

Richard Nixon Presidential Library
White House Special Files Collection
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
36	19	12/09/1968	Report	Nixon's Statement about selecting his cabinet, with attached biographical sketches for each person. 44 pages.
36	19	12/10/1968	Other Document	Haldeman handwritten notes re: California trip. Hard count on Cabinet Democrats. Age factor. 3 pages.
36	19	n.d.	Report	Lawrence Eagleburger biographic sketch. 2 pages.
36	19	11/26/1968	Memo	Memo from Franklin Lincoln to Mitchel re: Conflict of Interest form to be completed by all cabinet secretaries prior to announcing their assignment, with attached executive order 11222. 10 pages/

Confidential file

RN memo

December 9, 1968

RN:

CONSIDERATIONS IN SELECTING CABINET:

General Principles:

1) The primary test applied in selecting the members of the Cabinet -- above the usual objective of trying to achieve regional, racial and religious balance -- was that of finding the best qualified individual for each post.

2) No campaign commitments whatever were made for Cabinet or any other posts in the Administration. As a result, RN had a completely free hand in making his selections.

3) Since RN had called for new policies in all areas during the campaign, he decided that it would not be wise to have ^{no} any holdovers in Cabinet positions. This ruled out Clifford in Defense and others like Dillon and McGeorge Bundy who have played a major role in the previous administrations.

4) Because of the immensely heavy burden each Cabinet officer will be carrying in the next four years, RN ruled out several highly qualified men who simply would not be able to stand the physical pressure. Bob Murphy would be in this category. Incidentally, he along with others in the over-sixty-five group generally rule themselves out on the grounds of age.

5) Instead of narrow specialists, RN tried to fill each post with broad general experience and interests.

POSTMASTER GENERAL

Red Blount brings to this vitally important and difficult assignment probably the best business experience of any man who has held this post in this century. He is relatively young, has had an immensely successful business career, in which he demonstrated outstanding abilities in management, and in picking personnel, and is imaginative and creative in his approach to the job. He is not just the usual political appointee who was selected for this position. He is committed to the objective of re-organizing the postal service and he will receive RN's backing in working toward that goal.

INTERIOR

There were strong pressures for RN to appoint Rogers Morton or John Saylor to that post. While he felt a particular political obligation to Morton, he concluded that the post should go to a Westerner in view of the fact that most of the Department's activities concerned the Western states, far more than the Eastern states. Several Western governors were recommended for the post, as well as senators and congressmen. The difficulty in most cases was that those recommended had taken positions in the traditional fights within the Department between private and public power advocates and

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the struggle between the states on water projects. Wally Hickel is one of the few public officials who has not been involved in any of these debates. He brings to the post, relative youth, great drive and imagination and a record of remarkable success in business before he entered politics. I would doubt if anyone who has been Secretary of the Interior in the past thirty years can equal his record in this respect.

AGRICULTURE

During the campaign, RN said that he would appoint a Secretary of Agriculture who would speak for the farmer, rural America and agriculture to the President, rather than the other way around. Some interpreted this as meaning that only a farmer could meet this test. The difficulty, however, is that virtually any farmer who has been successful enough to be able to have the management capability to handle the job was too closely tied to one of the major farm organizations -- the Farm Bureau, the Grange or the Farmers Union -- or was too specialized in wheat, cotton, corn, tobacco and would, therefore, not provide the general outlook which this post so urgently requires.

Cliff ^{Harden}~~Horten~~ has an educational background which superbly qualifies him to be Secretary of Agriculture. A graduate of Purdue, he taught in the field of agriculture at Michigan State before going to Nebraska. He has not been identified with any of the partisan groups on the farm issue

and will bring to the problem a fresh approach not tied to any of the vested interests. He recognizes that it will be his responsibility to speak for the farmer and for rural America, but his contribution will not be limited to the field of agriculture. As one of the nation's outstanding educators, he will bring a very constructive thought to bear on the problems of education and on our foreign aid programs, particularly where they involve the problem of combatting world hunger.

HUD

George Romney is ideally qualified to fill this post since his experience as Governor brought him first-hand knowledge of urban problems, not only in Michigan but in other parts of the country. He has been an outstanding administrator at the state level and will be able to bring sound administrative practices to this new agency. In addition, he will provide special leadership and trust for the new Administration's programs in enlisting volunteer groups ⁱⁿ task of meeting our urban and rural problems.

TRANSPORTATION

Governor Volpe is particularly qualified for this position both because of his specialized background and his broader general experience as Governor of a state with the whole complex of modern transportation problems. As the Director of Highway Programs in the Eisenhower Administration,

he is intimately familiar with the problems of administering this phase of his Department's activities. In the field of rail, air and urban transit, he has had a great deal of experience as Governor of Massachusetts. And, like Governor Romney, he also has a broad interest in urban problems generally that will make a significant contribution to our objective of finding new solutions for these problems.

HEW

Bob Finch will bring to this post youth, imagination, and firsthand experience in dealing with these problems in the nation's most popular state. This Agency, more than perhaps any of the other domestic agencies, needs new men and new ideas. Bob Finch is deeply qualified to provide that kind of leadership.

LABOR

Dr. *George* Schultz has earned the respect of both management and labor as one of the nation's outstanding mediators of labor disputes. In the years immediately ahead when, because of the strain of rising prices, there is likely to be increased labor-management tension, he is an ideal man to have in this position.

Again, like his colleagues, he has broad interest and experience beyond his specialized field. In urban problems and in the field of general economic policy, he can qualify as an expert. He has had a brilliant record as an administrator in serving as Dean of the Chicago School of Business Adminis-

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tration. Like Finch, ~~hardened and blunt~~, he is in the younger age group.

COMMERCE

Maury Stans is qualified to be Secretary of Commerce because of his years of success in business on the fastest track in the world -- Wall Street. But, beyond that, he brings to the Cabinet the vast experience he acquired as Director of the Budget and his knowledge generally in the broad field of economics. He also has a vital interest in urban affairs and has some exciting ideas as to how the Commerce Department can enlist the American business community even more in dealing with these problems.

TREASURY

Dave Kennedy, at 63, is the oldest man in the Cabinet but he brings vigor, imagination and drive to this assignment as well as past experience. He has had an enormously successful career in building Illinois' Continental Bank into one of the world's largest financial institutions, and particularly in extending its activities in the international field. He is in the unique position of being an international banker from the Midwest, respected by his colleagues in this country and in the world. In checking him out, we found that not only his major competitors among the New York banks rated him at the top of the list, but that the European bankers as well have

only the highest regard for him. It is interesting to note that both Johnson and Kennedy had him on their list for this position.

ATTORNEY GENERAL

John Mitchell is one of the nation's most successful lawyers and, in addition, demonstrated during the past campaign that he had remarkable talent in picking people and directing a large organization. Everyone recognizes that he was the strong man in the campaign team and its leader, not because he was named as such but because he earned that place due to his immense competence. He is dedicated to better law enforcement and is keenly aware of the necessity to maintain the proper balance which will protect the rights of those accused of crime. Like the other members of the Cabinet, he will provide leadership far beyond the technical problems of his department, particularly in the financial field where he is one of the nation's recognized experts.

HALDEMAN

DEFENSE

Mel Laird will be the ^{almost} youngest Defense Secretary in history, but one who brings more practical experience to this job than any of his predecessors, with the exception of Marshall. For fourteen years he has been on the Defense Subcommittee of the House Appropriations Committee. He will be superb in working with Congress, handling problems that arise with the press, and in arbitrating interservice rivalries. Even more important, he is aware of the vital necessity to keep Defense expenditures within budgetary limitations and will provide invaluable leadership in this area. He will select as the Deputy Secretary of Defense an outstanding business executive who will have the primary responsibility for administering the Department.

Laird also will be of great assistance to the Cabinet in providing advice on dealing with the Congress generally in a number of fields, particularly in the H. E. W. area, where he is also an expert. Most important, RN believes he is the kind of man he would like to have at the Cabinet table when difficult decisions are made by the National Security Council in the field of foreign policy, where the President needs the very best advice he can get.

In choosing Laird, RN felt that a political man should be preferred over a businessman. A businessman in the Defense Department--like McNamara and Wilson--would employ many fine management techniques but might not be able to provide the insight and judgment so important in relating defense policies to foreign policies. There was

considerable pressure to keep Clark Clifford, but RN felt it would be a mistake to go forward with one who helped to shape the policies which RN has been criticizing. To those who would say that Laird is not experienced enough, RN points out that Clifford had no experience whatever in this field before taking on the position, yet by most accounts has done a credible job.

STATE

More recommendations were made for this position, of course, than for any other, for reasons already publically issued. Rockefeller and Scranton ruled themselves out. Dillon was strongly supported, but RN did not want to go to a man with a previous administration; also, RN felt that the party was against him. The age factor also was adverse, and as indicated before, he took himself out so there was no possibility of doing it. Some suggested there was considerable support for Vance, but RN felt that for this position he had to have his own man, not one who is basically a Johnson man, even though he is generally believed to be capable.

The most effective Secretaries of State usually have come from the ranks of international lawyers. Most of those who might have been considered were either used during the Johnson/Kennedy Administrations, or, like Dewey, were too old in RN's view to undertake this heavy responsibility now.

What RN wanted in the job was a young, vigorous man in this period of negotiation to be counted upon to advocate the U. S.

position with skill and great determination. The man who most closely met this requirement is Bill Rogers. He is one of the most skilled negotiators in the nation; he has had experience in running a major department of Government, and three years of experience on the National Security Council. In addition, he spent a year with the U. N. and has handled other complicated problems in the international field in his law practice. He was selected, however, not primarily because of his experience in foreign affairs, but because he has the intellect, negotiating skill, and the judgment to meet the Russian, Chinese and North Vietnamese, or any other potential antagonist on an equal ground.

RN feels that Rogers, like Laird, will add an extra dimension to the very important discussions which will take place in the National Security Council during the next four years. In addition, he is an expert on handling the Congress and the press--problems which have stumped most Secretaries of State in years past.

SUMMARY

While the primary consideration was not regional balance, the total result comes out reasonably well in this respect. Mitchell and Stans are from New York, Rogers is from Maryland, Volpe is from Massachusetts, which gives four from the East; Romney is from Michigan, Schultz and Kennedy from Illinois, Hardin from Nebraska, and Laird from Wisconsin, which gives five from the Mid-West, and

Blount gives one from the South. Finch and Hickel represent the West.

One difference in the selection of this Cabinet from the Kennedy Cabinet is that RN named the Cabinet before making any Sub-Cabinet appointments. That is why appointments to the U. N. and Assistant Secretaries were not made until the Cabinet appointments were completed, which means that Sub-Cabinet appointees will not be imposed on the members of the Cabinet, although they will, of course, consult RN in making their selection.

The Cabinet has some unique characteristics in several respects. It is long on brains. Rogers and Laird will have critics in other fields, but both are recognized as brilliant men.. Finch, Hardin, Schultz, and Blount are also far above the average Cabinet officers of the past in intellectual capacity.

The Cabinet is also long on youth. Rogers is the youngest Secretary of State in this century and, as previously noted, Laird is the youngest Secretary of Defense. Finally, three governors, one attorney general, and one budget director have had experience with government in general.

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NEWS RELEASE

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BIOGRAPHICAL SKETCH

Clifford M. Hardin

Chancellor, University of Nebraska

Secretary of Agriculture - Designee

Clifford M. Hardin, 53, chancellor of the University of Nebraska since 1954, has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of Agriculture.

Hardin has been chancellor since 1954, the 12th man to hold the office since the founding of the University in 1869.

He came to the University of Nebraska from Michigan State University, where he was dean of the School of Agriculture and for four years served as director of the Agricultural Experiment Station and its research programs.

Under Hardin's leadership the University of Nebraska has experienced its greatest growth. Thirty-thousand students enrolled in 1968, nearly four times the 1954 enrollment.

The University of Omaha became a part of the University of Nebraska in 1968 and has an enrollment of nearly 11,000 students.

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In addition to significant expansion of the University's physical plants, Hardin's administration has established a continuing education program and educational television.

A cooperative aid program to higher education in Turkey led to the establishment of a new Ataturk University. Hardin's administration also has provided technical assistance for agriculture in Columbia and a Latin American and International Studies Program has been inaugurated.

Hardin was president of the Association of State Universities and Land Grant Colleges in 1960 and in 1961 was chairman of the association's executive committee.

He is a member of the National Science Board, a former director of the American Council on Education and a past chairman of the Omaha branch of the Federal Reserve Bank of Kansas City.

Hardin is a member of the executive committee of the Council on Higher Education in the American Republics, a trustee of the Rockefeller Foundation, a trustee of Bankers Life Insurance Co. of Nebraska, former chairman of the Nebraska Council on Economic Education and a director of Behlen Manufacturing Co. of Columbus, Neb.

He was born Oct. 9, 1915, in Knightstown Ind., the son of James A. and Mabel Macy Hardin.

Hardin was graduated from Purdue University in 1937, financing his education with a 4-H Club scholarship. He received a master's degree from Purdue in 1939 and a Ph.D in 1941.

Hardin taught agricultural economics at the University of Wisconsin 1941-44. He was chairman of the agricultural economics department at Michigan State University before becoming dean.

He is a member of Sigma Xi, national honorary science scholastic society and was awarded honorary degrees by National University of Columbia, Purdue and Creighton University.

Hardin is married to the former Martha Love Wood. The couple have five children.

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BIOGRAPHICAL SKETCH

George W. Romney

Governor of Michigan

Secretary of Housing and Urban Development - Designee

Gov. George W. Romney, 61, now serving his third consecutive term as Michigan's chief executive and former chairman and president of American Motors Corp., has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of Housing and Urban Development.

Romney won re-election to a third term in 1966 by a 527,000 vote plurality, the largest margin of victory in the state's modern political history. Romney was first elected governor in 1962.

He was born in Chihuahua, Mexico on July 8, 1907, the son of Gaskell and Anna Amelia Pratt Romney.

Romney grew up in Idaho and Utah. He was educated at the University of Utah and George Washington University.

Romney led a successful campaign for adoption of a new State Constitution after taking office as governor, concluding a battle he had waged as a private citizen since 1959.

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During Romney's administrations, economic investment in Michigan has hit record levels, education and mental health programs have advanced rapidly with unparalleled state financial assistance, equal rights for all citizens have become a Constitutional guarantee, economy and efficiency in government have been realized and juvenile delinquency has been tackled with new and improved methods.

The Romney Administration also has been active in developing programs to deal with mounting problems of law enforcement, public health, traffic safety, transportation, urban blight and the protection of Michigan's natural resources.

Organizations Gov. Romney has belonged to and been a leader in include the Detroit Tomorrow Committee, the United Foundation, United Negro College Fund, Detroit Round Table of Christians and Jews, Boy Scouts of America and Project Hope.

He has received many awards and citations from business, religious, educational, charitable and civic organizations including the man of the year in industry award from the Associated Press for four consecutive years, 1958-61; man of the year award from the National Management Association, the American democratic living award from B'nai B'rith, the Edward Lamb management award from Columbia University and the Charles Evans Hughes award for courageous leadership in governmental service, presented by the National Conference of Christians and Jews.

Gov. Romney has received honorary degrees from Wayne State University, Brigham Young University, University of Utah, George Washington University and Arizona University. He was named an honorary fellow of Israel's Bar-Ilan University in 1965.

Romney and his wife, Lenore LaFount, were married July 2, 1931. They have four children, Scott, a law student at Harvard University; Willard Mitt, a Latter Day Saints missionary in France; Lynn (Mrs. Loren Keenan) of Bloomfield Hills, Mich.; and Jane (Mrs. Bruce Robinson) of Sacramento, Calif. The Romney's have 12 grandchildren.

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BIOGRAPHICAL SKETCH

David M. Kennedy

Board Chairman, Continental Illinois National Bank and Trust Co.

Secretary of the Treasury - Designee

David M. Kennedy, 63, chairman of the board of directors and former president of the Continental Illinois National Bank and Trust Co. of Chicago, has been designated by President-Elect Richard Nixon as secretary of the U.S. Treasury Department.

Kennedy, who served as a special assistant to the secretary of the treasury in 1953-54 during the Eisenhower Administration, was appointed in 1967 by President Johnson to the Committee on Budget Concepts and served as committee chairman.

He is a trustee of the University of Chicago, George Washington University and the Brookings Institution, and is executive committee chairman of the Development Council of Brigham Young University.

Kennedy also is a member of the Citizens Committee of the University of Illinois and the Board of Associates of DePaul University.

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He was born in Randolph, Utah, July 21, 1905, the son of George and Katherine Johnson Kennedy.

Kennedy was graduated from Weber College at Ogden, Utah, in 1928, received a master's degree from George Washington University in 1935 and a law degree in 1937 and was graduated from the School of Banking at Rutgers University in 1939.

He was on the staff of the board of governors of the Federal Reserve System from 1930 to 1946, serving as a technical assistant in the division of bank operations, economist in the division of research and statistics, assistant chief of the government securities section and special assistant to the chairman of the board.

Kennedy joined the Continental Illinois Bank and Trust Co. in 1946 as a member of the bond department. He was elected a second vice president in 1948 and vice president in 1951.

On returning to the bank after serving as a special assistant to the secretary of the treasury, Kennedy became head of the bond department.

Kennedy was elected a bank director and president in 1956. He became board chairman and chief executive officer in 1959.

Active in cultural and civic activities, Kennedy is executive board chairman of the Committee for Economic and Cultural Development of Chicago and is a director of the Chicago Central Area Committee.

Kennedy is a member of the Federal Advisory Council of the Federal Reserve System, a trustee of the Committee for Economic Development and has served on the National Advisory Committee on Government Practice and Policies and the business subcommittee on the National Advisory Committee on Regional Economic Development.

He is a director of Abbott Laboratories, ADELA Investment Co., S.A., Commonwealth Edison Co., Communications Satellite Corp., the Pullman Co., Swift and Co., Equitable of Iowa, U.S. Gypsum Co., and International Harvester Co.

For 10 years Kennedy was chairman of the government borrowing committee of the American Bankers Association, a group which advises the secretary of the treasury on financing matters.

He is chairman of the Chicago Clearing House Association, is a member of the American Bankers Association, the Association of Reserve City Banks and a trustee of the Endowment Fund of the Chicago chapter of the American Institute of Banking.

Kennedy is a member of the Church of Jesus Christ of Latter Day Saints.

He is a life member of the Illinois St. Andrews Society and a member of the Union League of Chicago, University Club, Old Elm Club, Glenview Club, Chicago Club, Attic Club, Mid-America Club, Executive Club, Commercial Club, Bankers and Economic Club.

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BIOGRAPHICAL SKETCH

William P. Rogers

Former U.S. Attorney General

Secretary of State - Designee

William P. Rogers of Bethesda, Md. and New York, attorney general during the Eisenhower Administration and a former member of the U.S. delegation to the General Assembly of the United Nations, has been designated by President-Elect Richard Nixon secretary of the U.S. Department of State.

Rogers was appointed deputy attorney general by President Eisenhower in 1953 and became attorney general in 1957.

In September 1965 he was appointed by President Johnson as a member of the U.S. delegation to the 20th General Assembly of the United Nations and served as the U.S. representative on the committee dealing with international law.

Rogers was born June 23, 1913, in Norfolk, N.Y., the son of Harrison Alexander and Myra Beswick Rogers.

He was graduated from Carlton High School in Conton, New York, received a bachelor's degree in 1934 after attending Colgate University on income from a trust scholarship, which he supplemented with money earned at odd jobs.

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Rogers was graduated from Cornell University Law School in 1937 and was editor of the "Law Quarterly". He met his wife-to-be, Adele Langston, at law school and they were married June 27, 1936.

Rogers accepted a position in 1937 with the New York law firm of Cadwalder, Wickersham and Taft. In 1938 he was appointed an assistant district attorney of New York by Thomas E. Dewey.

In his four years as an assistant to Dewey, Rogers spent the majority of his time in the trial of cases.

Rogers joined the Navy in 1942 and served as an administrative officer on the aircraft carrier USS Intrepid. The carrier took part in the air attacks on Japan and the invasion of Okinawa.

He was separated from the Navy in 1946 as a lieutenant commander and returned to the district attorney's office, then headed by Frank S. Hogan.

In April 1947 Rogers left the district attorney's office to accept appointment as counsel to the Senate Special Committee to Investigate National Defense Programs.

Rogers served as chief counsel 1948-50 for the Senate Investigations Subcommittee on Executive Expenditures.

In March 1950 he resigned to join the Washington office of Dwight, Harris, **Royall**, Koegel, & Caskey.

Since 1961 Rogers has been a senior partner of Royall, Koegel, Rogers and Wells which also has offices in New York and Paris.

While serving as deputy attorney general, Rogers helped to successfully negotiate with House and Senate leaders on legislation that emerged as the Civil Rights Act of 1957, the first civil rights law enacted since the Civil War.

As attorney general, Rogers organized the Civil Rights Division in the Justice Department and directed the federal government's participation in school desegregation cases stemming from the U.S. Supreme Court decision of 1954.

Rogers was nominated in 1965 and 1966 to serve on both the President's Commission on Law Enforcement and Administration of Justice and the District of Columbia Crime Commission.

In 1967 Rogers held the personal rank of ambassador after nomination by President Johnson as U.S. representative to the United Nations to serve on a 14-nation ad hoc committee charged with leading South-West Africa to independence.

Rogers has been awarded honorary degrees from Duquesne University, Loyola University, Columbia University, St. Lawrence University, Washington and Jefferson College, Middlebury College, Clarkson College and Colgate University.

He and Mrs. Rogers have four children, Mrs. Donald J. Marshall, Manhattan Beach, Calif.; Anthony W. Rogers, Arlington, Va.; Jeffrey L. Rogers, serving in Vietnam with the Navy on the USS Repose; and Douglas L. Rogers of Yale Law School.

Since 1950 the Rogers have resided at 7007 Glenbrook Road, Bethesda. They also have an apartment at the UN Plaza in New York.

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BIOGRAPHICAL SKETCH

Melvin R. Laird

U.S. Representative, Wisconsin

Secretary of Defense - Designee

U. S. Rep. Melvin R. Laird, 46, an eight-term congressman from Wisconsin's 7th District and senior Republican member of the House Appropriations Subcommittee on Labor, Health, Education and Welfare, has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of Defense.

Laird also is a high-ranking member of the Defense Subcommittee. One of Laird's most significant contributions to national security was sponsoring an amendment increasing the funding for the Polaris Submarine Program that enabled the U.S. to accelerate construction of Polaris missile submarines.

Laird has won recognition as a national leader, currently serving as chairman of the House Republican Conference, the highest policy-making body of Republican congressmen, which presides over all organizational decisions and leadership appointments or elections.

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He has played a significant role in Republican Party policymaking, having served as chairman of a National Platform Subcommittee as far back as the 1952 convention. Laird was vice chairman of the full committee in 1960 and chairman in 1964.

Laird has played a key role since 1964 on the Republican Coordinating Committee, the party's highest policymaking body, created in 1964 to help reestablish party unity. Its membership includes all living former Presidential nominees, the Joint House-Senate Republican leadership, as well as representatives of the Republican Governors Association, the Republican National Committee and state legislators.

The popularity of Laird with his constituents was attested Nov. 5 when he won reelection by receiving 64 per cent of the vote in his congressional district.

Laird was born Sept. 1, 1922 in Omaha, Neb., the son of Melvin R. and Helen Connor Laird. He started a career in politics at age 23 by winning election to succeed his father in the Wisconsin State Senate.

He served in the Senate from 1946 to 1952. The "Laird Report" on the Wisconsin tax structure, issued when Laird was chairman of the Legislative Council's Committee on Taxation, is regarded as a "student's textbook" on the state's tax system.

An author and editor of books dealing with major foreign and domestic policy issues, Laird's latest book is "Republican Papers," a compilation of 29 papers by distinguished academics and members of congress on the major domestic problems facing the nation.

He authored in 1962 "A House Divided: America's Strategy Gap" and edited "The Conservative Papers," published in 1964.

Laird has been the recipient of many honors, including the 15th Annual Albert Lakser Medical Research Award given in recognition of his efforts to promote medical research.

He also is the recipient of the distinguished service award of the American Political Science Association which cited him as "a forthright and persistent advocate whose intellectual courage and ability have consistently enlightened and enlivened public discussion of the important issues facing the nation."

Laird's family moved from Nebraska to Wisconsin when he was one-year-old. He makes his home in Marshfield, was educated in local public schools and was graduated from Carleton College in Northfield, Minn.

A World War II Navy veteran, Laird served as an enlisted man for two years before winning a commission. He served on the destroyer USS Maddox in the Pacific and was awarded the Purple Heart.

Laird is married to the former Barbara Masters. They have three children, John Osborne, 20, Alison, 17, and David Malcolm, 14.

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BIOGRAPHICAL SKETCH

Walter J. Hickel

Governor of Alaska

Secretary of the Interior - Designee

Gov. Walter J. Hickel, 49, Alaska's first Republican governor and the second chief executive since statehood, has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of the Interior.

One of Alaska's most successful businessmen and builders before winning election as governor in 1966, Hickel is an advocate of developing the nation's oceanic and polar resources.

He was born in Claflin, Kan. on Aug. 18, 1919, the son of Robert A. and Emma Zecha Hickel.

Hickel arrived almost penniless in Alaska from California at age 21 in 1940. Twenty-six years later Hickel's successful business interests were so extensive that he voluntarily placed his holdings in trusteeship to devote full time as governor.

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Hickel is a life-long Republican and was Republican National Committeeman from Alaska for 10 years before winning election as governor.

He started his building career constructing homes in 1946 and subsequently developed the Anchorage residential area "Tunagain by the Sea," Northern Lights Shopping Center and other major real estate investments.

In 1952 Hickel opened the Travelers Inn of Anchorage, built a Travelers Inn at Fairbanks in 1955 and in 1964 demonstrated his faith in Alaska's ability to recover from the disastrous earthquake that year by building the architectural prize-winning Captain Cook Hotel in Anchorage.

Hickel is a former chairman of the Alaska Chamber of Commerce Economic Development Committee, a former chairman of the Anchorage Natural Gas Co., a trustee of Alaska Methodist University and a director of Trans-America Title Co.

His childhood was spent on a farm in Kansas. Hickel participated in high school football, track and boxing. In 1938 he won the Kansas Golden Gloves welterweight championship.

Demonstrating a flair for entrepreneurship at an early age, Hickel bought a Claflin insurance business at age 19 and sold the business a year later before moving to California.

He had planned to travel to Australia, but foreign travel laws required Hickel to wait until age 21 to secure a passport and visa in his own right. He was a construction worker during the interim.

Impatient at delay in securing necessary travel papers after reaching age 21, Hickel started working his way up the Pacific Coast to Alaska, arriving at Seward in October 1940.

Hickel's first employment in Alaska was dishwashing in Anchorage. Then he worked with the Alaska Railroad, followed by jobs as a bartender, carpenter and civilian inspector for the U.S. Air Force.

He married Janice Cannon in 1941 and they had one son, Theodore. His wife died in 1943 after a brief illness.

Hickel married Ermalee Strutz in 1945. She is the daughter of pioneer Alaskans, Mr. and Mrs. Louis P. Strutz of Anchorage.. The Hickels are the parents of five boys, Robert, Walter, Jr., Jack, Joe and Karl.

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BIOGRAPHICAL SKETCH

Maurice H. Stans

Chairman, National Republican Finance Committee

Secretary of Commerce - Designee

Maurice H. Stans, 60, New York investment banker and budget director during the Eisenhower Administration, has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of Commerce.

During the 1968 Presidential campaign Stans headed the successful Nixon-Agnew fund-raising program as chairman of the National Republican Finance Committee.

Stans was director of the Bureau of the Budget 1958-60, after serving as deputy director 1957-60.

He helped effect a reorganization of financial and operating practices of the U.S. Post Office Department as a consultant to the postmaster general in 1953-55. Stans was deputy postmaster general 1955-57.

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Stans organized the fund-raising campaign for the Nixon-Agnew ticket in 1968 setting new records for contributions while raising more than \$20 million.

In excess of \$5 million was raised for the campaign through 23 simultaneous \$1,000 per plate dinners and about 300,000 individual contributions were received. Both achievements were political fund-raising records.

Stans took a leave of absence as president of Glore Forgan, William R. Staats, Inc. to raise funds for Nixon.

He headed Nixon's 1968 pre-convention funds drive and in 1962 was fund-raising chairman for Nixon's gubernatorial campaign.

A native of Shakopee, Minn., Stans was born March 22, 1908, the son of J. Hubert and Mathilda Nyssen Stans.

He was educated at Northwestern and Columbia Universities and was awarded honorary doctorate degrees from Northwestern, Illinois Wesleyan University, DePaul University and Parsons College.

Stans' business career started in 1928 when he joined the Chicago C.P.A. firm of Alexander Grant & Co. He was executive partner from 1940 to 1955.

Stans was president of Western Bancorporation of Los Angeles 1961-62 and vice chairman during this period of United California Bank, Los Angeles.

He was a senior partner 1963-64 and president 1964-65 of William R. Staats & Co., investment bankers, becoming president in 1965 of Glore Forgan, William R. Staats, Inc. of New York.

A certified public accountant, Stans received the American Accounting Association annual award in 1952, the American Institute of Certified Public Accountants annual award in 1954, the Tax Foundation award for distinguished public service in 1959 and in 1961 the Great Living American Award of the U.S. Chamber of Commerce.

An avid conservationist, Stans is the sponsor and major contributor for Stans African Hall, a museum in Rock Hill, N.C. to which he has given animals taken on his numerous African safaris.

He is an honorary member of the East African Professional Hunters Association, a member of the Shikar-Safari Club, the African Safari Club, the Explorers Club and the Adventurers Club.

Other clubs and professional memberships include the American Society of Public Administrators, Federal Government Accountants Association, Economic Club of Chicago, Union League of Chicago, California Club of Los Angeles and Recess Club of New York.

Stans and his wife, the former Kathleen Carmody, make their home in New York at 785 Fifth Ave. They have four children, Steven, Maureen, Terrel and Theodore.

OFFICE OF THE PRESIDENT-ELECT
Richard Nixon

NEWS RELEASE

Herbert G. Klein
Ron Ziegler

450 Park Avenue
New York, N.Y. 10022
(212) 661-6400
Night: 758-7527

BIOGRAPHICAL SKETCH

John N. Mitchell

Senior Partner -- Nixon, Mudge, Rose, Guthrie, Alexander & Mitchell
Attorney General - Designee

John N. Mitchell, 55, one of the nation's leading experts on the law of state and municipal governments, has been designated by President-Elect Richard M. Nixon as attorney general in the U.S. Department of Justice.

Born in Detroit, Mich. Sept. 5, 1913, Mitchell has spent most of his life in New York and was graduated from Fordham University and Fordham Law School.

He is a senior partner of the law firm of Nixon, Mudge, Rose, Guthrie, Alexander & Mitchell.

Mitchell is a former president of the Municipal Forum of New York and past president of the Municipal Bond Club of New York. He has lectured extensively at various universities and the Municipal Bond Club School on the subject of his expertise.

-more-

He managed Richard Nixon's campaign for the Presidency. It was his first national campaign, but Mitchell's long experience working with state and municipal political bodies proved to be good training for the national political scene.

During World War II he served as a Navy commander of motor torpedo boats in the Pacific.

Mitchell is married to the former Martha Beall. He has two daughters, Jill, 25, and Martha, 7. A son, John Jr., 27, who is an attorney with Bache & Co., is the father of Mitchell's two grandsons.

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BIOGRAPHICAL SKETCH

Winton M. Blount

President, Chamber of Commerce of the United States

Postmaster General - Designee

Winton M. Blount, 47, of Montgomery, Ala., president of the Chamber of Commerce of the United States, has been designated by President-Elect Richard Nixon as postmaster general for the U.S. Post Office Department.

Blount was born Feb. 1, 1921, in Union Springs, Ala., the son of Winton and Clara Belle Chalker Blount.

He was educated in Union Springs public schools, Staunton Military Academy and the University of Alabama. Blount served in the Army Air Corps during World War II.

A successful businessman, Blount in 1946 founded Blount Brothers Corp., general contractors in Montgomery. He is president and chairman of the board and also is chairman of the board of Benjamin F. Shaw Co., piping contractors.

Blount was selected as one of the four outstanding young men of Alabama in 1956. In 1961 he was named Man of the Year in Montgomery.

-more-

He was cited by the mayor of Montgomery in 1966 for distinguished service to the city and was awarded an honorary doctor of humane letters degree from Judson College in 1947.

Blount is a director of Gulf-American Fire and Casualty Co., Central Georgia Railway Co., the First National Bank of Montgomery, Kershaw Manufacturing Co., and Jackson-Atlantic, Inc.

In addition, Blount now holds or has held the following offices: Southern States Industrial Council, Nashville, director; Southern Research Institute, Birmingham, trustee; National Associated General Contractors of America Legislative Committee, member; United Appeal of Montgomery, director; and National Association of Manufacturers, director, 1962-67.

Also, National Industrial Conference Board, member; Young Presidents' Organization, former national treasurer and past chairman of the executive committee; National Council on Crime and Delinquency, National Emergency Committee, member; University of Alabama, trustee; and Alabama Chamber of Commerce, president 1962-64.

And, Alabama Road Builders' Association, past president; Montgomery YMCA, director; Rotary Club of Montgomery, past vice president and director; and Trinity Presbyterian Church of Montgomery, deacon.

Blount is married to the former Katherine Archibald. They have five children, Winton M. III, 24, Thomas A., 23, S. Roberts, 21, Katherine, 16, and Joseph W., 12.

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BIOGRAPHICAL SKETCH

Robert H. Finch

Lieutenant Governor, California

Secretary of Health, Education and Welfare - Designee

Lt. Gov. Robert H. Finch of California, who in 1966 won election by the largest vote of any statewide candidate, has been designated by President-Elect Richard Nixon as secretary of the Department of Health, Education and Welfare.

Finch is a long-time personal friend and political confidante of Nixon and played a key advisory role in the 1968 Nixon-Agnew campaign.

He was campaign director for Nixon's 1960 Presidential race and has been associated with him since he first ran for congress in 1946. Finch was Vice President Nixon's administrative assistant 1958-60.

As lieutenant governor Finch has won recognition for leadership in coordinating a massive job training program with the needs of private industry in his capacity as chairman of the California Job Training and Placement Council.

-more-

The program encompasses matching employment opportunities with the skills being taught to job trainees.

In addition, Finch served on the Republican Coordinating Committee Task Force on Job Opportunities. The task force had the assignment of making studies and recommendations in the broad area of job opportunities and welfare programs.

Born in Tempe, Ariz. Oct. 9, 1925, the son of Robert L. and Gladys Hutchison Finch, he has resided in California since 1933.

Finch, an eagle scout, was graduated from Inglewood High School, received an A.B. degree in political science from Occidental College in 1947 and was graduated from the University of Southern California Law School in 1951. He also holds an honorary doctor's degree from Occidental.

In 1943 Finch enlisted in the U.S. Marines at age 19 and was discharged as a sargeant in 1945. He was recalled in 1951 during the Korean War and was discharged as a first lieutenant.

Following the Korean War, Finch established a law practice and he is a former senior partner in the firm of Finch, Bell, Duitsman & Marguillis.

A powerful figure in California Republican Party circles for more than a decade, Finch is a former chairman of the Los Angeles Republican Central Committee and the executive committee of the Republican Associates. In 1964 he managed George Murphy's successful campaign for the U.S. Senate.

Finch is a regent of the University of California, a trustee of the California State Colleges and a trustee of Occidental College. He is a former faculty member at Palos Verdes College and Marymount College.

He also is chairman of the Commission of California, an international body dedicated to the economic, technical and cultural development of the Mexican state of Baja California and California, U.S.A.

Finch is chairman of the California Bicentennial Commission which is charged with making arrangements for the 1969 observance of the state's bicentennial, and chairman of the California Interagency Council for Ocean Resources.

Active in community affairs, Finch is a former director of the Centinella Valley YMCA, served in 1967 on the Statewide Committee of YMCA Youth Government, was a Little League manager 1962-65 and is a former member of the Los Angeles District Attorney's Advisory Committee.

Finch is a member of Legion Lex, Kappa Sigma, Phi Alpha Delta, the California Club, Los Angeles Athletic Club, Commonwealth Club, Jonathan Club and Town Hall.

He is married to the former Carol Crothers. They have four children, Maureen, 18, Kevin, 15, Priscilla, 13, and Cathleen, 11. The Finchs reside at 336 Flintridge Oaks Drive, Pasadena.

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BIOGRAPHICAL SKETCH

George P. Shultz

Dean and Professor, University of Chicago Graduate School of Business
Secretary of Labor - Designee

Dean George P. Shultz of the University of Chicago Graduate School of Business has been designated by President-Elect Richard Nixon as secretary of the U. S. Department of Labor.

Shultz currently is in residence for one year on a fellowship at the Center for Advanced Studies in the Behavioral Sciences at Stanford University.

Born in New York Dec. 13, 1920, the son of Birl E. and Margaret Lennox Pratt Shultz, he received a B.A. in economics from Princeton in 1942 and earned a Ph.D. in economics from Massachusetts Institute of Technology in 1942.

Shultz enlisted in the Marine Corps in World War II, served in the Pacific and was discharged with the rank of major.

Before joining the faculty at the University of Chicago in 1957, Shultz resided in Massachusetts and was a selectman in Stowe, 1953-55.

-more-

Shultz was a faculty member at MIT from 1946-57, but interrupted his teaching to take a leave of absence in 1955-56 to serve as senior staff economist for the Council on Economic Activities.

He is president of the Industrial Relations Research Association and is a director of Borg Warner Corp., General American Transportation Corp. and Stein, Roe & Farnham (Stock Fund and Balance Fund).

Shultz is co-chairman with Clark Kerr of the Automation Fund Commission, Armour & Co. and the Amalgamated Meat Packers and Butchers Union.

He is married to the former Helena M. O'Brien, who joined the Army in 1941 after completing nursing training in Nashua, N.H. They met in Hawaii during the war.

The Shultzs have five children, Margaret Ann, Kathleen Pratt, Peter Milton, Barbara Lennox and Alexander George. The family resides at 5731 S. Blackstone, Chicago.

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BIOGRAPHICAL SKETCH

John A. Volpe

Governor, Commonwealth of Massachusetts

Secretary of Transportation - Designee

Gov. John A. Volpe of Massachusetts, named by President Eisenhower as the nation's first federal highway administrator in 1956 and a successful builder in private life, has been designated by President-Elect Richard Nixon as secretary of the U.S. Department of Transportation.

During the 1968 Presidential campaign Volpe travelled extensively in behalf of the Republican ticket as a Surrogate Speaker and as chairman of the Nixon-Agnew Nationalities Committee. He also was a member of the Key Issues Committee.

Volpe is the immediate past chairman of the National Governors Conference.

In 1966 Volpe became the first governor elected to a four-year term in Massachusetts, winning reelection by a margin of more than 500,000 votes. He had served as governor 1961-62 and again 1965-66.

-more-

Volpe was born in Wakefield, Mass. Dec. 8, 1908, the son of Italian immigrant parents, Vito and Filomena Benedetto Volpe.

On graduation from high school Volpe became a hod carrier and ultimately a journeyman plasterer. He studied nights at Wentworth Institute in Boston and was graduated in 1930 after two years of full-time study with a major in architectural engineering.

In 1933 Volpe founded the John A. Volpe Construction Co. in Malden, Mass., with capital consisting of \$300 acquired by surrendering a life insurance policy and a \$200 loan.

The construction company prospered, but Volpe closed the firm to join the Seabees during World War II. He was discharged as a lieutenant commander and the construction firm became national in scope in the immediate post war period.

Volpe became active in Massachusetts Republican politics as a businessman concerned with the state's problems in the post war years and he served as deputy Republican state chairman in 1950-53.

In 1953 the late Gov. Christian Herter appointed Volpe commissioner of the Massachusetts Department of Public Works.

President Eisenhower acknowledged Volpe's talents as an administrator and builder by naming him federal highway administrator with responsibility in 1956-57 for launching the nationwide \$40 billion interstate highway construction program.

In his years as governor Volpe won recognition for fiscal responsibility in government, staking his successful 1964 campaign on the necessity of enacting limited sales tax and following through his pledge with a successful year-long battle against commanding Democratic legislative majorities in both houses.

Volpe's administration also has been marked by accomplishments in streamlining government and in fighting corruption in government, as well as advances in civil rights, consumer protection, preservation of natural resources, economic development, public health, mental health and education.

He is the recipient of 17 honorary degrees, including honors from Boston University, Suffolk University, St. Michael's College, Brandeis University and Northeastern University.

Volpe has been active on state and national levels in the Sons of Italy. He also is a Knight of Malta and a Knight of Sepulcher.

In 1960 Volpe was national president of the Associated General Contractors of America. He is a past president of the Society of American Military Engineers and a former president of the Greater Boston Chamber of Commerce.

Married to the former Jennie Benedetto, the Volpes moved recently to Boston after resideing in Winchester for many years. They have two children, Jean (Mrs. Roger H. Rotondi) and John A. Volpe and four grandchildren.

RN

12/10

2-3 hrs.

file

- C - Calif trip - physical exam - Lungren
- C - plan something for the evening of the 1st use productively

- Bill Casey - Under Sec for F?
- Rita Hauser - Counsel -

? Neo Champion for Ex Im Bank?

- John Burns - said Champion complaining

Stans - RN feels someone shld have dinner at his
+ Pete Fl for finance comm. top people
maybe Champion give dinner for Kennedy

M - has to brace Cliff Folger -

- Spitzer re Agric. Sec -
+ shld prob be asst secy.

Stans - did Cheatham's money go back?

- C - Bob Murphy - lunch - Lippman Fin at home
w/ Bill Rogers.

2/

E - Hard count on Cab. / Dems.

- researches - Ave. age of E. & then Cabo build case for comparable ages # of years in govt for each.

→ Hallow - tell Sens, etc. on farm - if they want Kelly? as Under now's the time.

Bill Rogers - Val Peterson - good Under Sec. or Asst. to Scandlin

- Bob Hill - asst. sec. - not Sat. Am.
- Schmidt from Mellon in Pitts. get Cleveland's job in NATO

Under Sec def - Scranton

T. Martin - not drinking

Fl - ask Morsbach re protocol

Se. Office

ck Tom Huston re idea for 2nd man in CIA
also Cushman + Hughes

C- RN - pay respects - 5:30
w/ PN + TN

LAWRENCE S. EAGLEBURGER
BIOGRAPHIC SKETCH

1. Born: Milwaukee, Wisconsin
August 1, 1930
2. Graduate University of Wisconsin (B.S.)
1952
3. U.S. Army (Second Lt.; First Lt.)
1952-54
4. Masters degree (political science)
University of Wisconsin
1957
5. Entered the Foreign Service as FSO-8
February 1957
 - a. Third Secretary (economic officer)
American Embassy, Tegucigalpa, Honduras
1957-1959
(Promoted to FSO-7 and then FSO-6 while
in Tegucigalpa)
 - b. Department of State,
Bureau of Intelligence Research (Cuban Political
Analyst)
1959-1961
 - c. Serbo-Croatian language training
1961-1962
 - d. Second Secretary (economic officer)
American Embassy, Belgrade, Yugoslavia
1962-1965
(Promoted to FSO-5 and then FSO-4 while in Belgrade)
 - e. Department of State
Executive Secretariat
1965-1966

- f. Special Assistant to Mr. Dean Acheson,
when he was here to advise the Secretary
and the President on the France-NATO crisis
(March 1966-July 1966)
- g. Member National Security Council Staff
1966-1967
(Working on European affairs)
- h. Special Assistant to the Under Secretary of State
1967 to present date
(Promoted to FSO-3 in 1968*)

* Present salary level - GS-15 (\$19,780)

MEMORANDUM

November 26, 1968

File

TO: Mr. John N. Mitchell
FROM: Franklin B. Lincoln, Jr.

CONFLICT OF INTEREST

Attached is a memorandum covering Executive Order 11222 dealing with Conflict of Interest.

Each Department and Agency has its own form and the Order provides that within 30 days after entering upon his duties, each government employee must file such a form with the Chairman of the Civil Service Commission.

In order to avoid later embarrassment to the appointee and the President-elect, it is suggested that before an appointment is made public, the appointee be requested to fill out the appropriate form which, if appointed, he will subsequently be required to file after entering upon his duties.

This will immediately determine whether the appointee objects to filling out such a form or whether he objects to disposing of certain financial interest which may be held to constitute a conflict.

If the appointee is willing to file such a form but a conflict appears, he can then decide if he is willing to take action to resolve the conflict.

Having made this determination, the President-elect is free to proceed with the appointment assuming, of course, a favorable security check.

We have made arrangements with the Counsel to the Civil Service Commission to give us the benefit of his legal opinions on clearing such conflicts prior to January 20th without revealing the Department or the name of the appointee.

Bill Harman and I would be willing to act as such a clearing house. If not, some one should be designated to carry on this function for the President-elect.

Franklin B. Lincoln.

November 17, 1968

CONFLICTS OF INTEREST

Executive Order No. 11222

On May 8, 1965, President Johnson signed Executive Order No. 11222 which codified the standards of ethical conduct for Executive Branch personnel. The Order, in effect, required all officials appointed by the President and reporting directly to him and certain other Federal officials and employees to sign statements of their financial interests. It also imposes strict requirements on the acceptance of gifts, entertainment, and favors by Executive Branch personnel. The Order also assigns certain responsibilities to the Civil Service Commission for issuing Government-wide regulations implementing the Order and for reviewing supplementary agency regulations covering their special situations.

Under Section 401 of Executive Order No. 11222 Presidential appointees in the Executive Office of the President who are not subordinate to the head of an agency in that office, agency heads and full time members of a committee, board or commission appointed by the President, must submit not later than 30 days after the date of his entrance on duty to the Chairman of the Civil Service Commission a confidential statement of employment and financial interests containing the following information:

- (1) A list of the names of all corporations, companies, firms, or other business enterprises, partnerships, non-profit organizations, and educational or other institutions --
 - (A) with which he is connected as an employee, officer, owner, director, trustee, partner, adviser, or consultant; or

- (B) in which he has any continuing financial interests, through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or
 - (C) in which he has any financial interest through the ownership of stocks, bonds, or other securities.
- (2) A list of the names of his creditors, other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.
 - (3) A list of his interests in real property or rights in lands, other than property which he occupies as a personal residence.

Each such statement provided by an appointee must be kept updated by submission of amendments or any changes in or additions to the information required to be included in the original statement, on a quarterly basis.

The interest of a spouse, minor child, or other member of his immediate household shall be considered to be an interest of a person required to submit a statement by or pursuant to Executive Order No. 11222.

Section 402 of the Executive Order provides that the Civil Service Commission prescribe regulations to require the submission of statements of financial interests by such employees, subordinate to the heads of agencies, as the Commission may designate. The

Commission shall prescribe the form and content of such statements and the time or times and places for such submission. Such regulations were issued by the Civil Service Commission 5 CFR Part 735 (1965) as amended. See discussion below.

The Chairman of the Civil Service Commission must report to the President any information contained in statements required by Section 401 of top officials discussed above which may indicate a conflict of interest. The Commission must report or by regulation require reporting to the head of the agency concerned any information contained in statements submitted by an employee subordinate to the head of his agency which may indicate a conflict of interest.

The statements and amended statements are held in confidence and no information as to their contents may be disclosed, except by the Chairman of the Civil Service Commission or by the head of the agency for good cause shown.

The remaining parts of Executive Order No. 11222 are concerned with certain delegations of authority to the Civil Service Commission and to agency heads under the conflicts of interest or other laws and under the Executive Order.

Attached hereto is a copy of "Confidential Statement of Employment and Financial Interests" to be submitted to the Chairman of the Civil Service Commission.

Sections 201 through 206 of Executive Order No. 11222 set forth standards governing the conduct of Executive Branch personnel, with specific attention given to the acceptance of gifts, entertainment and favors; outside employment, teaching and writing; and the use of Government information for private or personal gain.

Specifically, Section 201 provides that no employee shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or any other thing of monetary value, from any person, corporation, or group which has certain contacts with the

Government. That Section also authorizes agency heads to issue regulations, coordinated and approved by the Civil Service Commission, implementing the above provisions and to provide for appropriate exceptions as may be necessary. It is the intent of Section 201 that employees avoid any action which might result in or create the appearance of using public office for private gain, giving preferential treatment, impeding Government efficiency, losing independence of action, making decisions outside of official channels, or adversely affecting the confidence of the public in the integrity of the Government.

Section 202 prohibits employees engaging in outside employment including teaching, lecturing or writing, which might result in a conflict or an apparent conflict, between the private interests of the employee and his official Government duties and responsibilities.

Section 203 provides that employees may not have direct or indirect financial interests that conflict substantially or appear to conflict substantially with their responsibilities and duties as Federal employees, or engage in, directly or indirectly, financial transactions as a result of information obtained through their employment.

Section 204 prohibits an employee from using Federal property of any kind for other than officially approved activities.

Section 205 provides that an employee shall not directly or indirectly make use of official information not made available to the general public for the purpose of furthering private interests.

Section 206 provides that an employee must meet all just financial obligations, especially those, such as Federal, state and local taxes, which are imposed by law.

Civil Service Commission Regulations -
5CFR §§ 735.101 - 735.412 (1965) as Amended

On October 1, 1965, the Civil Service Commission issued regulations under which each agency head

was directed to issue regulations prescribing standards of conduct and responsibilities for the agency's employees and special government employees. The Civil Service Commission regulations require that agency regulations contain certain specified provisions covering the standards of conduct of its employees. These provisions deal with gifts, entertainment and favors; outside employment and other activities; financial interests; use of Government property; misuse of information; indebtedness; gambling, betting and lotteries; and general conduct prejudicial to the Government. Section 735.403 of the Civil Service Commission regulations provide that each agency head require statements of employment and financial interests from the following employees:

- (1) Employees paid at a level of the Executive Schedule in subchapter II of Chapter 53 of title 5, United States Code;
- (2) Employees classified at GS-13 or above who are in positions which are identified in the agency's regulations as positions the incumbents of which are responsible for making a Government decision or taking Government action in regard to contracting or procurement, administering or monitoring grants or subsidies, regulating or auditing private or other non-Federal enterprise, or other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise;
- (3) Employees classified at GS-13 or above, or at a comparable pay level under another authority, who are in positions which require the incumbent to report employment and financial interests in order to avoid involvement in a possible conflicts of interest situation; and

- (4) Employees classified below GS-13 specifically justified by the agency in writing to the Civil Service Commission.

Section 735.401 requires that the statements to be completed by the employees conform with certain requirements set out by the Civil Service Commission regulations. Those requirements are essentially those outlined above in the discussion of Executive Order No. 11222.

Excluded from the reporting provisions of agency regulations are employees determined by the agency to hold positions, the duties of which are such that the likelihood of a conflict is remote, or position, the duties of which are at such a level or responsibility that the submission of a statement is not necessary because of the degree of supervision. Also excluded are employees of an agency having an existing procedure, approved by the Civil Service Commission, which is adequate to prevent possible conflict. Most important, excluded from these reporting provisions are an agency head, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in that office, or a full time member of a committee, board, or commission appointed by the President. These employees are subject to separate reporting requirements under Section 401 of the Executive Order No. 11222. These requirements are discussed above.

We have been informed by the Civil Service Commission that some 60 agencies have issued regulations in accordance with the Civil Service Commission regulation.

A list of the regulations of the largest departments and agencies and their appropriate disclosure forms are available upon request to William R. Harman.

Trust Arrangements with Respect
to Financial Interests

As discussed above, Section 401 of Executive Order No. 11222 requires that certain Presidential appointees file a confidential statement of employment and financial interests with the Chairman of the Civil Service Commission. The Chairman of the Commission is required to report to the President any information contained in such statements which may indicate a conflict between the financial interests of the official concerned and the performance of his services for the Government.

The Chairman of the Civil Service Commission, when an appointee's financial interests are such that they may conflict or appear to conflict with his official responsibilities, normally advises the appointee as to minimum arrangements which will satisfactorily resolve the question raised.

If an appointee or his spouse, minor child, or other member of his immediate household has financial interests, such as stocks, bonds or other securities that are in question, the requirements of Executive Order No. 11222 may be met satisfactorily by vesting management and control of such financial interests legally in a third party trustee -- in other words, a formal "no-control" trust arrangement.

In practice, Presidential appointees to some of the more important and sensitive positions have gone beyond the "no-control" arrangement on their own initiative or in connection with Senate confirmation. Such arrangements have included placing their interests in a "blind" or "ignoramus" trust, that is, outside the knowledge, as well as the control, of the appointee. Another arrangement provides that the trustee, whether in a "no-control" or "blind" arrangement, shall not invest in interests related to the work of the agency. A third alternative is complete divestment of financial interests through sale of such interests within a reasonable period of time.

Certain arrangements have been found to be unacceptable to the Chairman of the Civil Service Commission and include the following:

- (1) A personal declaration or certification by the appointee that he will disqualify himself from acting in any situation involving a business enterprise in which he has financial interests;
- (2) A personal declaration or certification that he will immobilize financial interests during his period of office;
or
- (3) A personal declaration or certification that he will maintain financial interests in such a diversified manner that his holdings in any one business enterprise will remain so small that there is no possibility of his having a control or influence position with respect to the business.