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Collection/Office of Origin:	Bush, George H.W., Collection
Series:	Personal Papers
Subseries:	Zapata Oil File, Business Alphabetical File

OA/ID Number:	25846
Folder ID Number:	25846-008

Folder Title:
Bush/Williams - McWilliams [1965]

Stack:	Row:	Section:	Shelf:	Position:
G	**5**	**1**	**3**	**1**

October 8, 1965

Mr. L. R. Thornton
Williams-McWilliams Industries, Inc.
3308 Tulane Avenue
New Orleans 50, Louisiana

Dear Bill:

This is just a short note to thank you for the very nice time I had visiting your operations last Friday. We were very impressed by everything we saw over there, and would like to make a deal to acquire fifty-one percent of Williams-McWilliams after very little further checking.

When I came back I talked to Mr. Hauth. Unfortunately, it now appears that contrary to my prior understanding they are unwilling or unable to make fifty-one percent of the stock available, and indicated that in any event they would want a much higher price. In view of this, we feel that it is not worth pursuing the picture any further. If at some time in the future a group comes up with fifty-one percent of the stock in Williams-McWilliams, and would like to sell it to us, we would very much appreciate having the opportunity to sit down and negotiate with them.

Again, I very much enjoyed meeting you personally, and want to thank you for your hospitality.

Sincerely,

RHG:ws

Robert H. Gow

October 8, 1965

Mr. Frank J. Kinberger
Mr. Wallace E. Giles
Price Waterhouse and Company
500 Richards Building
New Orleans, Louisiana

Dear Frank and Wallace:

This is just a short note to thank you for your cooperation and assistance the other day. By now you must have heard that contrary to my understanding the stockholders of Williams-McWilliams do not wish to sell control of the company. Therefore, we are ceasing our investigations.

I would, however, like to take this opportunity to thank you both for your help and to express our hope that we might work together on some project in the future.

Sincerely,

RHG:ws

Robert H. Gow

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: FILE

FROM: GEORGE BUSH

CC:

DATE: October 8, 1965

SUBJECT: WILLIAMS-McWILLIAMS

In the week of October 4th, through Herbie Walker, we contacted Bill Shea in New York. Herb Hauth had suggested that Shea knew the Fishgrund group. Shea led us to his partner, who, in turn, contacted a man with Dean Witter & Company.

The Dean Witter man contacted Fishgrund group who laughed at the thought of an option, said they would only be interested in selling between 11½ and 12, were insolent and totally disinterested.

Bob Gow then called Herb Hauth, reminded Herb that he had said he could deliver 51% of the stock for around $10 and Hauth told Gow that he, Hauth, had never said that he would sell his stock for this price.

Gow told Hauth that we would drop the matter unless he could do what he had once said he could do; namely, deliver 51% of the stock.

All this means is that the deal is off again.

September 23, 1965

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Mr. Herbert Hauth
H. C. Hauth Company, Insurance
130 William Street
New York, New York

Dear Mr. Hauth:

This is just a short note to tell you that despite the many problems which occurred in our company the day after our conversation in New York, we are still very interested in exploring the Williams-McWilliams deal with you.

Even as we were talking, Hurricane Betsy was eliminating Zapata's largest rig, Maverick I. The weeks immediately following this loss have been busy and confusing. Nevertheless, we have found time to give considerable thought to the matters we discussed. George Bush has met with Bill Thornton, and I have reviewed the figures and the appraisal you presented to us.

We are aware of your desire to make some sort of deal by December 31, and we are proceeding on further checks of the activities of this Company.

Looking forward to being in contact with you again before too long, I am,

Sincerely,

Robert H. Gow
Vice President

RHG:ws

cc: Mr. George Bush

September 21, 1965

Dear Bill,

Thanks for your letter of September 17th and the enclosed information.

We are doing some figuring here and will be back in touch with you before too long.

I don't think that we need to take a look at the stock list yet. The next thing we may want to do is to get Bob Gow, our financial vice president and treasurer, to come over to New Orleans to visit with you or someone whom you might designate to take a closer look at the figures.

Perhaps Mr. Giles of Price Waterhouse would be the guy to get ahold of, but we won't contact him without taking it up with you.

When you see Herb Hauth in New York, you might tell him that we are interested and we're moving ahead as fast as we can.

Best regards.

Yours very truly,

George H. W. Bush

Mr. L. R. Thornton
Williams-McWilliams Industries, Inc.
3308 Tulane Avenue
New Orleans 50, La.
GB:as

FILE No.

Williams-McWilliams Industries, Inc.

Engineering, Construction And Dredging

3308 Tulane Avenue
P. O. BOX 52677
New Orleans 50, Louisiana (70150)

L. R. THORNTON
President

CABLE ADDRESS: MCWILLDRDG

September 17, 1965

AIR MAIL

Mr. George Bush
Zapata Offshore Drilling Company
1710 Houston Club Building,
Houston, Texas 77002

Dear Mr. Bush:

I am enclosing Notice of Annual Meeting of Shareholders of Williams-McWilliams Industries, Inc., which includes the number of shares reported by the Directors. However, these are different than what they say they actually own. This is, no doubt, caused by having stock in street names and probably on margin. However, if you will notice the New York group have reported their stock with the exception of Mr. Jordan, who I know has more than is shown here, because of his family stock. You may wish to see a stock list. If so, Mr. Hauth can get a recent one for you in New York.

I also have 5 years' earnings reports of McWilliams if you would need them.

I intend to go to New York and will, no doubt, be there September 22 and 23. If there is any information you want or if you would like to have your controller analyze our statements, Mr. Giles of Price Waterhouse will be glad to give you the information you may want.

I enjoyed talking to you the other day and it is always a pleasure to see you.

With best regards.

Very truly yours,

WILLIAMS-McWILLIAMS INDUSTRIES, INC.

Bill

L. R. Thornton
President

LRT:CMcC
Encl.

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: MR. MARK GARDNER

FROM: Aleene Smith

CC:

DATE: August 30, 1965

SUBJECT: WILLIAMS-McWILLIAMS

Mr. Bush asked me to tell you that he has an appointment to see Herb Hauth, one of the main stockholders in above company, in New York on Friday, September 10th.

FORM NO. 128

August 30, 1965
(Dictated August 27 in
Kennebunkport, Maine)

Dear Bill,

Herb Hauth called me up here in Maine where I am on vacation and said that he, for one, would be interested in re-opening negotiations between Zapata and Williams-McWilliams. I told him I would want to talk to you about this, and he told me that he already had.

Do you think the idea makes any sense now? He says most of your "dissident stockholder" problems are out of the way.

Frankly, I'm a little concerned about Hauth due to an unfortunate experience that he had with the Walkers, but he's been OK with me in our dealings to date.

I am wondering what your views are on a merger now. We would be interested if you would and it could be done on an amicable basis.

I understand you are off on a vacation. I get home the day after Labor Day and will be there for three or four days. Hauth wanted me to come by and see him in New York on Friday, the 10th, and I plan to do it but I would like to talk with you on the 'phone before then. Perhaps you would find it convenient to give me a telephone call on Tuesday, Wednesday or Thursday following Labor Day so we could talk a little bit. I don't want to take any action that you would disapprove of.

Best regards,

George H. W. Bush

Mr. L. R. Thornton, President
Williams-McWilliams Industries, Inc.
3308 Tulane Avenue
New Orleans, La.
GB:as

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: THE FILE

FROM: GEORGE H. W. BUSH

CC: MARK GARDNER
BOB GOW

DATE:

SUBJECT: WILLIAMS-McWILLIAMS

Herb Hauth called Herbie Walker the week of August 12th after he read about the Movible deal to see if we would be interested in re-opening negotiations with Williams-McWilliams, a company with whom we have negotiated over many years.

He says that they have some new, July 31st - seven months (Price, Waterhouse audited) figures. They are:

Current Assets	$4,680,654
Current Liabilities	$1,136,667

They own 46,000 shares of American Hoist & Derrick at around $23½ per share.

They have no debt and no bank loans.

They have 804,000 shares of common.

Plant & Equipment	$8,310,000	
Depreciation	4,500,000	
Net		$3,800,000
Appraisal		6,690,000
Replacement		15,500,000

Book value - $10.20 a share.

Earnings, Net Operating Income	$ 945,120
Loss on Merkle	1,699,000

Earnings - about $1 share solid, after taxes.

Bill Thornton, the president, would like very much to make a deal with Zapata.

When I get back, I will look into this. This is a kind of deal we might want to do inasmuch as they have no debt and would strongly step up our equity base and vastly increase our borrowing power.

Hauth says that the company is now clean. There is a California group which owns 200,000 shares, but they would sell for around $9½. This company has been plagued in the past with horrible stockholders' fights and terrible insider problems. Because of the no-debt situation, it might be worth taking another look at it.

Williams-McWilliams Industries, Inc.

Notice of Annual Meeting of Shareholders
April 13, 1965

NOTICE IS HEREBY GIVEN that the Annual meting of shareholders of WILLIAMS-McWILLIAMS INDUSTRIES, INC. will be held at the company's offices, Sixth Floor, Tulane Building, 3308 Tulane Avenue, New Orleans, on Tuesday, April 13, 1965, at 11:00 A.M., to consider, and take action with respect to, the following:

1. Election of directors to serve for the ensuing year.
2. Confirmation of the appointment of Messrs. Price Waterhouse & Co. as the company's independent auditors for 1965.
3. Reduction of the company's capital by retirement of 65,000 shares of its $10-par common stock.
4. Transacting any other business which may properly come before the meeting.

The close of business on March 12, 1965, has ben fixed as the record date for determining shareholders entitled to notice of, and to vote at, the anual meeting. Only shareholders of record at that time and date are entitled to such notice, and to vote at the meeting. The stock transfer books of the company will not be closed.

A list of the shareholders entitled to vote at the meeting will be open to examination by any shareholder at the company's offices, Sixth Floor, Tulane Building, 3308 Tulane Avenue, New Orleans, during ordinary business hours for ten days prior to the meeting.

All shareholders are urged to attend the meeting; but, if you are unable to do so, the management of the company respectfully requests that you sign and mail the enclosed proxy promptly in the enclosed addressed envelope, which requires no postage if mailed within the United States.

By Order of the Board of Directors,

W. HORACE WILLIAMS, JR.
Secretary.

March 12, 1965

Williams-McWilliams Industries, Inc.

PROXY STATEMENT

The accompanying proxy is solicited by the management of WILLIAMS-MCWILLIAMS INDUSTRIES, INC., for use at the annual meeting of shareholders to be held at the company's offices, Sixth Floor, Tulane Building, 3308 Tulane Avevnue, New Orleans, on Tuesday, April 13, 1965, at 11:00 A.M., for the purposes of (1) electing directors to serve the company for the ensuing year; (2) confirming the appointment of independent auditors for the company for 1965; (3) reducing the company's capital by retirement of 65,000 shares of its $10-par common stock; and (4) transacting any other business which may properly come before the meeting.

The person or persons acting under the proxy hereby solicited will vote it for the nominees herein named for directors of the company, and, as to the other proposals listed in the proxy, will vote it in accordance with the choices specified by the persons solicited, and in favor of the proposals if no choices are specified. The proxy is revocable at any time prior to its exercise.

The cost of solicitation of management proxies comprised of normal proxy-solicitation expenses and salaries and wages of regular company employees will be borne by the company. Officers and other regular executive and clerical employees of the company will make solicitation by telephone, telegraph, mail and oral communication.

815,215 of the company's $10-par common shares (exclusive of 194,478 shares held in treasury) were outstanding at the close of business on March 12, 1965, the record date for determining shareholders entitled to notice of, and to vote at, the meeting. Each common share is entitled to one vote at the meeting.

NOMINEES FOR ELECTION AS DIRECTORS

Name	Principal Occupation	Year First Elected Director	Common Shares of the Company Owned Beneficially as of January 31, 1965
John M. Bacon	President, Bacon Lumber Co. (New Orleans)	1963	100
James Fischgrund[1]	Partner, for past five years, in J and J Construction Co. (Beverly Hills, Calif.)	1965[6]	10,800
Harry J. L. Frank, Jr.[5]	Self-employed. Investor and real estate developer for past five years. (Beverly Hills, Calif.)	1965[6]	9,194
Georges M. George	Self-employed. Investor (Beverly Hills, Calif.)	1964	58,100
Herbert C. Hauth[1]	President, H. C. Hauth Co., Inc. insurance brokers (New York City)	1963	49,115
William W. Hendler[1]	Self-employed. Investor (Los Angeles)	1964	22,200
Harvey A. Howard	Self-employed. Attorney-at-law, for past five years (Los Angeles)	1965[6]	1,000
Francis J. Jordan[1]	President, Poirier & McLane Corporation, engineers and contractors (New York City)	1962	8,885
Thomas V. Kennedy	Vice-President, for past five years, of Poirier & McLane Corporation, engineers and contractors (New York City)	1965[6]	500
Ralph P. Nolan[1]	Retired President, Algiers Public Service Co., Inc. (New Orleans)	1958	219
Eugene A. Rusciano	Secretary, Rusciano & Son Corp., general contracting and real estate investments (New York City)	1964	27,000

Name	Principal Occupation	Year First Elected Director	Common Shares of the Company Owned Beneficially as of January 31, 1965
C. A. Sporl, Jr.[2]	President, C. A. Sporl & Co., Inc., insurance brokers (New Orleans)	1963	—
L. R. Thornton[1]	President, Williams-McWilliams Industries, Inc.	1952[3]	2,356
Urban C. Wilkinson	Retired consumer sales manager, Humble Oil & Refining Co. (New Orleans)	1964	—
W. Horace Williams, Jr.	Vice-President, Treasurer and Secretary, Williams-McWilliams Industries, Inc.	1956[4]	28,099
J. King Woolf	Retired Vice-President, W. Horace Williams Co., Inc. (merged into this company in 1956)	1958	336

[1] Member of the Executive Committee.

[2] C. A. Sporl & Co., Inc., in which Mr. Sporl is the principal shareholder, owns 2,398 of the company's shares.

[3] Retired from the board in March 1956. Reappointed in November 1956.

[4] Resigned from the board on November 1, 1956. Reappointed on November 9, 1956.

[5] Owns 5,486 of the company's shares directly and 1,708 through wholly-owned corporations. Is trustee of and has beneficial interest in trusts owning 2,000 shares.

[6] Elected to the board on February 16, 1965.

COMPENSATION

In 1964, the company paid direct renumeration to employees as follows:

Identity	Capacity in which Remuneration Received	Aggregate Remuneration	Estimated Monthly Retirement Benefits
L. R. Thornton	President of the company	$ 35,000	$ 1,044
O. M. Gautreaux	Executive Vice-President of the company in charge of dredging	$ 43,933	$ 737
All directors and officers of the company		$196,958	

reinstated Aug. 65

Captain Thornton is under an employment contract with the company dated in September, 1961, providing an annual salary of $35,000 through August, 1965, an annual consultant salary (plus a per-diem fee) of $12,000 for five years thereafter, and annual $12,000 death benefits for five years. The company has an insured contributory pension plan covering approximately 180 employees, which provides monthly benefits at normal retirement age (65 for male employees, and 62 for female employees) to participants having 25 years of service, of 16% of the first $400 plus 40% of the excess over $400 of the participant's average monthly salary for the ten years prior to retirement. The retirement benefits to a participant having less than 25 years of service at date of retirement are reduced in the ratio that the participant's years of service at date of retirement bear to 25.

INTEREST IN TRANSACTIONS

In 1964: C. A. Sporl & Co., Inc. received gross insurance premiums of $403,304 from the company (of which approximately $40,000 represented commissions to the Sporl Company) paid on certain marine, liability and workmen's compensation insurance policies, and expects to receive a comparable amount in 1965. The company performed construction work for Humble Oil & Refining Co. for compensation aggregating $3,631.300.

REDUCTION OF CAPITAL

Under the agreement pursuant to which this company acquired all of the outstanding shares of Harris Foundry and Machine Company in 1962, 65,000 of this company's $10-par common shares were placed in escrow, to be delivered to the Harris Company's former shareholders if, and to the extent that, the Harris Company's earnings over a five-year period should warrant such delivery under a formula set forth in the agreement. This company subsequently reacquired the 65,000 shares. The company's directors, having determined that there is no need to continue to hold these shares in treasury, recommend that they be retired. Retirement of these shares will have no effect on the rights of the shareholders.

APPOINTMENT OF AUDITORS

Management recommends confirmation of its renewal of the appointment of Messrs. Price Waterhouse & Co. as the company's dependent certified public accountants for 1965.

CONCLUSION

Affirmative vote by a majority in interest of the shareholders present or represented and voting, is required for approval of such of the items discussed herein. A majority in interest of the company's shareholders, present in person or represented by proxy, will constitute a quorum at the meeting.

By Order of the Board of Directors

W. HORACE WILLIAMS, JR.
Secretary

March 12, 1965

Frank J. Kinberger

Price Waterhouse & Co.

500 Richards Building
New Orleans, La.
Jackson 5-4281

Wallace E. Giles

Price Waterhouse & Co.
New Orleans 12

500 Richards Building
525-4281