

NOMINATIONS OF R. T. McNAMAR AND W. DENNIS THOMAS

HEARING BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE NINETY-SEVENTH CONGRESS FIRST SESSION

ON

**NOMINATIONS OF R. T. McNAMAR, OF CALIFORNIA, TO BE DEPUTY
SECRETARY OF THE TREASURY, AND W. DENNIS THOMAS, OF MARY-
LAND, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY**

FEBRUARY 6, 1981

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NOMINATIONS OF: R. T. McNAMAR TO BE DEPUTY SECRETARY OF THE TREASURY AND W. DENNIS THOMAS TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY

FRIDAY, FEBRUARY 6, 1981

UNITED STATES SENATE
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:20 a.m. in room S-146, the Capitol, Hon. Robert J. Dole (chairman) presiding.

Present: Senators Dole, Roth, Danforth, Chafee, Heinz, Durenberger, Symms, Grassley, Long, Byrd, Bentsen, and Matsunaga.
[The press release announcing the hearing follows:]

[Press Release, Feb. 9, 1981]

FINANCE COMMITTEE APPROVES TREASURY DEPARTMENT NOMINATIONS

The Honorable Robert J. Dole (R., Kansas) Chairman of the Committee on Finance, announced that the Committee on February 6, 1981 favorably reported out the nominations of R. T. McNamar to be Deputy Secretary of the Treasury and W. Dennis Thomas to be Deputy Undersecretary of the Treasury.

THE CHAIRMAN. If we can proceed. We have Senator Roth, Senator Chafee, myself, and Senator Byrd here. Other members will be here. There is a Democratic caucus in process and it should end very soon.

First, we have under consideration the nomination of R. T. McNamar, of California, to be Deputy Secretary of the Treasury.

Senator CHAFEE. Do you think he might come right up here, Mr. Chairman, then we can all get a pretty good look at him.

The CHAIRMAN. Do you have a statement you would like to read?
[The biographical sketch of R. T. McNamar follows:]

R. T. McNAMAR

EDUCATION

Villanova University—1961, A.B.

University of Michigan Law School—1963, J.D.¹

Amos Tuck School of Business Administration (Dartmouth)—1965, M.B.A.

EXPERIENCE

Executive Vice President, Beneficial Standard Corp. (July 1977 to present)

Responsibilities

The Executive Vice President and Chief Financial Officer is the de facto Chief Operating Officer of Beneficial Standard Corporation, a diversified financial services

¹Was graduated from law school in 2 years on accelerated program.

holding company based in Los Angeles. An Amex traded company, Beneficial Standard has subsidiaries active in the areas of: real estate development; life; property and casualty insurance; and, direct marketing. Primarily a third-party marketer of insurance and financial products, the company has assets of approximately \$550 million, sales of about \$225 million, after tax operating profits of approximately \$14 million, and a net worth of \$125 million.

Major accomplishments

Developed and prepared the company's first five year financial plan using a computer-based top-down capital allocation model and a bottom-up projection to identify potential future earnings gaps.

Instituted company-wide Program Profitability Review of all major programs to compare net present values and internal rate of return to company cost of capital based on Capital Asset Pricing Model market determined Betas.

Analyzed and negotiated sale of major operating subsidiary.

Improved the equity and bond portfolios cashflow, performance measurement, and money management techniques.

Introduced and utilized new concepts in financial comparison to Board of Directors; including concepts of "True ROE" and the idea of a quarterly Comparative Performance Index.

Reduced 250 hour EDP processing backlog to virtually zero within three months without adding equipment.

Executive Director, Federal Trade Commission (November 1973 to March 1977)

Responsibilities

The Executive Director is the Chief Operating Officer of the Commission exercising executive and administrative supervision over all offices and bureaus. Commission has a staff of 1700, including 600 attorneys and nearly 100 professional economists with 11 regional offices. Responsible for policy development, implementation, program development, planning, budgeting, program execution, special studies, and all data processing, personnel, and administrative services. Responsibilities include the Commission's relationships with the Office of Management and Budget and the Appropriations Committees of the Congress.

Major accomplishments

Introduced program budgeting concept into Commission, and developed first program budget. Included independent evaluation of existing programs, and quarterly review of program accomplishments and expenditures.

Instituted a decentralized financial planning and control process.

Designed and implemented a top management decision oriented management information system, including a time and activity reporting system modeled after a professional law firm to indicate the past and projected cost of individual cases and projects.

Oversaw development of Commission's new Line of Business reporting program.

Conducted Congressionally-mandated evaluation of initial implementation of Emergency Petroleum Allocation Act of 1973.

Internal management consultant, Cost of Living Council (February 1973 to November 1973)

Responsibilities

During Phase III and Phase IV of the Economic Stabilization Program, served as internal management consultant to Director/Deputy Director of the Cost of Living Council.

Major accomplishments

Formulated and oversaw development of Council's Petroleum Industry Monitoring System, the Federal Government's first data collection effort for nationwide petroleum product sales.

Prepared policy and option analysis for Director/Deputy Director on pricing decisions involving crude and finished products during Phase IV.

Designed and implemented the Council's management information system for Phase IV of the Economic Stabilization Program.

Director, Office of Case Management and Analysis, Pay Board (January 1972 to February 1973)

Responsibilities

The Office of Case Management and Analysis was the chief operating unit of the Pay Board, and advised the Pay Board in the exercise of both its legislative and judicial functions in the stabilization of wages and salaries. This included: the

development, analysis, and recommendation of basic policy options; maintaining policy liaison with union and management representatives; implementation of policy decisions through regulation drafting; preparation of all cases requiring Pay Board review; and, responsibility for disposition of all cases within the delegation of authority of the Pay Board to its staff.

Major accomplishments

Established the organization structure, management processes, and procedures for the Pay Board.

Directed the policy and option analysis for all major Pay Board policy decisions covering collective bargaining agreements, salaried units, and executive compensation.

Staffed and managed the Pay Board's case processing/decision making organization that reduced an initial backlog of over 5,000 pending cases to 1,500 case working inventory while rendering decisions on over 12,000 cases during the first year.

Acted as solicitor on the International Longshoremen's and Warehousemen's Union-Pacific Maritime Association case, the Pay Board's single most important case.

Management consultant, McKinsey & Co., Inc., San Francisco, Calif. (October 1966 to January 1972)

Responsibilities

Handled all aspects of the engagement process with client corporation's top management: negotiation; study management; and billing. Included problem definition, analysis, and development of recommendations as well as providing appropriate implementation assistance.

Major accomplishments

Experience included a wide variety of different client problems, companies, and industries. Specialty was working on problems that involved the unique nature of non-manufacturing organizations, i.e., service firms. Among them were:

Type of client/problem

The Netherlands Ministry of Education & Science lacked any effective means of planning and controlling expenditures for its seven autonomous medical schools.

Leading insurance company wished to evaluate the effect of a possible radical revision in compensation philosophy and commission rate structure of its key human resource—its sales force.

Major international oil company had no capability to identify its promotable employees, promote on a company-wide basis, or manage the development of its high potential employees.

Large electric utility professional workforce would be inadequate to meet anticipated growth and changes in needed skills mix, but couldn't identify magnitude of problem or specific problem areas.

Engagement solution

Developed a process and substantive methodology acceptable to the Ministry and medical school faculties, including use of a computerized planning model to assist in resource allocation decision-making.

Built computer model of present and proposed agency contract that allowed individual salesmen to calculate their present and future streams of income under both the existing and proposed agency contract using a variety of assumptions relating to the types and amounts of insurance sold, lapses, etc. Sales force convinced self and company of profitability of the proposed contract revision.

Designed and installed company-wide performance appraisal and candidate identification system keyed to well defined career path management development program.

Conducted quantitative analysis of functional skills and organization level for existing and projected workforce to identify shortages and recommended remedial action.

Other client engagements included extensive work in the insurance and banking industries, as well as several clients in the manufacturing sectors. Engagements were in planning, organization, cost reduction, and personnel management areas.

Standard Oil Co. of California (September 1965 to October 1966)

Prepared briefs on legal and financial consequences of tax alternatives for the General Tax Counsel. Conducted a variety of analyses on supply/demand situations and labor productivity for the Economics Department. Developed position papers on issues involving company on industry relations with State, federal, and foreign governments.

Koener, Young, McCulloch & Desendorf, Portland, Oreg. (June 1964 to September 1964)

Worked as summer associate preparing legal briefs on-labor law, tax, and anti-trust matters.

ORGANIZATIONS/MEMBERSHIPS

American Bar Association, California State Bar Association, Corpus Christi Catholic Church, Michigan Alumni Club, Republican Party.

PUBLICATIONS

"Profit Sharing in the Total Compensation Package" in Profit Sharing Magazine, 1971.

"Identifying and Planning for Corporate Manpower Needs" in *Managing Manpower: The Utilization of People in Organizations*, edited by James N. Walker (Encino: Dickenson Publishing Company, 1972).

"Identifying and Solving Corporate Manpower Problems" in *Manpower Planning and Programming*, edited by Elmer H. Burack (Boston: Allyn & Bacon, Inc., 1972).

"Building a Better Executive Team: Putting Management Science to Work in Management Selection" in the *California Management Review*, Winter, 1973.

"White Collar Job Enrichment: The Pay Board Experience" in *Public Administration Review*, November/December, 1973.

"Line of Business: Fact and Fiction" in the *Financial Executive*, August, 1974.

"Regulation versus Competition" in *The Wall Street Journal*, August 9, 1976.

REFERENCES

Will furnish a variety of academic, Government and business references on request.

PERSONAL

Married in 1963 to Mary Ann Lyons of Ann Arbor, Michigan, two children. Address: 663 Toyopa Drive, Pacific Palisades, Calif. 90272. Phones: Office (213) 381-8537, Home (213) 459-2855.

**STATEMENT OF R. T. McNAMAR, OF CALIFORNIA, TO BE
DEPUTY SECRETARY OF THE TREASURY**

Mr. McNAMAR. I do have an opening statement, Mr. Chairman. I will just submit it for the record if that meets with your approval, or if you would like to take a couple of minutes, I could read it.

The CHAIRMAN. If you would like to let us have it, read it. [The opening statement of Richard T. McNamar follows:]

OPENING STATEMENT OF RICHARD T. McNAMAR

Mr. Chairman, I am Richard T. McNamar. I have been nominated by the President to serve as Deputy Secretary of the Treasury. It is an honor for me to be here today to meet with you and the other members of the Committee for the purpose of discussing my qualifications for that position.

I would be less than candid if I didn't admit that I am both flattered and humbled that the President has decided to nominate me for the position as Deputy Secretary of the Treasury. I hope that I may have the opportunity to serve the Nation in that post.

I have served this Nation previously in a variety of positions with the Federal Government, including as Executive Director of the Federal Trade Commission. This experience, coupled with my private sector careers in consulting and as a financial executive, has prepared me well for dealing with the problems which we as a Nation, and which the next Deputy Secretary of the Treasury, must face.

Those problems are both serious and immediate. The short-term economic outlook is bleak. The leading economic indicators were down in December and the recovery

of late 1980 is seen by many analysts to be aborting—led by clear weaknesses in the housing and automobile industries. Unless current policies and expectations are changed, interest rates, inflation rates and unemployment rates are all expected to remain at high levels throughout 1981.

I do not think I need to elaborate further. This Committee has already heard from Secretary Regan, and last night, the Nation heard from the President, just how serious our economic problems are. However, it is important for all of us to remember that these problems did not arise overnight, and that they will not be solved overnight. There are no "quick fixes" to today's bad news.

What is required is a clear recognition of the fundamental nature of those problems, and a long-term coherent set of policies consistently applied to solve them. Erratic policies in reaction to short-term economic forecasts and developments are not the solution, and indeed are a part of our problem.

In order to turn around the adverse trends that have gotten us to where we are today, I think we need to keep three objectives firmly in mind. Those objectives should be to

- (1) restore confidence in our ability to control Government spending,
- (2) lower inflationary expectations by consistent long-term Government policies,
- (3) increase our levels of earnings and investment and reverse the decline in America's productivity growth.

Meeting these objectives will require that we hold to an economic program of steady, consistent fiscal and monetary policies over a period of years.

The President will announce the outline of his program soon. If I am confirmed as Deputy Secretary of the Treasury, I plan to work closely with the President, the Secretary, and with this Committee in developing and implementing that program.

It has already been my pleasure to meet a number of the members of this Committee personally. And I look forward to working with each of you. At this time I would be pleased to answer any questions the Committee may have about my background and qualifications, or other questions you gentlemen may have.

Senator CHAFEE. Tell me how you got through law school in 2 years.

Mr. McNAMAR. I went through on an accelerated program, you go summers and winters and take an extra heavy course load. I do not recommend it to anyone.

Senator CHAFEE. That was at Michigan, the university.

Mr. McNAMAR. Mr. Chairman, I am Richard T. McNamar. I have been nominated by the President to serve as Deputy Secretary of the Treasury. It is an honor for me to be here today to meet with you and the other members of the committee for the purpose of discussing my qualifications for that position.

I would be less than candid if I did not admit that I am both flattered and humbled that the President has decided to nominate me for the position as Deputy Secretary of the Treasury. I hope that I may have the opportunity to serve the Nation in that post.

I have served this Nation previously in a variety of Federal Government positions, including as Executive Director of the Federal Trade Commission. This experience, coupled with my private sector careers in consulting and as a financial executive, has prepared me well for dealing with the problems which we as a Nation, and which the next Deputy Secretary of the Treasury, must face.

Those problems are both serious and immediate. The short-term economic outlook is bleak. The leading economic indicators were down in December and the recovery of late 1980 is seen by many analysts to be aborting, led by clear weaknesses in the housing and automobile industries. Unless current policies and expectations are changed, interest rates, inflation rates, and unemployment rates are all expected to remain at high levels, unacceptably high levels, throughout 1981.

I do not think I need to elaborate further. This committee is very familiar with the situation. This committee has already heard from

Secretary Regan, and last night again from the President just how serious our economic problems are. However, it is important for all of us to remember that these problems did not arise overnight, and that they will not be solved overnight. There are no "quick fixes" to today's bad news.

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In order to turn around the adverse trends that have gotten us to where we are today, I think we need to keep three objectives firmly in mind. Those objectives should be:

To restore confidence in our ability to control Government spending.

To lower inflationary expectations by consistent long-term Government policies.

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Meeting these objectives will require that we hold to an economic program of steady, consistent fiscal and monetary policies over a period of years.

The President will announce the outline of his program soon. If I am confirmed as Deputy Secretary of the Treasury, I plan to work closely with the President, the Secretary of the Treasury, and with this committee in developing and implementing that program.

It has already been my pleasure to meet with a number of members of this committee personally, and I look forward to working with each of you. At this time I would be pleased to answer any questions the committee may have about my background and qualifications, or other questions you gentlemen may have.

The CHAIRMAN. I have, first of all, just a couple of questions that I ask everyone moving into Government service. I understand you have discussed with the Finance Committee counsel any possible conflicts of interest; is that correct?

Mr. McNAMAR. Yes, I have.

The CHAIRMAN. Are there any problems in that area?

Mr. McNAMAR. No, there are no problems. I am going to be setting up a blind trust, and there were three minor holdings of securities, the largest of which, I think is \$11,000, and I will be selling them.

The CHAIRMAN. Is there any reason that you know of that would disqualify you from serving as Deputy Secretary of the Treasury?

Mr. McNAMAR. No, sir; I do not.

The CHAIRMAN. I do have for the record a letter dated February 3, from the U.S. Office of Government Ethics which indicates that they have reviewed the report and also have been advised by the agency concerning any possible conflict in light of the agency's functions and the nominee's proposed duties. "Based thereon, we believe that Mr. McNamar is in compliance with the applicable laws and regulations governing conflicts of interest."

That will be made a part of the record.

I think, as many in Government, you will find you will be taking a rather healthy pay cut. Will that cause you any personal prob-

lems, or do you need to not supplement your income, but make any arrangements, financial arrangements that the committee should be aware of?

Mr. McNAMAR. I think the only thing that I might be doing that the committee should certainly be aware of, will probably be to obtain a second or third mortgage on my house. I currently have a house in California which is quite a bit more expensive than the houses here in Washington. So, I have to decide whether I am going to incur a capital gains tax if I sell that and move here; or whether I am going to keep that house and rent one while I am here. But I would expect to get some sort of a subordinated mortgage to put on the house for a little extra cash.

The CHAIRMAN. I think you indicated that rather than a bank loan it could be a personal loan because of the Treasury relationship.

Mr. McNAMAR. I would be a little reluctant to go to a bank simply because I would be in charge of overseeing the regulation of the banks and the formation of Treasury policy that will have an impact on banks. With the committee's approval I think it would be preferable if I did not deal with the banks on anything like that.

I would not want any implication of impropriety or favoritism.

The CHAIRMAN. That would be true also if there is a personal loan.

Mr. McNAMAR. Yes.

The CHAIRMAN. Are there other questions? Senator Byrd?

Senator BYRD. I might just say, your response to Senator Dole indicates that you set very high standards, and that is fine. You seem to be highly qualified for this position.

I like what you said about the need to restore confidence in the ability to control Federal spending. It is the judgment of this Senator that the key to the success of the new administration will be whether they can restore confidence in the ability to control Government spending.

The President cannot do it alone, the Congress has to play its part. In the past, the Congress has failed to do that. I think things have changed a bit.

I am in support of your confirmation. I look forward to working with you.

Mr. McNAMAR. Thank you, Senator.

The CHAIRMAN. Senator Roth?

Senator ROTH. Mr. Chairman, I really have very little to add to what already has been said, except to welcome you to Government. I agree with Senator Byrd, you seem preeminently well qualified.

The only bit of advice I would give you is that I think you are going to have to stand firm, both of you, in the executive branch, once you get the economic package together. I think one of the real mistakes made in the past administration was that it never really got the act together, so there was no strong leadership. It is going to take guts to stand behind some of your recommendations, particularly in the area of spending cuts. I think that is essential.

I think there are those of us in the Congress who will work with you and try to support you, but we do as you provide strong leadership. I congratulate you.

Mr. McNAMAR. We will try.

The CHAIRMAN. Senator Chafee?

Senator CHAFEE. Thank you, Mr. Chairman

First, just one member's view. I certainly do not feel there is any conflict in getting a mortgage from a bank in your position. But that is just one person's view.

Second, in the course of your remarks you mentioned a steadiness of course, and I think that is absolutely essential. Everybody is going to be looking for a tax cut, there is no problem there; it is with the spending cuts. It is essential that the administration when they embark on those cuts stick to them with absolutely the minimum of change. Even the suggestion that you come forward with a cut in a general area and then give us the latitude to move around and come up with the same total, I think, is dangerous because the Congress will somehow get out from under and that cut will not be the same.

I think for this thing to succeed it is going to require the President's Office and everyone in the administration, and your department is crucial to it. We have to do our part, but our part will be made much easier if there is no vacillation, change, on your part.

Mr. McNAMAR. I do not think there will be. I can assure you that the in Special Budget Review Committee, that you have read about, and I think perhaps have even seen some of the product of, the Treasury was represented each time, either by the Secretary or by myself. I worked very closely with Dave Stockman on almost a daily basis in putting the program together. You are going to find great support from us.

Senator CHAFEE. The other point I would make is that for us to succeed it has to be viewed as fairly affecting all regions. My region is one that would come under the early pain because we suffer directly in anything involving food stamps, UDAG, whatever it might be.

So, therefore, for us to support it, it has to be seen that other sections of the country are feeling their share of the pain on a mutual basis.

Mr. McNAMAR. Senator, on that score—assuming I am confirmed—I will be giving a speech in Los Angeles next Friday to indicate our commitment to cutting back on some of the expenditures, for example NASA, which have a direct impact on the aerospace industry and California. There will be other cuts that will in fact affect California very strongly.

Mr. CHAFEE. Thank you.

Mr. McNAMAR. It will be cross-geographic and I think it will hit every sector of business, labor, private individuals. It will be fair, and it will be firm.

Senator CHAFEE. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Danforth?

Senator DANFORTH. I believe your predecessor had responsibility for the Chrysler loan guaranty program. Would that be within your purview?

Mr. McNAMAR. Yes, it will.

Senator DANFORTH. Does the new administration have a view of the Chrysler loan guaranty program?

Mr. McNAMAR. We are simply committed. I think the Secretary's statement, which I would like to insert in the record at a later

point, if you don't object, is a clear statement of where we are. That is, we will affirm the action that the Chrysler board took—I believe it was on January 19—assuming all the terms and conditions in that agreement.

As you know, the unions have met their terms. I understand the negotiations with the Canadians are proceeding. I understand that the European banks when they met in Amsterdam are proceeding. I do not know the exact status of the U.S. banks; they are still working on that. But assuming that all of those conditions are met, I think the Secretary's vote and my vote would be to confirm.

Senator DANFORTH. I think that the automobile situation is going to be continuing, at least for some time, in our country.

I would just like to say to you that I have a key interest in it, and I would appreciate the opportunity of being in communication with you to keep abreast of what is going on in the new administration.

Mr. McNAMAR. Of course.

The CHAIRMAN. Are there any other questions?

Senator BYRD. Let me make just a brief comment if I might.

The CHAIRMAN. Senator Byrd.

Senator BYRD. You mentioned your day-to-day contact with Mr. Stockman. Would you tell him that so far as this Senator is concerned, that I hope he stands firm on his proposal to reduce the foreign aid program by \$2.6 billion. If we are not willing to reduce foreign aid, it is very difficult to reduce some of these domestic programs.

So, I think he is very wise in seeking a reduction in foreign aid, and I hope he will stand firm on that \$2.6 billion figure. Thank you.

Senator CHAFEE. Could I ask one more question?

The CHAIRMAN. Senator Chafee.

Senator CHAFEE. Outside of the Chrysler loan, what particular duties will you have other than being an "alter ego" to the Secretary, as far as taking any special assignments?

Are there any specific duties that you have?

Mr. McNAMAR. There is an additional specific duty, and that is the Iranian assets situation. There are only, I think, four people in the Treasury who are aware of the negotiations about the hostages, on the Iranian assets side, and on working out the arrangements with the banks. I am working very rapidly to get up the speed on that and have, along with the Assistant Secretary, the day-to-day responsibility for that as well.

But in addition to the Chrysler and the Iranian assets, in my understanding of the Secretary when he interviewed me for the position, he said:

I want to have the kind of relationship we have in private corporations where I, Regan, would be the chairman and chief executive officer, and you would be president and chief operating officer. I will expect you to stand in for me internationally and domestically, and run the department on a day-to-day basis, and be involved in all the major policy issues and sell the administration's economic program down on the Hill.

Senator CHAFEE. One of the problems we have run into with the Treasury Department is that it always seemed to me that the Treasury Department always looked to immediate revenues as the guiding force in its decisions.

I know that we are in a financial bind, but I just hope you would be alert to sowing seed that we might reap in the future, even though our immediate revenues might decline. Of course, I am not talking total supply side economics, but there are other, relatively modest changes that we can make that I think would be helpful.

One is the withholding of interest on bonds held by foreigners. I think that is self-defeating. That is just one example, but the Treasury Department has not, in my experience, been very flexible and understanding. I would not expect you to answer "No."

The CHAIRMAN. Mr. Stern, do you have any questions that Senator Long might want to submit?

Mr. STERN. Not that I know of.

The CHAIRMAN. Do you know of anything that needs to be raised?

Mr. STERN. No, sir.

The CHAIRMAN. If not, if you could maybe just stay here for a few moments, we will have other Senators here, and we can take up the nomination of Mr. Thomas.

Mr. McNAMAR. Thank you.

The CHAIRMAN. There may not be any other questions. Senator Heinz, you do not have any questions?

Senator HEINZ. I have no questions.

The CHAIRMAN. You arrived just in time for the nomination of W. Dennis Thomas, of Maryland, to be Deputy Under Secretary of the Treasury. Would you like to say a word, Senator Roth?

Senator ROTH. Yes, thank you, Mr. Chairman. I will be very candid with you. I have a somewhat mixed reaction to this nomination. Dennis Thomas, as you well know, has been my administrative assistant for over 4 years, and I cannot say that I am very happy at the prospect of losing him.

However, I might also say, that as long as he is going, I am very anxious to get him confirmed because I want to get him off my payroll. [Laughter.]

Incidentally, I say with all due humility, I have taught him everything he knows about taxes and I do hope that now, once he is over in the Treasury Office, that he does now remember that the name of the bill is Roth-Kemp, and not Kemp-Roth. [Laughter.]

But seriously, Dennis is a very, very able public servant who has spent a long period of time, since graduation from college, working on the Hill.

He first came to Washington with Glenn Beall when Senator Beall was on the House side. He brought him over in the Senate. He became his administrative assistant while he was Senator. I was very pleased to have the opportunity to appoint him my AA when Senator Beall left the Senate.

Dennis is a very bright, a very able, and a very honest young man. He will bring a lot of knowledge, background, and integrity to his position. Most importantly, he understands the Congress, and especially the Senate well, and will be as interested in protecting our interests as working for the executive branch.

So, I am delighted that the administration and the President has seen fit to nominate him for that position.

The CHAIRMAN. I might say for the record that we have the letter from the U.S. Government Office of Ethics, indicating that

they reviewed the report and based thereon that Mr. Dennis is in compliance with the laws and regulations governing conflicts of interest. It will be made part of the record.

[The information follows:]

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., February 5, 1981.

HON. ROBERT DOLE,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by William Dennis Thomas. President Reagan has announced his intent to nominate Mr. Thomas for the position of Assistant Secretary of the Treasury for Legislative Affairs.

We have reviewed the report and have also obtained advice from the Department of the Treasury concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Thomas is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER, Director.

The CHAIRMAN. We also have a statement from Senator Sarbanes which indicates his high regard for Dennis Thomas on his appointment.

U.S. SENATE,
COMMITTEE ON FINANCE,
February 4, 1981.

HON. PAUL S. SARBANES,
U.S. Senate.

SIR: Will you kindly give me, for the use of the Committee, your opinion and information concerning the nomination of W. Dennis Thomas, of Maryland, to be a Deputy Under Secretary of the Treasury, vice Gene E. Godley, resigned.

Unless a reply is received from you by February 5, it will be assumed that you have no objection to this nomination.

Respectfully,

Chairman.

REPLY

February 5, 1981.

DEAR MR. CHAIRMAN: Dennis Thomas is a person of intelligence, integrity and ability and brings extensive experience on the hill to this position. This is an excellent appointment and I am pleased to indicate to the Committee my strong support of this nomination.

PAUL SARBANES.

The CHAIRMAN. Do you have a statement, Mr. Thomas?
[The biographical sketch of W. Dennis Thomas follows:]

W. DENNIS THOMAS

RÉSUMÉ

Permanent address

2600 Nicodemus Road, Westminster, Md. 20014., Phone 301-848-3546; office phone 202-224-2441.

Washington address

4523 Gladwyne Drive, Bethesda, Md. 20014. Phone 301-652-6434.

Employment history

November 1976 to present: Administrative Assistant to U.S. Senator William V. Roth, Jr., of Delaware. Chief of staff with responsibilities for coordination of staff and legislative activities, including work on Finance Committee, Governmental Affairs Committee, and Joint Economic Committee.

June 1974 to November 1976: Administrative Assistant to U.S. Senator J. Glenn Beall, Jr., of Maryland. Chief of staff with responsibilities for coordination of staff

and legislative activities, including work with Budget Committee, Human Resources Committee, Commerce Committee, and Small Business Committee.

January 1971 to June 1974: Executive Assistant to U.S. Senator J. Glenn Beall, Jr., of Maryland. Responsibilities included: liaison between Federal government and mayors, members of State legislature, public organizations and individuals; administrative responsibilities related to Federal employees; coverage of Public Works Committee; arrangement of Senator's schedule.

January 1969 to December 1970: Special Assistant to U.S. Congressman J. Glenn Beall, Jr., of Maryland. Responsibilities included: representing Congressman in Sixth Congressional District; meeting with local government officials and individuals.

August 1967 to December 1968: Administrative Staff, Board of Education, Carroll County, Maryland. Responsibilities included: working with county schools in the establishment and implementation of policies regarding county standards for student programs, i.e., handicapped, home teaching, and supervision.

Education

1967—Masters Degree in Community Planning, University of Maryland.

1965—Bachelors Degree, Frostburg State College, Frostburg, Md.

Honors.—President, Senior Class; Who's Who in American Colleges and Universities; Nominated Woodrow Wilson Fellowship.

Miscellaneous related activities

(1) Republican Administrative Assistants Association.

(2) Task Force—House—Senate—1980 Election.

(3) Staff—Republican Economic Subcommittee, Platform Committee; Republican National Convention, 1980.

(4) Registered Republican.

Personal

Date of Birth: December 8, 1943.

Place: Baltimore, Maryland.

Married: Dawn F. Thomas.

Family: Son, David, age 8.

Social Security: 213-40-2438.

STATEMENT OF W. DENNIS THOMAS, OF MARYLAND, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY

Mr. THOMAS. I have no prepared statement due to time constraints on the committee and your desire to go to the floor quickly.

I would simply say as a person who has been on the Hill for these past 12 years that I approach this job as one who is very sensitive to the needs and desires of the Members of the Congress, both the Senate and the House.

In my first conversation with the Secretary, I indicated to him this will be my approach. That I was a product of the Hill, I have lived here, and this has been my life. He was very receptive to the view that we should have a very close working relationship with the Congress and the Treasury, and the executive branch in general.

I would hope that in doing this kind of work that I will do it in much the same way I have in the past—open, candid, and available. I know the needs, I think, of this committee. I will try to be as quick and attentive to their requests as I possibly can. That will be my approach to the job.

The CHAIRMAN. Have you spoken to the Finance Committee counsel about possible conflicts of interest?

Mr. THOMAS. Yes, sir, I have.

The CHAIRMAN. Are there any problems in that area that you are aware of?

Mr. THOMAS. No, sir, there is nothing I am aware of.

The CHAIRMAN. Do you know of any other reason that might disqualify you from serving as Deputy Under Secretary of the Treasury?

Mr. THOMAS. No, sir.

The CHAIRMAN. Senator Long, do you have questions?

Senator LONG. No. Good luck. [Laughter.]

You will need it.

The CHAIRMAN. Senator Byrd?

Senator BYRD. All I say is that, based on Senator Roth's strong recommendation I have no questions.

The CHAIRMAN. Senator Danforth?

Senator DANFORTH. Well, Mr. Chairman, I and my staff have spent, I guess, hundreds of hours working with Dennis Thomas on one thing or another over the last 4 years, and I consider him to be one of the most able people who has been working with the Senate. I think it is of tremendous importance for the administration to have him in this position.

The CHAIRMAN. Senator Bentsen?

Senator BENTSEN. Well, I have had no experience in working with Mr. Thomas, but I look forward to being "stroked" by him. [Laughter.]

The CHAIRMAN. Senator Chafee?

Senator CHAFEE. Well, I would point out that Senator Roth is scoring pretty well, Mr. Brady, and now Mr. Thomas. I hope he has some left back in that stable.

The CHAIRMAN. Do you have anybody left over? [Laughter.]

Senator CHAFEE. I have no questions.

The CHAIRMAN. Senator Heinz?

Senator HEINZ. Mr. Chairman, I like to see one of our own make good.

Mr. THOMAS. Thank you.

The CHAIRMAN. I have no questions. I think, certainly everybody here who has worked with Dennis understands his insight and ability, and you will be very candid with all of us on the committee.

As he understands, the Finance Committee has been successful over the past years because we have been able to work out some agreement within the committee, and that is the way we hope to continue it.

If there are no further questions, I might say to Senator Bentsen and Senator Long, we have had Mr. McNamar. We asked him to stay—he will be the No. 2 man—in case you have questions of Mr. McNamar. We finished our part. Do you have any questions?

Senator LONG. I have met with Mr. McNamar and had a chance to ask questions. I am happy.

The CHAIRMAN. Senator Bentsen?

Senator BENTSEN. I have no questions at this time.

The CHAIRMAN. I would want the record to show in Mr. McNamar's part of the record that my wife recommends him very highly. She was a Federal Trade Commissioner when he was directing the Federal Trade Commission. I take her word for most everything. [Laughter.]

Senator ROTH. One of the exceptions. [Laughter.]

Senator BENTSEN. I might comment, Mr. Chairman, I am delighted to see the background experience that Mr. McNamar has had. Having a diversified financial services company gets you into just about all aspects of finance. I would say you are particularly well qualified from the experience side anyway.

The CHAIRMAN. If there are no other questions of the witnesses, they may be excused. We only need about three more for a quorum.

Senator LONG. If you had not raised the point you would not have needed any more, we could just have voted on it.

The CHAIRMAN. If there is no objection, I move the Committee on Finance favorably report the nominations of Robert T. McNamar to be Deputy Secretary of the Treasury, and we urge the Senate to consider this nomination today.

I say that because one of his duties is the Iranian negotiation and that is why we appreciate the members agreeing on such short notice that we hear this nomination.

Senator LONG. I second the motion.

The CHAIRMAN. All those in favor of reporting the nomination signify by saying "aye."

[Chorus of ayes.]

The CHAIRMAN. Those opposed say "nay."

[No response.]

Senator LONG. Might I move the confirmation of Mr. Dennis Thomas, Mr. Chairman?

The CHAIRMAN. To be Deputy Under Secretary of the Treasury. All those in favor of reporting this nomination signify by saying "aye."

[Chorus of ayes.]

The CHAIRMAN. Opposed, "nay."

[No response.]

The CHAIRMAN. Is there any other business to come before the committee?

Mr. LIGHTHIZER. There is not.

The CHAIRMAN. I do appreciate everyone showing up on short notice. I heard Mr. McNamar at the press dinner the other night indicate that there are some problems that need to be addressed, particularly in the Iranian area. So, this is of some urgency.

While we were doing that, we thought we should help Senator Roth out by getting Dennis off his payroll. [Laughter.]

The CHAIRMAN. We stand adjourned.

[Whereupon, at 10:50 a.m. the committee adjourned, subject to the call of the Chair.]

