

8870-83
February 20, 1961

Industrial Development



Mr. Frank Batten, Publisher
Norfolk Newspapers, Inc.
Norfolk, Virginia

Mr. A. H. McDowell, President
Virginia Electric & Power Company
Richmond, Virginia

Mr. Lewis F. Powell
Hunton, Williams, Gay, Moore & Powell
Electric Building
Richmond, Virginia

Mr. H. W. Tulloch, Manager
Employee & Community Relations
General Electric Company
Waynesboro, Virginia

Mr. J. Harvie Wilkinson, Jr., President
State-Planters Bank of Commerce and Trusts
Richmond, Virginia

Gentlemen:

Am pleased to advise that I have discussed with Stuart the application of Dick Jackson in connection with our state-wide economic development program. Stuart remembered him when he was connected with the Boston-Maine Railroad, and was quite pleased we were able to obtain a person of such high character and ability.

I have arranged with Dick to contact Stuart and make the necessary arrangements, so I think the work of our committee is finished--at least I hope so.

It was a pleasure working with each of you gentlemen, and I hope that our efforts will reward the State of Virginia for years to come.

Best regards.

Sincerely,

Henry Clay

H. C. Hofheimer, II

HCH:mb

February 22, 1961

8870-85

Mr. Henry Clay Hofheimer, II
Post Office Box 420
Norfolk 1, Virginia

Dear Henry Clay:

My warmest congratulations to you on the successful accomplishment of a very difficult mission.

I think that Dick Jackson will make a fine man.

Sincerely,

24/166

8870 - 85

NORFOLK AND WESTERN RAILWAY COMPANY

STUART T. SAUNDERS
PRESIDENT

ROANOKE, VIRGINIA

June 16, 1961.



Mr. Richard C. Holmquist,
118 Long Lots Road,
Westport, Connecticut.

Dear Mr. Holmquist:

I am delighted to learn from the Chairman of our Selection Committee that you are willing to accept employment from the Virginia Industrialization Group which, as you know, is an informal group of businessmen in this State. In order that there may be no misunderstanding, I will outline the conditions of your employment.

You would be employed for a minimum period of five years, beginning not later than September 1, 1961, at an annual salary of \$25,000, this to be paid on a monthly basis through the State-Planters Bank acting as agent for our group. In addition, you would have available for expenses and entertainment in connection with your work a sum up to \$10,000 a year. This would be over and above any expenses or other funds which you might receive for similar purposes from the State of Virginia. The State will furnish you office space, stenographic and clerical services and an automobile for business purposes.

I enclose a Memorandum of Understanding dated August 18, 1960, which sets forth the arrangement that we have worked out with the Department of Conservation and Economic Development with reference to this job. This memorandum, of course, would be controlling as between the Department and our group. You will note that under the memorandum the tenure of office would be at the pleasure of the Board of Conservation and Economic Development and the Governor. In other words, they would have the right to terminate the arrangement at any time. Your tenure with

the informal group would be for a five-year period, subject to earlier termination in the event you failed to discharge your duties in good faith and satisfactorily.

Please let me know whether this letter is in accordance with our understanding of the terms of your employment.

Sincerely,

(s) Stuart T. Saunders

Chairman,
Virginia Industrialization
Group.

cc:

Mr. Frank Batten
Mr. H. C. Hofheimer, III
Mr. A. H. McDowell
✓ Mr. Lewis Powell
Mr. H. W. Tulloch
Mr. J. H. Wilkinson, Jr.

Please let me know if the above is not in line with your understanding of the commitment which I am authorized to make on behalf of our group.

8870 85

NORFOLK AND WESTERN RAILWAY COMPANY

STUART T. SAUNDERS
PRESIDENT

ROANOKE, VIRGINIA

June 25, 1961.



Mr. Richard C. Holmquist,
118 Long Lots Road,
Westport, Connecticut.

Dear Mr. Holmquist:

I am delighted to learn from your letter of June 21 that you will accept the offer of our Virginia Industrialization Group and that you will assume your duties on September 1. This position offers you a great opportunity, and I am sure that you will find it stimulating and pleasant.

We are looking forward to having you in Virginia.

Sincerely,

(sgd) Stuart T. Saunders

Chairman,
Virginia Industrializa-
tion Group.

cc: Mr. Marvin M. Sutherland
Mr. Frank Batten
Mr. H. C. Hofheimer, II
Mr. A. H. McDowell
✓ Mr. Lewis Powell
Mr. H. W. Tulloch
Mr. J. H. Wilkinson, Jr.

8870-85

NORFOLK AND WESTERN RAILWAY COMPANY

J

STUART T. SAUNDERS
PRESIDENT

ROANOKE, VIRGINIA

September 6, 1961.



Mr. Marvin T. Sutherland,
Director of Conservation and
Economic Development,
State Office Building,
Richmond, Virginia.

Dear Marvin:

Henry Clay Hofheimer has informed me of his understanding with you that the State and our Industrial Group will each pay five cents per mile to Mr. Holmquist for use of his automobile for business purposes. This is agreeable to our group and I am sending copy of this letter to Mr. Robert A. Browning, Jr., Corporate Trust Officer of State-Planters Bank of Commerce and Trusts, so that he will be informed of this.

Sincerely,

Stuart T. Saunders

cc: Mr. Robert A. Browning, Jr.

bc: Mr. Frank Batten

Mr. H. C. Hofheimer, II

Mr. A. H. McDowell

Mr. Lewis Powell

Mr. H. W. Tulloch

Mr. J. H. Wilkinson, Jr.

) I take it that this meets
) with your approval.

September 8, 1961

PERSONAL

Mr. Richard C. Holmquist
Department of Conservation and
Economic Development
Old State Office Building, Eighth Floor
12th and Bank Streets
Richmond, Virginia

Dear Mr. Holmquist:

State Planters Bank of Commerce and Trusts, as the disbursing agent for our informal Industrialization Group, has suggested the desirability of spelling out in a little more detail the nature of our relationship and the instructions to the Bank.

As my letter to you of June 16, 1961, contains only a summary of our understanding, perhaps it is desirable to spell out some of the details more specifically. This will be the purpose of this letter.

We consider you to be an independent consultant, and our Group does not intend (and indeed we are in no position) to exercise supervision over you or the manner in which you conduct your activities. Our purpose in engaging you is to stimulate industrial growth and development in Virginia for the benefit of our respective businesses, and we hope also for the benefit of the State

of Virginia generally. We rely on you to accomplish this purpose by customary and appropriate means, and we hope with considerable success. To assure coordination and maximum effectiveness, we have made the arrangement for you to work with the Department of Conservation and Economic Development in the manner set forth in the memorandum of August 18, 1960.

Your annual salary or retainer of \$25,000 is to be paid to you on a monthly basis, in twelve approximately equal monthly installments, on the last day of each calendar month commencing September 30, 1961. These payments are to be made by the Bank, acting as agent for our Group, without any further authorization or certification from us. You will devote your full business time and effort to this engagement, subject of course to an annual vacation of _____ weeks and customary holidays.

As you know, our Group intends to make available through the Bank, as agent, a further sum up to \$10,000 a year to be available for proper expenses and entertainment incurred in connection with your work. As stated in my letter of June 16, this will be over and above such reimbursements and assistance in this respect as you may receive from the State of Virginia, and does not relate to the agreed items of expense to be assumed by the State.

The Bank will reimburse you from the expense and entertainment fund provided by our Group on the basis of vouchers submitted by you, and which have been approved by the Director of the Department of Conservation and Economic Development or someone authorized to act on his behalf.

In order that our Group may follow the results of your activities, we would like to have a brief written report from you quarterly, and such additional reports as you deem appropriate. From time to time, we will request you to appear before our Group or a Committee thereof and brief us generally. There may be occasions when members of our Group could be of assistance to you on specific projects or prospects, and in such situations I am sure you will receive full cooperation.

As our Group is not related to any particular section of the State, no favoritism is to be shown any section or location in seeking to bring new industry into the State or stimulate expansion of plants or businesses already located here. It is believed that the business interests of the members of our Group are broadly based enough to benefit from additions or expansions wherever they may be located within the State.

As you commenced work on this assignment on September 1, 1961, the five year period will run from that date and each twelve

months period will expire August 31. The provisions in my letter of June 16 as to your tenure with our Group (total of five years, subject to satisfactory performance) are hereby confirmed.

I am sending a copy of this letter to the Bank, and suggest that if this meets with your approval you sign the two enclosed copies, and send one to the Bank (as evidence of its authorization) and return one to me. The Bank will have no responsibility other than to receive and hold payments made to it by the Group and to pay therefrom your compensation and expenses as above stated. There are to be no deductions for Social Security or withholding taxes, as these are not applicable to this arrangement.

Sincerely,

Stuart T. Saunders, Chairman
Virginia Industrialization Group

I approve of the foregoing, which supplements your letter to me of June 16, 1961.

Richard C. Holmquist

September 8, 1961

8870-85

Mr. Robert A. Browning, Jr.
State Planters Bank of Commerce & Trusts
Ninth and Main Streets
Richmond, Virginia

Dear Bob:

Referring to arrangements between the informal Industrialization Group and Mr. Holmquist and to your request on the telephone, I have reviewed my file and, in light of its contents, have drafted a proposed supplemental letter.

At the present time, the only written evidence of the agreement between the Group and Mr. Holmquist, contained in my file, is Stuart Saunders' letter of June 16, 1961.

As this is a summary of the agreement, I agree with you that it is desirable for the bank as well as the principals to have a more detailed statement of the arrangement.

Before sending this proposed supplemental letter to Mr. Saunders, I would appreciate receiving comments from you and Harvie Wilkinson.

Sincerely,

24/166

Encl.

CC: Mr. J. Harvie Wilkinson, Jr.



ESTABLISHED 1885

State-Planters Bank of Commerce and Trusts

RICHMOND, VIRGINIA

September 8, 1961



8870-85

Mr. Lewis F. Powell, Jr.
Hunton, Williams, Gay, Powell & Gibson
Electric Building
Richmond 12, Virginia

Dear Lewis:

Thank you for your letter of September 8 enclosing draft of a supplemental letter to be written to Mr. Richard C. Holmquist. The text of the letter is excellent and certainly covers those areas in which we are most vitally interested in our capacity as Paymaster for the Virginia Industrialization Group.

I have discussed the supplemental letter with Harvie, who is in complete agreement. We would appreciate it if you would send this letter to Mr. Saunders with the request that he follow through and have a copy of the agreement returned to us.

I personally help your help in assisting us to tie down enough of the details so as to perform our responsibilities in a proper manner.

Sincerely yours,

R. A. Browning, Jr.
Corporate Trust Officer

RAB:k

September 11, 1961

8870-85

Stuart T. Saunders, Esquire
President
Norfolk & Western Railroad
Roanoke 17, Virginia

Dear Stuart:

As the result of a talk with Bob Browning, Corporate Trust Officer at State-Planters Bank, it seemed desirable to have some amplification of your letter of June 16 to Mr. Holmquist. Accordingly, I have prepared a draft of a supplemental letter, and enclose two copies of it for your consideration.

The Bank was interested in having somewhat more specific instructions as to the payment of salary, expenses, and withholding taxes.

In view of discussions which I had some months ago with Martin Burks and Jim Carr, it also seems desirable that your supplemental letter should point up the fact that Mr. Holmquist is an independent contractor rather than an employee. It might be well for Martin and Jim to take a look at the enclosed draft and give you the benefit of their comments.

If you approve of the idea, I suggest that you send three executed copies of the letter to Mr. Holmquist so that we may retain one, send one to the Bank with his signature and return one to you.

Sincerely,

24/166

CC: Messrs. Browning and Wilkinson

8870-85
e
803 State Office Building
Richmond 19, Virginia

September 15, 1961

Mr. Lewis F. Powell, Jr.
Attorney at Law
Electric Building
Richmond, Virginia



Dear Mr. Powell:

Now that I am on the job I'm looking forward to meeting you and the other members of the Virginia Industrialization Group. Meanwhile, I want to express my appreciation for your part in providing what I believe is a most challenging opportunity.

I plan to take time at first to get better acquainted with Virginia and some of the many people who are currently working on its economic development. After that I will make my own appraisal of its strengths and weaknesses as I see them, and report such observations to you. From then on, I hope we will be working together closely toward our mutual objectives of developing the full industrial potential of Virginia.

Your suggestions, comments, or any items of information that might help me in this new assignment are most welcome. In many instances I know you will be passing such thoughts along to key individuals in the industrial development agencies with which you are now associated.

I hope I shall have the pleasure of meeting you soon.

Cordially,

Richard C. Holmquist
Executive Director
Virginia Industrialization Group

H/y

September 20, 1961

8870-85

Mr. Richard C. Holmquist
Executive Director
Virginia Industrialization Group
803 State Office Building
Richmond 19, Virginia

Dear Mr. Holmquist:

Thank you for your very nice note of September 15.

It is good to know that you are now "on the job," and that those of us who have been so interested in developing new industry in Virginia will have the benefit of your able assistance.

I am looking forward with much pleasure to meeting you.

Sincerely,

24/166

September 28, 1961

Dear Stuart:

I am looking forward to meeting with
our industrial development group on Monday,
October 2.

Sincerely,

Mr. Stuart T. Saunders
President
Norfolk & Western Railway Co.
Roanoke 17, Virginia

24/166

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NORFOLK AND WESTERN RAILWAY COMPANY
ROANOKE, VIRGINIA

September 28, 1961.

STUART T. SAUNDERS
PRESIDENT



Dear Lewis,

I have delayed acknowledging your letter of the 11th until Martin Burks and Jim Carr had an opportunity to look it over.

With one minor exception, I think that your letter is very good. I feel that the words "salary or" in the first full paragraph on page 2 should be stricken out. I don't believe that we should refer to his compensation as "salary." Subject to this change, I am writing Mr. Holmquist the suggested letter.

Sincerely,

Stuck

Lewis F. Powell, Jr., Esquire,
Hunton, Williams, Gay, Powell & Gibson,
Electric Building,
Richmond 12, Virginia.

VIRGINIA INDUSTRIALIZATION GROUP

Roanoke, Virginia, September 28, 1961.



Personal

Mr. Richard C. Holmquist,
Department of Conservation and Economic Development,
Old State Office Building, Eighth Floor,
12th and Bank Streets,
Richmond, Virginia.

Dear Mr. Holmquist:

State Planters Bank of Commerce and Trusts,
as the disbursing agent for our informal Industrializa-
tion Group, has suggested the desirability of spelling
out in a little more detail the nature of our relation-
ship and the instructions to the Bank.

As my letter to you of June 16, 1961, contains
only a summary of our understanding, perhaps it is de-
sirable to spell out some of the details more specifically.
This will be the purpose of this letter.

We consider you to be an independent consultant,
and our Group does not intend (and indeed we are in no
position) to exercise supervision over you or the manner
in which you conduct your activities. Our purpose in
engaging you is to stimulate industrial growth and de-
velopment in Virginia for the benefit of our respective
businesses, and we hope also for the benefit of the State
of Virginia generally. We rely on you to accomplish this
purpose by customary and appropriate means, and we hope
with considerable success. To assure coordination and
maximum effectiveness, we have made the arrangement for
you to work with the Department of Conservation and
Economic Development in the manner set forth in the
memorandum of August 18, 1960.

Your annual retainer of \$25,000 is to be paid
to you on a monthly basis, in twelve approximately equal
monthly installments, on the last day of each calendar
month commencing September 30, 1961. These payments are
to be made by the Bank, acting as agent for our Group,
without any further authorization or certification from
us. You will devote your full business time and effort

to this engagement, subject of course to the same working hours and leave provisions as are accorded State employees.

As you know, our Group intends to make available through the Bank, as agent, a further sum up to \$10,000 a year to be available for proper expenses and entertainment incurred in connection with your work. As stated in my letter of June 16, this will be over and above such reimbursements and assistance in this respect as you may receive from the State of Virginia, and does not relate to the agreed items of expense to be assumed by the State.

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Sincerely,

(sgd) Stuart T. Saunders

Stuart T. Saunders, Chairman,
Virginia Industrialization Group.

I approve of the foregoing, which supplements
your letter to me of June 16, 1961.

Richard C. Holmquist.

cc: Messrs. Frank Batten
H. C. Hofheimer, II
A. H. McDowell
✓ Lewis Powell
H. W. Tulloch
J. H. Wilkinson, Jr.

Robert A. Browning, Jr.

September 29, 1961

James G. Harrison, Esquire
State-Planters Bank Building
Hopewell, Virginia

Dear Jim:

Thank you for yours of September 26.

I have read the Harper's article with much interest, and I certainly agree with you that we have everything except the approximate equivalent of MIT. In all frankness, I see no hope of our starting an A grade technical college from scratch. Having worked a good deal in education, I am appalled by the problems of maintaining existing and well-established colleges and universities on a sound basis - much less trying to organize a new one.

The type of scientific individual referred to in the Harper's article is not likely to be attracted by a brand new college without stature or large resources. Never the less, your idea is entirely sound, and there is much that can be done with present resources.

I am sending you letter and the Harper's article to Mr. Holmquist, who has recently been engaged by a group of leading Virginia businessmen to work with the State Department of Conservation and Development on bringing new industries into Virginia. Mr. Holmquist is exceptionally well qualified, and we are expecting great things of him.

If the University of Richmond could build its reputation, this would be a step in the direction which you have in mind.

Thank you for your thoughtful letter.

Sincerely,

24/166

CC: Mr. Richard C. Holmquist