

**The original documents are located in Box 38, folder “Personnel - Conflict of Interest, Greenspan, Alan” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.**

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*Greenspan, Alan*

September 10, 1974

Dear Mr. Chairman:

You will recall during Alan Greenspan's confirmation hearings I gave you a draft of a letter from Alan to the President together with some boilerplate language from the President to Alan regarding an official conflict of interest waiver.

The law provides a waiver authority for cases in which only a remote and technical conflict exists when there is advance disclosure to the person by whom the official was appointed, followed by written consent. Full disclosure of Mr. Greenspan's interests was made to the Senate Banking Committee along with the text of the attached waiver letter. The Committee was assured that the President would sign this waiver as soon as Alan took office. This has been done and I am sending the copies for your information and files.

With warm regard,

Sincerely,

Tom C. Korologos  
Deputy Assistant  
to the President

Enclosure

Honorable John Sparkman  
Chairman  
Banking, Housing and Urban Affairs Committee  
United States Senate  
Washington, D.C. 20510



bcc: w/inc to William E. Timmons; Alan Greenspan; Philip Buchen; and Dudley Chapman

TCK:gh

**September 6, 1974**

**To: Tom Korologos**

**From: Phil Buchen**

**Attached is a copy of the  
Conflict of Interest Waiver for  
Alan Greenspan which has been  
signed by the President.**



SEPTEMBER 4, 1974

Office of the White House Press Secretary

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THE WHITE HOUSE

ALAN GREENSPAN  
Biographical Data

The President announced his intention to nominate Alan Greenspan, to be a member of the Council of Economic Advisers on July 23, 1974, succeeding Herbert Stein. The President also announced that Mr. Greenspan be designated Chairman of CEA upon his confirmation and appointment as a member.

From 1959 Mr. Greenspan was President and member of the Board of Directors of Townsend-Greenspan & Co., Inc., economic consultants. He was also a consultant to the Council of Economic Advisers, the Department of the Treasury, and the Federal Reserve Board, and a member of the GNP Review Committee of the Office of Management and Budget. Mr. Greenspan was a member of Time Magazine's Board of Economists, Senior Adviser to the Brookings Institution Panel on Economic Activity, Director of the National Economists Club, Vice Chairman of the Conference of Business Economists, and Past President (1970) and Fellow of the National Association of Business Economists.

He was born on March 6, 1926 in New York, New York. Mr. Greenspan received his B. S. degree, summa cum laude, and his M. A. degree from New York University, and has done advanced graduate work at NYU and Columbia University. In addition to his current activities, he has also been a member of the Commission on an All-Volunteer Armed Force (1969-70), the Commission on Financial Structure and Regulation (1970-71), the Task Force on Economic Growth (1969), the Economic Advisory Board of the Secretary of Commerce (1971-72) and the Securities and Exchange Commission's Central Market System Committee (1972).

Mr. Greenspan resides in Washington, D. C..

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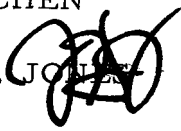
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THE WHITE HOUSE  
WASHINGTON

August 31, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: PHIL BUCHEN  
FROM: JERRY H. ~~JONES~~   
SUBJECT: Conflict of Interest Waiver  
for Alan Greenspan

Your memorandum to the President of August 28 on the above subject has been reviewed and signed by the President. It is passed on to you for appropriate action.

Thank you.

cc: Al Haig



EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20506

August 28, 1974

MEMORANDUM FOR: Mr. Philip W. Buchen  
Counsel to the President

In accordance with your memorandum of August 24, I am returning the enclosures with Mr. Greenspan's signature under his letter to the President. Please have the date of August 23 typed on the letter with the typewriter that was used in your office. Any later date would be inconsistent with the future tense in the sentence "I shall resign..." (second complete paragraph on page two of the letter.) Please have also the name of Rose Goldsmith added to that of John Somers and Kathryn Eickhoff who are listed as members of the Board of Directors in the second paragraph of the Schedule of Actions.



William J. Fellner, Member  
Council of Economic Advisers



EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20506

August 28, 1974

MEMORANDUM FOR: Mr. Philip W. Buchen  
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*William J. Fellner*

William J. Fellner, Member  
Council of Economic Advisers

*Sent to  
Jane 8/28/74*



THE WHITE HOUSE

WASHINGTON

August 28, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

PHILIP BUCHEN

TWB

SUBJECT:

Conflict of Interest Waiver  
for Alan Greenspan

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The law provides a waiver authority for cases in which only a remote and technical conflict exists when there is advance disclosure to the person by whom the official was appointed, followed by written consent. Full disclosure of Mr. Greenspan's interests was made to the Senate Banking Committee along with the text of the attached waiver letter. The Committee was assured that it would be submitted for your signature as soon as the new Chairman takes office.





August 23, 1974

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

Dear Mr. President:

I wish to acknowledge with thanks and deep appreciation your very kind request that I serve as Chairman of the Council of Economic Advisors. I am most pleased to accept the position and gratefully express my thanks for the opportunity to serve at this challenging time.

I am advised by counsel that my financial and professional association with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. of One New York Plaza, New York, New York, could raise questions under Title 18, Section 208 of the United States Code that should be resolved prior to the commencement of my term of service.

I have been associated with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. for more than twenty years. Approximately 15 years ago I became the controlling stockholder, Senior Executive and member of the Board of Directors of Townsend-Greenspan & Co., Inc. Townsend-Skinner & Co., Inc. is a wholly-owned subsidiary of Townsend-Greenspan & Co., Inc. of which there are but two stockholders -- I, holding 99% of the stock, and a key employee, M. Kathryn Eickhoff, holding the balance. These companies are engaged in providing consulting services in the general field of economics. Neither company has any present contractual or financial connections with the U. S. Government or any of its agencies, nor is it contemplated that any such connection would occur during my term of service, except as noted in the attached schedule. In my opinion and that of my counsel, my interest in the companies involved



August 23, 1974

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

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Honorable Gerald R. Ford

Page Two

is remote from the responsibilities of my office and would have no direct effect upon my anticipated Government services.

I intend to resume my financial and professional association with the respective companies subsequent to my term of service, and in the interim the name 'Greenspan' will continue in the corporate name "Townsend-Greenspan and Company, Inc." Under these circumstances, I am advised by counsel to request from you a waiver under 18 U.S.C. 208(b), Clause (1), with respect to any possible conflict that might be inferred from my retention of an interest in the stock of Townsend-Greenspan and Co., Inc., subject to the conditions hereinafter set forth.

I shall resign as an officer and director of the respective companies. All of the voting rights and privileges of my capital stock interest shall be exercised by John Somers acting under a general Power of Attorney. The general Power of Attorney shall continue at all times during my term of service on the Council of Economic Advisors. He is being instructed by me that I shall not enjoy any rights or privileges resulting from such stock ownership during my term of service on the Council of Economic Advisors.

The distributable profits of Townsend-Greenspan and Co., Inc., if any, which would otherwise accrue to me under Subchapter S as the stockholder, will be turned over to a funded program for the benefit of the employees of Townsend-Greenspan and Co., Inc., during my term of office. It is my intent by such provision to place such profits beyond any present or future distribution to me.

The attached Schedule delineates the actions to be taken prior to my term of service on the Council of Economic Advisors in order to give effect to my disengagement from any involvement in the affairs of Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. during my term of office.

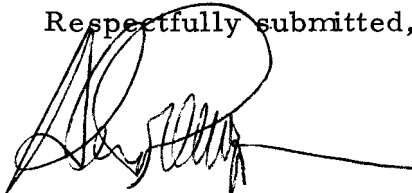
Since I shall not participate in the affairs of the respective companies during my term of office, I do request, however, that a third person such as my attorney, John Somers, receive information regarding the financial condition of the respective companies. Such information will be provided to me in some form in the event there is a substantial deterioration or erosion of the financial condition of either company.



Honorable Gerald R. Ford  
Page Three

Because of my retention of the stock interest I have in Townsend-Greenspan and Company, Inc., and my prospective return to the firm, I am advised by counsel to request from you a waiver pursuant to 18 U.S.C. 208(b)(1) with respect to any possible conflict that might be inferred under 18 U.S.C. 208(a) in the sense that such stock could represent a financial interest covered by that provision and the firm itself might have such a financial interest. I believe that under the arrangements described above those financial interests are clearly not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from me as Chairman of the Council of Economic Advisors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alan Greenspan", with a long horizontal line extending to the right.

Alan Greenspan

I determine that the interest described above is not so substantial as to be likely to affect the integrity of the services which the Government may expect from Alan Greenspan as Chairman of the Council of Economic Advisors.

A handwritten signature in black ink, appearing to read "Gerald R. Ford", with a long horizontal line extending to the right.

Gerald R. Ford



## SCHEDULE OF ACTIONS

Townsend-Greenspan & Co., Inc.

and

Townsend-Skinner & Co., Inc.

Special joint meeting of stockholders and board of directors of each company.

Board of directors reconstituted John Somers, Kathryn Eickhoff and Rose Goldsmith.

Officers reconstituted - President, John Somers; Secretary-Treasurer, Kathryn Eickhoff.

Alan Greenspan resigns as an officer and director of the respective companies.

Alan Greenspan files a general Power of Attorney with the Secretary of each corporation designating John Somers with authority to act.

Board of directors, as reconstituted, undertakes the following action:

1. Establishes an employee fund of all profits of Townsend-Greenspan & Co., Inc. for the balance of the calendar year commencing with the effective date of Alan Greenspan's term of service as Chairman of the Council of Economic Advisors by resolution duly adopted.
2. Continues the employee fund in subsequent years during Alan Greenspan's term of government service.
3. Undertakes such further actions, if any, as are necessary to give effect to Alan Greenspan's termination of involvement in the affairs of the companies during government service.

RESEARCH PROPOSAL  
SUBMITTED TO THE NATIONAL SCIENCE FOUNDATION  
RESEARCH APPLIED TO NATIONAL NEEDS (RANN)

The Dow Chemical Company  
Midland, Michigan

MICHIGAN ENERGY INDUSTRIAL CENTER STUDY

Amount Requested - \$318,817  
Proposed Duration - 6 Months

Requested Starting Date - 5/1/74

Robert S. Spencer  
Principal Investigator

Social Security No. 366-10-1739

Business Counselor

Telephone (517) 636-2404 or  
636-0637

Organization Affiliation  
Economic Planning & Development Department

2030 Dow Center  
Midland, Michigan 48640

Endorsements  
Principal Investigator

Name Robert S. Spencer

Signature \_\_\_\_\_

Title Business Counselor

Date March 15, 1974

Approving  
Administrative Official

Name Earl B. Barnes

Signature \_\_\_\_\_

Title Vice President

Date March 15, 1974



## RANN PROPOSAL BUDGET

### Budget Summary-Nonacademic Organization

(Use a Separate Column for Each Year)

A. SALARIES AND WAGES (Indicate percent of time to be devoted to this project.)	
1. Senior Staff . . . . .	\$ 30,624
2. Other Professional Staff . . . . .	8,000
3. Clerical-Technical Staff	
B. STAFF BENEFITS (If Charged as Direct Costs) (overhead). . . . .	
	20,427
C. TOTAL SALARIES, WAGES, AND STAFF BENEFITS . . . . .	
	59,051
D. PERMANENT EQUIPMENT	
E. EXPENDABLE EQUIPMENT AND SUPPLIES	
F. TRAVEL	
1. Domestic . . . . .	18,368
2. Foreign	
G. PUBLICATION COSTS . . . . .	
	4,000
H. COMPUTER COSTS (If Charged as Direct Costs)	
I. OTHER COSTS (E. g. Subcontracts, Consultants, etc. - Itemize)* . . . . .	
	213,400
J. TOTAL DIRECT COSTS (C through I). . . . .	
	294,819
K. INDIRECT COSTS 8.14% of \$294,819 . . . . .	
	23,998
L. TOTAL COSTS (J plus K) . . . . .	
	318,817

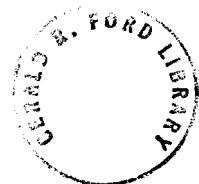
*	W. S. Butler	\$ 18,000
	B. W. Wilkinson	5,400
	M. K. Enns	20,000
	Cravath, Swaine & Moore	75,000
	Townsend and Greenspan	75,000
	Environmental Research Institute	20,000



ABSTRACT

This proposal offers a six month, best effort program to review the reduction in energy consumption and financial savings possible through the use of energy industrial centers and the wheeling of electricity for private industries. Better design and operation will reduce the inefficiency in energy consumption. Reduction in number of package boilers and utilization of coal and nuclear fuels for steam production would reduce the demand for oil and natural gas. Legal and regulatory controls may require modifications for utilities to accommodate these modes of operations. The environment will be affected by the physical changes associated with energy industrial centers.

The proposed research program will be conducted in four segments. Part I will be the technical and industrial portion conducted by The Dow Chemical Company. Dow will do the engineering study on boiler design, combined electricity-steam production, control and instrumentation systems, operation and system analysis. Part II will be the economical portion conducted by Townsend and Greenspan. A study will be made into the economical aspects of combined electricity-steam production along with a review of future capital funding patterns for the private utility. Part III will be the legal portion by Cravath, Swaine and Moore. A review will be made of the legal and regulatory policies governing the wheeling of electricity and the energy-industrial centers. Part IV will be the environmental Portion by the Environmental Research Institute of Michigan. A study will be made to determine the impact on the environment.





8/29/24

given to

Dotty

THE WHITE HOUSE

WASHINGTON

August 28, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

PHILIP BUCHEN

TWB

SUBJECT:

Conflict of Interest Waiver  
for Alan Greenspan

The fact that Alan Greenspan will return to his economic consulting firm when he leaves the government creates the appearance of a possible conflict of interest. It could be alleged, for example, that his recommendations were influenced by the interests of the large clients of his consulting firm. Alan's integrity, of course, makes any such motivation unthinkable. Even Senator Proxmire, who opposed the appointment because of policy differences, emphatically endorsed his integrity.

The law provides a waiver authority for cases in which only a remote and technical conflict exists when there is advance disclosure to the person by whom the official was appointed, followed by written consent. Full disclosure of Mr. Greenspan's interests was made to the Senate Banking Committee along with the text of the attached waiver letter. The Committee was assured that it would be submitted for your signature as soon as the new Chairman takes office.



August 23, 1974

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

Dear Mr. President:

I wish to acknowledge with thanks and deep appreciation your very kind request that I serve as Chairman of the Council of Economic Advisors. I am most pleased to accept the position and gratefully express my thanks for the opportunity to serve at this challenging time.

I am advised by counsel that my financial and professional association with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. of One New York Plaza, New York, New York, could raise questions under Title 18, Section 208 of the United States Code that should be resolved prior to the commencement of my term of service.

I have been associated with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. for more than twenty years. Approximately 15 years ago I became the controlling stockholder, Senior Executive and member of the Board of Directors of Townsend-Greenspan & Co., Inc. Townsend-Skinner & Co., Inc. is a wholly-owned subsidiary of Townsend-Greenspan & Co., Inc. of which there are but two stockholders -- I, holding 99% of the stock, and a key employee, M. Kathryn Eickhoff, holding the balance. These companies are engaged in providing consulting services in the general field of economics. Neither company has any present contractual or financial connections with the U. S. Government or any of its agencies, nor is it contemplated that any such connection would occur during my term of service, except as noted in the attached schedule. In my opinion and that of my counsel, my interest in the companies involved



Honorable Gerald R. Ford

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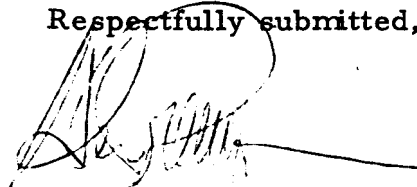
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and

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RESEARCH APPLIED TO NATIONAL NEEDS (RANN)

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Midland, Michigan 48640

Endorsements  
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Signature \_\_\_\_\_

Title Business Counselor

Date March 15, 1974

Approving  
Administrative Official

Name Earl B. Barnes

Signature \_\_\_\_\_

Title Vice President

Date March 15, 1974



# RANN PROPOSAL BUDGET

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*Feller, Charles  
Conflict of  
Interest*

Wednesday 8/28/74

12:05 Skip Williams said he had a call from Dr. Feller of the Council of Economic Advisers and the waiver for Greenspan will be signed today and they will return the whole package to you -- for sending to the President.



August 24, 1974

**MEMORANDUM FOR**

**Dr. William J. Fellner  
Council of Economic Advisors**

As noted in the attached material, the Senate Banking Committee has requested that the Conflict of Interest Waiver be forwarded to them as soon as Alan Greenspan takes the oath of office as Chairman.

It would be appreciated if the date could be inserted in the letter at the time Mr. Greenspan signs it. It could then be returned to me for transmission to the President for his approval.

**Philip W. Buchen  
Counsel to the President**

**Attachments**

PWBuchen:ed



THE WHITE HOUSE  
WASHINGTON

August 20, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP BUCHEN

SUBJECT: Conflict of Interest Waiver  
for Alan Greenspan

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The White House  
Washington, D. C. 20500

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I wish to acknowledge with thanks and deep appreciation your very kind request that I serve as Chairman of the Council of Economic Advisors. I am most pleased to accept the position and gratefully express my thanks for the opportunity to serve at this challenging time.

I am advised by counsel that my financial and professional association with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. of One New York Plaza, New York, New York, could raise questions under Title 18, Section 208 of the United States Code that should be resolved prior to the commencement of my term of service.

I have been associated with Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. for more than twenty years. Approximately 15 years ago I became the controlling stockholder, Senior Executive and member of the Board of Directors of Townsend-Greenspan & Co., Inc. Townsend-Skinner & Co., Inc. is a wholly-owned subsidiary of Townsend-Greenspan & Co., Inc. of which there are but two stockholders -- I, holding 99% of the stock, and a key employee, M. Kathryn Eickhoff, holding the balance. These companies are engaged in providing consulting services in the general field of economics. Neither company has any present contractual or financial connections with the U. S. Government or any of its agencies, nor is it contemplated that any such connection would occur during my term of service, except as noted in the attached schedule. In my opinion and that of my counsel, my interest in the companies involved

Honorable Gerald R. Ford

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is remote from the responsibilities of my office and would have no direct effect upon my anticipated Government services.

I intend to resume my financial and professional association with the respective companies subsequent to my term of service, and in the interim the name 'Greenspan' will continue in the corporate name "Townsend-Greenspan and Company, Inc." Under these circumstances, I am advised by counsel to request from you a waiver under 18 U.S.C. 208(b), Clause (1), with respect to any possible conflict that might be inferred from my retention of an interest in the stock of Townsend-Greenspan and Co., Inc., subject to the conditions hereinafter set forth.

I shall resign as an officer and director of the respective companies. All of the voting rights and privileges of my capital stock interest shall be exercised by John Somers acting under a general Power of Attorney. The general Power of Attorney shall continue at all times during my term of service on the Council of Economic Advisors. He is being instructed by me that I shall not enjoy any rights or privileges resulting from such stock ownership during my term of service on the Council of Economic Advisors.

The distributable profits of Townsend-Greenspan and Co., Inc., if any, which would otherwise accrue to me under Subchapter S as the stockholder, will be turned over to a funded program for the benefit of the employees of Townsend-Greenspan and Co., Inc., during my term of office. It is my intent by such provision to place such profits beyond any present or future distribution to me.

The attached Schedule delineates the actions to be taken prior to my term of service on the Council of Economic Advisors in order to give effect to my disengagement from any involvement in the affairs of Townsend-Greenspan & Co., Inc. and Townsend-Skinner & Co., Inc. during my term of office.

Since I shall not participate in the affairs of the respective companies during my term of office, I do request, however, that a third person such as my attorney, John Somers, receive information regarding the financial condition of the respective companies. Such information will be provided to me in some form in the event there is a substantial deterioration or erosion of the financial condition of either company.



Honorable Gerald R. Ford  
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Because of my retention of the stock interest I have in Townsend-Greenspan and Company, Inc., and my prospective return to the firm, I am advised by counsel to request from you a waiver pursuant to 18 U.S.C. 208(b)(1) with respect to any possible conflict that might be inferred under 18 U.S.C. 208(a) in the sense that such stock could represent a financial interest covered by that provision and the firm itself might have such a financial interest. I believe that under the arrangements described above those financial interests are clearly not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from me as Chairman of the Council of Economic Advisors.

Respectfully submitted,

Alan Greenspan

I determine that the interest described above is not so substantial as to be likely to affect the integrity of the services which the Government may expect from Alan Greenspan as Chairman of the Council of Economic Advisors.

Gerald R. Ford



SCHEDULE OF ACTIONS

Townsend-Greenspan & Co., Inc.

and

Townsend-Skinner & Co., Inc.

Special joint meeting of stockholders and board of directors of each company.

Board of directors reconstituted John Somers, Kathryn Eickhoff and

Officers reconstituted - President, John Somers; Secretary-Treasurer, Kathryn Eickhoff.

Alan Greenspan resigns as an officer and director of the respective companies.

Alan Greenspan files a general Power of Attorney with the Secretary of each corporation designating John Somers with authority to act.

Board of directors, as reconstituted, undertakes the following action:

1. Establishes an employee fund of all profits of Townsend-Greenspan & Co., Inc. for the balance of the calendar year commencing with the effective date of Alan Greenspan's term of service as Chairman of the Council of Economic Advisors by resolution duly adopted.
2. Continues the employee fund in subsequent years during Alan Greenspan's term of government service.
3. Undertakes such further actions, if any, as are necessary to give effect to Alan Greenspan's termination of involvement in the affairs of the companies during government service.





RESEARCH PROPOSAL  
SUBMITTED TO THE NATIONAL SCIENCE FOUNDATION

RESEARCH APPLIED TO NATIONAL NEEDS (RANN)

The Dow Chemical Company  
Midland, Michigan

MICHIGAN ENERGY INDUSTRIAL CENTER STUDY

Amount Requested - \$318,817  
Proposed Duration - 6 Months

Requested Starting Date - 5/1/74

Robert S. Spencer  
Principal Investigator

Social Security No. 366-10-1739

Business Counselor

Telephone (517) 636-2404 or  
636-0637

Organization Affiliation  
Economic Planning & Development Department

2030 Dow Center  
Midland, Michigan 48640

Endorsements  
Principal Investigator

Name Robert S. Spencer

Signature \_\_\_\_\_

Title Business Counselor

Date March 15, 1974

Approving  
Administrative Official

Name Earl B. Barnes

Signature \_\_\_\_\_

Title Vice President

Date March 15, 1974



## RANN PROPOSAL BUDGET

### Budget Summary-Nonacademic Organization

(Use a Separate Column for Each Year)

A. SALARIES AND WAGES (Indicate percent of time to be devoted to this project.)	
1. Senior Staff . . . . .	\$ 30,624
2. Other Professional Staff . . . . .	8,000
3. Clerical-Technical Staff	
B. STAFF BENEFITS (If Charged as Direct Costs) (overhead). . . . .	
	20,427
C. TOTAL SALARIES, WAGES, AND STAFF BENEFITS . . . . .	
	59,051
D. PERMANENT EQUIPMENT	
E. EXPENDABLE EQUIPMENT AND SUPPLIES	
F. TRAVEL	
1. Domestic . . . . .	18,368
2. Foreign	
G. PUBLICATION COSTS . . . . .	
	4,000
H. COMPUTER COSTS (If Charged as Direct Costs)	
I. OTHER COSTS (E.g. Subcontracts, Consultants, etc. - Itemize)* . . . . .	
	213,400
J. TOTAL DIRECT COSTS (C through I). . . . .	
	294,819
K. INDIRECT COSTS 8.14% of \$294,819 . . . . .	
	23,998
L. TOTAL COSTS (J plus K) . . . . .	
	318,817
* W. S. Butler \$ 18,000	
B. W. Wilkinson 5,400	
M. K. Enns 20,000	
Cravath, Swaine & Moore 75,000	
Townsend and Greenspan 75,000	
Environmental Research Institute 20,000	

ABSTRACT

This proposal offers a six month, best effort program to review the reduction in energy consumption and financial savings possible through the use of energy industrial centers and the wheeling of electricity for private industries. Better design and operation will reduce the inefficiency in energy consumption. Reduction in number of package boilers and utilization of coal and nuclear fuels for steam production would reduce the demand for oil and natural gas. Legal and regulatory controls may require modifications for utilities to accommodate these modes of operations. The environment will be affected by the physical changes associated with energy industrial centers.

The proposed research program will be conducted in four segments. Part I will be the technical and industrial portion conducted by The Dow Chemical Company. Dow will do the engineering study on boiler design, combined electricity-steam production, control and instrumentation systems, operation and system analysis. Part II will be the economical portion conducted by Townsend and Greenspan. A study will be made into the economical aspects of combined electricity-steam production along with a review of future capital funding patterns for the private utility. Part III will be the legal portion by Cravath, Swaine and Moore. A review will be made of the legal and regulatory policies governing the wheeling of electricity and the energy-industrial centers. Part IV will be the environmental Portion by the Environmental Research Institute of Michigan. A study will be made to determine the impact on the environment.

THE WHITE HOUSE  
WASHINGTON

August 22, 1974

For: Phil Buchen

From: Dudley Chapman *UC*

This is the Greenspan waiver I mentioned on the phone to be executed either before or just after he takes the oath of office.

Before the President signs:

- 1) the date needs to be inserted in the letter and
- 2) Greenspan must sign it.

After the President signs:

-- one copy to Tom Korologos for transmission to the Senate Banking Committee.

*Conflict of Interest*

Thursday 8/22/74

8:50 I checked with Dudley Chapman to see to whom this should be forwarded.

He said he supposed the best thing would be to send it to Dr. Fellner of CEA noting that these items should be available at the time of Mr. Greenspan's swearing-in.

