

NOMINATIONS OF ANN DORE McLAUGHLIN AND PETER J. WALLISON

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
NINETY-SEVENTH CONGRESS
FIRST SESSION
ON
NOMINATIONS OF
ANN DORE McLAUGHLIN TO BE ASSISTANT SECRETARY OF
THE DEPARTMENT OF THE TREASURY AND PETER J. WALLI-
SON TO BE GENERAL COUNSEL OF THE DEPARTMENT OF
TREASURY

JUNE 11, 1981

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NOMINATIONS OF ANN DORE McLAUGHLIN, TO BE ASSISTANT SECRETARY OF THE DEPARTMENT OF THE TREASURY, AND PETER J. WALLISON, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE TREASURY

THURSDAY, JUNE 11, 1981

**U.S. SENATE,
Committee on Finance,
Washington, D.C.**

The committee met, pursuant to notice, at 9:30 a.m., in room 2221, Dirksen Senate Office Building, Hon. Robert J. Dole (chairman), presiding:

Present: Senator Dole.

[The press release announcing this hearing follows:]

[Press Release No. 81-139, June 5, 1981]

U.S. SENATE COMMITTEE ON FINANCE

Finance Committee schedules hearings on nominations of Ann Dore McLaughlin, to be Assistant Secretary of Treasury, and Peter J. Wallison, to be General Counsel of Treasury.

Robert J. Dole, Chairman of the Committee on Finance, announced today that the committee has scheduled hearings on the nominations of Ann Dore McLaughlin to be Assistant Secretary of Treasury and Peter J. Wallison to be General Counsel of Treasury.

The hearings are scheduled for Thursday, June 11, 1981, beginning at 9:30 a.m. They will be held in Room 2221, Dirksen Senate Office Building.

Immediately following the hearings, the committee will meet in executive session to consider the nominations for Ann Dore McLaughlin and Peter J. Wallison.

Written testimony.—The committee will be pleased to review written testimony from those persons or organizations who wish to submit statements on the nominations for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies to be received by June 11, 1981, to Robert E. Lighthizer, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C.

The CHAIRMAN. The committee will come to order.

There may be members here, but the likelihood is there may not be other members here. [Laughter.]

The CHAIRMAN. So, you are in luck.

I think I will just ask Ann D. McLaughlin and Peter J. Wallison to both come up at the same time.

Ms. McLaughlin has been nominated to be Assistant Secretary of the Department of the Treasury and Mr. Wallison has been nominated to be General Counsel of the Department.

We are delighted to have both of you here.

All members of the committee have been provided with biographical material on both nominees

As I have indicated, I have known both nominees personally for some time and worked with both in, as I recall, the 1976 campaign. I am not certain what happened then, but we were all in it. [Laughter.]

I have also had a chance to review the financial disclosure forms of both nominees, the material they filed with the Office of Government Ethics.

I am satisfied there is no problem in this area.

The Director of the Office of Government Ethics has forwarded a letter to the committee approving both nominees and each of these letters will be made a part of the record.

I think Ms. McLaughlin, we will proceed with you first.

If you have a statement you wish to make, we would be happy to have you do that at this time.

Ms. McLAUGHLIN. Mr. Chairman, I would like to express my honor appearing before you today, not only professionally as the nominee of President Reagan, as Assistant Secretary of Treasury for Public Affairs, but of course, personally, as you are chairman of the Finance Committee.

It is really a great personal pleasure.

I would like to say I look forward to working, not only with this committee and the staff, other Government agencies, but also the news media in Washington and around the country.

I would be happy to answer any questions you might have.

The CHAIRMAN. Fine.

The record should reflect if you have any family members here, we would like to have them identified for the record.

Ms. McLAUGHLIN. My husband, John McLaughlin, is with me today; my brother, Col. Carl Lowenstein and my niece Jean Marie Lowenstein.

The CHAIRMAN. Have you discussed with the committee's chief counsel, Mr. Lighthizer, any possible conflicts of interest?

Ms. McLAUGHLIN. Yes; I noted to the committee counsel that I had previously handled the public relations for the United States League of Savings Associations. That was cleanly terminated April 1. I am told there is no further conflict.

The CHAIRMAN. As far as you know, there are no problems?

Ms. McLAUGHLIN. Not at all.

The CHAIRMAN. Do you know of any reason why you cannot serve in the position to which you have been nominated?

Ms. McLAUGHLIN. No; I don't.

The CHAIRMAN. I don't either. In fact, I know that you will do an outstanding job. We look forward to working with you, because the committee, of course, has a close relationship with the Treasury Department.

Right now we are engaged in negotiations and discussions and hearings on tax reduction. We hope to complete that in the near future.

Mr. Wallison, do you wish to give us a statement at this time?

I know you have members of your family here. We would like to have their names in the record. They are all bright and smiling.

Mr. WALLISON. It would be a pleasure for me to introduce them. I did want to say it is really an honor to be here, especially before you, Senator, as Ann expressed.

I do hope that if the confirmation goes forward, I will be able to work with the committee in the future. It should be a pleasure to do so.

If I may, I would like to introduce my family. With me is my wife, Frieda, who is a lawyer in New York, and my children, Rebecca, age 6; Jeremy, age 9; and Ethan, age 11.

They are all here, I believe, at their first Senate hearing.

The CHAIRMAN. Good.

Mr. WALLISON. I think they are enjoying it very much.

Thank you for this opportunity. I have no prepared statement.

The CHAIRMAN. Have you discussed possible conflicts of interest with the committee's chief counsel?

Mr. WALLISON. I have, Senator.

The CHAIRMAN. Far as you know, are there any problems?

Mr. WALLISON. No; I don't believe there are any problems. I have discussed with him the way in which I will recuse myself from certain matters that I was involved in when I was a lawyer in New York. Those matters have been reviewed by the Office of Governmental Ethics. As you indicated, they found that the manner of recusal would settle any questions that might have arisen.

The CHAIRMAN. Do you know of any reason why you cannot serve in the position for which you have been nominated?

Mr. WALLISON. No; I do not.

The CHAIRMAN. I might ask Mr. Stern, do you have any questions?

Mr. STERN. No, thank you, Mr. Chairman.

The CHAIRMAN. Well, we appreciate the willingness of both nominees to be here this morning and to serve in this administration.

You will be working, Mr. Wallison, very closely with this committee. We believe we have an outstanding committee, Democrats and Republicans. There are 20 members on the Finance Committee. The ratio is 11 to 9, but in most areas we find a great deal of bipartisan support. That is the way the committee has been operating for a number of years. We hope to continue in that way.

I have no other questions.

I would also ask that the résumés of each nominee be made a part of the record.

Hopefully, in a meeting we have this morning, we can report your nominations to the Senate floor and they can be acted upon sometime early next week.

We appreciate your being here. There are no further questions, so this session will be adjourned.

Ms. McLAUGHLIN. Thank you.

Mr. WALLISON. Thank you.

[Biographical data on the nominees and the letters from the Office of Government Ethics follows:]

ANN DORE McLAUGHLIN PROFESSIONAL RÉSUMÉ

1977-Present: Public affairs/Issues management/communications counselling/media relations, McLaughlin & Company, President.

1974-1977: Government relations/communications, Union Carbide Corporation, New York City and Washington.

Joined the Washington, D.C. office at the invitation of the Vice President for External Affairs to put together a total Washington communications capability. Duties included supervision of analysis and research, policy formation, planning and programming and communications with Congress, Executive Branch, special and public interests groups, media, both in Washington

and at plant locations. Monitored trends for impact on legal, marketing and business-planning departments of the corporation.

Responsible for developing and coordinating (out of New York City headquarters) a corporate-wide grass-roots program. Substantively, this grass-roots program included management of issues (notably consumer and environment), and the training of plant personnel in media and government relations.

March 1973—November 1974: Director, Office of Public Affairs, U.S. Environmental Protection Agency, Washington.

Joined the Agency at the invitation of William D. Ruckelshaus, Administrator, and reported directly to him and to his successor, Russell E. Train. Conceived, organized and directed EPA's public affairs plans and policies. In this capacity, supervised 100 staff personnel in Washington, and 50-plus field personnel in 10 regions. The Office's activities were budgeted at \$5 million, and entailed periodic Congressional review.

1972-1973: Assistant to the chairman and press secretary, Presidential Inaugural Committee, Washington.

1971-1972: Director of Communications, Presidential Election Committee, Washington.

Organized and coordinated all electronic and print media relations, speech-writing, publications, etc. for and with 500 headquarters personnel at 50 state committee offices. Managed Washington communications office staff (30-35 personnel). Worked with Members of Congress, Cabinet and Sub-Cabinet officers, government departments and agencies.

1969-1971: Account executive, Myers-Infoplan International, Inc., New York City.

Created and administered broad public relations programs for Heublein, Inc., International Salt Co., Greenleaves Farms, Inc., Bahamas Ministry of Tourism, Buitoni Inc., Lederle Laboratories (American Cyanamid), Italian Line. On behalf of these and other clients, managed regional programs in a minimum of 5 and a maximum of 65 cities. Such public relations programs included management of total budgets, e.g., \$140,000 for Heublein (18 months).

1970-1971: Consultant and literary agent, Perla Meyers International Kitchen, New York City.

1966-1969: Director, Alumnae Relations, Marymount College, Tarrytown, New York.

Responsible for organization and educational fund-raising activities involving 4,000 active U.S. alumnae. Program entailed extensive project planning, field liaison and community relations.

1963-1966: Supervisor, network commercial scheduling, American Broadcasting Company, New York City.

Responsible for integrating all network TV commercials and pre-broadcast program screening. Managed 4 professionals, 2 secretaries, and office budget.

Education: B.A. Marymount College, 1963; University of London, Queen Mary College, 1961-1962.

Bank Directorship: Member, Board of Directors, National Savings & Trust Company, Washington, D.C., 1977-1978.

Award: Outstanding Young Woman of America, 1965.

Memberships: National Press Club; Federal City Club; Advisory Committee—National Federation of Republican Women; American Council on Capital Formation, 1976-1978; CEQ, EPA, HEW Environmental Education Task Force, 1976-1977; Defence Advisory Committee of Women in the Services, 1973-1974.

RÉSUMÉ OF PETER J. WALLISON

Partner, Rogers & Wells, 200 Park Avenue, New York, N. Y.

Partner since January 1977, specializing in general corporate, securities and financial law; considerable experience in international financial and securities transactions. Chairman of the firm's Personnel Committee.

Harvard College (B.A. 1963); Harvard Law School (LL.B. 1966).

Senior Staff Associate, President's Advisory Council on Executive Organization (known as the Ash Council), November 1969 to June 1970 (study of and recommendations for reform in the organization of the principal federal independent regulatory agencies).

Special Assistant to Governor Nelson A. Rockefeller, November 1972 to December 1973 (organization and development of a study of state and federal policies; general political and policy matters).

Counsel to Commission on Critical Choices for Americans, December 1973 to December 1974 (privately financed study on United States and world issues, headed by NAR). In addition to serving as counsel, work included supervision of day-to-day operations of the Commission and management of its finances.

Counsel to the Vice President (NAR), December 1974 to January 1977. Activities for VP included: assistance in connection with work of Commission on CIA Activities within the United States (of which NAR was Chairman); drafting legislation and preparing for hearings on Administration's proposal for an energy financing facility called the Energy Independence Authority; liaison with White House staff, including regular attendance for VP at daily White House staff meetings; general political duties.

Ford-Dole campaign, 1976; traveled with Dole as general policy adviser and liaison with White House staff.

Member: New York and D.C. Bars; Bar Association of City of New York; ABA; Policy Committee of American Council on Capital Formation (for Council, drafted amendments to Securities Act of 1933, which were enacted in October 1980 as part of Small Business Investment Incentive Act of 1980).

Home address: One Cushman Road, Scarsdale, N.Y. 10583, (914) 723-7865; married, three children. Wife, Frieda K. Wallison, is a lawyer, also a partner of as Rogers & Wells, specializing in municipal and tax exempt securities.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., June 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 Ann D. McLaughlin, who has been nominated by President Reagan for the position of Assistant Secretary for Public Affairs, Department of the Treasury.

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

Sincerely,

J. JACKSON WALTER,
Director.

Enclosure.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., June 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 Peter J. Wallison, whose nomination to the position of General Counsel of the Treasury Department has been sent to you by President Reagan.

We have reviewed the report and have also obtained advice from the Treasury Department concerning any possible conflict in light of the Department's functions and the nominee's proposed duties.

Upon Mr. Wallison's confirmation, the Secretary of the Treasury has agreed to grant Mr. Wallison an exemption under 18 U.S.C. § 208(b) for participation in particular matters in which Mr. Wallison's former firm, Rogers & Wells, is a representative. The exemption will not extend to a particular matter:

1. In which Mr. Wallison participated personally at Rogers & Wells;
2. In which his wife (also of Rogers & Wells) represents any party;
3. Which represents a significant portion of the activities of Rogers & Wells (3 percent or more of the firm's annual billings); or
4. Which involves as a party any individual or organization which was a client of Rogers & Wells for whom Mr. Wallison performed legal services within two years of his appointment.

Mr. Wallison has agreed to disqualify himself from participation in any particular matter in which his wife is representing any party and from any particular matter involving a person or organization for whom he performed legal services within the past two years. In addition, he will disqualify himself from any particular matter in which Rogers & Wells is a party or is acting as a representative unless participation in such matter has been approved through a waiver granted under 18 U.S.C. § 208(b).

Subject to these commitments, we believe Mr. Wallison will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER,
Director.

Enclosure.

[Whereupon, at 9:43 a.m., the hearing adjourned, subject to the call of the Chair.]

