
NOMINATION OF JEANNE S. ARCHIBALD

HEARING

BEFORE THE

COMMITTEE ON FINANCE UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON THE

NOMINATION OF

JEANNE S. ARCHIBALD TO BE GENERAL COUNSEL FOR THE
DEPARTMENT OF THE TREASURY

SEPTEMBER 27, 1990



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NOMINATION OF JEANNE S. ARCHIBALD TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY

THURSDAY, SEPTEMBER 27, 1990

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The committee met, pursuant to notice, at 10:15 a.m. in room 215 of the Dirksen Senate Office Building, Hon. Patrick Moynihan, presiding.

Also present: Senators Bentsen, Baucus, Daschle, Pryor, Packwood, Danforth, Heinz, Symms, Roth, and Chafee.

[The press release announcing the hearing follows:]

[Press Release No. H-56, Sept. 26, 1990]

FINANCE COMMITTEE TO CONSIDER ARCHIBALD, POWELL AND KELMAR NOMINATIONS; EXECUTIVE SESSION ALSO TO INCLUDE CONSIDERATION OF ITC STUDIES

WASHINGTON, DC—The Senate Finance Committee will hold a hearing and executive session this week to consider nominations and a study of the economic effects of a free trade agreement with Mexico.

The hearing and executive session will be on *Thursday, September 27, 1990 at 10 a.m.* in Room SD-215 of the Dirksen Senate Office Building.

The hearing will be on the nomination of Jeanne A. Archibald to be General Counsel for the Department of the Treasury. Following the hearing, the Committee will meet in executive session to consider the nominations of Archibald, Jerome H. Powell to be Assistant Secretary for Domestic Finance of the Department of Treasury and Steven B. Kelmar to be Assistant Secretary for Legislation of the Department of Health and Human Services.

Archibald is Deputy General Counsel at the Department of Treasury, Powell is a consultant at Treasury and former Senior Vice President of Dillon, Read & Co., Inc., and Kelmar is Acting Assistant Secretary for Legislation at HHS.

The Committee will consider a request for a study by the International Trade Commission (ITC) on the economic effects of a free trade agreement with Mexico, and will review the ITC's recommendations on a study on the competitiveness of advanced technology manufacturing industries.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. Good morning. The chairman is necessarily elsewhere at this moment.

We have been convened as a meeting of the Committee on Finance since 9:30, and 11 members have been present at this point.

We have before us three nominations. Of the three nominations, that of Steven Kelmar to be Assistant Secretary of Health and Human Services, and that of Mr. Jerome Powell to be an Assistant

Secretary of the Treasury were heard in this committee approximately 10 days ago.

So now we have before us the very important nomination of Ms. Jeanne Archibald to be General Counsel for the Department of the Treasury.

Ms. Archibald, we welcome you, and if you have a statement, as I am sure you do, we'll put it in the record as if read.

[The hearing on the nomination of Jeanne Archibald to be General Counsel for the Department of the Treasury was recessed at 10:18 a.m., and the committee proceeded to other business and reconvened the nomination at 10:23 a.m.]

Senator MOYNIHAN. Mrs. Archibald, you have an extraordinary resume. There is only one possible blemish, which is that they don't seem to be able to spell the name of the place in New York where you were born, but that's the Treasury for you all the time. [Laughter.]

We welcome you, and if you have a statement you can read it and we'll place it in the record, or you can present it to us as you would like.

STATEMENT OF JEANNE S. ARCHIBALD, NOMINEE FOR THE POSITION OF GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY

Mrs. ARCHIBALD. Thank you, Mr. Chairman.

I do have a very brief statement. So, with your permission, I will read it.

Mr. Chairman and members of the committee, I am privileged to appear before you today as President Bush's nominee for the position of General Counsel of the Department of the Treasury.

As a career government attorney, I am aware of the singular honor that both President Bush and Secretary Brady have conferred on me in making this nomination.

The General Counsel serves as the Chief Legal Officer of the Treasury Department providing advice to the Secretary and other senior Department officials on legal problems relating to departmental management, government financial operations, international and domestic economic, monetary and financial affairs, law enforcement, the public debt, revenue and customs laws, and other Treasury areas of responsibility.

I have been fortunate in my 15 years as a career government employee to receive a broad exposure to almost all of these issues. My 5 years as a staff member to the Trade Subcommittee of the Ways and Means Committee and subsequent 6 years at the Office of the U.S. Trade Representative led to a special interest in international trade issues.

At Treasury, where I have served for over 4 years, and as the Deputy General Counsel since 1988, my much broader responsibilities have given me an invaluable foundation for dealing with the issues faced by the General Counsel.

I am also aware of the importance of maintaining a close working relationship between the executive and legislative branches of our government. If I am confirmed, I look forward to working with this committee and Congress on matters of mutual interest.

Before closing, Mr. Chairman, I would like to take the opportunity once more to thank Secretary Brady and President Bush for the confidence they have expressed in me.

I would also like to introduce my husband, Tommy and my son Charlie who are here with me today and who have been a strong support for me in the long hours I put in at the Treasury Department.

Senator MOYNIHAN. I would like to welcome both of you, Tom and Charlie, to the committee hearing.

Mrs. ARCHIBALD. If confirmed, I look forward to serving my country's interest during my tenure at the Treasury and am prepared to answer any questions you may have concerning my qualifications, my experience or the responsibilities associated with the position to which I have been nominated.

Thank you.

[The prepared statement of Mrs. Archibald appears in the appendix.]

Senator MOYNIHAN. Thank you.

Senator Packwood.

Senator PACKWOOD. I have no questions. I am as impressed as you are, Mr. Chairman, to have somebody of this quality coming in as a career government employee and be put in what is obviously a very high political position. It's a good tribute to career employees.

Senator MOYNIHAN. Well, it certainly is, and not for nothing is the Treasury known for the quality of its career people.

Senator PACKWOOD. I do have one question from Senator Heinz that I will give to Mrs. Archibald that he would like to have answered in writing.

Mrs. ARCHIBALD. I would be happy to do that.

Senator MOYNIHAN. I would like to endorse the views of Senator Packwood and congratulate you. It's a time when the career service is not always overwhelmed with praise from the political sector, and indeed often it's outrageously abused. It's a nice vote of confidence by the Secretary and he should be congratulated, and you should be congratulated, and we are all fortunate to have you.

Before we leave, I would like to record that at his hearing we asked Mr. Jerome Powell, who is nominated to be Assistant Secretary of the Treasury for Domestic Affairs, if he would give a statement of the policy of the Federal Financing Bank with respect to providing financing for Federal building projects and he has done. We are entirely in agreement and all seems to be resolved in that matter.

I would like to ask, Mrs. Archibald, if we could get an answer to Mr. Heinz' question, which we will give you here, at your earliest convenience.

[The reply to Senator Heinz' question appears in the appendix.]

Senator MOYNIHAN. We won't be able to move your nomination on the floor until we have that letter, and I wouldn't be surprised if you could have an answer back by 5 o'clock this afternoon. That's what the career officers do in the Treasury Department.

[Laughter.]

Is there any further business?

[No response.]

Senator MOYNIHAN. Thanking the distinguished former once and future chairman, I call the committee to a close.

[The committee concluded at 10:30 a.m., subject to the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF JEANNE S. ARCHIBALD

Mr. Chairman and members of the committee; I am privileged to appear before you today as President Bush's nominee for General Counsel of the Department of the Treasury. As a career government attorney, I am aware of the singular honor that the President and Secretary Brady have conferred on me in making this nomination.

The General Counsel serves as the chief legal officer of the Department, providing advice to the Secretary and other senior Departmental officials on legal problems related to Department management, government financial operations, international and domestic economic, monetary, and financial affairs, law enforcement, the public debt, the revenue and customs laws, and other Treasury areas of responsibility.

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I am also aware of the importance of maintaining a close working relationship between the executive and legislative branches of our government. If I am confirmed, I look forward to working with this committee and Congress on matters of mutual interest.

Before closing, Mr. Chairman, I would like to take the opportunity once more to thank Secretary of the Treasury Brady and President Bush for the confidence they have expressed in me by making this nomination. I would also like to introduce my husband, Tommy, and son, Charlie, who are here with me today. If confirmed, I look forward to serving my country's interests during my tenure at the Treasury, and am prepared to answer any questions you may have concerning my qualifications, experience, or the responsibilities associated with the position to which I have been nominated.

Thank you.

JEANNE STOKES ARCHIBALD

BIOGRAPHICAL

1. Jeanne Stokes Archibald, nee Jeanne Ellen Stokes
2. 2516 Fowlers Lane, Reston, VA 22091
3. January 30, 1951; Copiague, N.Y.
4. Married to Thomas P. Archibald
5. Charles Edward Archibald; 8
6. Georgetown University Law Center, 9/74-5/77, J.D. 5/77; State University of New York at Stony Brook, 9/69-5/73, B.A. 5/73; Pierson High School, 9/65-6/69, Regents Diploma 6/69
- 7.a. Deputy General Counsel, Department of the Treasury, Washington, DC 20220, 04/88 to Present
- b. Deputy Assistant General Counsel, Department of the Treasury, Washington, D.C. 20220, 01/86-04/88

- c. Associate General Counsel, Office of the U.S. Trade Representative, Washington, DC, 06/80-01/86
- d. Professional Staff, Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives, Washington, DC, 06/75-06/80
- e. Clerk, Brookhaven Servicing Corporation, 175 Broadhollow Road, Melville, New York, 09/73-08/74

RESPONSE TO A QUESTION SUBMITTED BY SENATOR HEINZ

Question. In the course of international trade negotiations, disputes between two countries often are paralleled by private disputes. I am thinking particularly of the case of Robert Wang, who has pursued his legal remedies while raising policy concerns to the U.S. government regarding certain securities and shareholders' rights issues arising out of his investment in Japanese banks. These actions parallel the Structural Impediments Initiative talks, in which I understand these policy concerns are expected to be discussed. Don't you believe that it is appropriate for the Treasury Department, without taking sides in any litigation, to raise examples of this kind as manifestations of underlying economic frictions between the two countries? Has not the Treasury Department and other U.S. government agencies raised similarly situated examples in the trade negotiating context?

Answer. Japan's enforcement of anti-monopoly, securities, and related laws involving financial transactions is crucial to open and fair international financial markets. Treasury is pursuing this overall issue in the U.S.-Japan Working Group on Financial Markets. Treasury is also actively pursuing shareholders' rights and other *keiretsu* issues in the Structural Impediments Initiative ("SII").

The approach adopted in these two fora should be distinguished from traditional trade negotiations, where individual cases are routinely raised in an effort to overcome specific trade barriers. The SII, which follows the format of our financial market talks with Japan, is not aimed at resolving problems faced by individual U.S. firms and investors, but at solving underlying structural problems. The specific facts of particular situations have not been cited in these talks except where they are useful in illustrating an underlying structural problem in the Japanese economy. Moreover, Treasury has never raised issues which are currently the subject of litigation.

Nevertheless, the Treasury greatly appreciates Mr. Wang's efforts to inform the Department about financial practices in Japan to the extent they may reveal structural impediments to open and fair financial markets in Japan. In the SII and our financial market talks, U.S. Treasury officials have continually pressed for action on the underlying problems which are the subjects of the legal proceedings initiated by Mr. Wang. We will continue to do this in the future.

COMMUNICATIONS

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, September 10, 1990.

Hon. LLOYD BENTSEN, *Chairman,*
Committee on Finance,
U.S. Senate,
Washington, DC.

Dear Mr. Chairman: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Ms. Jeanne S. Archibald, who has been nominated by President Bush for the position of General Counsel, Department of the Treasury.

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

Based on the foregoing, we believe that Ms. Archibald is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

STEPHEN D. POTTS, *Director.*

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