

# NOMINATIONS OF ROBERT A. GERARD AND JERRY THOMAS

---

---

## HEARING BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE NINETY-FOURTH CONGRESS SECOND SESSION

ON  
THE NOMINATIONS OF  
ROBERT A. GERARD, TO BE ASSISTANT SECRETARY OF THE  
TREASURY  
AND  
JERRY THOMAS, TO BE UNDER SECRETARY OF THE  
TREASURY

---

APRIL 1, 1976



Printed for the use of the Committee on Finance

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1976

17  
S 361-22

**COMMITTEE ON FINANCE**

**RUSSELL B. LONG, Louisiana, *Chairman***

**HERMAN E. TALMADGE, Georgia**  
**VANCE HARTKE, Indiana**  
**ABRAHAM RIBICOFF, Connecticut**  
**HARRY F. BYRD, Jr., Virginia**  
**GAYLORD NELSON, Wisconsin**  
**WALTER F. MONDALE, Minnesota**  
**MIKE GRAVEL, Alaska**  
**LLOYD BENTSEN, Texas**  
**WILLIAM D. HATHAWAY, Maine**  
**FLOYD K. HASKELL, Colorado**

**CARL T. CURTIS, Nebraska**  
**PAUL J. FANNIN, Arizona**  
**CLIFFORD, P. HANSEN, Wyoming**  
**ROBERT DOLE, Kansas**  
**BOB PACKWOOD, Oregon**  
**WILLIAM V. ROTH, Jr., Delaware**  
**BILL BROCK, Tennessee**

**MICHAEL STERN, *Staff Director***  
**DONALD V. MOOREHEAD, *Chief Minority Counsel***

(II)

# CONTENTS

## WITNESSES

	Page
Robert A. Gerard, nominee to be Assistant Secretary of the Treasury-----	1
Hon. Richard B. Stone, a U.S. Senator from the State of Florida-----	5
Jerry Thomas, nominee to be Under Secretary of the Treasury-----	5

## ADDITIONAL INFORMATION

Communication from Hon. William E. Simon, Secretary of the Treasury, re Establishment of Office of the Assistant Secretary for Capital Markets and Debt Management-----	3
---	---

(III)

# NOMINATIONS OF ROBERT A. GERARD AND JERRY THOMAS

THURSDAY, APRIL 1, 1976

U.S. SENATE,  
COMMITTEE ON FINANCE,  
Washington, D.C.

The committee met at 9:45 a.m., pursuant to notice, in room 2221, Dirksen Senate Office Building, Senator Gaylord Nelson, presiding.

Present: Senators Nelson, Talmadge, and Hansen.

Senator NELSON. Our first witness is Mr. Robert Gerard, of the District of Columbia, nominated for Assistant Secretary of the Treasury.

Mr. Gerard, did you have a statement to make?

## STATEMENT OF ROBERT A. GERARD, NOMINEE TO BE ASSISTANT SECRETARY OF THE TREASURY

Mr. GERARD. No; I have no statement.

Senator NELSON. You submitted the biographical background, which will be printed in the appropriate place in the record. Would you wish to give us some of your background experience? Are you in Treasury now?

Mr. GERARD. Yes; I am.

Senator NELSON. How long have you been in Treasury?

Mr. GERARD. I joined the Treasury in 1974 as the first Director of the new Office of Capital Markets Policy. In September of last year I was appointed Deputy Assistant Secretary for Financial Resources Policy, which was a position that supervised the Office of Capital Markets Policy.

All of the functions and responsibilities of my present position will be included under the Assistant Secretary for Capital Markets and Debt Management.

Senator NELSON. Could you describe the areas or jurisdiction or the type of problems you will deal with as Assistant Secretary?

Mr. GERARD. Yes, sir.

The first area is the traditional Treasury role in the financing of the national debt. The Special Assistant for Debt Management as well as the Office of Debt Analysis under the existing organization structure will report to me. That Office is responsible for making recommendations to the Secretary on the timing and nature of Treasury financing, and analyzing financing by other Federal agencies, commenting on legislation that affects the Federal and capital markets generally, operating in the Federal Financing Bank and similar and related functions.

The so-called capital markets side of the organization, as I said a moment ago, the organization I presently head, focuses on the non-Federal sectors of the capital markets, the stock markets, the corporate bond market, the municipal bond market, and the like. In addition, I will be responsible for carrying out the Secretary's responsibility under the New York City Seasonal Financing Act of 1975.

Senator NELSON. Your current position is Deputy Assistant Secretary?

Mr. GERARD. For financial resources; yes, sir.

Senator NELSON. Did you require confirmation?

Mr. GERARD. No, sir.

Senator NELSON. Senator Talmadge?

Senator TALMADGE. I don't think I have any questions. I have read the bibliography. He seems to be qualified by training and experience.

You mentioned security management in the Treasury Department. What jurisdiction does Treasury have over security markets? I thought that was in the SEC.

Mr. GERARD. We have no jurisdiction, but the administration, of course, has a responsibility to have a position on legislation affecting the securities markets.

Senator TALMADGE. In other words, your only responsibility is to make recommendations on proposed legislation and the rest is vested in the Securities and Exchange Commission?

Mr. GERARD. That is correct.

Senator NELSON. Senator Hansen?

Senator HANSEN. I have no questions.

Senator NELSON. Thank you very much, Mr. Gerard.

[Material relative to the nomination follows:]

#### BIOGRAPHICAL INFORMATION OF ROBERT A. GERARD

##### Home:

2025 N Street N.W., Washington, D.C. 20036. Tel.: 202-466-2899.

##### Business:

U.S. Treasury Dept., Room 3208, Washington, D.C. 20220. Tel.: 202-964-2103.

Born: October 19, 1944, New York, New York.

Married: Elizabeth Coolidge Gallatin, October 15, 1969.

Children: Celia Coolidge (2 yrs. 3 months); Robert Gallatin (8 months).

##### Education:

Hackley School, 1962.

Harvard College, B.A., 1966 (*cum laude*):

Major: American Financial History.

Thesis: "Jay Cooke and the Development of American Investment Banking."

Columbia University, J.D. 1969 (*magna cum laude*):

Notes and Comments Editor, Columbia Law Review.

Harlan Fiske Stone Scholar.

##### Experience:

1969-1970—Law Clerk to Hon. Carl McGowan, Judge, United States Court of Appeals for the District of Columbia Circuit.

—1970-1974—Associate, Wilmer, Cutler & Pickering, Washington, D.C. (specialty: banking and securities law).

December 1974 to Present, U.S. Treasury Department:

December 1974 to August 1975: Director, Office of Capital Markets Policy.

September 1975 to Present: Deputy Assistant Secretary (Financial Resources Policy Coordination).

DEPARTMENT OF THE TREASURY,  
Washington, D.C., March 30, 1976.

Hon. RUSSELL B. LONG,  
Chairman, Committee on Finance, U.S. Senate,  
Washington, D.C.

DEAR MR. CHAIRMAN: This is to assure you that, should the Senate confirm President Ford's nomination of me as Assistant Secretary for Capital Markets and Debt Management of the Department of the Treasury, I agree to testify before any Committee of Congress on any matters pertinent to my responsibilities within the Treasury.

With highest regards,  
Sincerely yours,

ROBERT A. GEBARD, *Assistant Secretary-Designate.*

THE SECRETARY OF THE TREASURY,  
Washington, D.C., March 24, 1976.

Hon. RUSSELL B. LONG,  
Chairman, Committee on Finance, U.S. Senate,  
Washington, D.C.

DEAR MR. CHAIRMAN: On January 29, 1976, I wrote to advise you that I intended to establish the Office of the Assistant Secretary for Capital Markets and Debt Management. That Office is now being established and I thought it appropriate at this time to describe in greater detail what the duties and functions of that Office would be.

First, the Office will have responsibility for Treasury's financing activities. These include the timing and nature of Treasury financing, supervision of the borrowing of other Federal agencies, preparation of relevant statistical and analytical materials concerning the Federal debt, and the management and operations of the Federal Financing Bank.

In addition, the Office will establish Treasury policy for the non-Federal sectors of United States financial markets. For example, the Office will develop Treasury views on legislation and other policy initiatives affecting the banking and securities industries, and may comment from time to time on regulatory matters in these areas. It will also formulate policy in the area of state and local government finance and in particular, the functioning of the municipal securities market.

Finally, the Office will administer the New York City Seasonal Financing Act of 1975. In this connection, it will ensure that the requirements of the credit agreement between the United States, the City of New York, the State of New York, and the Emergency Financial Control Board are properly carried out, and will advise me on findings I am required to make under the Seasonal Financing Act.

In sum, this reorganization will result in the consolidation of all Treasury activities relating to domestic financial markets. I believe the change will be most valuable in ensuring our ability to formulate and implement sound policies in this area.

On March 19 the President announced the nomination of Robert A. Gerard, currently Deputy Assistant Secretary (Financial Resources Policy Coordination), to fill this position. Please feel free to call upon Bob Gerard or me if you need any further information.

With best regards,  
Sincerely yours,

WILLIAM E. SIMON.

TREASURY DEPARTMENT: SIMPLIFIED ORGANIZATION CHART

SECRETARY  
(William E. Simon)

DEPUTY SECRETARY  
(George L. Dixon)

UNDER SECRETARY FOR  
MONETARY AFFAIRS  
(Edwin H. Yeo, III)

Asst. Sec. (International  
Affairs)

(Gerald L. Parsky)

International monetary,  
credit, and invest-  
ment policy  
Development finance  
policy

Trade, Energy and Raw  
Materials Policy

Asst. Sec. (Economic Policy)  
(Sidney L. Jones)

Asst. Sec. (Capital Markets  
and Debt Management)

(Robert A. Gerard--Designate)

NYC Loan Program  
Municipal Finance  
Federal Financing Bank  
Debt Management  
Securities Markets Policy

Treasurer of the U.S.  
(Francine I. Neff)

UNDER SECRETARY  
(Jerry Thomas--Designate)

Asst. Sec. (Enforcement  
Operations and Tariff  
Administration)

(David R. MacDonald)

Anti-dumping  
Countervailing duties  
U.S. Customs Service  
Bureau of Alcohol,  
Tobacco and Firearms  
Bureau of Engraving and  
Printing

Bureau of the Mint  
Consolidated Federal Law  
Enforcement Training  
Center  
Secret Service

Revenue Sharing

Public Affairs

Asst. Sec. (Administration)

Asst. Sec. (Legislative Affairs)

Internal Revenue Service

General Counsel

Asst. Sec. (Tax Policy)

Comptroller of the  
Currency

Senator NELSON. Mr. Jerry Thomas, of Florida, nominated to be Under Secretary of the Treasury.

Senator Stone, I am very pleased to have you here this morning and very happy to have you present Mr. Thomas, who comes from your State.

**STATEMENT OF HON. RICHARD B. STONE, A U.S. SENATOR FROM  
THE STATE OF FLORIDA**

Senator Stone. Mr. Chairman and members of the committee, Mr. Thomas not only comes from Florida, but he is a longtime personal friend. I have the greatest pleasure in sponsoring his nomination here to you today. I have known Mr. Thomas since before I went to the Florida State Senate where he and I served for years, where he served in a distinguished fashion as president of the Florida State Senate.

Senator Thomas is a self-made success in the world of banking and business and in that respect brings to the position for which he has been nominated not only proven financial and business success, but knowledge and experience in government administration and government legislation.

In addition to being president of the Florida State Senate, he was director of our State securities commission. In that regard he did a very fine job.

So, what you have before you is a man who has both business, financial, executive, and legislative experience, and has served in a distinguished fashion in all of those capacities, a man whose integrity has been unquestioned and a credit to the State of Florida. I certainly commend him to your consideration.

Senator NELSON. Thank you, very much, Senator Stone.

You are currently not in government service?

**STATEMENT OF JERRY THOMAS, NOMINEE TO BE UNDER  
SECRETARY OF THE TREASURY**

Mr. THOMAS. No; I am not, Mr. Chairman.

Senator NELSON. I ask that the appropriate part of your biographical background be printed in the record.

What period of time were you director of the securities commission?

Mr. THOMAS. I was director and administrator of the Florida Securities Commission in the mid-1950's.

Senator NELSON. For how long?

Mr. THOMAS. I started as assistant examiner, became an examiner, with the interruption of the Korean war and then became administrator and held that position for some 2 years.

Senator NELSON. You are now in the private sector?

Mr. THOMAS. Yes, sir.

Mr. Chairman and distinguished members of the committee, I would call your attention to my financial statement because I do own securities which are being placed in a blind trust over which I will exercise no control. Those stocks primarily are in a registered bank holding company which is not subject to the regulation of the U.S. Treasury Department, but rather, that is a registered bank holding company subject to the jurisdiction of the Federal Reserve Board.



The position within the Treasury which will cover my responsibility is a nonfinancial position. I would also like to call to your attention, Mr. Chairman and distinguished members of the committee, that it is the company that I founded.

You will see in a footnote there is a deferred compensation plan which I am fully vested in and upon my retirement which, subject to the favorable recommendation of this committee and the confirmation of the Senate, will constitute my retirement.

I will have no business connections whatsoever. I will resign completely from the companies in which I have a corporate position and devote my full energies to this particular position.

Senator NELSON. I have not looked at these papers, but the retirement that you recite as your entitlement here is a fully vested retirement to which you are entitled without regard to whatever activity you have from now on forward?

Mr. THOMAS. Yes, sir; it became fully vested 2 years ago. We had it in the absence of a pension plan or profitsharing plan.

Senator NELSON. I have not had a chance to examine this, but in any event the committee will, between now and the time they take action on this nomination.

Senator Talmadge, do you have any questions?

Senator TALMADGE. No; Mr. Chairman. Mr. Thomas did me the courtesy of dropping by my office and visiting with me. I had an opportunity to talk with him in some detail. By background and experience he seems well qualified and Senator Stone recommends him highly. He should be qualified for the position the President has nominated him for.

Mr. THOMAS. Thank you, Senator Talmadge.

Senator NELSON. Senator Hansen?

Senator HANSEN. I have no questions. It has been my pleasure to be able to meet and visit with Mr. Thomas earlier. I think what Senator Talmadge said earlier reflects the opinion I have.

Senator NELSON. Thank you, Mr. Thomas.

Mr. THOMAS. Thank you for the many courtesies you have extended to me and I look forward to working with you.

**BIOGRAPHICAL INFORMATION OF JERRY THOMAS, UNDER SECRETARY OF THE  
TREASURY-DESIGNATE**

Home Address: Sea Oats, Beach Road, Jupiter, Florida 33458.

Business Address: First National Bank & Trust Company, Tequesta, Florida 33458.

Place of Birth: West Palm Beach, Florida.

Date of Birth: April 30, 1929.

Name of Wife: Jeannie Thomas.

Children: Daughters: Mrs. Ricky ("Robbie") Boulard, 23, Cindy, 17; Sons: Larry, 22, Kenneth, 21 (married), Jerry, 20.

Business: Banking.

Education:

Undergraduate Work: Palm Beach Junior College, Florida State University.

Postgraduate Work: Florida State University, Florida Atlantic University. Seminars: Senior Bank Management at Graduate Schools of Harvard and Columbia Universities; Aspen Institute for Humanistic Studies.

College Degrees: AA, BS, ME.

**Educational Honors:** Graduate Fellowship, Omicron Delta Kappa, Gold Key, Pi Alpha Sigma, Institute of Food and Agricultural Sciences Award for 1968 from University of Florida; Leadership Award for 1968 from Epsilon Sigma Phi; Florida's Agriculture Extension Service, Merit Award from Gamma Sigma Delta, Agriculture's Honor Society, 1969-1970; The Palm Beach Junior College Service Award 1966, Florida's Vocational Association Distinguished Service Recognition, 1965; Honorary Regent, American College of Administrators; Hall of Fame; Who's Who in American Colleges and Universities; Runner-up, Ten Outstanding College Students in United States and Canada.

**Commercial Interests:** President and Chairman of the Board of First Marine Banks, Inc., Chairman, Board of Directors of ten commercial banks; The Presidents Association; former member of two national stock exchanges; former Board of Governors of Association of Small Business Investment Companies.

**Government:**

**Executive Branch:** Former Director and Administrator of the Florida Securities Commission.

**Legislative Branch:** Florida House of Representatives, 1960-1964. Florida Senate, 1965-1972, President of the Senate, 1970-1972.

Author of several hundred laws including Florida's first Welfare, Claim and Recovery Law, first Nepotism Law, first Conflict of Interest Law, first Student Loan Law, first Equal Pay Law and numerous conservation laws, including law prohibiting dredging of estuaries and law stopping the dumping of sewage in the ocean and waterways.

**Awards:** Allen Morris Awards: Most Outstanding First-Term Member of the Florida House of Representatives, 1961; Most Outstanding First-Term Member of the Florida Senate 1965; Most Outstanding Second-Term Member of Florida Senate 1967; Most Valuable Member of the Senate 1970 and 1971; Second Most Valuable Member of Florida Senate 1972; Legislative Leadership Citation: of Nation's more than 4000 Legislators, was selected as one of the 16 top Legislators in the United States by the Citizens Conference of State Legislators, 1971. Florida Junior Chamber of Commerce Awards: Five Outstanding Young Men of Florida, 1961; Palm Beach County Good Government Award, 1962 and 1963; Florida's Good Government Award, 1967. United States Treasury Department Awards: Four Freedom Bond Awards 1962-1965; Minute Man Award 1967; Special Citation 1968 as Chairman of Share in Freedom. The Palm Beach Country Restaurant Association, Certificates of Appreciation; 1962, 1963, 1964 and 1968; Distinguished Service Award, U.S. Junior Chamber of Commerce 1962. Silver and Gold Medallions from the Heart Association of Palm Beach and Martin Counties; American Heart Association's highest award, The Distinguished Achievement Medallion, 1968; Water and Soil Conservation Award presented by National and Florida Wildlife Federation 1968; Solid Citizen Citation by Community Round Table of Palm Beaches; Outstanding Contribution Award, Florida Federation of Business and Professional Women's Clubs, 1969; Outstanding Legislator Award, Florida Farm Bureau Federation, 1972; DeMolay Legion of Honor Order of DeMolay, 1970. Appreciation Award, Florida Retired Teachers, 1972; Certificate of Appreciation for Outstanding Service and Bicentennial Salute to America Award, Florida East Coast Chapter of the Associated General Contractors of America, Inc.; Sales and Marketing Executives of the Palm Beaches 1969 award; Super Patriot Award, Florida Conservative Union, Inc. 1976.

**Listings:** Who's Who; Personalities in the South; Outstanding Leadership, National Register of Prominent Americans; Community Leaders and Noteworthy Americans; Notable Americans of the Bicentennial Era.

**Publishings:** *Florida's Political Uniqueness*, 1952; *Florida Securities Commission Protects Investors*, 1955; Editor of *Florida Prospective*, 1975-1976.

**Civic:** Honorary President of Florida Atlantic University Alumni Association; Board of Advisors for the Florida State University Foundation, Inc.; Director of Children's Home Society of Florida; Palm Beach County Chairman of United States Savings Bond Division; 32° Mason; former Chairman Florida Conservative Union, Inc.; Marine Corps Reserve Officers Association; Marine Corps League; Florida Wildlife Federation; Mental Health Association; American Legion; former member of State Board of Directors for Florida Heart Associa-

tion; past president and chairman of the board of Heart Association of Palm Beach and Martin counties; former member of Board of Directors of American Cancer Society for Palm Beach County; past board member Greater West Palm Beach Chamber of Commerce; past president of Palm Beach Lions Club; former advisor for Crime Prevention for the National Police Officers Association; former Director of South Florida Fair and Exposition.

Political: Florida's Republican nominee for Governor, 1974.

Military Service: United States Navy, Midshipman; United States Marine Corps, Captain.

Church: Immanuel United Presbyterian Church, Elder. Chapel In The Sun, Board of Counselors.

Hobbies: Boating, skin diving, fishing, snow skiing, and tennis.

---

THE UNDER SECRETARY OF THE TREASURY,  
Washington, D.C., March 30, 1976.

HON. RUSSELL B. LONG,  
Chairman, Committee on Finance,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to assure you that, should the Senate confirm President Ford's nomination of me as Under Secretary of the Treasury, I agree to testify before any Committee of Congress on any matters pertaining to my responsibilities within the Treasury.

With highest regards.

Sincerely yours,

JERRY THOMAS, *Under Secretary-Designate.*

[Whereupon, at 10 a.m., the committee proceeded to the consideration of other business.]

○