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B of A Denies Any Ties With the CIA

By Lindsay Arthur

Customers and stockholders today have the assurances of A.W. Clausen, president, and Louis B. Lundborg, chairman, that Bank of America has no ties with the Central Intelligence Agency.

They have assurances, also, that the largest bank would not engage deliberately in black marketing of foreign currencies.

These two points mirror the fact that discussion ranged far beyond the agenda at an annual meeting yesterday of the bank's parent BankAmerica Corp. in Masonic Memorial Auditorium.

The questions came from young men opposed to U.S. involvement in Indochina and critical of some foreign financing.

One of the critics, Ray Henderson of Los Angeles, wanted to know if the bank was aware that the Asian Foundation supports the CIA.

Promote Trade

Lundborg said the bank works with the Asian Foundation in promoting trade and understanding. Clausen added:

"The bank makes development investments all over the world. It has no association with the CIA."

The issue of black marketing was raised in discussion about a European bank in which Bank of America owns an interest that is going business in the Congo.

Clausen said the case is in the courts. He observed:

"Bank of America does not

engage in black marketing deliberately."

Others among the young critics questioned whether the bank is profiting from financing shipments to Indochina.

Clausen insisted the decision as to disengagement there is one for the government, not the bank. This issue was raised by Edward Scanlon and James Lowery, also of Los Angeles. They represented the Center for New Corporate Priorities.

Then there was the problem of minority employment and advancement.

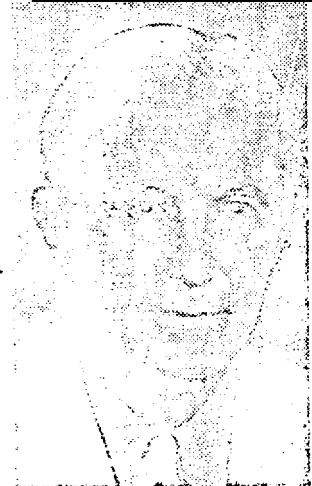
Supports Blacks

Carlton B. Goodlett, black physician-publisher, failed in an effort to have Assemblyman Willie L. Brown and Miss Aileen Hernandez, both black, elected BankAmerica directors. Miss Hernandez is president of the National Organization for Women. There were 533 shares voted for Brown and 661 for Miss Hernandez.

Clausen said the bank's minority employment has doubled to 7900 in six years. He added: "Bank of America with its heart believes that it is wrong to discriminate. We are not perfect, but we are striving."

During the two hour and 10 minute session, attended by more than 800 persons, the stockholders elected management's slate of 17 directors and retained Ernst and Ernst as independent auditors.

An effort to provide for cu-



LOUIS B. LUNDBORG
Answers critics

mulative voting failed. Cumulative voting permits a stockholder to vote all of his shares for one, two or more board candidates instead of an entire slate.

Right Vote

Philip Adams, San Francisco attorney, offered the cumulative voting proposal on behalf of Lewis D. and John J. Gilbert, New York management critics.

Adams said the stockholders lost this right two years ago when the bank formed the holding company, BankAmerica Corp.

Replying for management, Samuel B. Stewart Jr., vice chairman, said the right was not used when available.

"The board of directors should be an integral part of the management team," Stewart said, "A director who could not be trusted might leak important information."

Following adjournment, Walter E. Hoadley, the bank's executive vice president and chief economist, engaged the young critics in a "rap" session.