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GEORGE BUSH
5161 PALISADE LANE, N. W.
WASHINGTON, D. C. 20016

1-23

Dear Manuel

I am happy to write a letter of recommendation to Yale Law. I am sorry I have been so hectic lately that I missed seeing you - but, in any event, best of luck in the future - You'll do well I'm sure

Sincerely, George Bush

January 23, 1976

Dean Of Admissions
Yale University Law School
New Haven, Conn.

Gentlemen:

I am writing this letter on behalf of Manuel Iglesias, and outstanding young man applying for admission to next year's class.

Manuel has been an active participant in the political process. He has helped the Republican Party in its important Heritage Division, bringing to his work a real dedication.

He has travelled extensively; and, for a young man, he has taken a disproportionate interest in public affairs and foreign affairs.

He is of high character, and I feel he would be a fine addition to your outstanding Law School.

Sincerely,

George Bush

George Bush
5161 Palisade Lane NW
Washington, DC 20016

Honorable George H. Bush
5161 Palisade Parkway, N.W.
Washington, D. C. 20016

Dear Mr. Bush,

I am a graduating senior at the Georgetown University's School of Foreign Service and I am interested in pursuing a legal career coupled with Republican Politics. You have been recommended as a possible reference to the Yale Law School.

Presently, I am Chairman of the Ethnic Youth Committee at the Republican National Committee. This organization and the Hispanic-American Young Republicans, which I previously headed as its National Coordinator are both under the auspiees of the Heritage Groups Nationalities Council. I have been working with the Republican National Committee since January 1973 after coming over from the Committee to Re-elect the President.

I will return to Washington, D. C. from the Christmas break the third week of January and will call you to set up an interview. Enclosed is a curriculum vitae. If personal references are necessary, please feel free to contact Mr. Julian M. Niemczyk and Mr. Philip A. Guarino.

It will be a great pleasure to renew our acquaintance.

Sincerely yours,

Manuel E. Iglesias

Manuel E. Iglesias
Chairman
Ethnic Youth Committee

MEI/maa

cc: Philip A. Guarino
J. M. Niemczyk

Manuel Ernesto Iglesias

Born: Havana, Cuba
January 26, 1955

Local Address	Permanent Address
1215 North Kirkwood Road Arlington, Virginia 22201	2162 West Ridge Drive Lancaster, Pennsylvania 17603

ACADEMIC

-Georgetown University - School of Foreign Service
September 1973 - May 1976 sophomore, junior, and senior years
-maintained Dean's List during junior and first semester senior

-Catholic University of America - Government
September 1972 - May 1973 freshman year
-maintained Dean's List

-Lancaster Country Day School
-attended seventh through eleventh grades
-obtained 99% in the PSAT in both English and Mathematics
-by-passed the senior year and went directly to college

POLITICAL ACTIVITIES

-1975-Member of the founding board of the Ethnic Youth Committee; became the first Chairman of the Ethnic Youth Committee of the Republican National Committee. The objective of this organization is to recruit the youth (encompassing ages 18 through 35) of the Ethnic Community in the United States for the Republican Party. There are over 80 million ethnics in the U.S.A.

-1972-Created and organized on a nationwide scale the Hispanic-American Youth for the Republican National Committee. Membership includes people from 18-35 years of age.

-Was the National Coordinator of the Hispanic-American Youth at 18 years of age and Chairman of the Ethnic Youth Committee at 20.

-Coordinated Spanish Youth at the Committee to re-elect the President, Fall 1972.

-Director of Cuban Affairs for the Florida Volunteers for the President and later worked as an Aide to the White House Advance Staff during the Republican Convention of 1972, Fall 1972.

-1975-Chairman of the Georgetown Cuban Student's Association and have been an active member for the last three years. The principle function of this organization has been to lobby in behalf of human rights in an effort to resolve some of Cuba's problems caused by the present dictatorship; especially those concerning the issues of human rights. We have argued the point of human rights, emphasizing the issue of the treatment of political prisoners, through the use of panels at the University; lobbying in Congress (one of our members presented a report before a House subcommittee on Trade and International Organizations); before the Organizations of American States, both in Washington, D. C. and in San Jose, Costa Rica; and before the Human Rights Commission which held meetings in Geneva, Switzerland. Have had letters and articles published by national newspapers (The Washington Post, The New York Times, et al.) and in political pamphlets.

-As a junior in high school, I was a representative from my high school to the Lancaster Youth Council, a mock city council. I participated in the Public Safety Committee which dealt with Police, Fire and Social Services. My year's experience with these branches of local government allowed me to acquire first-hand knowledge of how the government and the people interact at the local level.

-June 1972- Attended the Washington Workshop's Political Seminars.

<u>TRAVELS</u>

-My most favorite past-time is travelling and learning about other cultures. With ever increasing interdependency in the international political scene, mutual understanding no longer merely desirable but often borders on crucial.

-1955 - 1961, lived in Cuba

-1961 - 1962, lived in Mexico

-Summer of 1969, visited England, France, Germany, Austria, Italy, and Spain

-Summer of 1971, visited Turkey, Greece, Italy, Spain and Andorra

-Spring of 1972, visited Mexico

-Summer of 1972, visited Puerto Rico and the Virgin Islands

-Summer of 1973, visited Japan, Taiwan, Philipines, Thailand, Viet-Nam, Malasia, Singapore, Macao and Hong Kong

-Winter of 1973, visited Venezuela, Brazil, Argentina, Uruguay, Peru and Colombia

-Summer of 1974, visited Switzerland, Italy and France (while in Switzerland, studied French at the University of Lausanne)

-Have also done extensive travelling in the United States and Canada

ATHLETIC ACTIVITIES

-Besides politics, have always been an avid participant in sports. In college did not have the time to play varsity sports because of political activities, nevertheless, remained active in intramurals. In high school received:

-Varsity letters in tennis for the 9th, 10th and 11th grades

-Most Valuable Player Award for junior varsity soccer in 10th grade

-Varsity letter in basketball for the 10th and 11th grades

-Participated on the Millersville Lions Club Swim Team, the summer of 1968, 1969 and 1970

-Also an avid skier

-Summer of 1975, commenced flying; am presently applying for private pilot's license.

F. C. IKLÉ

no reply
GB

George,

This is the list of the attendees at the Honduran luncheon. Many thanks again for your help in setting it up.

I'll still visit with you.

Fred.

GUEST LIST FOR ANTHONY BRYAN's
LUNCHEON FOR DR. FRED C. IKLE
DECEMBER 17, 1976

1. George Helland, Ex VP, Cameron Iron Works
2. Hugh W. Gordon, Ex VP, Brown & Root
3. James A. Finneran, VP Product & Systems Marketing, Pullman-Kellogg
4. John Bookout, President of Shell
5. George Brown, former Chairman of Board Brown & Root, formerly on the Board of ITT
6. Keith Dickinson, VP, Texas Eastern
7. Dave Bonner, President, Gulf
8. Jack Ray, President, Tennessee Gas Transmission

Anthony J. A. Bryan
Box 1212
Houston, Texas 77001

Phone: 713-683-2211

R. L. IRELAND, III
59 WALL STREET
NEW YORK, N.Y. 10005

NO

GB

July 7, 1976

Dear Poppy:

You succeed in looking like the most relaxed man in the world when two unimportant friends come visiting. You should be a lesson to all busy men. You have the knack of not being preoccupied and of having life in complete order. For the thirty-five minutes that we were with you no one would have suspected that you were sitting on top of so much information; had luncheon guests waiting; and had a jillion other things to do. The purpose of this letter, however, is to tell you that Jackie and I appreciate the time that you gave us and thoroughly enjoyed the opportunity to have a look at the works in McLean, Virginia.

Bill Boeschenstein called today to say that Dick Gelb has happily accepted his election as a Charter Trustee at Andover which is very good news. Now if we can get John Macomber to come on board next, we will have the right kind of a hard core in place.

Let's hope that we can get together on the Coast of Maine. If you have any free time in New York between now and August 13th, I am "summer baching" it. I forgot to ask you when you are going to be at The Grove. My present plan is to fly out on Wednesday, the 21st, spend the night with Sylvia and Bobby Hunter and go up on Thursday, the 22nd. Then I will fly back the day of Monday, the 26th, in time for a Southern Board Meeting here in New York on the 27th. If there is any way of our combining, let me know.

Best regards,

Tom

Mr. George H.W. Bush
5161 Palisade Lane, N.W.
Washington, D.C. 20016

January 24, 1977

Dear Mr. Isham,

Thank you for sending me the information on Drexel Burnham. Since we talked on the telephone, I have been thinking a great deal about it and I just don't feel I will be in a position to get together on a business connection at this point. We will be going back to Houston (5838 Indian Trail, Houston 77057) in the middle of February and I am now honing in on a couple of offers which I think will preclude our being associated in business in some way.

If you are in Houston, I would love to have you come by for a chat. Perhaps there would be some way we could work on details together in the future. I do plan to keep up my interest in foreign affairs and I notice that your company has many associations abroad.

I do appreciate your interest and I was most grateful for your phone call.

Yours very truly,

George Bush

George Bush

Mr. Jonathan T. Isham
Vice Chairman
The Drexel Burnham Lambert Group, Inc.
60 Broad Street
New York, New York 10004

The Drexel Burnham Lambert Group Inc.

60 BROAD STREET
NEW YORK, N. Y. 10004
(212) 480-6000

January 18, 1977

The Honorable George H.W. Bush
5161 Palisade Lane NW
Washington, D.C. 20016

Dear Mr. Bush:

I was pleased to have the opportunity to talk with you on the telephone last week and, as promised, I am enclosing some background information on Drexel Burnham as well as Compagnie Bruxelles Lambert.

The reports enclosed do not mention the merger which took place last year whereby Drexel Burnham merged with Lambert Brussels Witter, Inc., the U.S. holding company that controlled William D. Witter, Inc., members of the New York Stock Exchange. This merger became effective in September of 1976 and will be discussed in the 1977 reports of Compagnie Bruxelles Lambert and Drexel Burnham, which has been renamed Drexel Burnham Lambert Inc.

Compagnie Bruxelles Lambert is a large Belgian holding company, listed on several stock exchanges in Europe. It has investments in a wide variety of companies so that it is presented, in some form or fashion, in approximately 65 countries throughout the world.

I would be delighted to have the opportunity to meet with you and to discuss our companies (it's a rather complex story I'm afraid!) and would be able to come down to Washington at your convenience.

With all best wishes,

Sincerely yours,

Jonathan T. Isham
Vice Chairman

JTI/sm
encl.

Reprinted from the June 1976 issue of INSTITUTIONAL INVESTOR

Baron Lambert goes West

by Richard C. Longworth

One of the more spectacular banking stories of recent years is that of what's now called Compagnie Bruxelles Lambert, which started as a tiny merchant bank 25 years ago, culminated a series of acquisitions last year by absorbing Belgium's second largest bank and now has made major capital investments in both a U.S. brokerage firm (William D. Witter) and a money management organization (Jennison Associates). The man behind the bank and its expansion is Baron Léon Lambert, who, still under 50, casts an impatient eye upon the future. This article, augmented with reporting by *II* correspondents, was written by Richard C. Longworth in Brussels.

Baron Léon Jean Gustave Lambert was barely 21 years old when he took over the leadership of the family business, a Brussels merchant bank with sixteen employees (including himself), an adventurous past and no particular future at all. He celebrated his twenty-fifth anniversary in the business last year by engineering the merger of the Banque Lambert — by then a fast-growing merchant bank — with Belgium's second-largest bank, the Banque de Bruxelles, to form a single entity, Banque Bruxelles Lambert, with 13,000 employees, 1,100 branches, a balance sheet of about 350 billion Belgian francs — and a very bright future indeed. It was, one newspaper said, an unbeatable marriage of Bruxelles' muscle with Lambert's brains.

"He's one of the last of the great builders," says one Belgian banker, a competitor, of Léon Lambert, now 47 and apparently just warming up. "He's a very quick brain and a hell of a hard worker," adds an admiring British banker. "And full of energy. I've never seen him strolling anywhere." Baron Lambert himself, asked where his phenomenal drive comes from, replies, "I'm not sure I know. What makes a painter paint? I've tried to analyze it, but it is immaterial: Whatever the cause of this drive, the result is the same. Throughout life, we are confronted by challenges. As long as we answer those challenges, we are fulfilling our human nature."

Lambert is certainly one of the more spectacular figures on the Belgian scene. A lifelong bachelor, he is slim and youthful-looking, with dark hair only slightly thinned and alert green eyes that fix the listener as he talks fluently in one of many languages, including perfect English. From Hermes tie to Gucci loafers, he is a flawless dresser. He admits he is a compulsive worker — "even when I am skiing, my favorite sport, I think about business" — but also deplores the fact. "I don't like the idea of being only a businessman," he says. "I like, too, to be a citizen of the world." He studies history and worries about that world, particularly the future of Europe. "I'm fascinated by all that goes on around me," he continues, "when I'm not depressed by it."

In truth, Lambert is probably as well known in Belgium as an art collector as he is for being a businessman. The seven-story bank headquarters on the avenue Marnix (designed by Skidmore, Owings and Merrill) is a jewel in Brussels' architectural wasteland, and he has filled it with an astonishing treasure of art, most of it modern. The baron himself lives upstairs over the shop, in an art-filled penthouse. In the bank's forecourt stands a huge Henry Moore sculpture. Another, smaller, is in the baron's office overlooking the Belgian royal palace. A Francis Bacon painting hangs on the wall opposite his desk and there are African and Khmer sculptures on tables and, above the white couch, a large Japanese screen of the Seventeenth Century Momoyama period. Throughout the bank, hallways and lobbies are lined with prints and paintings. Even the cubicles of low-ranking employees have a painting or two on the wall, all reflecting Lambert's belief that "art is a pleasure and an education: We must embellish our working lives, as part of our fight for as pleasant a life as possible."

At the moment, when Baron Lambert is not contemplating art, he is studying the U.S. The penetration of the post-recession U.S. market has become a priority for the Compagnie Bruxelles Lambert, the publicly traded holding company that controls Banque Bruxelles Lambert. "We are very interested in increasing our investments in the United States," says Lambert. "It is by far the best economy in the world — and where you find the greatest respect for a free market."

The Compagnie's U.S. subsidiary, The Lambert Brussels Corp., was set up in 1970 and is headed by Jonathan Isham, formerly a Wall Street investment banker. One of its first moves was to invest in William D. Witter, a New York brokerage house with an imposing list of institutional clients. This past spring the formation of a U.S. holding company was announced, Lambert Brussels Witter, Inc. Presently LBW has a capitalization of $10 million, about a third stemming from Lambert interests. That group will add another $4 million within the next year and is prepared to bring the total capitalization to $18 million. The brokerage business will continue, of course, but, says Lambert, "we will make Lambert Brussels Witter the cornerstone of our investment banking thrust in the United States." Witter's contacts with institutions and with the companies it researches suggested it as a base for investment banking. To that end, Roy Abbott, Jr. recently left his senior financial management responsibilities at the U.S. multinational Gulf + Western Industries to join LBW and build its corporate finance department.

The Compagnie, and its U.S. subsidiary, have other investment plans as well. When the merger with Banque de Bruxelles went through, the Compagnie inherited a 25 per cent interest in ABD Securities in New York, which belongs to a number of regional stock exchanges in the U.S.; when the Belgian bank buys or sells

"I was impatient then, more than I am now and God knows, 25 years later I'm still impatient."

U.S. securities, trading is conducted through this firm rather than through Witter. The Compagnie also owns 20 per cent of Jennison Management Corp., an investment counseling firm that runs about $1 billion in pension money; if institutional clients of the Brussels bank wish to invest in the U.S., a firm to recommend is obviously ready to hand.

There are also real estate holdings, including 50 per cent of the Barbizon Plaza Hotel in New York, held at present by another subsidiary of The Brussels Lambert Corp., Lambert Brussels Real Estate Corp.; Isham says it will later be transferred into Lambert Brussels Witter. And recently the U.S. corporation purchased, as an investment, the Pittsburgh-based Keystone Resources, which produces and processes ferroalloy metals.

Baron Lambert's fairly rapid expansion into the U.S. market is further evidence of his three-pillar attitude toward business in general. One pillar is growth for its own sake — "size for the sake of survival," as he puts it, "because to survive in tomorrow's world, which is going to be full of ever-growing problems, one has to be large. If not, one is doomed." The second is "despecialization" — an end to banks existing for only one purpose and the growth of banks offering a wide range of financial services. The third is "internationalization of activities — you can't stay within your own frontiers." It is this attitude toward banking, he says, that led to the merger with the Banque de Bruxelles.

Rothschilds and Lamberts

The postwar pursuit of explosive growth is only faintly reflected in the history of the Banque Lambert's first century. In the beginning was Rothschild money and, later, Rothschild blood. The founder of the house in Brussels, Samuel Lambert, arrived in the Belgian port of Antwerp in 1840 as agent for the Rothschild Paris house. In 1853 he moved the office to Brussels. From that time, the Lamberts became the confidantes of the Belgian throne and, through it, financiers to a century of Belgian industrialization and colonialization. Samuel's son, the first Léon, financed the exploration and colonization of Belgium's premier colony, the Congo, and became the official banker to the Congo. Whatever one thinks of Belgium's role there, it was an immensely profitable operation that helped cement the family fortunes. In 1897, King Leopold II made Léon the first Baron Lambert. Equally important to the future of the house, Léon had married in 1882 Lucie de Rothschild, daughter of Gustave de Rothschild and granddaughter of Baron James.

Their son, Henri Lambert, concentrated on making the Brussels house more independent of the Rothschilds, and early in the century the bank's total independence was achieved. But he died prematurely in 1933, leaving three infant children and a wife, untrained in business, who tried to soldier on through the Depression and the gathering clouds of war. During the war, the family took refuge in the United States, where Léon, the oldest son, was educated (at Yale — plus, later, Oxford, the University of Geneva and the Institute of International Studies in Geneva). When he assumed the bank's leadership in 1949, its links with the crown and the Congo had eroded and its business had stagnated. It occupied a sleepy berth somewhere among the 83 small private banks of Belgium.

The baron's first and best move was to hire Camille Gutt, a former finance minister who had saved the Belgian economy with a controversial monetary reform after the war. Gutt had just retired as the first chairman of the International Monetary Fund, but Lambert brought him out of retirement. Recalls one bank veteran, "Gutt developed the group and he taught the Baron everything he knows. He was one of the best financial men in Belgian history."

Indeed, Lambert's own ambitious bent was evident from the beginning. When he was not yet 21, still a student and working at the bank only in the afternoons, the bank decided that it needed larger quarters, and a new, albeit modest, building was planned. One of the bank's older partners was complaining about construction costs to a stockbroker friend, and the friend said, as a passing and facetious remark, "if you need more space, why don't you buy control of the Banque de Reports et de Dépôts," which he knew had plenty of vacant offices. The older partner thought it a good joke to convey to young Lambert, since the Banque de Reports was five times the size of Banque Lambert, with ten times the personnel. But young Lambert's response was not to laugh but to ask, "Why not?" Says the baron: "I was impatient then, much more than I am now — and God knows, 25 years later I'm still very impatient."

An attempt was indeed made to acquire a controlling block of shares in the bank but nothing came of it. Four years later, however, in 1953, the Banque de Reports was looking for additional capital and came, as it happened, to Gutt for advice, and a merger with Banque Lambert was arranged. It was Lambert's first major expansionary move.

Other mergers followed. Lambert stepped up his purchases and the holding company's portfolio grew to include shares of insurance companies like L'Urbaine, breweries like Heinekens, petrochemical giants like Petrofina, communications outlets like the Luxembourg Television Co., public utilities like Electrogaz and department stores like the big Belgian combine, GB-Inno-BM. (Bank officials say that Lambert, although a relatively small shareholder in GB, Inno and BM, played a major role in persuading the three to merge to counter the growing competition from stores controlled by Sears, Roebuck and J. C. Penney.)

But the biggest merger was one that led inexorably to the Bruxelles-Lambert union. This was with Cofinadus, another publicly traded investment company, and its subsidiary Brufina, controlled by the de Launoit family. This merger in 1972 resulted in the formation of a new holding company for investments — Compagnie Bruxelles Lambert — and brought together the Lambert holdings and the strong Brufina positions in iron, steel, glass and electricity. But most important, Brufina owned nearly 10 per cent of the Banque de Bruxelles and was a strong and active shareholder. For Lambert, rebuffed earlier in a pass at the Banque de Bruxelles, the merger with Brufina was clearly a new approach at an old quarry.

Lambert had grown rapidly but was still a poor fourth in Belgian banking — well behind the huge Société Générale de Banque, the Banque de Bruxelles and the Kredietbank. "We had more imagination than money," recalls one Lambert aide. "We had become big enough to open branches, but not big enough to compete with the Big Three. We were both too big and too small." The formation of Compagnie Bruxelles Lambert made it Belgium's second-biggest holding company and financial power, even though the Banque Lambert's banking operations remained relatively small.

Baron Lambert's plans to strengthen Banque Lambert by wedding the two banks met with early opposition. An executive recalls fear on both sides — with Lambert a fear that Bruxelles' huge size would dilute Lambert's somewhat exclusive image, within Bruxelles a fear of the other bank's dynamism. "They thought everybody here was like the baron," the executive remembers. More important, there was the opposition of Louis Camu, the astute and independent chairman of the Banque de Bruxelles for 23 years. When stockholder pressure finally pushed the merger through, Camu, by then beyond retirement age, was moved up and out to the honorary presidency of the board of directors.

The two banks agreed to begin a period of cooperation in late 1973 and the merger was set for 1975. But the plans were partially upset when, in October 1974, a group of dealers in the Banque de Bruxelles' foreign exchange department were stranded holding weak dollars against

Lambert: The U.S. acquisitions are only the latest steps in a battle for survival

the Deutsche mark, Swiss franc and Norwegian krone. The loss was first publicly estimated at about 1 billion francs, but later turned out to be 3.529 billion francs — nearly $100 million.

"Bruxelles' management handled it badly," a rival Brussels banker now says. "Compare this to the similar case at Lloyds of Lugano — by the time that was announced, all positions had been covered and they knew exactly how much they had lost." Although Bruxelles' management denounced and fired the offending dealers, the affair "weakened the Bruxelles position and changed the relative power of the Bruxelles and Lambert people," recalls a banker within the Banque Lambert. "Bruxelles management had a reputation of being too fat, too loose — and this affair gave that reputation credence." It is possible to overestimate the political importance of the incident, but it did stun and demoralize Bruxelles' management at a crucial moment on the eve of the merger. By the time the dust had settled, Lambert people were in charge of foreign exchange operations of the new merged bank.

In the end, the merger of the two banks came off on schedule last July. But an organizational plan, designed to comply more thoroughly with a 1935 Belgian law mandating that banking activities of a group must be separate from industrial holdings, had to be postponed. The Bruxelles Lambert plan is for a new kind of structure — an investment company regrouping the non-banking assets of the present Compagnie Bruxelles Lambert, standing side-by-side with the merged bank and on an equal footing with it. Over them both would be the holding company, which would hold their capital.

The purpose, according to the baron, is to eliminate any possible conflict of interest which might be suggested by the Compagnie's 10 per cent holding in the new bank. The postponement of the formation of these two new entities is a direct result of the foreign exchange losses, because the bank wants to carry the losses as far forward as possible for tax purposes. Originally, it was hoped to set up the new investment and holding companies this year, but Compagnie Bruxelles Lambert people now believe that it will be next year at the earliest.

When Banque Bruxelles Lambert was formed, it issued a subordinated loan of 3 billion francs, two-thirds of which was taken up by Compagnie Bruxelles Lambert. In effect, the Compagnie loaned the Banque de Bruxelles 2 billion francs, the purchase price of Banque Lambert. Executives say that it was again the foreign exchange problem, and the tax questions it raised, that dictated the way the merger was handled.

Spilt milk

Baron Lambert calls the foreign exchange loss "a tremendous shock," but philosophizes that "the money is lost and that's that. It means that we must make a very determined effort to build up our capital funds and reserves because of those that are lost."

The new bank is run by Jacques Thierry, a Frenchman, longtime Lambert aide and, through the Rothschilds, one of the baron's cousins. Other key operations have fallen into Lambert hands — Philippe Lambert, the baron's brother, is in charge of international operations, and Daniel Gillet, a Banque Lambert partner, runs financial activities. The Bruxelles people have remained largely in charge of the things they do best — the branches and the commercial banking. Baron Lambert objects strongly to charges that Banque Lambert people have taken over all the top posts. "I've gone through many mergers," he says, "and people are always equally frightened on both sides. And then, not very long afterward, one forgets whether one belonged to one side or the other. In our company, talent reveals itself and is promoted to its right position."

The baron says the bank's tasks now are "to digest all this growth," then to concentrate on providing "diversified banking services," stressing "wholesale banking within the European Common Market. I don't see Bruxelles Lambert trying to become like Citicorp. Belgium is a small country and the Belgian franc is in no way a world currency. So we will try to develop wholesale banking around Belgium and its neighboring countries." Subsidiary banks have been established in Luxembourg, Switzerland and London. Outside this area, and especially in the U.S., the bank plans no commercial banking business. Instead, Lambert says, it will be represented by the Abecor and Five Arrows groups (Banque de Bruxelles belonged to Abecor, Banque Lambert to the Rothschild Five Arrows).

Financiers — not industrialists

"Since we cannot be a worldwide banking group," Lambert continues, "we would like to be a worldwide services group." He mentions financial advice, analysis of economic and political trends and banking services for corporations and commodity services to third-world nations. "We do not see ourselves as managers of industry," he adds. "We are financiers, not industrialists. If someone says, 'Would you like to acquire control of a shoe factory?' we say 'No thanks.' The selling of services is a big enough job on its own. Our job is to provide risk capital whenever a worthwhile opportunity arises. We are very open to any interesting risk capital opportunities in the industrialized world." The Lambert interests can then offer those companies commercial and investment banking services. "We are their link with the financial community," he says.

The Compagnie reported a good year in 1975. Net earnings were 823 million francs, up from 566 million in 1974, with share prices up from 1,780 to 2,250 francs, and equity up from 6,802,000,000 francs to 7,029,000,000 francs. This reflected an increase in realized profits from securities sold and in dividends collected from affiliated companies.

Twenty major investments make up 81 per cent of the Compagnie's portfolio. The largest is in the Banque Bruxelles Lambert, representing 621 million francs in shares and the subordinated loan of 1,975,000,000 francs. The next largest investment — 1,512,000,000 francs — is in the giant petrochemical company Petrofina. The war, says the baron, had brought Petrofina down to almost nothing: Its oil fields in Rumania had been confiscated, its fleet was at the bottom of the sea, its refinery at Dunkerque had been bombed to ashes. Shortly after the war, friends of Lambert got him interested in reviving Petrofina and the Compagnie has been investing in it ever since. It is now Belgium's largest and most prosperous corporation and Baron Lambert has sat on its board for the past fifteen years.

Seeking opportunities

As for the banking operations, by comparison with Belgium's No. 1, the establishment-minded Société Générale, Banque Lambert has had a reputation for innovation and fast action or, as one bank officer puts it, "We've been imaginative. We take opportunities." Over the years, Lambert created a system for listing foreign securities on the Brussels Bourse, developed a way to transform equity real estate investments into marketable securities, was the first Belgian financial group to open a Moscow office and became a leader in the Belgian mutual fund field.

But another "service" for customers damaged both banks just before the merger. In an investigation started by a muckraking professor, the government accused both of helping depositors transfer funds from Belgium to Switzerland or Luxembourg, to enable them to escape the 20 per cent Belgian withholding tax. Officials at the bank, while maintaining that the main responsibility lay with the depositors, say they have agreed to pay fines of at least 200 million francs. The incident, coming shortly after the Banque de Bruxelles foreign exchange loss, received wide newspaper play in Belgium and helped tarnish the merger, turning it, in the words of one newspaper, "from a nuptial mass into a justice of the peace's office affair."

Lambert insists that he has put these problems behind him and focuses instead on the future of the bank and its place in the modern world. Of most concern, he admits to a deep — and very pessimistic — view of the European scene. "We are watching our Western Europe go down the drain slowly," he says. "Unity will come on the day after it is too late. Toynbee says that civilizations, like men's lives, are built by responses to challenges. To me, unfortunately, Western Europe has been faced with several challenges which it has not answered. The European Common Market has so far been more talk than action."

Lambert's concern about the European situation is keen enough that he says he is sometimes "tempted" to seek a role in public affairs, in politics. Besides, he adds, "I don't believe in any man holding the same job for all of his working life, or that any company should have the same chief executive for too long a period. I've been the head of my company for much too long, in my judgment, for my own good and the company's good." But he also believes that he has no talent for politics, or any other field, and that there are "circumstances" — family and friends in the business who rely on his presence — making him stay put.

And in any case, he does not deny that his work is challenging, varied and totally involving. He must deal not only with banking problems but with the progress of the many industries the holding company has invested in. Growth seems to be his chief operative motive, a growth that is perhaps more organic than plotted. As Lambert puts it, "Opportunities can influence my strategic thinking" — for an opportunity seized creates a new situation which may suggest a new overall strategy.

It all comes back to his belief in meeting challenges; there is no choice but to seize opportunities, which means further expansion. The only alternative would be to stop, to remain static, and Lambert seems not about to rest. "If the world doesn't revolutionize in the near future," he says, "there are fascinating things to do in tomorrow's world."

Compagnie

BRUXELLES LAMBERT

pour la Finance
et l'Industrie

FINANCIAL YEAR 1975

Compagnie

BRUXELLES LAMBERT

pour la Finance
et l'Industrie

Avenue Marnix 24 - 1050 Bruxelles

REPORTS SUBMITTED TO THE GENERAL MEETING OF SHAREHOLDERS HELD ON 12 MAY 1976

SUMMARY OF THE 1975 ANNUAL REPORT

COMPAGNIE BRUXELLES LAMBERT
pour la finance & l'industrie s.a.

In 1974, Compagnie Bruxelles Lambert began, with the concurrence of the Board of directors of Banque de Bruxelles and the Board of Management of Banque Lambert, a process which is to culminate in the formation of a new group with both a banking and a financial arm, and which will be headed by a non-trading holding company.
If the overall achievement of this project had to be postponed, a first stage was nevertheless implemented through the transfer of our ownership in Banque Lambert to Banque de Bruxelles and the subsequent merger of the two banks into Banque Bruxelles Lambert. To help finance this transaction and to strengthen the bank's capital base, our company has taken up $49 million of the $74.4 million subordinated loan issued by the new bank.
The transfer of the controlling interest in Banque Lambert and the subscription to the subordinated loan substantially changed the asset structure of our group and influenced in an important manner the results of the financial year. The 1975 profit figure of $20.4 million, already well up from its level in 1974, exceeded even that for 1973 when Banque Lambert was still integrated by the equity method of accounting.

Following our objectives of internationalisation and diversification we have intensified our presence in the US; we have acquired an interest in Jennison Management Corporation, a company specialising in the management of institutional portfolios. Furthermore, at the start of 1976 we decided to add substantially to our interest in William D. Witter Inc. with the intention of enlarging the range of financial services which that company provides. Likewise, at the start of the year, we acquired 80.1% of the American company Keystone whose activities principally embrace metal reprocessing and trading.

On the domestic front, we were desirous to provide our assistance, not just financial, but also technical and human, to all those entities, no matter what their size, that our experience and our resources could help direct and strengthen.
Finally, we are proposing to an extraordinary general meeting the merger by absorption of Cométaux. The purpose of this transaction is to help our subsidiary overcome the impediments of size hampering the development of new activities, and to add to the range of services our group provides in the marketing of minerals and metals and in the sphere of geological and mineral surveys.

Financial Highlights

consolidated summary on 31 December	1975	1974	1973
Capital stock (million $)	97.37	97.37	97.37
Number of shares (in thousands)	3,924	3,924	3,924
Aggregated data (million $) ①			
Stockholders' equity	174.4	168.8	168.6
Break-up value ②	286.2	237.7	326.0
Profit before depreciation ③	24.6	27.2	30.0
Profit after depreciation ③	20.4	14.0	20.2
Gross dividend	13.4	13.4	13.4
Adjusted data per share ($) ①			
Market price on 31 December	49.50	44.17	62.78
Break-up value ②	72.95	60.57	83.08
Earnings before depreciation ③	6.3	6.9	7.6
Earnings after depreciation	5.2	3.6	5.2
Dividend:			
tax credit and withholding tax included	5.0	4.6	4.6
net	2.7	2.7	2.7
Price/earnings ratio	9.5	12.4	12.2
Dividend yield			
tax credit and withholding tax included	10.1	10.5	7.4
net	5.5	6.2	4.3
Return (on a per share basis)			
Annual change in break-up value	15.79	- 19.09	8.06
Annual rate of return	27.6%	- 24%	10.8
Average annual rate of return for the 1967-75 period		11.1	

① Minority interests deducted.
② Net assets + estimated appreciation over book value (goodwill excluded).
③ Balances from previous years included.

N.B. Data in this table reflect the situation on 31 December. Due to mergers and acquisitions, changes in the structure of assets and additions to or withdrawals from the list of consolidated companies, they are not fully comparable, particularly where the aggregated data are concerned.

Conversion of Belgian Francs into US$ at the Brussels exchange rate of $1.00 = BF 40.30 (December 31, 1975)

Breakdown of Assets

Based on the economic balance sheet approach, consolidated assets are deployed as follows:

31 December	1975 million $	1975 %	1974 million $	1974 %
Holdings and portfolio (including the subordinated loan to Banque Bruxelles Lambert)	280.4	64.8	238.2	65.5
Real Estate	72.0	16.4	59.6	16.1
Other Assets	79.4	18.8	64.5	18.4
	431.8	100.0	362.3	100.0

Over the year, the estimated value of our gross assets has increased by 19.1%.

Summarized Profit & Loss Account ①

million $	1975 ①		1974 ②	
Operating income		29.7		21.9
Gains on security disposals		9.0		6.7
Adjustment to the book value of headquarters		-		3.2
		38.7		31.8
Operating costs	11.3		9.1	
Taxation	2.7		1.0	
		- 14.0		- 10.1
Profit before depreciation		24.7		21.7
Depreciation		- 4.2		- 7.7
Profit after depreciation		20.5		13.9
of which minority interests	0.1		-	
adjustment to the book value of headquarters			3.2	

① Subsidiaries 50%- owned or more are fully consolidated. Audiofina and its subsidiaries were integrated on a proportional basis.
② Restated to reflect the accounting changes for 1975.

Major Investments of the Company's Portfolio

The 20 largest shareholdings of the group ①, which account for over 81% of total estimated value of the portfolio, are listed below:

	million $	as a % of the portfolio
Banque Bruxelles Lambert		
shares	15.4	
subordinated loan	49.0	
	64.4	22.7
Petrofina	37.5	13.2
Compagnie Luxembourgeoise de Télédiffusion (attributable to Compagnie Bruxelles Lambert)	26.1	9.2
Electrobel	15.0	5.2
L'Urbaine	15.0	5.2
Compagnie Auxiliaire Internationale de Chemins de Fer	7.6	2.7
Cockerill	7.6	2.7
Forges de Thy-Marcinelle et Monceau	6.5	2.3
Groupe Viohalco	6.3	2.2
Glaverbel-Mécaniver	6.1	2.1
GB-Inno-BM	6.0	2.1
Artémis	5.0	1.8
Cométra Oil Cy	4.5	1.6
Hauts Fourneaux de la Chiers	4.1	1.5
Métallurgique et Minière de Rodange-Athus	3.9	1.4
Compagnie Industrielle et Financière de Produits Amylacés	3.3	1.2
Compañia Urbanizadora Hispano-Belga	3.3	1.2
William D. Witter	3.3	1.1
Delhaize "Le Lion"	3.1	1.1
Dewaay, Sebille, Servais, Van Campenhout et Cie S.C.S.	2.8	1.0
	231.4	81.5
Other holdings	52.4	18.5
	283.8	100.0

① In view of the negociations in progress for the return of 40% of Bralima's capital stock to its former stockholders, this investment has been omitted from the list.

Dividend

Net dividend at last year's level of $ 2.7

Copies of the full report are available at the office of the Lambert Brussels Corporation, a subsidiary of Compagnie Bruxelles Lambert, 745 Fifth Avenue, New York, NY 10022.

File copy

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Robert E. Ix
Chairman
North American Group

September 24th, 1976

NO

The Honorable George H. W. Bush
Director
Central Intelligence Agency
MacLean, Virginia

Dear George:

I want to tell you how much I enjoyed meeting you last week in Washington, and to thank you again for all of your efforts to make the Young Presidents' Organization Conference so effective.

Your address to our group was certainly a highlight of the Conference, and we all share a far greater appreciation for the complexity of the post you hold.

My very best wishes to you for continued success.

Cordially,

Bob

REI/jg

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January 13, 1976

Dear Ike:

Just a quick note to thank you for sending along the Margaret Jones article.

I am still most appreciative for all the help you gave us when we were in Peking. I miss China but this new job is going to be tremendously interesting, although slightly controversial and difficult.

Warm regards to you and yours for a great 1976.

Sincerely,

George Bush

Mr. Ivan Izenberg
United States Information Service
Sydney, Australia

UNITED STATES INFORMATION SERVICE

Sydney, Australia

November 11, 1975

Dear Ambassador Bush:

Thought you would be interested in this clipping with Margaret Jones' byline.

Needless to say, Edith and I send our warmest regards and best wishes to you and Mrs Bush as you prepare to face the challenges of a Washington assignment.

Sincerely,

Ivan Izenberg

The Hon. George H. Bush
United States Liaison Office
Peking
People's Republic of China