on bank credit cards.

I don't know what you will conclude to do, if anything, about this letter, and I am well aware of the fact that it is difficult to argue with a newspaper unless you have one of your own. Nevertheless, in the interest of accuracy and in fairness to the American commercial banking industry, I would hope very much indeed that you would ask your staff reporter to cover the whole area embraced in the Federal Reserve's survey and to point out, as I have tried to do herein, if you agree with me, that banks of our nation have been pretty good citizens in trying to provide most American consumers with the loan funds they want at reasonable and virtually unchanged rates throughout this period.

Very truly yours,

Eugene H. Adams

EHA:p
Enclosures

bc: The Honorable Arthur F. Burns



7/25/73

**Loan Interest Rates
For Small Concerns
Rose Again in June**

**Average Bank Fee on Short-Term,
Noninstallment Borrowing Hit
8.19%, Up From May's 8.10%**

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Interest rates on bank
loans for small businesses continued to rise in





FEDERAL RESERVE

statistical release

For immediate release

G.10

July 23, 1973

INTEREST RATES CHARGED ON SELECTED TYPES OF BANK LOANS

Type of Loan	Interest rate (per cent per annum)			Change in 18 mos.
	January 1972	May 1973	June 1973	
1.) Small short-term noninstalment loans to businesses ^{1/}	7.31	8.10	8.19	+ 12%
2.) Farm production loans (one year or less maturity)				
a.) Feeder cattle operations	7.55	8.13	8.20	+ 8%
b.) Other farm production operating expenses	7.63	8.06	8.13	+ 6%
3.) Consumer instalment credit for:				
a.) New automobiles (36 months)	10.26	10.05	10.08	- 2%
b.) Mobile homes (84 months)	10.94	10.84	10.57	- 3%
c.) Other consumer goods (24 months)	12.57	12.48	12.57	SAME
d.) Other personal expenditures (12 months)	12.74	12.78	12.78	Virtually unchanged
(e) Credit card plans	17.11	17.22	17.24	+ .007
NY Prime Rate	5.00	7.00	8.50	+ 70%

Note: The interest rates shown on this release are based on a survey conducted jointly by the Federal Reserve System and the Federal Deposit Insurance Corporation of loans made during the first full calendar week of each month by a sample of 370 insured commercial banks. They represent simple unweighted averages of the "most common" effective annual rate reported by respondents in each loan category. The "most common" rate is defined as the rate charged on the largest dollar volume of loans in the particular category during the week covered in the survey. Consumer instalment loan rates are reported on a Truth-in-Lending basis as specified in the Federal Reserve Board's Regulation Z.

^{1/} Loans of \$10,000 to \$25,000 maturing in one year or less.





THE AMERICAN BANKERS ASSOCIATION

BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
1973 AUG 7 AM 10:07
WASHINGTON, D C 20036

RECEIVED
OFFICE OF THE CHAIRMAN

PRESIDENT
EUGENE H ADAMS
PRESIDENT
THE FIRST NATIONAL BANK
DENVER, COLORADO 80217

July 31, 1973

Mr. Donald Macdonald
Senior Vice President
Dow Jones & Company, Inc. ✓
Wall Street Journal
22 Cortlandt Street
New York, New York 10007

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July 31, 1973
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Very truly yours,

Eugene H. Adams

EHA:p
Enclosures

bc: The Honorable Arthur F. Burns



7/25/73

Loan Interest Rates For Small Concerns Rose Again in June

Average Bank Fee on Short-Term,
Noninstallment Borrowing Hit
8.19%, Up From May's 8.10%

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Interest rates on bank
loans for small businesses continued to rise in
June, the Federal Reserve Board said.





FEDERAL RESERVE

statistical release

G.10

For immediate release

July 23, 1973

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^{1/} Loans of \$10,000 to \$25,000 maturing in one year or less.





THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

FEDERAL AGENCY RELATIONS

FEDERAL ADMINISTRATIVE ADVISER

HAMPTON A. RABON

202/467-4200

October 1, 1973

Mrs. Catherine Mallardi
Secretary to Chairman Burns
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Mrs. Mallardi:

There is enclosed for your information a copy of the agenda for the next meeting of the Government Borrowing Committee. Please call to Chairman Burns' attention that the Committee will be meeting in our offices at 1120 Connecticut Avenue, N.W. The building (Bender) has another entrance on L Street, near 18th. Our Board Room is on the 7th floor.

The Committee will look forward, as usual, to meeting with Chairman Burns at 4:00 p.m. on Tuesday, October 23, 1973.

I am also enclosing for Chairman Burns' information a list of the members of the Government Borrowing Committee as it is expected to be constituted at the time of the meeting.

Sincerely,

Hampton A. Rabon

HAR: fmm
Enclosures



AGENDA
GOVERNMENT BORROWING COMMITTEE
The American Bankers Association
October 23-24, 1973



Tuesday, October 23, 1973

9:00 a.m.	Committee meets in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
10:00 a.m.	Committee to review slides in Room 2334 of the Treasury building <u>2/</u>
11:00 a.m.	Committee to meet with Under Secretary for Monetary Affairs, Mr. Paul Volcker in Room 4426 of the Treasury building for backgrounding <u>3/</u>
12:30 p.m.	Refreshments. Maryland Room, Mayflower Hotel
1:00 p.m.	Luncheon. New York Room, Mayflower Hotel
2:30 p.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u> Chairman Burns (Federal Reserve Board) will meet with the Committee at 4:00 p.m.
6:30 p.m. 7:00 p.m.	Cocktails Dinner New York Room, Mayflower Hotel NOTE: The Honorable James E. Smith, Comptroller of the Currency, will attend the dinner.

Wednesday, October 24, 1973

9:00 a.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
9:45 a.m.	Committee to report its recommendations to Secretary Shultz and the Treasury Financing Group in Room 4426 of the Treasury building <u>3/</u>

1/ This location is on Connecticut Avenue across from the Mayflower Hotel.

2/ Treasury will use the regular projection room on the second floor in southwest corner of building (corner facing the Mall and the White House).

3/ Conference with Under Secretary for Monetary Affairs and report to the Secretary of the Treasury will be held in the 4th floor Conference Room on west side of building near the center elevators opposite the White House.

GOVERNMENT BORROWING COMMITTEE

Chairman: Robert M. Surdam
Chairman and Chief Executive Officer
National Bank of Detroit
RPA Box 116
Detroit, Michigan 48232

Andrew Benedict
Chairman of the Board
First American National Bank
P.O. Box 1351
Nashville, Tennessee 37202

Robert J. Gaddy
Chairman and President
Tower Grove Bank and Trust Company
3134 South Grand Boulevard
St. Louis, Missouri 63118

Alfred Brittain III
President
Bankers Trust Company
P.O. Box 318, Church Street Station
New York, New York 10015

William M. Jenkins
Chairman
Seattle-First National Bank
P.O. Box 3586
Seattle, Washington 98124

Robert E. Bryans
President
First National Bank of Casper
P.O. Box 40
Casper, Wyoming 82601

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Chairman of the Board
The First National Bank
P.O. Box A
Chicago, Illinois 60670

John H. Perkins
President
Continental Illinois National Bank and Trust Co.
Lock Box H
Chicago, Illinois 60693



Government Borrowing Committee

EX OFFICIO

Howard C. Petersen
Chairman of the Board
The Fidelity Bank
Broad and Walnut Streets
Philadelphia, Pennsylvania 19109

Eugene H. Adams
President
The First National Bank
P.O. Box 5808, Terminal Annex
Denver, Colorado 80217
(Past President, ABA)

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Washington, D.C. 20036

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Chairman and Chief Executive Officer
National Shawmut Bank of Boston
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Boston, Massachusetts 02106

W. Jarvis Moody
President
American Security and Trust Company
15th and Pennsylvania Avenue, N.W.
Washington, D.C. 20013
(Chairman, ABA Savings Bonds Committee)

ADVISORY MEMBERS

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Senior Vice President
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New York, New York 10015

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The Peoples Bank and Trust Company of Selma
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Selma, Alabama 36701
(President, ABA)

Donald C. Miller
Executive Vice President
Continental Illinois National Bank & Trust Co.
Lock Box H
Chicago, Illinois 60693

George L. Whyel
Vice Chairman of the Board
Genessee Merchants Bank and Trust Company
Flint, Michigan 48502
(President-Elect, ABA)

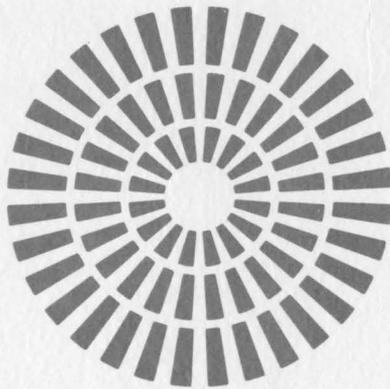
Leland S. Prussia, Jr.
Senior Vice President
Bank of America, N.T. & S.A.
P.O. Box 37000
San Francisco, California 94137

Hampton A. Rabon
ABA Director (202-467-4200)

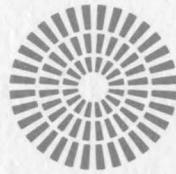
James R. Sheridan
Senior Vice President
North Carolina National Bank
P.O. Box 120
Charlotte, North Carolina 28201

October 10, 1973





An Invitation



The First National Bank of Miami, a Southeast Bank,
invites you, your associates and ladies
to our traditional Florida Cracker Breakfast
8 to 10:00 a.m., Sunday, October 7, 1973
at the ABA Convention,
The Ninety-Fifth, John Hancock Building
Chicago, Illinois

Harry Hood Bassett

Charles J. Zwick

J. B. Shumate

David W. Brillhart

Bernard F. Bischoff III

Robert E. White

RSVP

Regretted

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1973 OCT 29 PM 12:15

RECEIVED
OFFICE OF THE CHAIRMAN



THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N. W., WASHINGTON, D.C. 20036

PRESIDENT

REX J. MORTHLAND

CHAIRMAN OF THE BOARD
THE PEOPLES BANK & TRUST COMPANY
SELMA, ALABAMA 36701

2290

m/r
ada

October 25, 1973

Dr. Arthur F. Burns, Chairman
Board of Governors of the Federal Reserve System
Washington, D.C. 20551

Dear Dr. Burns:

Thank you very much for your October 16 letter of congratulations on my recent election as President of the American Bankers Association. Having you take the time out of your busy schedule to write means much to me because of my strong admiration for your scholarship and for your great contributions to our nation in a most responsible and difficult position.

I hope we shall be able to continue discussions with you in a manner that will be helpful to you and to the Board of Governors. The leadership of the American Bankers Association is anxious to do whatever it can to promote an effective banking system in a sound economy for our nation. We shall welcome any opportunity to work with you, any of the Governors, or the staff of the Federal Reserve System whenever you believe that we may be of assistance.

Sincerely yours,

Rex J. Morthland
Rex J. Morthland

RJM:kl

cc: Mr. Eugene H. Adams
Mr. Willis W. Alexander



October 16, 1973

Dear Mr. Morthland:

I want to congratulate you on your recent election as president of the American Bankers Association and to wish you well as you undertake important new responsibilities on behalf of the banking community. I look forward to continuing with you the constructive dialogue which I have enjoyed with your immediate predecessors.

Sincerely yours,

(Signed) Arthur F. Burns

Arthur F. Burns

Mr. Rex J. Morthland
Chairman
Peoples Bank & Trust Company
Selma, Alabama 36701

cc: Mrs. Mallardi (2)

NB:slc
N.B.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1973 DEC 13 PM 1:48

#2510

TRUST DIVISION



THE AMERICAN BANKERS ASSOCIATION 120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

RECEIVED

PRESIDENT

CHALKLEY J. HAMBLETON

PRESIDENT

HARRIS TRUST AND SAVINGS BANK

P. O. BOX 755

CHICAGO, ILLINOIS 60690

VICE PRESIDENT

WILLIAM W. GRAULTY

EXECUTIVE VICE PRESIDENT

THE CONNECTICUT BANK AND TRUST COMPANY

ONE CONSTITUTION PLAZA

HARTFORD, CONNECTICUT 06115

DIRECTOR

L. A. CAPALDINI

202/467-4020

ASSOCIATE DIRECTORS

JAMES D. McLAUGHLIN

202/467-4027

MARY C. SMITH

202/467-4025

December 10, 1973

The Honorable Arthur F. Burns
Chairman
Board of Governors of the Federal Reserve System
Federal Reserve Building/Constitution Avenue
Washington, D.C. 20551

Handwritten initials

Dear Mr. Burns:

Complimentary Registration -- 55th National Trust Conference

On behalf of the officers of the ABA Trust Division, I cordially invite you to attend our 55th National Trust Conference to be held at the San Francisco Hilton on February 3-6, 1974.

Preliminary information about the conference is enclosed, including a hotel reservation form for your use. Please complete the complimentary conference registration form and return it directly to me to ensure proper registration for the conference.

You should make your own reservation directly with the hotel as soon as possible to be sure that you get the accommodations of your choice. If you need assistance in any way, please let us know.

I hope very much that you can be with us in San Francisco in February.

Cordially yours,

Handwritten signature of L. A. Capaldini
L. A. Capaldini

Enclosure

LAC/hk



Called 12/14/73 - regretted - CM



February
3-6, 1974

San Francisco Hilton
and Tower

San Francisco

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1973 DEC 13 PM 1:47

RECEIVED
OFFICE OF THE CHAIRMAN

President
ABA Trust Division

Chalkley J. Hambleton

President
Harris Trust and
Savings Bank

Chicago

November 1973

Your interest in
the trust business ...

... prompts me to write to you about the ABA 55th National Trust Conference. As Division President, I particularly want you to have preliminary information about a conference that is being designed especially for you.

Last year the Executive Committee of the ABA Trust Division decided to begin moving the conference to various sites around the country. I know you are pleased to see our upcoming conference located in the beautiful and interesting city of San Francisco. We will be in session February 3-6, 1974, at the San Francisco Hilton.

The theme for this year's conference is "Trust: Today/Tomorrow." It is intended to provide you with a means of focusing upon the opportunities and issues facing the trust business now and the trends and events that will profoundly affect all of us in the future.

As you look over the enclosed preliminary program, you will see that we are providing a conference that includes outstanding and interesting speakers with something to say. You will hear Chet Huntley, ABA President Morthland and other thought leaders. In addition, the concurrent workshop sessions will allow you to choose from more than 25 different speakers and topics according to your professional interests and needs. Also, you'll note there will be a special program for spouses.

After looking over the enclosed program, we hope you will decide to make the National Trust Conference a part of your schedule for next year. We have included conference and spouse registration forms and hotel reservation information so that you can conveniently plan and schedule now for what I believe will be a highly informative and interesting conference.

Looking forward to seeing you in San Francisco.

Cordially,

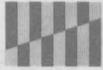
C. J. Hambleton

Chalkley J. Hambleton



So that this registration will receive
priority processing, return it directly to:

L. A. Capaldini
Director/Trust Division
The American Bankers Association
1120 Connecticut Avenue, N. W.
Washington, D. C. 20036



TRUST
Today/Tomorrow

**ABA
55th
National
Trust
Conference**

February 3-6, 1974

San Francisco
Hilton and Tower

San Francisco

Please! TYPE this form to ensure that all copies are clearly legible. This will enable us to serve you more efficiently. Detach the last copy (blue) for your files.

CONFERENCE REGISTRATION

COMPLIMENTARY

FULL NAME First Middle initial Last

Arthur F. Burns

First Name or Nickname for BADGE

BANK or ORGANIZATION

TITLE

MAILING ADDRESS

CITY, STATE, ZIP

AREA CODE TELEPHONE

TRUST ASSETS size per last call report

\$, 000 , 000.00

COMPLIMENTARY

SPOUSE REGISTRATION

COMPLIMENTARY

FULL NAME First Middle Initial Last

Mrs. Arthur F. Burns

First Name or Nickname for BADGE

HOME MAILING ADDRESS Note: HOME Mailing Address

CITY, STATE, ZIP

Additional registrants may be submitted on a separate sheet. Fees are same as stated on this form.

REGISTRATION FEES

CONFERENCE \$125

SPOUSE \$45

Total enclosed \$.....

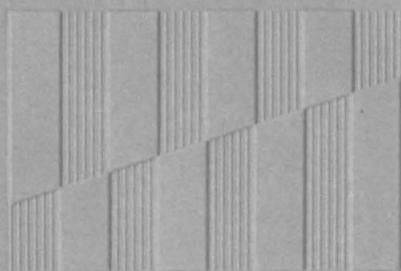
Please make check payable to:
The American Bankers Association

Detach the last copy (blue) for your files. Mail top 5 copies
to: Miss Bonnie Kennedy
Trust Conference Registration Coordinator
The American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Any questions? Phone Miss Kennedy at 202/467-4882.

CANCELLATION: Full registration will be refunded if written notice is postmarked no later than January 15, 1974. After January 15, \$25.00 per person processing fee. No refunds after March 6, 1974.

Your name will appear on advance registration list if received by January 15, 1974.

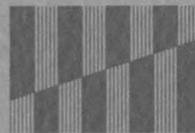


TRUST
Today/Tomorrow

Preliminary Program

This "preliminary program" contains only basic information relating to this conference. It is subject to modifications. Registrants will receive a final and complete program in San Francisco.





TRUST
Today/Tomorrow

**ABA 55th
National Trust
Conference**

**February 3-6, 1974
San Francisco Hilton and Tower**

“Trust: Today/Tomorrow,” the theme of the ABA 55th National Trust Conference, reflects the concerns of trust officers today. This dynamic and pragmatic conference will provide you with a means of focusing upon the opportunities and issues facing the trust business now and the trends and events that will profoundly affect us in the future.

The general sessions feature such thought leaders as Chet Huntley, ABA President Morthland, and economists Solomon and Sprinkel who will talk about investment strategies in a changing economy.

These and other leaders will help trust officers prepare profitably for the days ahead in an increasingly dynamic and responsive manner.

Spouses Program

The Spouses Program will feature *happenings* created especially for spouses by knowledgeable convention planners and San Franciscans in the know.

The headquarters for these activities will be a special host suite at the San Francisco Hilton. Spouses of San Francisco bankers will serve as hostesses and be on hand to offer advice on where to shop, where to eat, and what to see.

A special representative will provide you and your spouse with complete details shortly after your spouse's registration is received.

Registered spouses will be admitted to all sessions and open receptions.

Sign up your spouse now.





TRUST
Today/Tomorrow

General Sessions

These will take place on Monday, Tuesday and Wednesday mornings.

The talks will feature discussions on those opportunities and issues all trust officers, whether from large or small banks, need to address.





Chalkley J. Hambleton

William W. Gaulty

Speakers

Chalkley J. Hambleton

**President
Harris Trust and Savings
Bank
Chicago, Illinois
and
President
ABA Trust Division**

William W. Gaulty

**Executive Vice President
The Connecticut Bank
and Trust Company
Hartford, Connecticut
and
Vice President
ABA Trust Division**

Rex J. Morthland

Chet Huntley



Dr. Ezra Solomon

Dr. Beryl W. Sprinkel



**Rex J.
Morthland**

Chairman of the Board
Peoples Bank & Trust
Company
Selma, Alabama
and
President
The American Bankers
Association

Chet Huntley

Private Citizen
Bozeman, Montana
and
Former NBC Newscaster

**Dr. Ezra
Solomon**

Dean Witter Professor
of Finance
Stanford University
Stanford, California

**Dr. Beryl W.
Sprinkel**

Senior Vice President
and Economist
Harris Trust and
Savings Bank
Chicago, Illinois



Chalkley J. Hambleton

William W. Gaulty

Presiding

Chalkley J. Hambleton

**President
Harris Trust and
Savings Bank
Chicago, Illinois
and
President
ABA Trust Division**

William W. Gaulty

**Executive Vice President
The Connecticut Bank
and Trust Company
Hartford, Connecticut
and
Vice President
ABA Trust Division**

John M. Cookenbach

Stetson B. Harman



Joseph Schmedding



**John M.
Cookenbach**

Executive Vice President
and Secretary
The First Pennsylvania
Banking and Trust
Company
Philadelphia, Pennsylvania
and
Past President
ABA Trust Division

**Stetson B.
Harman**

Senior Vice President
and Executive Trust
Officer
First National Bank
of Oregon
Portland, Oregon
and
Past President
ABA Trust Division

**Joseph
Schmedding**

Senior Vice President
and Senior Trust Officer
Bank of America NT&SA
San Francisco, California
and
Chairman of Trust Group
California Bankers
Association

Concurrent Workshops

There will be a total of 16 workshop sessions during the conference—four during each of these periods:

Monday afternoon, February 4
Tuesday morning, February 5
Tuesday afternoon, February 5
Wednesday morning, February 6

The workshops will be on a “track” basis. The four “track” subject areas are:

Community Banks
Investments
Marketing
Strategies

You will be able to move from session to session, depending on your interest or you can stay on one track during the four periods given above.

Varying levels of sophistication—from basic “how to” to newest theory—will be utilized in order to address *your* level of interests and needs.



TRUST
Today/Tomorrow





John R. Bermingham

Richard P. Brown

Moderators

**John R.
Bermingham**

Senior Vice President
Irving Trust Company
New York, New York

**Richard P.
Brown**

Senior Vice President
and Executive Trust
Officer
The First National Bank
of Denver
Denver, Colorado

William G. Brown

Paul F. Butler



Donald S. Buzard

William J. Copeland



**William G.
Brown**

Executive Vice President
American National Bank
& Trust Company
Chattanooga, Tennessee

**Paul F.
Butler**

Vice President
State Street Bank &
Trust Company
Boston, Massachusetts

**Donald S.
Buzard**

First Vice President and
General Counsel
First Wisconsin Trust
Company
Milwaukee, Wisconsin

**William J.
Copeland**

Vice Chairman of the
Board
Pittsburgh National Bank
Pittsburgh, Pa.



Van R. Gathany

Robert L. Landau



Ray F. Myers

Moderators

(continued)

**Van R.
Gathany**

Senior Vice President
The Northern Trust
Company
Chicago, Illinois

**Robert L.
Landau**

Vice President
Bankers Trust Company
New York, New York

Ray F. Myers

Executive Vice President
Continental Illinois
National Bank and
Trust Company
Chicago, Illinois

Fred E. Seibert

Arthur V. Toupin



Gerald V. Weigle

James Wood



**Fred E.
Seibert**

Vice President
Bank of America NT&SA
San Francisco, California

**Arthur V.
Toupin**

Executive Vice President
Bank of America NT&SA
San Francisco, California

**Gerald V.
Weigle**

Senior Vice President
The First National Bank
of Cincinnati
Cincinnati, Ohio

James Wood

Vice President
The Bank of New York
New York, New York



L. A. Capaldini

James D. McLaughlin



Miss Mary C. Smith

Staff

**L. A.
Capaldini**

Director/Trust Division

**James D.
McLaughlin**

**Associate Director/
Trust Division**

**Miss Mary C.
Smith**

**Associate Director/
Trust Division**

Suggested Arrival/Departure Times

Rule of thumb:

Arrive afternoon on Sunday, February 3.
Depart afternoon on Wednesday, February 6.
Of course, you may wish to arrive earlier and/or stay later to enjoy the city of San Francisco, also for your own special side trips.

Concerning Sunday 3rd:

Opening Reception starts at 6:00 p.m., closes at 8:00 p.m. You'll find it a good gatherin' place. The *Conference Registration* and *Spouse Registration* desks open 10:00 a.m., close 8:00 p.m.

Concerning Wednesday 6th:

You can't afford to miss the morning's *four workshop sessions* and the *general session* (some of the best was saved for the last). It all closes before noon, enabling you to catch early afternoon flights where necessary.

Fill out and send this addressed and postage paid form directly to hotel. If you wish to call in your reservation, phone Hilton Reservation Service Office in your city. Or phone San Francisco 415/771-1400.

Date mailed _____



TRUST
Today/Tomorrow

Arrival Date _____ Time _____

Departure Date _____ Time _____

HOTEL RESERVATION

For ABA
55th National
Trust Conference

February
3-6, 1974
San Francisco
Hilton and Tower

Mr. Salazar, please confirm the following in writing:

ACCOMMODATIONS	Main Building	Tower
Single Bedded	\$24-40	\$33-49
Double Bedded	\$33-49	\$43-58
Twin Bedded	\$33-49	\$43-58
Suite with 1 bedroom and parlor	\$80-up	\$80-up
Suite with 2 bedrooms and parlor	\$120-up	\$155-up

Children in same room with parents: no charge.

San Francisco
Hilton and Tower

All reservations cancelled after 6 p.m. unless a deposit has been received or payment guaranteed for late check-in. If guest guarantees reservation and does not arrive, room will be billed for one night and the reservation cancelled.

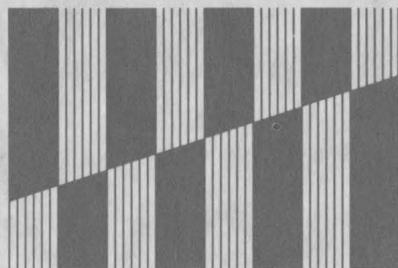
If a room at the rate requested is unavailable, one at the nearest available rate will be reserved. The above are current rates. In the event of any change, the rates prevailing at the time of the convention will apply. All requests must be received 30 days prior to the starting date of the convention. Rooms held for this meeting that are not reserved by that time automatically revert to the hotel.

All rooms subject to current city room tax.

Name _____ Company _____

Address _____ City-State-Zip _____

Additional Occupants (Names) _____



TRUST
Today/Tomorrow



THE AMERICAN BANKERS ASSOCIATION

1120 CONNECTICUT AVENUE, N.W. WASHINGTON, D.C. 20036



THE AMERICAN BANKERS ASSOCIATION 1120 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036

FEDERAL AGENCY RELATIONS

FEDERAL ADMINISTRATIVE ADVISER

HAMPTON A. RABON

202/467-4200

December 18, 1973

Mrs. Catherine Mallardi
Secretary to Chairman Burns
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Mrs. Mallardi:

There is enclosed for your information a copy of the agenda for the next meeting of the Government Borrowing Committee. Please call to Chairman Burns' attention that the Committee will be meeting in our offices at 1120 Connecticut Avenue, N.W. The building (Bender) has another entrance on L Street, near 18th. Our Board Room is on the 7th floor.

The Committee will look forward, as usual, to meeting with Chairman Burns at ~~4:00~~ p.m. on Tuesday, January 29, 1974.

I am also enclosing for Chairman Burns' information a list of the members of the Government Borrowing Committee.

Sincerely,

Hampton A. Rabon
Hampton A. Rabon

HAR:fmm
Enclosures

*ATB
attended*



AGENDA
GOVERNMENT BORROWING COMMITTEE
The American Bankers Association
January 29-30, 1974

Tuesday, January 29, 1974

9:15 a.m.	Committee meets in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
10:00 a.m.	Committee to review slides in Room 2334 of the Treasury building <u>2/</u>
11:00 a.m.	Committee to meet with Under Secretary for Monetary Affairs, Mr. Paul Volcker, in Room 4426 of the Treasury building for backgrounding <u>3/</u>
12:30 p.m.	Refreshments
1:00 p.m.	Luncheon. Presidential Room, Mayflower Hotel
2:30 p.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u> Chairman Burns (Federal Reserve Board) will meet with the Committee at 4:00 p.m.
6:00 p.m.	Reception
7:00 p.m.	Dinner. Monroe Room, Washington Hilton Hotel NOTE: Members of the Government Relations Council will attend the reception and dinner.

Wednesday, January 30, 1974

9:00 a.m.	Committee to assemble in Board Room of The American Bankers Association 1120 Connecticut Avenue, N.W. (7th Floor) <u>1/</u>
9:45 a.m.	Committee to report its recommendations to Secretary Shultz and the Treasury Financing Group in Room 4426 of the Treasury building <u>3/</u>

- 1/ This location is on Connecticut Avenue across from the Mayflower Hotel.
2/ Treasury will use the regular projection room on the second floor in the southwest corner of the building (corner facing the Mall and the White House)
3/ Conference with Under Secretary for Monetary Affairs and report to the Secretary of the Treasury will be held in the 4th floor Conference Room on west side of the building near the center elevators opposite the White House.



GOVERNMENT BORROWING COMMITTEE

Chairman: Robert M. Surdam
Chairman and Chief Executive Officer
National Bank of Detroit
RPA Box 116
Detroit, Michigan 48232

Andrew Benedict
Chairman of the Board
First American National Bank
P.O. Box 1351
Nashville, Tennessee 37237

Robert J. Gaddy
Chairman and President
Tower Grove Bank and Trust Company
3134 South Grand Boulevard
St. Louis, Missouri 63118

Alfred Brittain III
President
Bankers Trust Company
P.O. Box 318, Church Street Station
New York, New York 10015

William M. Jenkins
Chairman
Seattle-First National Bank
P.O. Box 3586
Seattle, Washington 98124

Robert E. Bryans
President
First National Bank of Casper
P.O. Box 40
Casper, Wyoming 82601

Ben F. Love
Chairman and Chief Executive Officer
Texas Commerce Bank, N.A.
P.O. Box 2558
Houston, Texas 77001

Willard C. Butcher
President
The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

C. Coleman McGehee
President and Chief Executive Officer
First and Merchants National Bank
P.O. Box 27025
Richmond, Virginia 23261

A.W. Clausen
President and Chief Executive Officer
Bank of America, N.T. & S.A.
P.O. Box 37000
San Francisco, California 94137

John A. Moorhead
Chairman and Chief Executive Officer
Northwestern National Bank
Seventh and Marquette
Minneapolis, Minnesota 55480

Richard P. Cooley
President and Chief Executive Officer
Wells Fargo Bank, N.A.
P.O. Box 44000
San Francisco, California 94144

Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty Trust Company
23 Wall Street
New York, New York 10015

Gaylord Freeman
Chairman of the Board
The First National Bank
P.O. Box A
Chicago, Illinois 60670

John H. Perkins
President
Continental Illinois National Bank and Trust Co.
231 South LaSalle Street
Chicago, Illinois 60693



Government Borrowing Committee

Howard C. Petersen
Chairman of the Board
The Fidelity Bank
Broad and Walnut Streets
Philadelphia, Pennsylvania 19109

Robert V. Roosa
Partner
Brown Brothers Harriman & Company
59 Wall Street
New York, New York 10005

D. Thomas Trigg
Chairman and Chief Executive Officer
National Shawmut Bank of Boston
P.O. Box 2176
Boston, Massachusetts 02106

ADVISORY MEMBERS

John J. Larkin
Senior Vice President
First National City Bank
95 Wall Street--23rd Floor
New York, New York 10015

Donald C. Miller
Executive Vice President
Continental Illinois National Bank & Trust Co.
231 South LaSalle Street
Chicago, Illinois 60693

Leland S. Prussia, Jr.
Senior Vice President
Bank of America, N.T. & S.A.
P.O. Box 37003
San Francisco, California 94137

James R. Sheridan
Senior Vice President
North Carolina National Bank
P.O. Box 120
Charlotte, North Carolina 28201

EX OFFICIO

Eugene H. Adams
President
The First National Bank
P.O. Box 5808, Terminal Annex
Denver, Colorado 80217
(Past President, ABA)

Willis W. Alexander
Executive Vice President
The American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

W. Jarvis Moody
President
American Security and Trust Company
15th and Pennsylvania Avenue, N.W.
Washington, D.C. 20013
(Chairman, ABA Savings Bonds Committee)

Rex J. Morthland
Chairman of the Board
The Peoples Bank and Trust Company of Selma
P.O. Box 799
Selma, Alabama 36701
(President, ABA)

George L. Whyel
Vice Chairman of the Board
Genessee Merchants Bank and Trust Company
Flint, Michigan 48502
(President-Elect, ABA)

ABA Staff:

Hampton A. Rabon
Director (202-467-4200)

Lawrence Banyas
Economic Consultant (202-467-4382)

