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NOMINATION OF FRANK WILLE

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HEARING

BEFORE THE

COMMITTEE ON BANKING AND CURRENCY

UNITED STATES SENATE

NINETY-FIRST CONGRESS

SECOND SESSION

ON

THE NOMINATION OF FRANK WILLE TO BE A MEMBER OF
THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT
INSURANCE CORPORATION

MARCH 5, 1970

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Committee on Banking and Currency

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NOMINATION OF FRANK WILHE

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HEARING
COMMITTEE ON BANKING AND CURRENCY
UNITED STATES SENATE
SEVENTY-FIRST CONGRESS

COMMITTEE ON BANKING AND CURRENCY

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NOMINATION OF FRANK WILLE

THURSDAY, MARCH 5, 1970

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 5302, New Senate Office Building, Senator John Sparkman (chairman of the committee) presiding.

Present: Senators Sparkman, Proxmire, Bennett, and Goodell.

The CHAIRMAN. Let the committee come to order.

We are glad to have you before us this morning, Mr. Wille. The nomination has been approved by both Senator Javits and Senator Goodell of the State of New York. Senator Javits is present and we are glad to hear from him at this time. Senator Goodell has indicated that he expects to be here later.

We are glad to have you before us this morning, Mr. Wille. The nomination has been approved by both Senator Javits and Senator Goodell of the State of New York. Senator Javits is present and we are glad to hear from him at this time. Senator Goodell has indicated that he expects to be here later.

STATEMENT OF HON. JACOB K. JAVITS, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator JAVITS. I have the great pleasure personally, and I consider it a very fine thing for my State, to introduce Frank Wille to the committee, to commend him to the committee and urge his confirmation.

Since 1964 he has been the superintendent of banks for the State of New York. He came to that office after serving as the first assistant counsel to Governor Rockefeller.

As a born and bred New Yorker, he is a relatively young man and has a fine war record. As a lawyer he was with one of our very best firms in New York and in the last 10 years has had very mature experience with the executive department of the State of New York. I asked him when he came to me about this matter why he wanted to be in the FDIC, considering the capability that he had shown for our own State, with the intimation that perhaps he ought to stay in the State. I think he could go very far if he did.

But he said he had a deep interest in the banking system nationwide and felt a call to find a place in this area.

I think the United States is very fortunate to get a man as young and as well equipped as he to do this job. I hope very much the members of the committee will find Mr. Wille as distinguished and able a lawyer and banker as we have in the State of New York.

The CHAIRMAN. Thank you very much, Senator Javits. We appreciate having that fine statement from you.

Senator BENNETT. May I make a comment?

The CHAIRMAN. Yes, indeed.

Senator BENNETT. Mr. Chairman, I had the privilege of recommending the appointment of Mr. Wille's predecessor who is just completing his full term with what I consider to be great honor to himself and to the State of Utah.

I think the best recommendation I have received for Mr. Wille is that he has Mr. Randall's full approval and support. I think because of the nature of the FDIC, as contrasted with the responsibilities of the Comptroller, it is altogether fitting that Mr. Wille, who has been active in the State banking side of the banking industry, as Mr. Randall was, should be given this position. I am delighted to welcome him to the job and assure him of my complete cooperation and support.

Mr. WILLE. Thank you, Senator Bennett.

The CHAIRMAN. Thank you, Senator Bennett. I see Senator Goodell has come in. He also wanted to present the nominee to the committee and I will call upon him now for that purpose.

Senator GOODELL. Thank you, Mr. Chairman. I am pleased to welcome Mr. Frank Wille to the committee and even more pleased to introduce him to my colleagues as a nominee for membership on the Board of Directors of the Federal Deposit Insurance Corporation.

I believe Mr. Wille to be an excellent choice for this position and wholeheartedly endorse his nomination.

His well-rounded academic and professional background will serve him well on the FDIC.

He studied law at Harvard University and received a master's degree in tax law from New York University.

As first assistant counsel to Gov. Nelson Rockefeller for 2 years, and as a member of the joint legislative committee on interstate cooperation, Mr. Wille had the opportunity to gain executive and political insight into the workings of State government.

Despite this impressive background, what qualifies Frank most for FDIC office is his service as superintendent of banks of the State of New York. Appointed to this important post at the age of 33, he brought vigor and enthusiasm to the administration and supervision of the State banking department. He was largely responsible for the fundamental modernization of State banking laws and procedures, particularly with respect to branch banking and mergers. He performed this awesome task with great ability, skill, and efficiency.

In addition to his State responsibilities, Frank serves as first vice president of the National Association of Supervisors of State Banks and is chairman of the association's Federal legislation committee. In this capacity, he has testified before this committee many times regarding bank legislation.

As a member of the advisory commission on commercial bank supervision, he was one of the authors of the pioneer study of Federal banking institutions.

These many affiliations—both State and national—have given Frank a complete knowledge and understanding of banking institutions and their relation to other financial institutions. He has been nominated to serve on the FDIC and comes to us well qualified and with a most impressive background in banking and finance.

I urge most strongly that his nomination be approved by this committee.

The CHAIRMAN. Thank you, Senator Goodell. And now we welcome Mr. K. A. Randall, Chairman of the FDIC.

**STATEMENT OF K. A. RANDALL, CHAIRMAN, FEDERAL DEPOSIT
INSURANCE CORPORATION**

Mr. RANDALL. Thank you, Mr. Chairman.

I would like to take this opportunity also to commend to you Mr. Frank Wille as a member of the Board of Directors of the Federal Deposit Insurance Corporation. He is eminently qualified by background, training, and experience for the position for which he has been nominated by the President. I am sure he will make important contributions to bank supervision and to banking, and will do an excellent job.

The CHAIRMAN. Thank you, Mr. Randall.

We have with us Mr. Sprague, who is a member of the FDIC and I understand he would like to say a word.

**STATEMENT OF IRVINE H. SPRAGUE, DIRECTOR, FEDERAL DEPOSIT
INSURANCE CORPORATION**

Mr. SPRAGUE. Thank you, Mr. Chairman.

In the 14 months since you gentlemen confirmed me as Director of the FDIC I have had the opportunity to work with each of the 50 State bank supervisors and I can say without reservation that it is the opinion of the Directors and the staff of the FDIC that Frank Wille is a shining light in that group. We are all delighted and I am looking forward to working the next 5 years with Frank.

The CHAIRMAN. Thank you, Mr. Sprague.

Mr. Grover Ensley is here and wants to say a word. Grover, we are very glad to welcome you to the committee again.

**STATEMENT OF GROVER ENSLEY, EXECUTIVE VICE PRESIDENT,
NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS**

Mr. ENSLEY. Yes; I was associated with Senator Flanders when he was a member of this committee and worked closely with you folks.

The CHAIRMAN. I remember quite well.

Mr. ENSLEY. I am executive vice president of the National Association of Mutual Savings Banks with headquarters at 200 Park Avenue, New York.

The 500 mutual savings banks that make up the \$75 billion thrift industry strongly support and endorse the nomination of Mr. Frank Wille. As this committee may know, the savings banks constitute the largest single constituency of the examination workload of the corporation. Thus, it is completely gratifying to us that the President has nominated one so familiar with our industry and its problems. We look forward to Mr. Wille's active participation in working with other Federal and State banking regulatory agencies and with the soon to be appointed Presidential Commission on Financial Structure and Regulation in improving the vitality of the thrift industry, thus enabling it better to serve the capital and housing needs of the country.

We urge this committee and the Senate to confirm this splendid nomination.

Thank you very much.

The CHAIRMAN. Thank you.

By the way, you mentioned, Grover, you worked with Senator Flanders for a long time. We were all saddened the other day by the news of his death. He was not only a fine member of this committee, but in my book he was a great Senator and a great man.

If there is no objection I should like to ask that there be prepared, on behalf of the committee, a resolution to Mrs. Flanders.

Senator BENNETT. I am sure that would be very appropriate.

Mr. ENSLEY. I am certain the family would gratefully appreciate this and I know, from knowing Senator Flanders, that there were no two greater people that he respected than you, Senator Sparkman, and you, Senator Bennett.

The CHAIRMAN. We had a very fine relationship. We were all members of this committee, the Housing Subcommittee, and the Joint Economic Committee. We always had a kind of standing joke on the other members of the Joint Economic Committee. We would carry on conversations sometimes in Latin.

Mr. ENSLEY. As I recall you gave each other your proxy, too, quite frequently.

The CHAIRMAN. That is correct. I remember another thing, too, while reminiscing. You know in the past Senators had a standing arrangement to give one another votes and that was a good custom that has almost completely disappeared. At one time I was scheduled to be out of town and I went to Senator Flanders—I was very close to him—and I asked for Senator Flanders to give me his vote.

He agreed to do it. He told me the day I was supposed to leave that he would give me that vote. He said several were pressuring him pretty hard—the Republicans happened to hold the White House at that time—

Senator BENNETT. They never use pressure, Mr. Chairman.

The CHAIRMAN. Actually they tried very hard to change Senator Flanders' mind but he refused to do so. I am not so sure of this but I am rather of the opinion that his vote might have been the determining vote. It was a very close vote. That is something that I have never forgotten, of course, and will never forget. And as I say, I regret that the old custom has seemed to have faded away.

Senator BENNETT. Mr. Chairman, Mr. Nat Rogers, president of American Banker's Association, is here and he would welcome an opportunity to say something for the record.

STATEMENT OF NAT ROGERS, PRESIDENT, AMERICAN BANKERS ASSOCIATION

Mr. ROGERS. I am president of the First National City Bank of Houston, Tex., and president of ABA. I would like to say in connection with this proceeding that bankers all over the Nation will applaud unanimously the selection of Mr. Wille as Chairman of the Federal Deposit Insurance Corporation.

For some years now one of the problems in banking has been the flight of State banks out of the State system into the national system. The maintenance of a balance in the dual banking system has been one of the paramount issues facing our industry.

Part of the answer has been to provide leadership in State banking departments all over the country and there has been no one who has served with a more distinguished record more intelligently and has been more articulate as the spokesman for the States than Mr. Wille.

In the process he has gained the respect not only of members of the State banking system but those of us who operate under national charters as well. He is as well qualified as any man we can conceive to perform the important duties of this job and make a significant contribution to sound and progressive banking.

The CHAIRMAN. Thank you very much, Mr. Rogers.

Mr. WILLE. Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Wille. We have your biographical sketch. That will be placed in the record at this point. (Biographical sketch follows:)

FRANK WILLE

Frank Wille was appointed Superintendent of Banks for the State of New York on May 18, 1964, by Governor Nelson A. Rockefeller. At the time of his appointment he was serving as First Assistant Counsel to the Governor.

Mr. Wille was born on February 27, 1931 in New York City. He attended grammar school in New Rochelle, New York, and was graduated from Phillips Academy, Andover, Massachusetts, in 1947. In 1950, he received his A.B. degree with honors from Harvard College. Interrupting his studies at the Harvard Law School in May, 1951, Mr. Wille enlisted in the Naval Reserve and served as a junior officer aboard the aircraft carrier Leyte (CVS-32) during the balance of the Korean emergency. He received the LL.B. degree, also with honors, from Harvard Law School in 1956 and was admitted to the New York bar in December of that year.

Following his graduation from law school, Mr. Wille became associated with the New York City law firm which is now Davis Polk & Wardwell, where he specialized in corporate and financial matters. Attending the New York University School of Law at night, Mr. Wille earned the degree of LL.M. (Taxation) in February 1960.

In October 1960, he was appointed by Governor Rockefeller as an Assistant Counsel to the Governor and became First Assistant Counsel to the Governor on April 1, 1962. By the Governor's appointment, he served between 1961 and 1964 as an Advisory Member of the Joint Legislative Committee on Interstate Cooperation. As Superintendent of Banks, Mr. Wille serves as Chairman of the New York State Banking Board, a member of the New York Job Development Authority, and a director of the New York State Urban Development Corporation.

Mr. Wille is first vice president and a member of the Board of Directors of the National Association of Supervisors of State Banks. As Chairman of the Association's Federal Legislation Committee, he has appeared frequently before Congressional committees dealing with banking matters. He also participates in an advisory capacity on several committees of The American Bankers Association concerned with State bank supervision.

Mr. Wille is married to the former Barbara Bowen McIntosh of Albany, New York. They currently reside in Manhattan.

The CHAIRMAN. I must say when I read it over I am reminded of the passing of time. Mr. Wille was 5 years old when I entered Congress.

Mr. Wille, your biographical sketch will be placed in the record.

We also have a copy of your financial statement and, as I told you when you talked with me recently, that statement will be available to the members of this committee to see here in the committee room. It will then be sealed and placed in our confidential file, and kept there as long as you hold this office and for 1 year thereafter.

May I ask you this question that we ask all of the nominees that come before us for confirmation: Do you have any voting or any other interest whatsoever in property, stocks, bonds, securities, or

anything else, that might constitute a conflict of interest in holding the job to which you have been nominated?

Mr. WILLE. I do not, Mr. Chairman. As a matter of fact, I have here a certificate that I am prepared to sign for the committee which is somewhat similar to the requirements of section 2 of the Federal Deposit Insurance Act, to the effect that I am not an officer or director of any insured bank or of any Federal Reserve bank and that I do not hold any stock in any insured bank.

This is similar to the requirements in New York State where I am subject to a similar provision concerning the holding of official relationships and stock in New York banks that are subject to the jurisdiction of the State banking department. There is no conflict, sir, of that kind.

The CHAIRMAN. Thank you very much. I want to say that the FDIC has done a remarkably fine job through the years. I know you fully recognize the responsibility that you are taking on as a member. On my part I am glad to commend you for undertaking it and to wish for you a very successful tenure of office.

Senator Proxmire?

Senator PROXMIRE. I think this is another excellent appointment. You certainly have the background, Mr. Wille, in terms of education and experience. You worked for an outstanding law firm, served the Governor of what is now, I guess, the second biggest State in the Union—

Mr. WILLE. To our regret, sir.

Senator PROXMIRE. And you have had experience not only in State matters but I understand you testified before Congress on national banking matters, too.

Mr. WILLE. I have had several occasions to testify before this committee and the House committee.

Senator PROXMIRE. I have been very impressed, when you came to my office and we had a chance to talk, by your background and ability. Do you have any thoughts on the adequacy of the present insurance provided by the FDIC, whether the level should be increased?

Mr. WILLE. I am aware, Senator Proxmire, that just recently the insurance limits were increased from \$15,000 to \$20,000. I do not know enough about the operations of the FDIC at this point to know what size its reserve fund should be in order to handle the most recent increase in insurance limits and I should like to review that question before I make any recommendation for a further increase in the insurance limits for deposits insured by FDIC.

Senator PROXMIRE. Well, I must say, if I may, Mr. Chairman, that the only qualification that Mr. Wille does not have is that he didn't come from Wisconsin. Except for that, I believe he is perfectly qualified.

Mr. WILLE. Thank you, sir.

Senator BENNETT. Mr. Chairman, I move we go into executive session and consider this matter.

The CHAIRMAN. Off the record.

(Brief discussion off the record.)

The CHAIRMAN. This ends the special meeting of the committee for consideration of this appointment and we will resolve ourselves into a meeting of the Housing Subcommittee in order to proceed.

You may go, Mr. Wille. Thank you very much.

(Whereupon, at 10 a.m., the committee was adjourned.)

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The CHAIRMAN: This ends the special meeting of the committee for consideration of this appointment and we will resolve ourselves into a meeting of the Housing Subcommittee in order to proceed. You may go, Mr. Wille. Thank you very much.
(Whereupon, at 10 a.m., the committee was adjourned.)