

**NOMINATIONS OF JEFFREY GARTEN,
MARY JO BANE, GEORGE MUNOZ,
AND JUNE GIBBS BROWN**

HEARING

BEFORE THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

JEFFREY GARTEN, TO BE UNDER SECRETARY FOR INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE; MARY JO BANE, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES; GEORGE MUNOZ, TO BE ASSISTANT SECRETARY FOR MANAGEMENT AND CHIEF FINANCIAL OFFICER, DEPARTMENT OF THE TREASURY; JUNE GIBBS BROWN, TO BE INSPECTOR GENERAL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEPTEMBER 22, 1993



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**NOMINATIONS OF JEFFREY GARTEN,
MARY JO BANE, GEORGE MUNOZ,
AND JUNE GIBBS BROWN**

WEDNESDAY, SEPTEMBER 22, 1993

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

The hearing was convened, pursuant to notice, at 9:32 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Daniel Patrick Moynihan (chairman of the committee) presiding.

Also present: Senators Bradley, Rockefeller, Breaux, Conrad, and Grassley.

[The press release announcing the hearing follows:]

[Press Release No. H-32, September 21, 1993]

FINANCE COMMITTEE TO CONSIDER COMMERCE, HHS, TREASURY NOMINEES

WASHINGTON, DC—Senator Daniel Patrick Moynihan (D-NY), Chairman of the Senate Committee on Finance, announced today that the Committee will conduct a hearing on the following Presidential nominees:

Jeffrey Garten, to be Under Secretary for International Trade, Department of Commerce;

Mary Jo Bane, to be Assistant Secretary for Family Support, Department of Health and Human Services;

George Munoz, to be Assistant Secretary for Management and Chief Financial Officer, Department of the Treasury;

June Gibbs Brown, to be Inspector General of the Department of Health and Human Services.

The hearing will begin at 9:30 a.m. on Wednesday, September 22 in room SD-215, Dirksen Senate Office Building.

**OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN,
A U.S. SENATOR FROM NEW YORK, CHAIRMAN, COMMITTEE
ON FINANCE**

The CHAIRMAN. A very good morning to our distinguished nominees and to Senator Simon, who is here to introduce Mr. Munoz to the committee. This is a regular hearing of the Committee on Finance to hear the testimony of four presidential nominees—Mr. Jeffrey Garten, to be Under Secretary for International Trade of the Department of Commerce; Mary Jo Bane, to be Assistant Secretary for Family Support of the Department of Health and Human Services; George Munoz, to be Assistant Secretary for Management and Chief Financial Officer for the Department of Treasury; and June Gibbs Brown, to be Inspector General of the Department of Health and Human Services.

I make the point that this committee is not the only committee of jurisdiction involved here. We are the primary one. But Dr. Garten's nomination will have to be considered by the Committee on Banking, which will be forthwith; Ms. Brown, by the Committee on Governmental Affairs.

I am going to ask first if Senator Simon would like to come forward and bring Mr. Munoz with you, if you would, just for the moment. We welcome you, sir.

STATEMENT OF HON. PAUL SIMON, A U.S. SENATOR FROM ILLINOIS

Senator SIMON. I thank you, Mr. Chairman. Before I tell you a little bit about George Munoz, let me just add I had the chance to have breakfast recently with Mary Jo Bane and a few others and was very much impressed by her confidence and her attitude. I think we have a fine nominee in Mary Jo Bane.

My reason for being here, however, is to put in a good word in behalf of George Munoz, not that he needs a good word. I have known him for some time. As you know, Mr. Chairman, every once in awhile we will get a note, someone from our State has been nominated to something and we do not know that person from New York or Illinois or Iowa, but we go through the perfunctory kind of things.

In the case of George Munoz, it is anything but perfunctory. I have known him a long time. He has been an uncommonly fine public servant. He is both a CPA and an attorney. He is head of a law firm, has been the service chairman of the Chicago Board of Education. He is a graduate of the University of Texas, as well as Harvard Law School and has a very distinguished record.

I was pleased to hear that he was going to be nominated. I think he will serve the Treasury Department and the nation very, very well. I will be happy to answer any questions, but I am pleased and honored to be here to put in a good word for George Munoz.

The CHAIRMAN. It is great courtesy of you, Senator Simon, and characteristic of you. May I say that our good friend and colleague Senator Carol Moseley-Braun, has sent a statement saying very much what you have said about Mr. Munoz. We will put this in the record at this time; and we thank you very much, sir.

[The prepared statement of Senator Braun appears in the appendix.]

Senator SIMON. And I thank you.

The CHAIRMAN. Senator Grassley, good morning. We just heard from Senator Simon and if you have no general statement, I think we will just hear all our witnesses. Is that agreeable with you?

Senator GRASSLEY. I have no opening statement.

The CHAIRMAN. Fine. Well, then, would our nominees come forward. Mr. Munoz, stay right where you are. Let us get our signs sorted out. Ms. Brown, you are down there.

I have to say that we are in something of a time constraint today. The President will be, as you all know, speaking to the joint session of the Congress to report on his health care measure and the respective committee chairmen and ranking members, have been asked to come to the White House this morning. Unfortunately I will have to leave at 20 minutes after 10:00.

But I think we all know our nominees very well and we have 10 minutes for each. I am sure that will be sufficient for our purposes. We will follow our pattern of hearing the nominees according to the seniority of their respective offices.

Mr. Garten, you are first. So we welcome you, sir, to make any statement you would like about the position of Under Secretary for International Trade at the Department of Commerce.

STATEMENT OF JEFFREY GARTEN, TO BE UNDER SECRETARY FOR INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE

Dr. GARTEN. Thank you, Mr. Chairman. I would like to start by thanking President Clinton for nominating me and Secretary Brown for supporting the nomination. I would also like to thank the several members of this committee and their staffs for having taken the time to meet with me over the last couple of weeks during a very busy time.

I have a statement, which I would like to just submit for the record and let me just summarize in one minute, the highlights.

The CHAIRMAN. Take your time, sir. We will put your statement in the record.

[The prepared statement of Dr. Garten appears in the appendix.]

Dr. GARTEN. I would like, first of all, to let you know that I am delighted to have the chance to reenter public service if confirmed. I am also delighted to have the opportunity to participate in the development of international economic policy at a time when these issues are so important to the national interest.

I know this committee is heavily involved in everything that I will do and I commit to you that if confirmed I would look forward to working very closely with all the members of the committee and the staffs.

The CHAIRMAN. More we could not ask. We had a hearing yesterday on the North American Free Trade Agreement in which Ambassador Kantor, with whom you will be working closely, called to our attention, not casually, but to the contrary making a point, the fact that trade gravitates not to areas where manufacturing is associated with low wages, but to areas with high productivity.

And he made, just sort of casually, the point that manufacturing wages—I think he said manufacturing wages—no, he said wages in the former West Germany are now 60 percent higher than they are in the United States—60 percent higher. That is a development no one could have imagined 20 years ago.

Is that because our trade policies have been wrong or our economic policies? Has the Commerce Department failed? Has American industry failed? Has GATT failed or are the Germans just better than we are?

You do not have to say yes, sir. [Laughter.]

Dr. GARTEN. Well, let me just say, sir, I think that these are the key issues—greater productivity, good jobs with good wages—which are the basis of what we should be attempting to achieve with our own trade policy.

The CHAIRMAN. Why did that happen? I can remember making my way about Germany in a Naval uniform, and when I looked left and right there was not anything there but ruins still smoking, 50 years ago. Well, it was not quite 50.

Dr. GARTEN. I think that German productivity since the Second World War has soared up until recently.

The CHAIRMAN. That is the effect. What is the cause?

Dr. GARTEN. I think they work extremely hard. I think they invest—

The CHAIRMAN. They have longer hours?

Dr. GARTEN. No, not necessarily longer hours.

The CHAIRMAN. Then how do you know they work harder?

Dr. GARTEN. I have spent—

The CHAIRMAN. Skin temperatures that we—

Dr. GARTEN. I have had the opportunity to live in Germany for 6 years.

The CHAIRMAN. Where, if I can ask?

Dr. GARTEN. In Heidleburg and Frankfurt. I have written a book called, *The Cold Peace*, which deals with the relationship between Germany and the United States and Japan.

The CHAIRMAN. A very well received book, if I might add.

Dr. GARTEN. Thank you.

And if I had to put my finger on one factor that has been responsible for increased German productivity, I would say it is investment in people—a superior education system, a wide ranging effort to train and retrain, an apprentice program which allows young people to enter the work force with skills. There are certainly many other factors, but these have been the hallmarks.

The CHAIRMAN. And there is a pattern. When people graduate from their equivalent of high school, they are given I believe two, and the policy of the state government says, I suppose they always could follow it, and say here are two jobs you could have, which would you like. You are not just sent out on your own to find your way in the transition from school to the work force, which is very efficacious, which we do not have at all.

Take note, it does not take long for people who have been in ruins to be twice as rich or twice as wealthy as you and you wonder why. I am just saying it is very important we have someone such as you who cares about and knows about the subjects.

Senator Grassley?

**OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S.
SENATOR FROM IOWA**

Senator GRASSLEY. Mr. Chairman, if you would allow me to comment just before I ask a question on the exchange you just had. I hope that we remember the United States has created 60 million new jobs in 20 years where they have just barely created a small fraction of that, if they have much more employment than that at all.

Their unemployment is 60 percent higher than our unemployment is. Most importantly, we have opportunities for our workers that they do not have in the sense of maneuverability from one segment of the economy to another. Our young people are not put on a track that they are on for the rest of their lives. We have opportunities that European young people do not have of changing and advancing within society.

One question. You probably would just love to have me bring up an article you write before the election, but I want to bring it up

because I think it gives me an opportunity to find out if this is still your attitude.

"There is no assurance, however, that the Uruguay Round impasse will be broken by Inauguration Day. There is even a chance that trade tensions will have increased. In this event, President-elect Clinton should cut a deal on agriculture with the European community, however imperfect, and bring the negotiations to an end.

"For the new team the imperative is to be able to move ahead on trade with new momentums and not to be dragged down by old problems. In addition, if there is a good time for Clinton to fight the farm lobby, it is at the beginning of his term."

I am from an agricultural state and I hope that that does not express your overall philosophy as you relate and view agriculture. I would like to have your comment on that statement and whether or not you still stand by that statement.

Dr. GARTEN. When I wrote the article it was the eve of the election. The article came out within a week after the election. So I was writing it as the Blair House Agreement was being concluded. I was keying on the statements of Carla Hills, who had indicated that there was a deal in agriculture that was within minutes or seconds of being concluded.

That is what I had in mind when I said "cut a deal." I thought the deal was just about done, that it would be done any minute, and I was attempting to say, close it. I would like you to know that neither then, nor now, do I hold the belief that agriculture is any less important than any other sector in the U.S. economy.

As a matter of fact, if you look at our international trade position, agriculture has been a leading edge of exports; and I believe that in terms of trade policy we should give this the highest priority in terms of furthering U.S. interests.

I am also quite conscious of the fact, that trade aside, agriculture is absolutely essential to the American economy generally, that we are talking about not only millions of jobs, but the health of communities across the United States, with a heavy emphasis on rural communities, which are absolutely essential to our way of life.

So if the implication was that I was denigrating agriculture in the broad array of U.S. interests, that was certainly unintentional. I did not feel that way then; I certainly do not feel that way now.

Senator GRASSLEY. I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Conrad?

Senator CONRAD. Thank you, Mr. Chairman.

I want to return to this same question, Mr. Garten, because as you know in our conversation the other day it caused me deep concern, the quote that Senator Grassley read. It caused me deep concern because the first part of the paragraph suggests that Clinton should cut a deal on agriculture with the European community however imperfect, which suggests to me that agriculture would be traded away once again on behalf of other goals.

Is that your feeling, that agriculture should be used to secure concessions in other areas?

Dr. GARTEN. Definitely not. I think in a sense one of the complications of international trade negotiations is that we negotiate

lots of issues at the same time. And at the end of the day there is a so-called package.

I would like to see us get the maximum amount of concessions from our trading partners in each sector. I certainly do not believe that we should sacrifice agriculture or any other sector, be it services, manufactured goods or whatever.

Senator CONRAD. I just ask you, it is hard to read this in a way that is consistent with the views you have just enunciated.

Dr. GARTEN. Well, all I can say is that in writing that I meant to say that the Uruguay Round was critical to the national interest. My assumption was that all that was left to negotiate in the agricultural sector was something that was very, very small.

I based that judgment on what Carla Hills was saying. If I misinterpreted it, if I did not fully understand it, I regret that. But my intention, which I think is what you are trying to uncover, was not to denigrate agriculture and not to say that agriculture was any less important, and not to say that we should trade away agricultural interests or any other interests.

Senator CONRAD. Can I just follow up and ask, what is your view today? You are characterizing your view when you made these statements. What is your view today? Do you believe that the Blair House Agreement is a fair deal for American agriculture and is one that ought to be closed on? Or do you believe that the Blair House Agreement is not a fair deal for agriculture and requires improvement?

Dr. GARTEN. Since the time I wrote the article, I have become aware that the Blair House Agreement is seen as highly unsatisfactory by many agriculture interests in the United States.

Senator CONRAD. How do you see it?

Dr. GARTEN. Senator, I am not an expert on agriculture, as you know. So I do not have a technical view on it. Speaking not as a trade expert, but just as someone who has been involved in economic issues, my judgment is that if the Blair House Agreement is reopened, either at the insistence of the United States or foreign countries, we would have a very, very difficult time in concluding the Uruguay Round negotiations. That would be one of the big issues over the next couple of months.

Senator CONRAD. Mr. Chairman, this is obviously a very important question to the agriculture community. I would just say to you that—

The CHAIRMAN. Senator Conrad, you take your time. It may be we cannot get all our work done this morning. Well, we will get it done this afternoon.

Senator CONRAD. I appreciate that, Mr. Chairman.

I just say to you that agriculture is one of the two largest producers of trade surplus for this country. Very frankly, we are under attack internationally. I have spent, as I described to you the other day, a great deal of time with the chief European negotiator, Tran Van Think.

I can tell you they have a strategy and they have a plan. And their strategy and their plan is to dominate world agricultural trade. Make no mistake about it. It is clear as a bell. And if you look at the last 10 years, you'll find they've gone from being a major importer of agricultural goods, to being a major exporter.

It is remarkable what they have done. And they have done it the old-fashioned way: they bought the markets. They went out and subsidized, through internal supports, high levels of prices for agricultural commodities. That produced overproduction and they dumped the surplus production on the world market at fire sale prices; and they bought market share. They have done it very successfully and in a very determined and calculated way.

The question for this country is whether we let them do it or whether we fight back. What is your view? Should we retreat? Should we allow them to continue to seize markets that were once ours or should the United States fight back in agriculture?

Dr. GARTEN. Well, let me answer that with a general statement of my philosophy on this. I am not for rolling over in trade negotiations for any issue, be it agriculture or manufacturing.

I think that we have to play extremely tough across the board. I agree with you that we are in a ferocious competition and that unless we have a very, very aggressive trade policy we will be taken to the cleaners.

Our market is more open than any other market in the world. We have been the market of last resort for most of the post-war era. I believe that time is over. I believe it should be over. And that in one area after another we have to be extremely tough and vigilant.

As you know, Senator, my responsibility in the government, if I am confirmed, would not include agriculture. But I can say this, my two highest priorities in this job would be as follows: first, the vigorous enforcement of the trade laws and particularly the laws relating to unfair trade practices; and second, vigorous efforts to promote U.S. exports.

And in both of those cases, if I have any chance to contribute to the furtherance of agricultural issues, I would be very happy to do so.

Senator CONRAD. Can I ask one final question?

The CHAIRMAN. Of course you can, sir.

Senator CONRAD. The second part of your statement is also frankly deeply offensive, as I told you the other day, certainly to me. I would think it would be deeply offensive to other members who represent agriculture as well.

Because you say, "In addition, if there is a good time for Clinton to fight the farm lobby, it is at the beginning of his term." Now, I do not consider myself a lobbyist for farmers. I consider myself to be a representative of the farmers who sent me here—agriculture accounts for 40 percent of my State's economy. And, frankly, we do not need another fight with anyone. We have all the fights we can handle.

We especially do not need a fight with somebody who is supposed to be working for us. Why would you suggest that it is necessary to fight the so-called farm lobby? What was the rationale for that statement?

Dr. GARTEN. If you recall the overall article, it was called "The First 100 Days," and it was my attempt to lay out the economic agenda for the Clinton administration. And in that article I covered a lot of issues.

There was an underlying theme in that article that the President-elect had a narrow window in which to overcome pressure from special interests. That if he could not do that in the first couple of months, he would have a much more difficult time doing it afterwards.

And if you read that whole article, it was not just agriculture that I was talking about; I was talking about a number of groups that would influence fiscal policy and would influence other areas, including trade policy. And as I said before, I had no intention of singling out agriculture as deserving of any special pressure. The quote that you read is just an extract on that subject.

Senator CONRAD. Let me just say to you that when I look at this, the title is "100 Day Economic Agenda" and the subheadline is "Must Deliver Tough Message Quickly." But the tough message with respect to agriculture in this article is not a tough message to the Europeans who we are, in effect, in a trade war with. The tough message you talk about is to American farmers.

To me you have it exactly backwards. The people that this country is in a battle with are the Europeans in an agricultural competition that they are winning right now. And yet you identify the American farm producer as the problem. That's exactly backwards.

There is no mention in your statement about agriculture today. There is no mention in here about getting tough with the people we are doing battle with. You want to get tough with the people who you are supposed to work for.

Dr. GARTEN. Well, I did not write the subtitle or the title.

The CHAIRMAN. No, no, that will not do, Mr. Garten. Do not say that. Say something else. [Laughter.]

Dr. GARTEN. Most of the article, three-quarters of it, said that the President-elect had to explain to the American people that great sacrifices were going to be required of them in the years ahead. The article covered so many issues that that particular subtitle may not have related to every theme in the article.

Senator CONRAD. Let me just see if I can conclude, Mr. Chairman. I would just say this to you. Mr. Garten, you strike me as a very good man, a very nice man, an accomplished man. I really have to ask myself if those who represent agriculture should not deliver a tough message quickly to the administration with respect to who they send up here and that you be the example.

Because I can tell you, this first period of time with respect to agriculture has been one fight after another; and maybe it is time for us to send a message. Something is going to have to persuade me that you are serious about fighting for all of the elements of the economy here in this country and that agriculture is not seen as a whipping boy.

I thank the Chairman.

The CHAIRMAN. Thank you, sir.

May I make a point before we turn to our other Senators? If one were to read the article in the winter issue of foreign affairs, and Mr. Garten is a member of the Council on Foreign Relations, if it is not very friendly to farmers it is not very friendly to the Clinton Administration either.

Senator CONRAD. That is true. In fact, I asked him if the President had read this.

The CHAIRMAN. Yes. I mean, it speaks of the President's projection of getting \$40 billion in tax collections from foreign companies as being wildly exaggerated; and it was wildly exaggerated. We cut it down, I think, to \$250 million. That is close to \$40 billion, but not that close. [Laughter.]

You speak of the Pollyanish perspective on the general pattern of employment. You say that "if Clinton had been soft on fiscal restraint during the campaign he may well be tempted now to postpone tough budget balancing measures in favor of an immediate stimulus to the economy. This would be a big mistake."

It was tried and it did not succeed. So the mistake, as such, did not happen. But it said, "once again, the long term future would be sacrificed to short-term gain," *deja vu* all over again.

I simply make the point that this took some quality in the administration to nominate you, sir, because you said to them, they have been saying a lot of dumb things and they are likely to do a lot of things that are even dumber and both are true; and here you are. So it says something for plain speaking. It has its costs, but in the end it has its satisfaction.

If you cannot do that in public service, stay away from it. And you have, to my mind, met the first test of holding office under a President which is to speak truth, tell the President what you think. He does not need to know what he thinks. And too many people will always tell a President what they think he thinks and that is why presidents get continually—well, I have said enough.

Senator Rockefeller?

OPENING STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV, A U.S. SENATOR FROM WEST VIRGINIA

Senator ROCKEFELLER. Thank you, Mr. Chairman. Mr. Chairman, let me just say something about Mary Jo Bane and I will submit questions to her. I want to say how really happy I am that you are here. I say that based upon two things.

One is your background, the range of your background. You get 15 points for serving in the Peace Corps. You have been a teacher in a public school classroom in Massachusetts. I am proud of that. My second oldest child wants to be a public school teacher. You are a tenured professor at the Kennedy School at Harvard. You get no points for that from John Breau, but you get 25 points for that from me.

You have done both Federal and state administration for human services. You have worked with children and families in poverty and welfare, and all the things that I care about. And much more importantly, issues the Chairman of this committee cares about, particularly welfare reform, where he is not only the author of what we have, but will be the leader when we improve on what we have.

You have the practical experience, which I appreciate because, in a sense, it is like the practical experience of being a Governor, which I was for 8 years. It is one thing to have an idea about what you want to do; and it is quite another to actually make it work.

When you try to make things work sometimes, and they do not work out exactly as you thought, it is hard. I mean, it is just hard

when you are responsible for making something work and you have had to do that and you have done it in New York and here.

I think you have enormous perseverance. Your 50 point gold star comes from having worked closely with the National Commission on Children which went on for 4 years, which, Mr. Chairman, emanated from this committee, legislation from this committee by your predecessor.

The CHAIRMAN. Right.

Senator ROCKEFELLER. And we leaned on you for advice and research. I will have to say too that the results on the National Commission on Children, which was a unanimous vote, including three members of the Bush Administration, and the President has proceeded to put a lot of that into place—the Earned Income Tax Credit, which obviously did not begin with us, but that was a part of our income security package; the Child Tax Credit.

I have always believed, you know, the President was criticized unfairly for not doing a middle income tax cut in this first year. I always thought that you were allowed to have a full term to say what you were going to do. I really believe that if and when, as I believe will, the economy gets going a little bit, he will do a refundable child tax credit, which is basically a middle income tax credit for the one out of every three families in this country that have children. And, therefore, it is a restrained tax cut, but a targeted tax cut, for children which costs \$6,000 to \$8,000 a year per child to bring up.

So I am really happy that you are before us. I have two questions which I will submit in written form for you. But I like working with professionals and you are surely that.

In our conversation everything that you said to me just made me feel more strongly about that. So I will not question you. I simply want to welcome you and say that I think you are a distinguished addition.

Jeff Garten, I feel the same way about you. And I had some tough questioning for you when you came to my office. You may not be an expert on the second biggest export the United States has, which is agriculture, but most people are not an expert on the biggest export which the United States has, which is tourism. I am. I just thought I would say that. [Laughter.]

Senator ROCKEFELLER. I cannot hold that against you. You know, I come from a very different kind of state that Kent Conrad does. It is a manufacturing state which is in a lot of trouble. We lead the nation in unemployment. We have for the last 2 years. Every month it is incredible.

I look at export promotion and I see that 74 percent of all of the dollars for export promotion spent by the U.S. Government goes to agriculture. I wonder if we could do half of that for manufacturing, would that help? My feeling is yes. Would that help my state? My feeling is yes, it would. And agriculture now sort of makes it less easy for West Virginia to progress.

But I must say, this idea of taking something that somebody has written and then dismantling the person by reason of that does not seem—well, it is fair, of course, but it does not seem entirely right to me.

Because when you come into a government, you do what that government wants to do. You represent the President of the United States, and you represent the Cabinet Secretary for whom you will work, and their views are very pro-agriculture. And so will yours be. I mean, putting it crassly, you would be, even if you did not feel that way.

But I have had experiences where you come into something and, even if you did feel that way, when it is your professional job representing the people of the United States, and the President of the United States, you adjust and it becomes a fairly easy adjustment in fact.

Let me just ask you two questions for the record and then I will be quiet, Mr. Chairman. On June 23 Chairman Moynihan and the Ranking Member of our committee sent to the President a letter expressing the committee's concern about the Dunkel draft text. I have long said that if it came to us in its present form it would never be approved by this committee.

I will ask you three questions all at once. Are you familiar with the letter?

Dr. GARTEN. No, sir; I am not.

Senator ROCKEFELLER. Okay, get yourself familiar with that letter. What we basically say is that we have a lot of concern about the Dunkel draft: antidumping and subsidy provisions in terms of standing, cumulation, cost and profit methodologies, de minimis exceptions, nonactionable subsidies and circumvention of antidumping and countervailing duty orders.

You and I talked particularly about the Europeans and subsidies, which are enormous in steel and other areas, and the case of Japan dumping in other countries.

The CHAIRMAN. Senator, would you let me interrupt, just in the interest of procedure to provide Mr. Garten with a copy of the letter.

Senator ROCKEFELLER. Of course.

The CHAIRMAN. Sir, would you take a copy of the letter to Mr. Garten. Now the witness will understand his rights have been read to him. [Laughter.]

Senator ROCKEFELLER. So my question to you is—I am not asking you to read the whole letter, of course if you want, I will wait while you do—do you think that the draft text, in fact, does need stronger language against circumvention of dumping and countervailing duty orders and against diversionary dumping?

Dr. GARTEN. Senator, let me answer it this way because I am not familiar with the letter. I am not an expert in agriculture. I am also not an expert in the intricacies of the unfair trade laws at this moment, although I realize—

The CHAIRMAN. The fair trade laws, Mr. Garten.

Dr. GARTEN. Or the fair trade laws.

The CHAIRMAN. We like it—you know, that is not an idle distinction.

Dr. GARTEN. The fair trade laws.

To me the basic point is this, that if I am confirmed, I am entrusted with the most vigorous enforcement of those laws. And to the extent that any international text or any international negotia-

tion attempts to dilute or render less effective our laws, I will oppose it.

Now I have heard that the Dunkel text greatly dilutes our trade laws and I can tell you that without knowing the existing provisions, from where I would sit in the government, it would be my duty to attempt to improve that situation.

There is nowhere else in the government where someone has that particular responsibility to the extent that I will with regard to our trade laws. So let me remove any question about where I stand and what I would try to do. I will in a short period of time, if confirmed, become an expert on these laws. And, of course, I will study this letter.

But in terms of the basic thrust, this is my top priority, namely the vigorous enforcement and the efficient administration of the fair trade laws.

Senator ROCKEFELLER. My final question is just a short one, Mr. Chairman.

The CHAIRMAN. Senator Rockefeller, take all the time you need.

Senator ROCKEFELLER. No, but this really is short.

The steel industry folk, some of the heads of the steel industry met with the President last month. As you know, steel got kind of a 50/50 treatment from the International Trade Commission, which caught some by surprise. I do not think they should have been surprised, but I think some of them were.

In any event, the President talked about the government undertaking a general study of steel and, how government and steel can work together. We do not subsidize; Europeans do, et cetera. But I would hope that as that steel study goes forward that you would keep in close touch with me about that. That is a very big problem in my State.

I was really pleased that the President showed such interest in steel. That has not happened for a long time in the White House. We have done everything that we were meant to do. We have invested all the money that we were meant to. U.S. Steel companies are the most productive steel makers in the world. But we do not cheat and we do not take government money, and so we have lots of problems.

So I hope that you will keep your eye on that and be in touch with me as it goes along.

Dr. GARTEN. I certainly will.

Senator ROCKEFELLER. I very much support your nomination and look forward to working with you.

I apologize to the Chair for the length of my comments.

The CHAIRMAN. No, sir. Could I just take, if Senator Breaux would indulge me for a minute to say, Mr. Garten, I hope you absorbed what Senator Rockefeller just said. The American steel industry is now the low-priced producer in the world, without subsidies and without protection.

It wasn't always. It fell behind. It did not have itself together and I can report it cost cities like Buffalo a century old plant on 12 miles of Lake Erie.

But we are now the low-cost producer and if the Europeans are just going to subsidize their way into our markets and keep us out of theirs and so forth and so on then we have let this world trade

regime get out of whack altogether, and we expect you to be, if need be, as angry with the Europeans as you were with a lot of Mr. Clinton's advisers in your article.

I just wanted to make that point. Thank you, Senator Rockefeller.

Senator Breaux?

Senator BREAUX. Thank you, Mr. Chairman, and thank all of our nominees for their being with us and testifying. Mr. Garten, you have probably reached the conclusion that it is easier to get confirmed if you have never written anything in this city.

The CHAIRMAN. I think the Bible speaks to that, sir. It says, "Oh, that my enemy should write a book"

Senator BREAUX. Full of controversy. But I think you will take to heart Senator Conrad's concern about agricultural issues and hope that you will follow those recommendations.

Ms. Bane, on the other hand, I was going to read everything you wrote on the subject of family policy, but that would have taken me the rest of my lifetime to do it because you have written very extensively and your background is very complete with your experience and the question of welfare, family support, et cetera, things that are a big concern to me; and I know to every member of this committee, and especially our distinguished Chairman.

Let me ask you just a couple of questions. I have to go down to another meeting. But I wanted to ask you, there is a general statement I would like to ask you to comment on. Some people feel that welfare as we know it today serves no one very well neither the people who are on it, nor the people who are paying for it. What is your comment on that?

Dr. BANE. I think they are right, Senator. The President has made a very strong commitment to reforming the welfare system, to build on the vision of the Family Support Act, that so clearly stated the importance of both opportunity and responsibility, to build on that vision and to turn the welfare system in a genuinely transitional system.

I think the President has been very clear about that, Senator, and he has clearly articulated the concepts that he hopes will guide that effort, making more pay increased child support, increased emphasis on the Family Support Act, and then moving toward a genuinely transitional system.

If I am confirmed, Senator, I am seriously committed to making that vision a reality.

Senator BREAUX. I have been doing a lot of individual meetings around the country, as well as in my State of Louisiana, visiting a lot of programs that are the culmination or the result rather of the Family Support Act—Project Independence as we call it in Louisiana.

There are some who argue that we should emphasize the training and education of AFDC recipients as a condition of continuing to receive their financial assistance. There are others who argue that we should not spend as much time and money on the training, but spend more effort in trying to move them into the market place, the workplace, more quickly.

What are your thoughts?

Dr. BANE. The AFDC population is very diverse and different people need different emphasis. My own emphasis is that the jobs program should, indeed, be oriented towards work and towards getting people into employment as quickly as possible. Sometimes getting them into employment as quickly as possible requires providing them with some basic education and training. But I think the emphasis on work and getting into the work place should be first.

Senator BREAUX. There are some who argue that we should look to privatization of the JOBS programs job placement activities. America Works, which is one of the groups that have done some work in New York that I have been reading about, seems to have an interesting approach.

Do you have any thoughts about the concept of using the private sector to try and seek out the jobs and then reimbursing those companies based only on their success?

Dr. BANE. Many States in local areas have had success with both nonprofit organizations and with profit making organizations in providing training and providing education and moving people into the work force. I think there is a lot of promise in that concept, Senator.

If I am confirmed, I would hope that we would explore that very fully.

Senator BREAUX. Yes, I like that as well.

Let me ask one other thing. The debate—and the President has called for a time certain for welfare support. This concept generates whole volumes of discussion about whether that is the right thing to do. Some argue that some people can be readied for work to the point of moving into the private sector in 6 weeks, others 6 months, still others in 2 years.

What are your general thoughts on that, the concept of some kind of a time certain, maybe for different categories of people on assistance, or do you think that can be made to work?

Dr. BANE. The President has been very clear about his commitment to the concept that welfare should not last forever. He has been very clear that the welfare system should be providing opportunity, but also expecting responsibility.

The details of that, I think, will be worked out as we go along. But the President has been very clear about that concept and I am very supportive of it as well.

Senator BREAUX. I really would like you to think, and you obviously are a profound thinker on this subject, to think about how we can do something to get a handle on the fathers that are absentees.

We are spending a lot of time on mothers with children and payments to them, and training for them, while there are an awful lot of so-called "deadbeat fathers" out there who are not contributing to the welfare of their own kids. They are not getting trained. They are not contributing. We cannot find them.

We do not really have a handle on it because they do not get anything from government. We cannot take anything away if they are not getting anything. I really think that has to be part of the solution to the problem. I am not sure what the answer is and that is why I am asking you to do some more profound thinking on that.

Dr. BANE. You are absolutely right. It seems to me that the concept that both parents have responsibility for their children is absolutely crucial to any reform of the welfare system.

Senator Bradley has spent years and years thinking about how we can improve the child support system; and that is a tremendously important piece of it. But I think we need to be as creative and vigorous as we can on that side.

Senator BREAUX. Well, I look forward to working with you and the other members as well. When you are not asked questions, that is a good sign. [Laughter.]

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Munoz, Ms. Brown, you are doing very well. [Laughter.]

Mr. MUNOZ. Thank you.

The CHAIRMAN. Senator Bradley?

**OPENING STATEMENT OF HON. BILL BRADLEY, A U.S.
SENATOR FROM NEW JERSEY**

Senator BRADLEY. Thank you very much, Mr. Chairman. I will be very brief. I simply want to state that I am enormously pleased that Mary Jo Bane is willing to take this position. I think that we should speedily confirm her. I think that she, as well as all the nominees here, will do an excellent job. But I know her work and her commitment probably better than the other three.

I will say simply that we are lucky to have you in that position. I hope that we will confirm you very quickly.

Dr. BANE. Thank you, Senator.

Senator BRADLEY. Let me say to Mr. Garten, there have been some expressions today that raised questions about agriculture. I want you to know I think you have precisely the right attitude on agriculture. I think that as a part of the overall market—opening effort in the GATT round, that it would be very important to break down barriers in agriculture and to be willing to give up some subsidies in this country.

If we were all held accountable for every word that we have ever written, or every word we have ever spoken, I think that probably things could be taken out of context. I view your writing and your attitude generally as that an open world trading system is a better world trading system. Where there are impediments, they should attempt to be removed in a fair and equitable basis with all countries having a maximum amount of transparency and the maximum amount of openness and the least number of subsidies.

Is that a correct view?

Dr. GARTEN. Yes, sir; it is.

Senator BRADLEY. Then we agree and I am glad that you are going to be where you are and I hope you will be confirmed as speedily.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

[The prepared statement of Senator Bradley appears in the appendix.]

The CHAIRMAN. Let us now then resume our sequence. Mr. Garten, I think we have done everything but ask if Mrs. Garten is in the room; and if she is—

Dr. GARTEN. Yes, she is.

The CHAIRMAN. Would you introduce her? Well, she is right behind you. Would you stand up? It is very nice to have you and we welcome you to the committee.

Mrs. GARTEN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Garten, I think you have heard a range of views and you were aware of them before, but they are strongly held on this committee. I want to say to you that I think there is more for you to do and I am sure you can do it. You certainly have no problem with the Chair here. But we will talk about that a little bit later.

STATEMENT OF MARY JO BANE, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES

The CHAIRMAN. Now to Mary Jo Bane, good morning.

Dr. BANE. Good morning, Senator.

The CHAIRMAN. Dr. Bane, you have heard some very nice things said about you and all of them are true.

On the subject of welfare reform, which was a great issue with the President, we have not seen any welfare reform, and I suspect it will be a long time before we do. Take a message back to the administration—if you are not going to do this, stop talking about it. Will you, please?

If you are not going to do it, stop talking about it. It is beginning to be an embarrassment.

I have just two questions which go very much to the subject of your position as Assistant Secretary for Family Support. In the course of the long budget debate, while we had to cut Medicare, cut Medicaid, and raise taxes, we also had to find a billion dollars for the Family Support and Family Preservation Program.

I remember from the first saying, well, all right, if the President really wants this. But I had the reservations that simply come with experience in these fields. And I had the reservation that says, this kind of program is a form of avoidance.

It says do not worry about the real problem because you can fix it up, the real problem being out of wedlock births, fatherless family. Did you read William Raspberry this morning?

Dr. BANE. I did, Mr. Chairman.

The CHAIRMAN. I found myself being pressed so on the subject of the Family Support and Family Preservation Program that at one point I asked the Chairman of the Council of Economic Advisors, who was pressing me, I said, have you any evidence that these programs work. She assured me there was plenty of evidence. I said, could you send me two citations by noonday tomorrow, and when none arrived I faxed down and said, citations, please. And I got back two pieces of junk. Just junk. Embarrassing.

You know, I did not ask the speech writing department, I asked the Council of Economic Advisors, an academic institution within the United States Executive Branch, established by the Employment Act of 1946, meant to have some standards.

I would like to ask you, you have been working here in Washington through all this period. Did anyone ever ask you what evidence

there was that there might be some efficacy in spending a billion dollars on the Family Support and Family Preservation Program?

Dr. BANE. Mr. Chairman, like you, I feel that we do not have nearly as good evidence as we need on these programs. So I am very pleased with the legislation as it was passed by Congress requires evaluation as we go along and a relook at the program.

I also share the President's deep concern about this problem. Not that we should not be worried about the causes of the problem and preventing it, but worried that there are so many children who get placed in foster care, whose families are not capable of treating them, that if there are things that the government can do about that, that it ought to be something that is tried.

Family Preservation and Family Support Programs have a lot of support from the field. I think it is important that family support is included in the legislation because there is some good evidence, Mr. Chairman, on the efficacy of family support programs. I am sure you are familiar with the evaluations of the Elmira Home Visiting Program and some of the other family support programs.

I believe that there is enough evidence from programs like that, and from the experience of practitioners in the field to make a try at helping some of these children and families.

The CHAIRMAN. We are never going to get anywhere on this. And I do not expect to get anywhere. You are all in denial. That legislation came to us in the context of solid research that said it was a waste of money, but it was much more important to think otherwise and so you will waste the money.

You are going to build in an evaluation. The evaluation has already taken place. An interesting thing, on the day we passed this bill, the front page of the New York Times reported a major study by Chapin-Hall, at the University of Chicago, of the Illinois Program Families First.

What did that study say?

Dr. BANE. The Chapin-Hall study, Mr. Chairman, looked at the Illinois program, which was a range of different kind of services, including family preservation and it found as was reported in the New York Times that there did not seem to be any differences, any important differences, between the experimental and the control group.

The CHAIRMAN. I told that to Ms. Tyson. It was not any secret that they had done their work. They have been working on it for years. They found the Family First program results in a slight increase in placement rates when data from all experimental sites are combined. This effect disappears once case and site variations are taken into account.

So you knew it was not going to work and you said we are going to do it anyway. Do not answer that. That is a leading question.

I mean, there is a denial of the real problem. I have been living with it around here for a very long time. What I minded was the brazen assertion that, oh, no, this works. We know.

Peter Rossi, who is, I should think, about the most respected person in this field of evaluation, in 1992 he gave a paper called Assessing Family Preservation Programs. He said they didn't work. It was all there.

Whatever you do in the future, do not insult the intelligence of this committee, please.

Dr. BANE. I can assure you, Mr. Chairman, that I will not if I am confirmed.

The CHAIRMAN. Because it is just too important.

Let me ask you this question, referring to Mr. Raspberry's column this morning, which was a thoughtful column. Our real problem is fatherless families, which is reaching a historic level. What is the national rate of what they call non-marital births now?

Dr. BANE. Mr. Chairman, I think the last data I saw suggested that somewhere between 25 and 30 percent of all births now were to mothers who were not married.

The CHAIRMAN. Why somewhere between 25 and 30? Why not say 28?

Dr. BANE. Because I was not sure I remembered the number exactly, Mr. Chairman.

The CHAIRMAN. Well, that is a number you ought to know first thing in the morning.

Dr. BANE. I understand.

The CHAIRMAN. You have been the Commissioner of Social Welfare in the State of New York. What is it for the State of New York?

Dr. BANE. For the State of New York as a whole it is about the same as it is for the nation as a whole.

The CHAIRMAN. No, it is not. You do not know that?

Dr. BANE. I am sorry, Mr. Chairman, I do not.

The CHAIRMAN. Will you find that out and tell us?

Dr. BANE. Yes, sir.

The CHAIRMAN. What is it for the city of New York?

Dr. BANE. For the city of New York, my recollection is that it is close to half.

The CHAIRMAN. Well, close. But that is not good enough. That is not good enough for this Chairman. It is 33 percent for the State of New York and 44.5 percent for the city. If you do not know that, you do not know what your job is. And nobody around tells you. It is hopeless.

But you hear me?

Dr. BANE. Yes, sir.

The CHAIRMAN. Listen to me, do not insult the intelligence of this committee. Part of that pattern is saying welfare reform is on the way, and we are going to end welfare as we know it.

Now, let me also ask, is Mr. Bane here?

Dr. BANE. It is Mr. Winston, Mr. Chairman.

The CHAIRMAN. Mr. Winston?

Dr. BANE. Yes, he is here. My husband, Ken Winston.

The CHAIRMAN. Good morning, sir; it is very nice to have you here and we welcome you to the committee.

[The prepared statement of Dr. Bane appears in the appendix.]

STATEMENT OF GEORGE MUNOZ, TO BE ASSISTANT SECRETARY FOR MANAGEMENT AND CHIEF FINANCIAL OFFICER, DEPARTMENT OF THE TREASURY

The CHAIRMAN. Now, Mr. Munoz, what have you done wrong recently?

Mr. MUNOZ. Mr. Chairman, I do want to say it is an honor to be before this committee and I would like to submit my statement for the record.

The CHAIRMAN. You did not answer my question, sir.

Mr. MUNOZ. I am sorry, sir. Your question was, what have I done wrong?

The CHAIRMAN. Recently.

Mr. MUNOZ. Recently. I am not sure.

The CHAIRMAN. Careful. The answer is you were President of the Chicago Board of Education.

Mr. MUNOZ. Yes, sir.

The CHAIRMAN. Where the schools have not opened on time 6 out of the last 8 years, something like that.

Mr. MUNOZ. I believe that is correct. I think one reason is because, again, it is one of those infrastructure items that our Nation is struggling with, especially in the urban centers.

The issue is: is there enough money going into urban education? The taxpayer is saying there is enough money, but the money is not being spent properly.

The CHAIRMAN. You have Baumol's Disease, right?

Mr. MUNOZ. I am sorry?

The CHAIRMAN. You have Baumol's Disease. Come on, Mr. Munoz, what is Baumol's Disease?

Mr. MUNOZ. I am sorry, I did not understand.

The CHAIRMAN. The cost disease of personal services, such as education.

Mr. MUNOZ. Right.

The CHAIRMAN. Continuously they will rise at a higher—relative prices will go up and up, as the other relative prices go down and down. These are always strapped for money.

There is a new study out that looks to be good. It says over the last 20 years real income for teachers has grown 4 percent. Four percent as over 20 years, which is to say that it hasn't grown at all. But yet you are always struggling to find enough money to get through a union contract. All of that struggle has just been to keep them in place. I do not envy you and I congratulate you for doing it.

Do we have a statement that you would like to place in the record?

Mr. MUNOZ. I do have an opening statement, Mr. Chairman. If you would like, I would like to submit it for the record or I might take the time to read it.

The CHAIRMAN. I think we heard such pleasant things from Senator Simon that we want to leave it at that. You have had a very distinguished career and I know you continue to do.

Is Mrs. Munoz here?

Mr. MUNOZ. No, she is not. I do not have a Mrs. Munoz.

The CHAIRMAN. There is no Mrs. Munoz.

Mr. MUNOZ. You did ask me what went wrong this morning.

The CHAIRMAN. There you are. That is your one mistake. Well, do something about it before you come back. [Laughter.]

Mr. MUNOZ. I will gladly work on that, sir.

The CHAIRMAN. All right. Senator Grassley?

Senator GRASSLEY. Yes, Mr. Munoz, since you are going to be responsible for management and finance, I assume that in that position you are going to be involved with, at least for your department, Vice President Gore's goals of reinventing government. Is that within your responsibility? And if it is, what would be your part in streamlining the bureaucracy and making it more effective along the lines of what Vice President Gore has suggested?

By the way, I am going to be trying to help Vice President Gore do what he wants to do.

Mr. MUNOZ. Thank you, Senator. I am delighted to say that I will have a part in the reinvention of government and in the implementation of Vice President Gore's report.

I say that with a sense of excitement because on the one hand you can look at it from the positive side. Vice President Gore said it well when he said, "The problem is not the Federal worker, but rather the bureaucracy in which he works."

I think that is a positive attitude because it allows our Department of Treasury the flexibility to look at the rules that make no sense. They spend a lot of hours because of some procedures that maybe in the past made sense but today do not, or at least are taking up money or time away from other priority things.

In terms of how do you reduce the bureaucracy, the Vice President's report gives an indication. What I like about the report, is that it did not blame the worker. It did not ask for RIF's. It did ask for consolidations where they are required and it gave some guidance in our Treasury Department. It singled out a couple of our bureaus that needed to be looked at for consolidation purposes.

If confirmed, one of the things that I will do is to use that as a guiding principle. Secretary Bentsen is very much in support of the Vice President's report. I look forward to making sure that good management is implemented in this.

I think this challenge is a good challenge for all of the chief financial officers in all of the departments because how we do the work is how we are going to be valued or evaluated at the end of our term.

Senator GRASSLEY. I have one question for Secretary Bane. Before I do that, I want to thank you and the department for the waiver for the Iowa welfare reform.

The CHAIRMAN. A special interest.

Senator GRASSLEY. A special interest to my State.

The CHAIRMAN. You will do well, Dr. Bane.

Senator GRASSLEY. Mr. Chairman, the department gave a waiver for the State of Iowa, to do welfare reform, something you are very interested in. I want to thank you for that.

Ms. Bane. I, of course, had no responsibility for that waiver.

Senator GRASSLEY. Well, you may be involved in reviewing it through a test period of time here.

I want to kind of get a feel from you, if I can, on the community service block grant program. My State gets \$4.1 million for 19 community action agencies.

I am a defender of that program and I do not think now with the new administration I will have to be so much of a defender, but, you know, Stockman tried to do away with it and I fought my own administration to preserve it. I think it really stretches the

taxpayers' dollars through these organizations, particularly the encouragement of volunteerism with private sector money.

The President recommended a freeze for 1994 at \$372 million. Could you tell me your initial reaction about the present administration's 1995 funding recommendations for this? Then that kind of gives me an idea of how you view it over the long haul.

Ms. Bane. Senator, I think it was significant that the administration's recommendations for fiscal year 1994 were not zero. And, indeed, that the President's budget for 1994 did request money for the community action agencies, representing his commitment, and it will be my commitment if I am confirmed to that program.

As you well know, the administration is only in the beginning of formulating the 1995 budget. And as I understand it is struggling mightily with the fact that we are operating, the country is operating, in such a constrained situation.

At this point I personally cannot give you much indication of what the 1995 budget request might look like.

Senator GRASSLEY. Could you give me just a short statement of how you look at community services block grant?

Ms. Bane. As I said, Senator, I share the administration's sense that these community action agencies are terribly important. I know they have been especially important in the terrible times that Iowa and the other midwestern states have been through in the last couple of months.

I have heard from some people that the community action agencies have been real leaders in trying to provide services to the flood victims. I think that is only one of the many things that those agencies are able to do.

Again, if I am confirmed, I know we are going to be operating within very constrained budget resources. But this is surely a program that I will keep my eye on.

Senator GRASSLEY. At least not one you would recommend zeroing out?

Ms. Bane. Indeed.

Senator GRASSLEY. Thank you, Mr. Chairman.

The CHAIRMAN. And tell Mr. Garten that 24 years ago I published a book, which is still in print called "Maximum Feasible Misunderstanding: Community Action and the War on Poverty." It described the completely opposed understandings from the Bureau of the Budget, the White House, and the Office of Economic Opportunity on what community action programs would do and how they would operate.

That confusion continues to this day—24 years later, unchanged. There are some things that endure in the U.S. Government in which confusion is absolute.

[The prepared statement of Dr. Munoz appears in the appendix.]

STATEMENT OF JUNE GIBBS BROWN, TO BE INSPECTOR GENERAL, DEPARTMENT OF HEALTH AND HUMAN SERVICES

The CHAIRMAN. And now, Ms. Brown, we welcome you in from the fleet, in from Hawaii. Would you be in Hawaii at this point?

Dr. BROWN. Yes, I have been, sir.

The CHAIRMAN. CINCPAC, if I recall.

Dr. BROWN. CINCPAC Fleet.

The CHAIRMAN. Still CINCPAC. Some things do not change.

You are now the Inspector General for the Pacific Fleet, which is a very honorable position. You have previously been Inspector General for NASA and for the Department of Interior. You are now to be Inspector General for the Department of Health and Human Services and we welcome you. Do you have a statement that you would like to make?

Dr. BROWN. Thank you, sir. I will submit my statement for the record.

[The prepared statement of Dr. Brown appears in the appendix.]

Dr. BROWN. But I am very honored to be here. I also have served as Inspector General of the Department of Defense in addition to the two agencies you mentioned. So this would be my fourth statutory Inspector General position. And I have had a military Inspector General position.

I have a background both in law and as a CPA. I certainly welcome the opportunity to serve in the position of Inspector General of HHS and in working with both that agency and this committee.

The CHAIRMAN. Good. Because we do think of you as someone who will come to this committee. And you understand that you can come to this committee any time you wish and tell us anything you think we need to know. Absence will make us wonder if you really are still on the job.

Dr. BROWN. Yes, sir.

The CHAIRMAN. You can even come around and say that everything looks fine. There is nothing wrong with that.

One specific, I think, that concerns us is that in the Social Security Administration, one of the problems they have had from the day the legislation was adopted under President Eisenhower is with disability benefits. The difficulty in deciding whether a person is disabled, and if so, how disabled, and how long it continues.

It has been a troubled area and one which has got involved in ways that are discouraging with the decisions in the Office of Management and Budget—spend less or spend more. Mostly to spend less. When the disability is a Social Security benefit, it is an insured benefit, and it ought not to be dispensed at the wishes of the Director of OMB in terms of how much money the Federal Government will or will not spend.

Do you follow me on that?

Dr. BROWN. Yes, sir.

The CHAIRMAN. President Clinton's budget foresees an increase in the backlog of disability benefit claims from 800,000 to 1.3 million. I worry that that was a decision just to spend less money. I wonder if I could ask if you would look into that for this committee.

Dr. BROWN. Yes, sir; certainly. I have had a very brief time at the office, about 2 weeks. But in looking into the work that is being done, that is one area that we are currently involved in a review on and it is the fastest growing sector of Social Security benefits.

I think that we will be able to come up with some recommendations that will both define what the cause of that growth is and perhaps indicate some suggested ways of curbing it.

The CHAIRMAN. Well, you are necessarily speaking to the interests and concerns of this committee. We are talking about a social insurance benefit, paid for in a contributory system, and so I am

not sure how much business the government has in saying, we will curb that cost. It is an entitlement that is a paid for.

Do you follow me now?

Dr. BROWN. Yes, sir.

The CHAIRMAN. You are going to have to shift your mind from CINCPAC. Social insurance is social insurance. You know, what you want to do is see that people have rights under this arrangement. Are they being adhered to?

Dr. BROWN. Yes, sir. It is my understanding that there was a court decision which changed the definition of what the entitlement was. And because of that, it could be of interest to this body perhaps some legal definition or clarification might be necessary.

And certainly whatever the entitlement is that is provided for by law is the one that we would support.

The CHAIRMAN. Right. Well, then why don't you give us a report right here and now?

Dr. BROWN. I would be happy to. As soon as that is completed, I will get it to you.

The CHAIRMAN. What is this legal decision? I mean, this committee is perfectly capable of defining rights under an insurance system. And if the court had to interpret the statutes we have enacted, well, let us look at that.

This is not a cost-cutting operation. In other words, we aren't saying that claims should not be scrutinized and evaluated for accuracy. But they are not to be cut back in the interest of budget deficit. These trust funds are in surplus.

Dr. BROWN. Yes, sir; I understand that and I agree with you.

The CHAIRMAN. So let us know what you think on that, won't you?

Dr. BROWN. Yes, sir.

The CHAIRMAN. And we will appreciate it. If you find anything going splendidly, come around and tell us about that, too.

Dr. BROWN. I shall.

The CHAIRMAN. Very well. Now I will never know what the President's health program is going to be, but I will try to make it down to the White House for a moment. We thank you all.

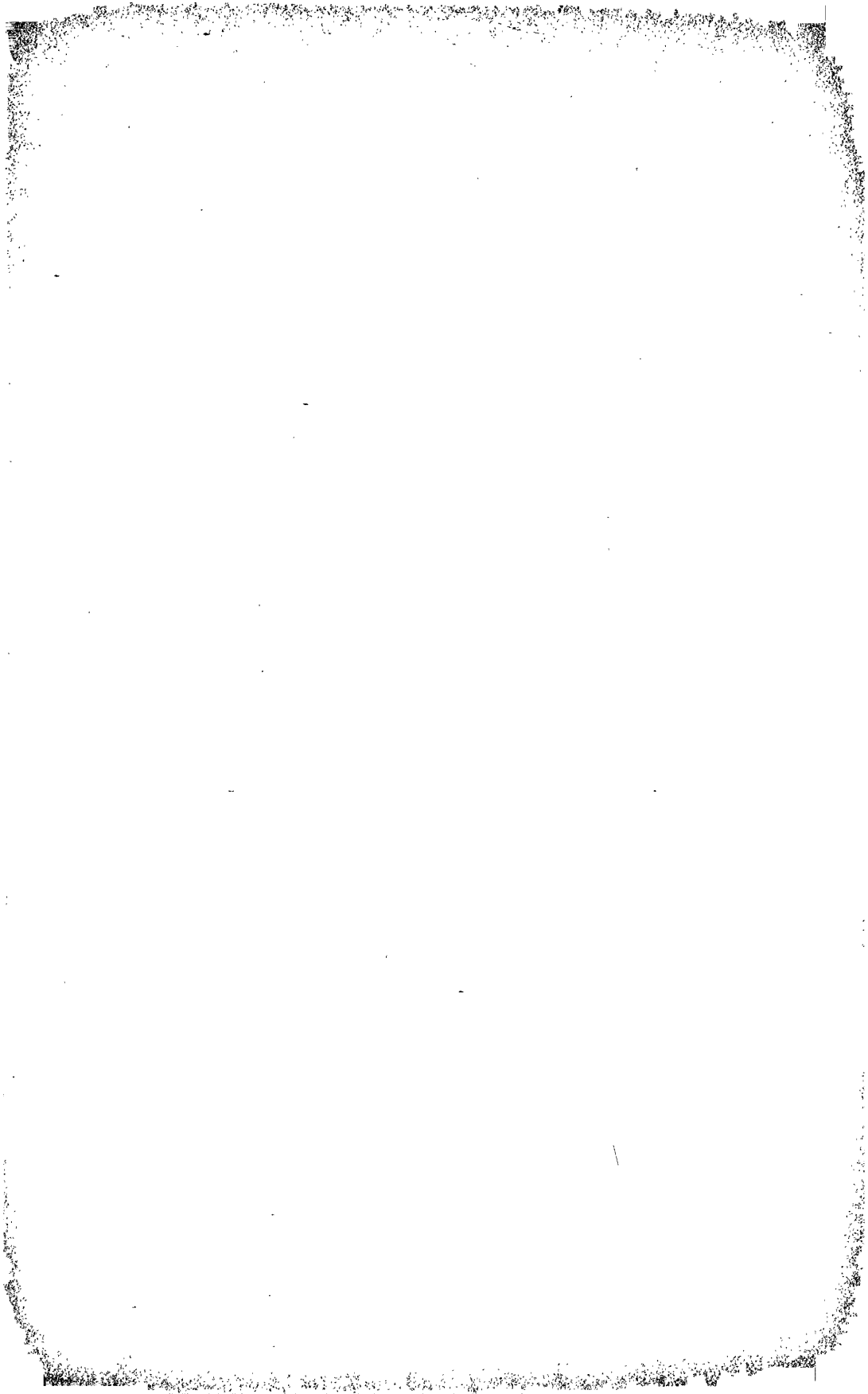
As you see there are no Senators about, we will find an early occasion, as early as possible, to convene a meeting which we will have a rolling quorum and you will be reported to the Senate floor.

May I just say for the record, and anyone at the press table, we have received the nomination of Dr. Shirley Chater, to be Commissioner of the Social Security Administration.

We were prepared to hear her this morning and put her through on the same time cycle. She asked that she not be heard this morning simply because her husband, who is a physician, would like to be in attendance, and it would have been too short of a notice to cancel his patients. So that we are working out a date which will come shortly.

With that, we stand in adjournment. Thank you, all present.

[Whereupon, at 10:56 a.m., the hearing was adjourned.]



APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF MARY JO BANE

Mr. Chairman and members of the Committee, my name is Mary Jo Bane. It is an honor and privilege for me to appear before you this morning as President Clinton's nominee to be Assistant Secretary for Family Support in the Department of Health and Human Services. I am especially pleased to appear before you, Mr. Chairman, because of your leadership in designing the Family Support Act. It is the challenge of realizing that vision for reform, a vision that you set in motion many years ago, that has drawn me to the job for which I seek confirmation today.

As you know, if I am confirmed for the statutory position of Assistant Secretary for Family Support, I will also serve as Assistant Secretary for Children and Families, a position created in an administrative reorganization of HHS' human service programs in 1991. The Administration for Children and Families was created at that time to bring together in one organizational unit all of the programs that assist families toward independence and children toward healthy development: AFDC, JOBS, Head Start, child support and many others. The ACF structure recognizes that we must coordinate a variety of programs that provide cash assistance, encourage economic independence, and protect children and other vulnerable people, in order to provide the best service we can with the limited resource we have. If confirmed, I am committed to making the concept of ACF work for children and families in this country.

If confirmed, I will bring to the job a background and experience that is almost as diverse as ACF itself. I began my career as a Peace Corps volunteer teacher in West Africa, after which I taught junior high school English and social studies in the Boston area. Since that time, I have spent most of my career as an academic, starting with research that grew out of the well-known seminar on equal educational opportunity that you organized, Mr. Chairman, at Harvard's Center for Educational Policy Research. I moved from research on education, to research on family structure, poverty, welfare and social services. I have been thinking for a long time about the issues that ACF is involved with, and would be honored to have the opportunity to apply my professional background and experience to the crucial tasks facing ACF.

I also bring experience in government at both the federal and state levels. I served in the Department of Education during the Carter Administration, and spent four years in the New York State Department of Social Services, first as Executive Deputy, and then as Commissioner. In the latter position, I learned how federal programs can both promote and hinder the delivery of services at the local level, a set of insights that I hope will guide my approach to leading ACF.

Over the next few years the challenges facing ACF will be enormous. The President and Secretary Shalala are committed to serious reform of welfare, moving toward a system that is genuinely transitional and that fulfills the promise of the Family Support Act. ACF's job will be not only to help design the goals and principles of welfare reform, but even more importantly to make serious changes at the operational level in state and local welfare offices around the country. The President and the Secretary also are committed to a thoughtful expansion of Head Start and other programs that support families and communities. To simply serve more families is not enough. We must expand services in a way that invests in the quality of programs, links them with other services, and strengthens communities at the same time. Perhaps most important, the President and Secretary Shalala are committed to making government work for the people we serve: to provide better services and to make the best possible use of the resources with which we are entrusted.

I consider these goals and principles to be my call to service, and if confirmed, I will bring all the energy I have to fulfilling the vision of the President and the Secretary for the millions of children and families in America.

Mr. Chairman, if confirmed, I look forward to working closely with you and the members of this Committee on the enormous challenges that face us. Thank you.

PN 364

The White House;

MAY 24 19

To the
Senate of the United States.

I nominate Mary Jo Bane, of Massachusetts, to

be Assistant Secretary for Family Support, Department of

Health and Human Services, vice Jo Anne B. Barnhart.

WILLIAM J. CLINTON

SENATE FINANCE COMMITTEE QUESTIONNAIRE RESPONSES

A.1. Mary Jo Bane

2. 72-C Chestnut Street
Albany, New York 12210

3. February 24, 1942
Princeville, Illinois

4. Married to Kenneth I. Winston

5. None

6. Harvard University Graduate School of Education
Doctor of Education, 1972
Master of Arts in Teaching, 1966

Georgetown University School of Foreign Service
B.S. in Foreign Service, 1963

Shrine of the Little Flower High School, Royal Oak, Michigan 1957-59
Sacred Heart Academy High School, Buffalo, New York 1955-57

7.

April, 1992-Present

New York State Department of Social Services, Albany, NY
Commissioner

1981-1992

Harvard University Kennedy School of Government, Cambridge, MA:
Malcolm Wiener Professor of Social Policy, 1990-1992;
Professor of Public Policy, 1986-1990;
Director, Malcolm Wiener Center for Social Policy, 1987-1992;
Chair, Lucius N. Littauer Master's Program in Public Administration,
1987-1990;
Associate Professor of Public Policy, January 1981-1986; (on leave 1984-
1986)

1984-1986

New York State Department of Social Services, Albany, NY:
Executive Deputy Commissioner

1980-1981

U.S. Department of Education, Washington, DC: Deputy Assistant Secretary for Program Planning and Budget Analyst, Office of Planning and Budget,
May 1980 - January 1981

1977-1980

Harvard University Graduate School of Education, Cambridge, MA: Associate Professor of Education and Lecturer in Sociology (on leave 1980)

M.I.T. - Harvard Joint Center for Urban Studies, Cambridge, MA: Associate Director, 1978-80

1975-1977

Wellesley College, Wellesley, MA: Associate Director, Center for Research on Women
Assistant Professor of Education and Lecturer in Sociology

1973-1975

University of Massachusetts, Boston, MA: Lecturer in Sociology

1972-1975

Center for the Study of Public Policy, Cambridge, MA: Project Co-Director

Harvard University Graduate School of Education: Lecturer in Education

1971-1972

Harvard University Center for Educational Policy Research and Huron Institute: Research Associate

1968-1971

Brookline, Massachusetts Public School: Teacher of English and Social Studies

1966-1967

Arlington, Massachusetts Public Schools: Teacher of Social Studies

1963-1965

United States Peace Corps: Volunteer Teacher in Liberia

8. See No. 7 above

9. Member, Board of Directors, Georgetown University, 1992-93

Member, Board of Directors, Manpower Demonstration Research Council,

1989-1992

Member, Grants Advisory Council, Smith Richardson Foundation, 1989-1992

Member, President's Advisory Council, Columbia University, Teachers College, 1988-1992

Chair, Committee on Child Development Research and Public Policy, National Academy of Sciences, 1987-1990

Member, Advisory Committee on Urban Poverty, Russell Sage Foundation, 1987-1992

Member, Committee on Urban Policy, National Academy of Sciences, 1986-1990

Member, William T. Grant Foundation Commission on Work, Family and Citizenship, 1987-1988

Member, Panel on Quality Control of Family Assistance Programs, National Academy of Sciences, 1986-1988

Chair, Board of Overseers, Panel Study of Income Dynamics, Institute for Research, University of Michigan, 1982-1986

Vice President, Association for Public Policy Analysis & Management, 1985-86

Vice President (Division G), American Educational Research Association, 1979-1980

Member, American Public Welfare Association, American Sociological Association, Population Association of America, Association for Public Policy Analysis and Management

10. I am a registered Democrat. My husband and I have made financial contributions to the presidential campaigns of Bill Clinton and Michael Dukakis, to the congressional campaigns of Barney Frank, and to a few local races.
11. Fellow, National Academy of Public Administration, elected 1989
 Regents Lecturer, University of California at Berkeley, November, 1987
 Urban Studies Lecturer, University of Pennsylvania, 1992

12.

Books

Gender and Public Policy: Cases and Comments, by Kenneth I. Winston and Mary Jo Bane, editors, Westview Press, 1993.

The State and the Poor in the 1980's, edited by Manuel Carballo and Mary Jo Bane, Auburn House, 1984.

The Nation's Families: 1960-1990, by George Masnick and Mary Jo Bane,

Auburn House, 1980.

Here to Stay: American Families in the Twentieth Century, Basic Books, 1976: paper, 1978; Japanese translation, 1981.

The Inequality Controversy, edited by Donald Levine and Mary Jo Bane, Basic Books, 1975.

Inequality: A Reassessment of the Effects of Family and Schooling in America, by Christopher Jencks and Marshall Smith, Henry Ackland, Mary Jo Bane, David Cohen, Herbert Gintis, Barbara Heyns, Stephen Michelson, Basic Books, 1972.

Articles and Papers

"Income Support for Families with Children: A State Administrator's Perspective," by Mary Jo Bane, for the Urban Institute's Roundtable on Children, February, 1993.

"Social Policy Overview," by Mary Jo Bane, in Changing America: Blueprints for the New Administration, Citizens Transition Project, Mark Green, editor, Newmarket Press, December, 1992.

"Integrating Family Services: The State Role," by Mary Jo Bane, Malcolm Wiener Center for Social Policy, Working Paper Series, John F. Kennedy School of Government, Harvard University, August, 1992.

"How Much Does Poverty Matter?," by Mary Jo Bane, in Security for America's Children, Proceedings of the Fourth Conference of the National Academy of Social Insurance, editors John N. Van De Water and Lisbeth B. Schorr, January, 1992.

"The Effects of Child Support Payments on Educational Attainment," by Virginia W. Knox and Mary Jo Bane, Malcolm Wiener Center for Social Policy Working Paper, 1992.

"Welfare Policy After Welfare Reform," in Joseph A. Pechman, editor, Fulfilling America's Promise: Social Policies for the 1990's, Cornell University Press, 1992.

"The Uses of Cost Data and Reports in Managing Human Services," by Mary Jo Bane, for the Association for Public Policy Analysis and Management, October, 1991.

"Is American Business Working for the Poor?" by Mary Jo Bane and David T. Ellwood, Harvard Business Review, September 1991.

"Paying Attention to Children: Services, Settings and Systems," Working Paper of the Executive Session on Making the System Work for Poor Children, April, 1991.

"The Federal Role in Improving Services," by Mary Jo Bane and Susan Lusi, Working Paper of the Executive Session on Making the System Work for Poor Children, May, 1991.

"Ghetto Poverty: Basic Questions," by Mary Jo Bane and Paul A. Jargowsky, in Laurence E. Lynn, Jr. and Michael G.H. McGeary, editors, Inner-City Poverty in the United States (Washington, D.C., National Academy Press, 1990); edited version in Christopher Jencks and Paul

Peterson, editors, The Urban Underclass, The Brookings Institution, 1991.

"Helping Troubled Children and Families: The Federal Role," by Mary Jo Bane for Conference on Raising Children for the Twenty-First Century, June 1990.

"One Fifth of the Nation's Children: Why Are They Poor?" by Mary Jo Bane and David T. Ellwood, Science, September 8, 1989.

"The Links Between Government Policy and Family Structure: What Matters and What Doesn't," by Mary Jo Bane and Paul A. Jargowsky, in Andrew Cherlin, editor, The Changing American Family and Public Policy, Washington, D.C., Urban Institute Press, 1988.

"A Democratic Framework for Poverty Policy," by Paul A. Jargowsky and Mary Jo Bane, in Robert E. Levin, editor, Democratic Blueprints, NY: Hippocrene Books, 1988.

"Politics and Policies of the Feminization of Poverty," in Margaret Weir, Ann Orloff and Theda Skocpol, editors, The Politics of Social Policy in the United States, Princeton University Press, 1988.

"Welfare Reform and Mandatory v. Voluntary Work: Policy Issue or Management Problem?" presented to the annual meeting of the Association for Public Policy Analysis and Management, Washington, D.C., October 1987; revised version in Journal of Policy Analysis and Management, Vol. 8, No. 2, 1989.

"Blacks, Welfare and Family Structure," Governance, John F. Kennedy School of Government, Summer-Fall, 1986.

"Household Composition and Poverty," presented at a conference on "Poverty and Policy: Retrospect and Prospects" sponsored by the Institute of Research on Poverty and the U.S. Department of Health and Human Services, December, 1984; published in Sheldon Danziger and Daniel Weinberg, editors, Fighting Poverty: What Works and What Doesn't, Harvard University Press, 1986.

"Slipping Into and Out of Poverty," by Mary Jo Bane and David T. Ellwood, National Bureau of Economic Research Working Paper, 1983, published in Journal of Human Resources, Volume XXI, Winter, 1986.

"The Impact of AFDC on Family Structure and Living Arrangements," by David T. Ellwood and Mary Jo Bane, in Ronald Ehrenberg, editor, Research in Labor Economics, Vol. 7, 1985.

"SIPP's Potential Contribution to Policy Research on Children," by Mary Jo Bane and James Welsh, Journal of Economic and Social Measurement, December, 1985.

"The American Divorce Rate. What Does It Mean? What Should We Worry About?" in Matina Horner, C. Nadelson and M. Notman, eds., Challenge of Change, Plenum Publishing Corporation, 1983.

"Trends in Public Spending on Children and Their Families," by Mary Jo Bane, Julie Willson and Neal Bear, in Richard Nelson and Felicity Skidmore, eds., American Families and the Economy, National Academy Press, 1983.

"Is the Welfare State Replacing the Family?" The Public Interest, No. 70, Winter, 1983; reprinted as "Children and the Welfare State: The Changing Role of Families," American Educator, Summer, 1983.

The Federal Role in Increasing Equality on Educational Opportunity, Response," Harvard Educational Review, November, 1982.

"Filling the Cracks," by Mary Jo Bane, Lee Rainwater and Martin Rein, Wilson Quarterly, Summer, 1980.

"Alone Together: The World of Single Parent Families," by Mary Jo Bane and Robert S. Weiss, American Demographics, May, 1980.

"Toward a Description and Evaluation of United States Family Policy," in Joan Aldous and Wilfreid Dumon, eds., The Politics and Programs of Family Policy, University of Notre Dame Press, 1980.

"Social Services and Sexual Learning," by Mary Jo Bane and Steven A. Holt, in Elizabeth Roberts, editor, Childhood Sexual Learning: The Unwritten Curriculum, Ballinger Publishing Co., 1980.

"Child Care Arrangements of Working Parents," by Mary Jo Bane, Laura Lein, Lydia O'Donnell, Ann Stueve and Barbara Welles, Monthly Labor Review, October 1979; longer version published as "Child Care Settings in the United States" in Brigitte Berger and Sidney Callahan, eds., Child Care and Mediating Structures, Washington, D.C., American Enterprise Institute, 1979.

"Children, Divorce and Welfare," Wilson Quarterly, Winter, 1977.

"Marital Disruption and the Lives of Children," Journal of Social Issues, Vol. 32, No. 1, 1976; revised version in George Levinger and Oliver Moles, eds., Divorce and Separation, Basic Books, 1980.

"Paying for Childhood," Working Papers, Spring 1976.

"Economic Justice: Controversies and Policies," in The Inequality Controversy, 1975.

"Who Cares about Day Care?" Working Papers, Spring, 1974.

"Moral Education: Is Reasoning Enough?" by Donald Oliver and Mary Jo Bane, in Clive Beck, et al., Moral Education, University of Toronto Press, 1971.

13. "Urban Poverty: Whose Problem Is It?"
Urban Poverty Lecture by Mary Jo Bane at the University of Pennsylvania
November 8, 1991

Statement of Mary Jo Bane to the Committee on Social Services
of the New York State Senate
March 5, 1992

Remarks by Mary Jo Bane at the New York Public Welfare Association's
123rd Annual Summer Conference
July 20, 1992

Remarks delivered by Mary Jo Bane at the JOBS Conference in New York

City
August 11, 1992

Extract of Remarks by Mary Jo Bane at the Aspen Institute's Domestic
Strategy Group Meeting
August, 1992

Improving New York State's Hospital Reimbursement System Testimony
by Mary Jo Bane
November 18, 1992

Remarks by Mary Jo Bane at the New York Public Welfare Association's
Winter Conference
January 25, 1993

Please Note: I have given many other speeches; however, most of them
I delivered extemporaneously.

14. My qualifications for the position of Assistant Secretary for Children and Families come from my academic experience and from my experience in New York State. For a year as Commissioner and for almost three years as Executive Deputy Commissioner, I have been responsible for managing a large, complicated state agency with a \$30 billion all-funds budget and about 4,000 state employees dealing with welfare, family and children's services, and Medicaid. I have worked to bring welfare reform, child welfare reform and total quality management to social services in New York State, with successes that I believe can be replicated at the federal level.

During my years at Harvard University, I did research and writing on poverty, welfare and services. That work, especially my joint work with David Ellwood, is consistent, I believe, with the welfare and investment policy aspirations of the Clinton Administration. The thinking I have done about policy directions and management strategies in these areas should enable me to play a strong and constructive role in policy development.

RESPONSES OF MS. BANE TO QUESTIONS SUBMITTED BY SENATOR ROCKEFELLER

Welfare Reform

Question: [Senator Jay Rockefeller]

Welfare reform is a basic issue and we are all familiar with President Clinton's pledge to "end welfare as we know it." I know you have worked closely with David Ellwood and written extensively about poverty, children and welfare. How do you believe your academic research will help in fulfilling the mission of the President's task force?

Answer:

- My background in research related to poverty, children and welfare has provided me with one important perspective to contribute to the implementation of the President's welfare reform initiative. I believe the President has pulled together a group of individuals that have impressive and diverse backgrounds in the study of welfare issues. I look forward to working closely with each of these individuals as we move towards implementation of the President's pledge to "end welfare as we know it."
- For example, in developing components of a welfare reform package, we are analyzing research findings of various program interventions to summarize what works and what doesn't. Just as the rigorous evaluations of welfare-to-work programs in the 1980s played an important role in the development of the JOBS program, there are innovative programs operating in States which can provide us information on many other changes to the existing system. This research can give us important insights into the potential effects of national changes.
- In addition, we are analyzing research on the dynamics of welfare receipt such as length of time on welfare and reasons for entry onto and exits from welfare. David Ellwood and I developed much of the early work on this subject. We are now reexamining many of these same issues, using alternative data sets and monthly, rather than annual, data. We believe this research is critical to understanding the current patterns of welfare use and how individuals may be affected by welfare reform.
- As a member of the President's Task Force, I will continue to reinforce the importance of good evaluation, both in terms of analyzing existing research, as well as developing and testing models for reform.

Comprehensive Services

Question: [Senator Jay Rockefeller]

Currently, there is great interest in providing comprehensive services to children and families. You have vast experience in education, health and social services. How can comprehensive services help families and streamline government?

Answer:

- o The provision of comprehensive services can be an effective way to help families and children. With this approach, service providers are better able to treat the family as a unit and as part of a larger community that can support the family. The Federal government has an extraordinary opportunity and challenge to view categorical programs with a brand new perspective--to understand the relationship between programs, and to help local service providers package services in a way that can be most helpful to their clients.
- o One specific example is Head Start, which focusses comprehensively on the child, but also places a strong emphasis on the child's family. In doing this, the needs of the family to support the child's development can be assessed. As needed, services may be offered for child care, employment training, family literacy and substance abuse prevention for family members other than the child. Effective collaboration between Head Start, local education agencies and a range of community service providers are key to achieving long lasting results.
- o Another example is in child welfare, where a comprehensive array of services at the community level is key to serving families effectively. These services could include: 1) prevention activities, such as parent training or health education and screening, 2) family preservation services that assist families in crisis and prevent their children from being removed from the home, and 3) foster care and reunification services. To the extent that the whole family's needs are assessed and the range of services are offered in one place, effective results are far more likely to be produced.
- o Clearly, a family's needs rarely are limited to a single service, and I am personally committed to providing the most effective services in the most efficient manner possible.

Quality Improvement

Question: [Senator Jay Rockefeller]

Improving quality in federal programs must be a priority -- for the children and families we serve and for the American taxpayers who pay for the programs. What is your vision for strengthening quality with the agency?

Answer:

- My vision for ACF is that we continuously strive to ensure that the services provided by the States, grantees, and providers who receive funds through ACF programs meet the needs of the people for whom the services are provided, and that those services are achieving the outcomes intended.
- We must look to the people and organizations who receive and provide these services to help us better define what services are needed, and how they can best be provided. We need to build partnerships with States and grantees, and work with other Federal agencies to look for better ways to integrate services at the State and local levels. We are determined to make service delivery more effective for the people we serve, and reduce the administrative burdens which clients and service delivery staff so often encounter.
- We will continually look for ways to put our customers first, and involve them and our partners in addressing the critical issues which our programs are designed to address. A good example, which we will use throughout ACF, is the new Head Start Advisory Committee which was established to find ways to improve the quality of services provided by Head Start programs -- the Committee membership includes people running Head Start programs and parents of Head Start children.
- Also, we must look internally to find ways to remove unnecessary red tape and cumbersome, hierarchical decision-making so that staff can be empowered to quickly and effectively solve problems and find new ways to respond to the needs of the people we serve. For example, staff can become more effective and productive when many of the burdensome rules governing areas like procurement and personnel management are changed in accord with the recommendations contained in the Vice President's National Performance Review - staff must be freed up to spend more time on program design and results and less on unnecessary control and oversight systems.

RESPONSE OF MS. BANE TO A QUESTION SUBMITTED BY SENATOR CONRAD

CAA Role in Welfare Reform/Community Services Initiatives

Question: [Senator Kent Conrad]

The Community Services Block Grant (CSBG), a program that I strongly support, will be under your jurisdiction as Assistant Secretary for Family Support. CSBG funds nearly 1,000 Community Action Agencies (CAAs) throughout the country. This \$450 million program -- relatively small in financial terms compared with many of the programs in your jurisdiction -- is vitally important in delivering a broad range of services in states like North Dakota.

Have you given any thought to what formal role CAAs should have in the areas of health care reform and welfare reform?

What types of recommendations do you anticipate making to the Finance Committee regarding CAA participation in health care reform and welfare reform?

What kinds of additional resources might you seek to carry out those recommendations?

Answer:

- o CAAs play a vital role in innovative community service initiatives, especially as they provide the support services necessary to assist individuals in becoming self-sufficient. For example, some states use CAAs to provide case management and other services to welfare recipients participating in the Job Opportunities and Basic Skills training (JOBS) programs.
 - o Both health care reform and welfare reform must focus on prevention strategies, such as reducing adolescent pregnancy. We must explore comprehensive, neighborhood-based program models to accomplish this goal. Community Action Agencies must be considered as key service providers in any sort of targeted, neighborhood-based service model. If I am confirmed, I will work to ensure that the Welfare Reform Working Group recognizes these capacities as it formulates its specific recommendations. I will also convey your support for the CAAs to those who are working on health care reform.
-

PREPARED STATEMENT OF SENATOR BILL BRADLEY

Mr. Chairman, I want to thank you for holding this hearing on the President's nomination of Dr. Mary Jo Bane to be Assistant Secretary for Family Support at the Department of Health and Human Services. I have known Mary Jo Bane for some time, as an academic, as Commissioner of the Department of Social Services in your own state of New York, and as a valuable participant in the Aspen Institute's Domestic Strategy Group. I have been as impressed by her quick mind as by her diligent commitment to improve the delivery of essential services for families. I strongly support her nomination.

This is a critical moment for America's families. One in five children is growing up in poverty, and as you have reminded us time and again, Mr. Chairman, the crisis of dependency among children is the central fact of our urban communities, but is not limited to those communities. With a new president committed to building a better future for families, we are setting forth to rebuild the welfare system, to improve child support so that all parents are involved in their children's lives, to expand family preservation and similar innovative solutions, and to expand pre-school programs such as Headstart into a seamless support that protects children in need from birth to school.

Mary Jo Bane has the experience the Department needs to carry out these ambitious, but necessary projects. She has not only studied the welfare system, and challenged its assumptions, but administered a welfare system, and reformed its assumptions. There is no one in the country who knows as much about the situation facing families who has also accomplished as much to build stronger supports for America's families and children.

I would urge the committee to report out this nomination favorably, and I hope the Senate will act quickly to confirm Mary Jo Bane.

 PREPARED STATEMENT OF JUNE GIBBS BROWN

Mr. Chairman and members of the committee, I am June Gibbs Brown. I am honored to be here today as President Clinton's nominee for the position of Inspector General for the Department of Health and Human Services. I have appeared numerous times before committees of this body when I served in the positions of Inspector General of the Department of the Interior (1979-1981), the National Aeronautics and Space Administration (1981-1985) and the department of defense (1987-1989). I believe in the Inspector General concept, and if confirmed, I am confident that my previous experience will serve me well as Inspector General of the Department of Health and Human Services.

In my view, the Department of Health and Human Services, Office of Inspector General is at a crucial stage in its development. The IG position has been vacant for over a year, and the office has been maintained by a highly dedicated and motivated staff for these many months. They have continued to serve both the administration and the Congress in an innovative and timely fashion.

But now we must look to the future, a future that will demand more of all of us than ever before. The administration has set us on a course which demands that we all work harder and better to make our resources go farther and our services more effective. I am dedicated to achieving those goals.

HHS and this Congress are on the cutting edge of many new developments. This administration's reforms of the health care and welfare system, two major goals of the Department, will completely change the systems as we know them today.

We need to maintain a strong Inspector General's Office to support both the Congress and the administration in these endeavors. If I am confirmed as Inspector General, I will continue to find ways to maximize our potential. We must continue not only to identify savings and present cases for prosecution, but also to provide timely information and analyses that will help Secretary Shalala and her staff formulate options and direction. We must build and expand upon many of the recommendations made by the Vice-President's national performance review and provide program managers with accurate feedback to ensure that HHS services are reaching those most in need. Our job is not only to ferret out fraud, waste and abuse, but also to be a conduit of information to decision makers in the Department and the Congress.

Mr. Chairman, if I am confirmed by the Senate, I will work to ensure that these goals are achieved; that the HHS Office of Inspector General is one that you can continue to be proud of, and that it will continue to help the Department put people first. In doing so, I look forward to working with you, the members of this committee, and all Members of Congress.

Mr. Chairman and members of this committee, thank you for this opportunity.

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The White House,

JUN 8 1993 19

To the

Senate of the United States.

I nominate

June Gibbs Brown, of Hawaii,

to be Inspector General, Department of Health and Human Services, vice Richard P. Kusserow, resigned.

WILLIAM J. CLINTON

OUTLINE OF INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL:

1. Name: Ms. June G. Brown (Include any former names used)
Ms. June Enda Gibbs (maiden)
Mrs. June Janexic
2. Address: List current residence address and mailing address

Home: 89 Nawiliwili St. Office: Ms. J. G. Brown, SES-6
Honolulu, HI 96825 CINCPACFLT (NOOIG)
Pearl Harbor, HI 96860-7000

3. Date and place of birth:
5 October 1933/Cleveland, OH

4. Marital status: (Include maiden name of wife or husband's name) Divorced.

5. Names and ages of children

Ellen Rosenthal, age: 39
Linda Gibbs, age: 38
Victor A. Janexic, age: 36
Carol L. Janexic, age: 35

6. Education: List institution(s), dates attended, degree received and date degree granted.

Harvard Business School/Advanced Management Program (attended 9/83-12/83)/Cert./ 12/83
University of Denver School of Law (attended 9/75-6/78)/JD/ 6/78
Cleveland State University (attended 6/71-8/72)/MBA/ 8/72
Cleveland State University (attended 9/68-6/71)/BBA/ 6/71

7. Employment record: List all positions held since college, including title or description of job, name of employer, location of work, and dates of inclusive employment

See attachment 1

8. Government experience: List any experiences in, or association with, Federal, State or local Governments including any advisory, consultative, honorary or part-time service or positions.

See attachment 1 and 2

9. Memberships: List all memberships and offices held in professional, fraternal, scholarly, civic, charitable, and other organizations. See attachment 2

10. Political affiliations: List all memberships and offices and activities held in or financial contributions and services rendered to all political parties or election committee during the last ten years. None (Hatch Act limitations).

11. Honors and Awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievement.

See attachment 3

12. Published writings: List the titles, publishers and dates of books, articles, reports, or other published materials you have written.

None, with the exception of those written in an official capacity and published by the government.

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES**A. BIOGRAPHICAL INFORMATION**

Item 7. Employment record: List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.):

Pacific Fleet Inspector General, U.S. Navy

Grade: SES-6. Dates: 3/91 to present. Organizational Location: Pearl Harbor, Hawaii.

Deputy Pacific Fleet Inspector General, U.S. Navy

Grade: SES-6/. Dates: 11/89 to 3/91. Organizational Location: Pearl Harbor, Hawaii

Inspector General, Department of Defense

Grade: (PSA) Executive Level IV, SES-6. Dates: 11/87 to 10/89. Organizational Location: Arlington, VA

Associate Administrator for Management, National Aeronautics and Space Administration (NASA)

Grade: SES-6. Dates: 12/86 to 11/87. Organizational Location: Washington, D.C.

Chief Financial Officer and Vice President of Finance and Administration System Development Corporation (the government arm of Burroughs Corp., now UNISYS)

Grade: NA. Dates: 3/85 to 12/86. Organizational Location: McLean, VA

Inspector General, National Aeronautics and Space Administration (NASA)

Grade: (PSA) Executive Level V, SES-6. Dates: 6/81 to 3/85. Organizational Location: Washington, D.C.

Director, Office of Program Coordination, Department of Interior, Office of Territorial Affairs

Grade: SES-1. Dates: 1/81 to 5/81. Organizational Location: Washington, D.C.

Inspector General, Department of Interior

Grade: (PSA) Executive Level V, SES-1. Dates: 5/79 to 1/81. Organizational Location: Washington, D.C.

Project Manager, Department of Interior, Bureau of Reclamation

Grade: GS 14-16. Dates: 6/76 to 4/79. Organizational Location: Denver, CO

Chief, Financial Systems Design, Department of Interior, Bureau of Land Management

Grade: GS-13. Dates: 3/75 to 6/76. Organizational Location: Denver, CO

Director, Quality Assurance, U.S. Navy Finance Center

Grade: GS 9-12. Dates: 8/72 to 3/75. Organizational Location: Cleveland, OH

RESPONSES OF DR. BROWN TO QUESTIONS SUBMITTED BY SENATOR HATCH

While I have been in Washington as the Inspector General-designate at the Department of Health and Human Services for only one month, it is already clear that my greatest challenge, if confirmed, will be to balance the extraordinary demands on the office with the decreased resources available at this time and additional reductions projected in the future. I assure you that, if confirmed, I will review the objectives and activities of the office and modify priorities, as needed, to meet the expectations for the Inspector General.

Before I respond to your specific questions, I believe it would be helpful to provide some background on the office's budget. This will place my responses in the context of the full scope of the Office of Inspector General's (OIG) responsibilities and activities (audits, investigations and evaluations).

RESOURCE HISTORY

Between Fiscal Year (FY) 1987 and FY 1990, the OIGs budget grew by 34 percent. This growth allowed the office to increase its staff to over 1400 auditors, investigators and analysts to meet the demands of new audit and enforcement authorities, and the increase in requests for special management and beneficiary satisfaction studies.

From FY 1990 to FY 1992 the OIG budget remained essentially flat, increasing by about \$300,000 each year. During the same time, FY 1990 to FY 1992, mandatory expenditures increased significantly, and well beyond the modest increases in the OIG budget. The mandatory increases included salary and benefit raises, locality pay, rent, the working capital fund (for core services provided by the Department) and "administratively uncontrollable overtime" for investigators. At the same time the OIG, without additional resources, was required to implement the financial statement audit provisions of the Chief Financial Officers Act of 1990, other new audit responsibilities, and over 40 new civil monetary and exclusion authorities.

As demands increased and resources diminished, OIG faced decisions about how to meet expenses; maintain a well trained, highly effective staff; and still meet expectations for productivity. One of the first decisions was to institute a hiring freeze, effective September 1991. With the exception of four investigators and one support staff added in the Los Angeles area, the hiring freeze remains in effect today and there are no immediate plans to lift it as we face further reduced staffing levels in FY 1994 and FY 1995.

In FY 1993, the OIG budget increased by 4 percent. However, the office required additional budget of over \$6.0 million (because of mandatory increases) to maintain the same level of staff resources. As a consequence, OIG took steps to function within available resources. These included: reductions in staff training and travel (the latter of which affected the scope of activities), delayed promotions for staff, and implementation of a strategic plan to close certain investigations sub-offices. Audit offices also were closed.

The net result of these resource constraints has been a 10 percent decrease in total OIG staff since FY 1991. All OIG activities have been affected by staffing reductions and will suffer more losses as it continues to downsize.

I would point out that the office has sustained a high level of productivity in spite of staff reductions. As you noted in your letter, the office has consistently documented savings between \$62 and \$70 for every dollar appropriated to its budget. This

level of program dollar savings has continued and savings are documented in the OIG's semiannual reports to the Congress. These savings are primarily a result of funds put to better use because of OIG recommendations for program management improvements or legislative changes. Other savings result from recoveries based on investigations and audit findings.

As of this date, OIG does not have a final appropriation for FY 1994. However, we anticipate a reduction in the OIG's staffing level in FY 1994 and again in FY 1995.

I hope that this background is helpful in explaining why the OIG has taken some strategic steps to assure that the office maintains a well trained, competent staff within budget, and yet remains positioned to carry out it's mission as envisioned by the Inspector General Act.

I want to assure you that I have reviewed the OIG's Office of Investigation's strategic plan to allocate its resources and maintain the prevention of fraud, waste and abuse as a high priority. If confirmed, I will continue to monitor the plan and shift resources within the OIG to meet priorities and, if you desire, to keep you apprised of our plans. Answers to your specific questions on the Office of Investigations strategic plan follow:

Question: Please provide the Committee with a list of all offices you plan to close FY 1993 and FY 1994, the number of staff involved at each office, the location, and the dollar amount required to support the office.

Answer: As set forth in the approved Office of Investigations strategic plan, the schedule for closing offices is as follows:

CLOSURES IN FY 1993

Location	Number of Agents	Comments
Albuquerque, New Mexico	2	1 resigned OIG; 1 transferred to Los Angeles, CA
Columbia, South Carolina	2	2 retired (1 on disability)
Concord, New Hampshire	2	2 transferred to Boston, MA
Hato Rey, Puerto Rico	2	1 retired; 1 transferred to Miami, FL
Portland, Maine	1	transferred to Boston, MA
Providence, Rhode Island	1	transferred to Boston, MA

CLOSURES SCHEDULED FOR FY 1994

Location	Number of Agents	Comments
Grand Rapids, Michigan	1	to be transferred
Madison, Wisconsin	2	to be transferred to Milwaukee, WI
Salt Lake City, Utah	3	1 retired; 2 to be transferred to Los Angeles, CA
Tallahassee, Florida	2	1 retired; 1 to be transferred to Los Angeles, CA

The cost for salaries and expenses to maintain the offices closed in FY 1993 would have been approximately \$1.3 million if they had remained opened. Of this, \$1.2 million in salary costs saved is being used to support the salaries of transferred employees and the new hires in the Los Angeles office.

Question: Please provide the Committee with a list of all offices you plan to expand in FY 1993 and FY 1994, the number of staff involved at each such office, the location, the dollar increase required to expand the office, and the rationale for the change.

Answer: In FY 1993 and FY 1994, the sub-offices of the Office of Inspector General, Office of Investigations that have or will experience staff increases are as follows:

Location	Increase in Agents	Comments
Los Angeles, California (Regional Office)	4	3 already transferred; 1 to be transferred
Boston, Massachusetts (Regional Office)	4	4 transferred
Miami, Florida	1	1 transferred
Milwaukee, Wisconsin	2	2 to be transferred

There were/are no new costs associated with the increases in these areas. Costs of the four new investigators in Los Angeles were offset by losses in other areas.

Rationale:

Los Angeles, CA: OI had only three agents covering the second largest metropolitan area in the country; more agents were needed.

Boston, MA, Miami, FL, Milwaukee, WI: Offices with only one agent were closed and consolidated.

Question: Is it true that some State offices will remain open even though those States receive less Federal funding than States in which you plan to close offices? If this is true, what is the rationale for this?

Answer: While the OIG strategic plan specified a reduction in its investigative caseload in some States (and that new cases would not be opened except for unusual cases), contingency plans were developed to respond to high risk cases. When the investigative staff receives complaints, they refer them to other agencies which have appropriate jurisdiction to investigate and a presence in the area. For example:

- o The Federal Bureau of Investigation (FBI) has dedicated specific resources to investigate health care fraud. Complaints having investigative merit which cannot be handled by OIG are referred to the FBI.
- o We refer some complaints to Federal, State, and local agencies, depending upon their jurisdiction. These referral decisions are made on a case-by-case basis.
- o 41 States currently have Medicaid Fraud Control Units. These entities, which the OIG funds and oversees, investigate Medicaid fraud. We refer appropriate cases to these entities.

The OIG decided to close certain offices based on an analysis applying several criteria. The amount of HHS dollars in the State was only one criterion. Another criterion was the availability of staff. Agent retirements and resignations created staffing situations which affected the safety of the remaining investigators in an area. Over the years, investigative activities have become increasingly dangerous, as evidenced by the fact that roughly 75 percent of OIG criminal investigators have been deputized by the Department of Justice (DOJ) as Special Deputy United States Marshals. As such, they are authorized to make arrests and to carry firearms. Investigative offices with only one criminal investigator on-site were deemed to be high risk. Of the sub-offices closed or to be closed, 7 had (or were about to have) only one criminal investigator assigned by the end of FY 1994.

Question: Was this included in the OIG budget request for FY 1993 and FY 1994.

Answer: The OIG has consistently made its resource needs known in budget documents and testimony before congressional appropriations and oversight committees.

RESPONSE OF DR. BROWN TO A QUESTION SUBMITTED BY SENATOR WALLOP

Question: Several years ago, the Inspector General of the Department of Health and Human Services issued guidelines for physicians and other health providers who have invested in medical facilities. The guidelines established "safe-harbor" standards to be utilized in determining health providers' compliance with the ban on self-referral. Federal law essentially bans health providers from referring patients to medical facilities in which the providers have invested. This ban has the potential for disrupting health services in rural areas. In response, safe harbor rules were proposed. However, the guidelines were inadequate, and additional guidelines had been developed by the IG's office. These guidelines were put on hold in January. This is a serious effort to deal with a critical problem in rural States, such as Wyoming.

This is a matter which should be addressed promptly. What will you do to promptly review and act on this and similar issues which have been pending too long before the Inspector General?

Answer: As you know, the safe harbor provisions set forth specific guidelines and standards that are designed to immunize legitimate and beneficial business arrangements from both criminal prosecution and civil sanctions under the anti-kickback statute. Compliance with the safe harbor provisions is voluntary and imposes no mandatory requirements on any party.

The Office of Inspector General is aware of the unique problems in attracting capital for health care facilities in rural areas, and has been actively pursuing solutions through the issuance of new safe harbor provisions in this area. Accordingly, the Office of Inspector General has just published a proposed rule in the Federal Register on September 21, 1993 setting forth eight additional areas for possible safe harbor protection (58 FR 49008).

Among other areas being addressed in this proposed rule are new safe harbors for investment interests in rural areas, practitioner recruitment in rural areas, and obstetrical malpractice insurance subsidies for practitioners in primary health care professional shortage areas. These three particular

safe harbors have been eagerly anticipated by the health care industry and by rural providers, especially since they are directly designed to encourage health care access for rural and other undeserved areas.

A copy of the new proposed safe harbor provisions is being delivered to your office. This proposed rule provides for a 60-day public comment period ending November 22, 1993 during which interested parties may submit their comments and recommendations for consideration. We will complete our analysis of all timely public comments and begin drafting final rulemaking in these areas shortly after the close of the comment period.

If confirmed, I will work with you and the committee to assure that HHS and OIG rules are designed to protect the Medicare and State health care programs from fraud and abuse, and are conducive to providing all program beneficiaries with the best health care at the least cost.

PREPARED STATEMENT OF SENATOR DAVE DURENBERGER

I am proud to support President Clinton's nomination of Dr. Jeffrey E. Garten as the Under Secretary for International Trade at the Department of Commerce. I believe that the President has selected a particularly intelligent, experienced individual whose service in this capacity will be a benefit to this country as he pursues our trade policy goals.

Dr. Garten, currently a professor of finance and economics at Columbia University, has extensive experience in international business affairs in the capacity both of private advisor and government representative. He brings with him to this new position a broad background of experience from service in three previous Administrations, having worked for Presidents Nixon, Ford, and Carter in the capacity of White House Council on International Economic Policy, the White House Economic Policy Group, and the State Department Policy Planning Staff.

Dr. Garten has worked in the private sector in investment banking, international financial advising, and mergers and acquisitions. He has worked with, consulted, and studied the U.S.-Japanese trade relationship. His understanding of this delicate relationship will be a great resource as the U.S. and Japan continue to improve our economic relationship.

We are fortunate to have someone of Dr. Garten's ability as a representative of our country in the international trade arena. I thank him for his commitment to public service, and his generous contribution to the betterment of this country's standing in the world economy.

* * *

Mr. Chairman, I would like to offer my support for Mr. George Muñoz, who has been nominated to be the next Assistant Secretary of the Treasury for Management.

I have always used the same standard to evaluate the nominees of the four Presidents with whom I have served—Presidents Carter, Reagan, Bush, and now Clinton. Each time I ask myself, "Does the nominee have the *experience* necessary to do the job, the *temperament* to serve honorably, and the *character* to be entrusted with this awesome responsibility?" Mr. Muñoz possesses each of these qualities.

Mr. Muñoz' experience—both professional and scholastic—uniquely equips him for the position for which he has been nominated. As President of the Chicago Board of Education and as Commissioner of the Chicago Economic Development Commission, he has been seasoned in the complexities of the public sector. He has 15 years of private sector experience with his own firm and, before that, in the highly regarded national law firm of Mayer, Brown & Platt. That experience as an attorney and as a consultant provides him with an understanding of the practical ramifications of government oversight. Four degrees from Harvard, the University of Texas, and DePaul University have given Mr. Muñoz the skills which have contributed to his reputation as an excellent strategic planner and evaluator.

George Muñoz' activities and accomplishments outside the workplace are indicative of one whose character and temperament are exemplary. His service as a member of the boards of the Catholic Charities, as a trustee of Northwestern Memorial Hospital, and as Vice President of the Leadership of Greater Chicago are but a few of the tasks Mr. Muñoz has assumed to assist people in need. The numerous public service awards which he has received not only acknowledge his activities in

the community, but are a testament to his character and to the respect he has received from his colleagues.

Mr. Chairman, I must say that Secretary Bentsen continues to attract exceptional individuals to serve with him in the Treasury. I congratulate him and the President on their decision to nominate George Muñoz. I very much look forward to working with Mr. Muñoz in his new position.

PREPARED STATEMENT OF JEFFREY E. GARTEN

Mr. Chairman and Members of the Committee: It is an honor to appear here today. I'd like to make a brief opening statement, after which I would be happy to respond to your questions.

First, I would like to thank President Clinton for nominating me to be Under Secretary of Commerce for International Trade, and Secretary Brown for supporting me. By any measure, this is a position of major responsibility in an arena which has become vital to our country. If confirmed by the U.S. Senate, I would be overseeing the International Trade Administration (ITA). Included in I.T.A. is the Bureau of International Economic Policy, which covers trade policy and trade promotion on a country and regional basis; the Bureau of Trade Development, with responsibility for trade policy and trade promotion on an industry-by-industry basis; the U.S. Foreign and Commercial Service, which consists of more than a thousand men and women "in the field"—both in the U.S. and around the world—whose job it is to work with American firms to promote American exports and investment; and the Bureau of Import Administration, which administers and enforces the laws relating to unfair trade practices of foreign governments and firms, specifically the anti-dumping and countervailing duties laws.

I am conscious that America's interests in the global trading arena are growing, and that the environment for pursuing our goals is extremely difficult. If the Senate gives me the opportunity to serve in our government at this time, I, along with my colleagues in the Clinton Administration, would face several major challenges.

THE NEED TO SUPPORT AN OPEN INTERNATIONAL TRADE SYSTEM

Never before has our country been so connected to the world economy and needed so much from it, and never has an open world economy been more important to us.

In the last two decades trade as a proportion of the American economic activity (GDP) has just about doubled—from 12.7 percent in 1970 to 25 percent today. In just the last five years, exports of goods and services have soared from \$348 billion to over \$620 billion while imports have grown from \$500 billion to \$660 billion. U.S. companies have made enormous investments abroad while foreign firms have migrated to America. Foreign investors have purchased billions of dollars of American stocks and bonds, while the outpouring of American money has transformed foreign capital markets. Technology has been transferred from the United States to other nations, but it has moved into our country from abroad, too. Immigration, tourism, student exchanges—every aspect of the movement of people—has mushroomed.

All this you know. What I want to underline here today is my own view that the United States has an enormous and vital stake in the global economy. I believe we must remain a resolute champion of an international trading system which is increasingly open to American goods and services. At the same time, we must do whatever we can to insure that we keep our own markets open to the products of other countries as long as those products are fairly priced and as long as Americans have access to other nations' markets.

THE STRAINS IN THE SYSTEM

I fully appreciate the severe economic and social pressures that are bearing down on us as we attempt to keep markets open. We all know that our economy is not creating enough good jobs. In three earlier recoveries the economy was able to generate over 5 million new jobs. In the current recovery we have seen numbers of less than a third of that. In fact employment has barely increased in the past three years.

Nor is the situation likely to improve soon. Thousands of jobs are still being shed by companies trying to become more competitive in the world economy. The shrinkage in the defense sector is far from over. Technological progress and new production techniques will mean that fewer people will be necessary to perform any given job. The economies of many of our key trading partners, including Japan and Germany, are in deep slump, preventing some of the job creation we might have expected from increased exports.

It hasn't helped—to say the least—that over the last several years, we have not prepared ourselves well for the brutal global competition that lies ahead. Our education system is in deep crisis. Our workforce needs massive training and retraining. Our savings rate is about the lowest of any major industrial nation. Trends in investment for civilian R&D need to be reversed. The crushing federal deficit puts great limits on our ability to invest in our future. Our social structure, measured by unconscionable levels of child poverty, rampant crime on our streets, and soaring prices for health care is a human tragedy in itself, but also a great impediment to our competitive position vis a vis nations not plagued by such problems.

In addition, we are entering an era when trade policy itself will need to reflect significant changes in the world economy. The philosophy of Adam Smith, and many of the rules now inherent in the General Agreement on Tariffs and Trade, do not provide adequate guides for the future. The architects of the current system of trade did not envision the rise of Japan and other Asian nations with systems of capitalism that differ significantly from our own. They did not foresee a world of multinational corporations and cross-border strategic corporate alliances and how this would weaken the relevance of the old models which say that all trade occurs among sovereign nations trading with one another at "arms length." The classical theories of liberal trade did not envision the massive movement of capital across borders, the way this phenomenon would influence exchange rates, and the impact that changing currency values would have on each nation's competitiveness. They did not anticipate that high technology industries—with their massive capital requirements and their ability to dominate global markets by forming alliances with their governments—would fail to conform to the text book example of one country selling its cheese for another's wine. The more the real world outstrips the rules, or makes them ineffective, the more pressure individual countries will be under to take ad hoc actions which may be seen to be in their own interest, but which harm others. This, of course, puts further strain on the world trading system.

AMERICA HAS GREAT OPPORTUNITIES

All this said, I believe that there are great opportunities for America in the years ahead. In fact, I think that we could be on the cusp of a new era—one in which traditional American entrepreneurship will make enormous strides in the world economy.

For starters, the world economy is opening up at a ferocious rate. Billions of people from the Third World and from the former Communist World are now entering the mainstream of the world economy. The ideology of open markets is catching on almost everywhere. The pent-up demand from consumers in areas as diverse as Indonesia and Poland is enormous. The drive to acquire new products, new production techniques, and new technologies is intense. This new environment provides limitless opportunities for firms that are energetic, innovative, flexible and far sighted—as so many of ours are. To the extent that these companies succeed, so should American workers, whose welfare must, in the end, be the most important objective of our nation's policies.

At the same time, we now have an Administration that soberly recognizes the problems and pressures we face, and is clearly dedicated to addressing them. Whether it is the federal deficit, or worker training, or technology policy, or a more aggressive trade stance, I believe that President Clinton has set policies in motion that should stand us in good stead for the future.

We have, as well, a highly competitive exchange rate, which makes the prices of American products more competitive in the global market than they have been for many years. In addition, our business sector is making strides in retooling itself for the future. More and more American firms are shedding debt accumulated in the 1980s and honing their production processes. Corporate bureaucracy is being reduced, management is being decentralized, workers are being empowered. Tomorrow's global workplace could well be created in America over these next few years.

Moreover, our economy may be slow on the uptake, but many of our key trading partners are in worse shape, and they may have much less political and social flexibility than we do to revamp their systems.

PERSONAL QUALIFICATIONS

If confirmed by the Senate, it is with great humility that I would accept the challenges before me. I would like to think, however, that my background will have prepared me as best as possible. I have served this country for three years as an officer in the U.S. Army. I have a solid academic grounding in economics and international affairs. I have worked in three previous Administrations. I have over a decade of experience in international business, and have held an important teaching position

at the Columbia Business School. In addition I have written extensively on topics of great importance to international trade, including a recent book—*A Cold Peace*—which focuses in considerable detail on America's future in the global arena. My professional activities have given me hands-on involvement in world financial markets, as well as business dealings in Japan, the rest of East Asia, Western Europe and Latin America.

PERSONAL VIEWS

If confirmed I would become a member of President Clinton's trade team, and as such, I would support to the best of my ability the administration's trade policy. As a member of that team, I would also contribute experiences and policy preferences, some of which are as follows:

I have a strong belief in the goal of an open, market-oriented trading system, and I would argue for America's continuing to push itself and others toward that goal. I support passage of the NAFTA, and the conclusion of the Uruguay Round on terms fair to all parties. I believe the recently concluded "framework agreement" between the U.S. and Japan is an excellent beginning for negotiations between the two nations. I would like to see the push for trade liberalization extended to the rest of East Asia and to the rest of Latin America where emerging markets hold great promise for U.S. business. I support the relentless pursuit of market access, but I am also aware that international business has other crucial issues worthy of Washington's support, such as the growth of strategic alliances among companies around the world, and the encouragement of more technological cooperation in areas ranging from outer space to the environment.

I think that government can do much more to ensure that American firms get a bigger share of the global market, and I think it should. Officials at the federal and state level can work harder to promote U.S. exports by better coordinating their efforts, reexamining policies that actually impede the overseas sales of U.S. firms, finding new ways to help corporate America market its products abroad. At the same time, many American firms have a long way to go to truly reorient their sights and their strategies towards the global markets. A major push by both the public and private sectors could make a massive difference in the job picture at home. In fact, over the past few years exports have been the most impressive job creation program we have had. They have resulted not only in more jobs, but in jobs which pay better and which demand higher skills. We could do much more to promote U.S. commercial interests abroad if we redoubled our export promotion efforts.

Having said this, I am also concerned with the growing trade deficits, particularly when it comes to merchandise goods. We have had five consecutive monthly trade deficits of \$10 billion or more. The deficit for the first six months of 1993 was nearly 60 percent deeper than for the same period of 1992. The U.S. deficit with Japan was 20 percent higher, the deficit with China 31 percent higher. At the same time, the one bright spot—the surplus with the European Community—was 70 percent lower than during the first half of 1992. Indeed it is possible that we may be headed towards a merchandise trade deficit this year in excess of \$100 billion—the biggest since 1985. This will be substantially offset by a surplus on our service account, but the underlying trend is still worrisome.

In some sectors, such as consumer electronics, we are totally dependent on foreign companies. In some, such as textiles, widescale cheating often puts domestic producers under unfair pressure. We can anticipate major import surges from China in the years ahead, portending a very difficult set of challenges for trade policy. Japan may have its problems at the moment, but there is no question in my mind that a nation which has invested so much in its businesses, and in education, training, and practical technology will reemerge as an exporting powerhouse—just as it did after oil prices quadrupled in the 1970s and after the yen doubled in value against the dollar in the 1980s. The nations of the Asian-Pacific region, excluding Japan and China, are going to be fiercer competitors, too, not only in low-priced goods but in products embodying increasingly sophisticated technology. Looking towards Europe, it has become fashionable to read Germany out. But today's problems of financing reconstruction in the former East Germany will not last forever. Bonn cannot afford to fail and it will not. One day, long before the 20th century ends, we will see the re-emergence of a Nation with one third of its territory having the latest technological infrastructure. In short, we should have no illusions about the challenges we will face.

While I believe in an active government role in trade policy, I also believe that the government must be careful to focus its efforts on what it can do well, and not have an exaggerated view of what it can accomplish. For example, government can set the proper economic environment for growth and low inflation in which trade

takes place; it can vigorously enforce our trade laws; it can negotiate trade rules; it can help to promote exports; it can help level the playing field when other governments intervene on behalf of their firms. Sometimes, of course, the proper role of government lies not in operating alone, but in creating partnerships with business and labor in such areas as educating and training the workforce on which our trade competitiveness depends, or building the nation's infrastructure which is also vital to our trade performance. But sometimes government has no role. For example, it cannot be responsible for the quality of the products we sell in the world market. It cannot manage companies. It cannot anticipate where markets are going. It cannot pick winners and losers.

As important as trade policy is, moreover, I think we should be careful not to have unrealistic expectations as to what it alone can do. I have already mentioned some of the broader economic and social pressures we will be under these next several years, and it is only reasonable to conclude that America's economic policy will require action on a broad front: from deficit reduction to judicious new investments; from education reform to new policies to train existing workers; from sound management of the dollar to better coordination of growth policies with our trading partners.

PRIORITIES AT THE DEPARTMENT OF COMMERCE

As a member of the Administrations's trade team I would be representing Secretary Brown and the Department of Commerce in all my official activities. In this regard, I would strive to meet the following objectives:

I will vigorously enforce laws concerning unfair trade practices. This is my top priority. I believe that these laws serve to protect American firms from predatory practices abroad. I also believe that they are an essential ingredient in the overall policy mix which allows the United States to continue pursuing an open trading system.

I will work to expand export promotion in all its aspects—improving trade finance, removing unnecessary export impediments, enhancing government marketing efforts, coordinating policies with other government agencies. I would see it as my job, as well, to actively work with foreign governments to help U.S. firms win new orders for the sale of their products and services.

I would plan to be an advocate for intense pursuit of America's commercial interest in all the Administration's foreign policy deliberations. In interagency forums, I would see it as my responsibility to vigorously identify the commercial stakes that we have in various countries and regions of the world, and the potential benefits and liabilities of certain courses of action. In this post-Cold War era, economics and trade must count for more in the calculus of our interests than they did before. I would see it as my job to help insure that they do.

I will endeavor to make a major contribution to trade policy generally—including the NAFTA, the Uruguay Round, and bilateral negotiations with Japan, China and others. I will involve myself in helping to promote trade and investment in the former Soviet Union. I will also focus the International Trade Administration on thinking about America's trade policy after ongoing multilateral negotiations end, and on such issues as the future of the GATT, the post-NAFTA agenda for the hemisphere, the rules for international investment and technological cooperation, the framework for dealing with trade and the environment, and the nexus of trade, labor standards, and workers rights.

Of particular interest to me, moreover, will be to help American firms to penetrate the big emerging markets, such as China, Taiwan, Indonesia, India, Mexico, Brazil, and Argentina, where commercial opportunities are rapidly growing, and where the focused attention of the U.S. government can pay large dividends. As important as Europe and Japan are to American interests, it is my belief that dramatic growth in the industrial democracies is not on the horizon, and that the big emerging markets will provide exceptional prospects for U.S. sales. I further believe that the importance of these developing nations is today vastly under-weighted in American trade policy. To the extent I can, I would like to help change that.

I will devote considerable effort to harness the substantial experience and expertise to upgrade the level of government knowledge about particular industries. Today, several sectors of our economy are reeling from changing trade patterns, and others are thriving because of them. The government needs a solid information base in order to know how to work best with our firms. Today this base is inadequate, particularly with respect to "industries of the future"—those where fast-moving technology of all kinds is paramount. I would like to help improve that base.

I will work with the rest of the Commerce team and the entire Administration to build broader relationships with the Congress and American businesses. I want

to consult extensively with the Congress and American businesses around the country, to exchange views on problems and opportunities in the changing world economy, to find ways to support their strategies and to make sure that a variety of views are represented when government policy is being made. This is an area I feel particularly strong about, since it is the Congress which has jurisdiction over U.S. trade policy and the private sector which, after all, does the trading, investing and employing that the government is trying so hard to promote.

FN 517

The White House,

19

To the

Senate of the United States.

I nominate

Jeffrey E. Garten, of New York, to

be Under Secretary of Commerce for International Trade,

vice John Michael Farren, resigned.

WILLIAM J. CLINTON

Biographical Information**Name:** Jeffrey E. Garten**Address:** 73 Fifth Avenue
New York, NY 10003**Date and Place of birth:** October 29, 1946, New York, NY**Marital Status:** Married to Ina Garten since 1968**Maiden Name:** Ina Rosenberg**Children:** None**Education:** Phillips Academy, Andover (HS Diploma) 1964 Dartmouth College, BA 1968; Johns Hopkins University, MA, 1973, PhD 1980**Employment:** 1968-1972: U.S. Army, Captain
1973-1978: U.S. Government

- (1) Staff Member, Council on International Economic Policy, White House; ('73-'74)
- (2) Staff Member, State Department Policy Planning Staff; ('74-'76)
- (3) Staff Member, Economic Policy Group, White House; ('76)
- (4) Deputy Director, State Department, Policy Planning Staff; ('77-'78)

1979-1987: Investment Banker, Lehman Brothers, and Shearson Lehman Brothers, 200 Vesey Street, New York, NY, Vice President, Senior Vice President, Managing Director**1988-1990:** Investment Banker, Eliot Group, Inc., 30 Rockefeller Plaza, New York, NY; President**1990-1992:** Investment Banker, Blackstone Group; 345 Park Avenue, New York, NY; Managing Director**1992-1993:** Professor, Columbia Business School, Columbia University, New York, NY; Senior Advisor Blackstone Group

Government Experience: - Please see above, 1973-78. In addition, I was a member of Governor Cuomo's Commission on Trade and Competitiveness, 1992

Memberships: Council on Foreign Relations, New York, NY
International Rescue Committee, New York, NY; East Hampton Tennis Club, East Hampton, NY

Political Activities: Registered Democrat; \$1000 to Clinton/Gore Campaign; \$1000 to Fisher for Senate (Texas)

Honors: None

Published Writings: I have written one book, A COLD PEACE: America, Japan, Germany, and The Struggle for Supremacy, (Times Books, 1992). Regarding articles, please see attachment.

Speeches: I have given numerous speeches in conjunction with my book. However, I usually speak from notes. The subjects of the speeches are always: America in the World Economy; Japan and Germany in America's Future; Economics and Foreign Policy; etc.

Qualifications: I believe I am qualified to serve as Undersecretary of Commerce for International Trade by virtue of academic training and relevant experience in both the public and private sector.

Financial Data: See attached

FUTURE EMPLOYMENT CONSIDERATIONS:

1. I will sever all connections with my employer if confirmed.
2. I have no plans to resume work with my current employer after completion of government service.
3. No one has made a commitment to employ my services in any capacity after I leave government service.
4. If confirmed, it is my intention to serve my full term.

POTENTIAL CONFLICTS OF INTEREST:

1. I have no arrangements of any kind with business associates, clients or customers which would continue in effect after the time of confirmation.
2. I have no investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest.

3. I can think of nothing I have done which could involve a conflict of interest in my capacity as a government official
4. I have never engaged in any activity designed to influence the administration and execution of law or public policy except for my government service and my public writing. I have never engaged in any lobbying and have never been a foreign agent.
5. I know of no conflicts of interest, potential or otherwise. However, if one should arise I will immediately inform Counsel at the Commerce Department, seek advice, and conform to all relevant procedures and statutes. If appropriate, I will divest myself of conflicting interest, recuse myself, or obtain a waiver of conflict of interest restrictions under 18 U.S.C., Section 208b. if the interest is not substantial.

TESTIFYING BEFORE CONGRESS:

1. I am willing to appear and testify before Congress when requested.
2. I am willing to provide such information as is requested.

OTHER:

1. I have never been involved in a civil or criminal proceeding in which I was a defendant, nor have I been the subject of any government investigation.
2. See above.
3. I have never been convicted of any criminal violation other than a minor traffic offense

Jeffrey Bantz
Signature

August 30, 1993
Date

PUBLISHED ARTICLES

July 20, 1993

Attached please find a listing of articles I have published. This record is compiled from data bases, because I have not kept my own record over the years and is as complete as I can make it. However, in addition to the record included here, there are some articles which were not picked up. They are:

"The Japan Crisis in The Oval Office," The International Economy," April/May 1990

"White House Renovation," The International Economy, July/August 1992

"Memorandum to President Bill Clinton," The International Economy, March/April 1993

"Clinton's Emerging Trade Policy," Foreign Affairs, Summer 1993

"What's An Economist To Do?," Washington Post, May 30, 1993

"Wall Street Weak," New York Times, June 13, 1993

I have also written one book entitled A Cold Peace: America, Japan, Germany, and the Struggle for Supremacy (Times Books, 1992)

Foreign Affairs, 1992, Winter, Pg. 16, 5877 words, THE 100-DAY ECONOMIC AGENDA: Must Deliver Tough Message Quickly, Jeffrey E. Garten.

HEADLINE REMARKS OF JEFFREY GARTEN, PROFESSOR OF FINANCE AND ECONOMICS
COLUMBIA UNIVERSITY BUSINESS SCHOOL
TO THE ECONOMIC CONFERENCE
LITTLE ROCK, ARKANSAS
MONDAY, DECEMBER 14, 1992
LENGTH ESTIMATED INFORMATION UNITS: 24.5 Words: 4210
DATE 12/14/92
SOURCE FEDERAL NEWS SERVICE (FNST) Washington Package (WSHN)
(Copyright 1993)

The New York Times, November 15, 1992, Sunday, Late Edition - Final, Section 3; Page 13; Column 1; Financial Desk, 636 words, Viewpoints; Even Before the Inauguration By JEFFREY E. GARTEN; Jeffrey E. Garten is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy." This article is adapted from the upcoming issue of Foreign Affairs Magazine.

The New York Times, July 26, 1992, Sunday, Late Edition - Final, Section 3; Page 13; Column 2; Financial Desk, 561 words, FORUM; Adapting the Security Council to Peace, By JEFFREY E. GARTEN; Jeffrey E. Garten is a managing director of the Blackstone Group in New York. He is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy."

HEADLINE AS THEIR LEADERS MEET, BOTH U.S. AND JAPAN SHOULD BE CYNICAL
* Byline: By JEFFREY GARTEN - Los Angeles Times
DATE 07/02/92
SOURCE BUFFALO NEWS (BFNW)
Edition: CITY
Section: VIEWPOINTS
Page: B3
(Copyright 1992)

The New York Times, July 6, 1992, Monday, Late Edition - Final, Section A; Page 13; Column 2; Editorial Desk, 564 words, Erie Echoes in Munich, By Jeffrey E. Garten;

HEADLINE ABSENCE OF LEADERSHIP COMMON TO U.S., JAPAN
* Byline: Jeffrey E. Garten Los Angeles Times
* Notes: Jeffrey E. Garten is the author of "A Cold Peace: America, Japan, Germany and the Struggle for Supremacy."
DATE 06/30/92
SOURCE THE SACRAMENTO BEE (SBEE)
Edition: METRO FINAL
Section: EDITORIALS
Page: B7
(Copyright 1992)

Los Angeles Times, June 26, 1992, Friday, Home Edition, Metro; Part 8; Page 7; Column 2; Op-Ed Desk, 817 words, PACIFIC PERSPECTIVE: THE AGENDA IS POLITICAL SURVIVAL; IT'S A SAD COMMENTARY THAT PRESIDENT BUSH AND PRIME MINISTER MIYAZAWA HAVE SET THEIR SIGHTS SO LOW., By JEFFREY E. GARTEN,

The Washington Post, June 21, 1992, Sunday, Final Edition, BOOK WORLD; PAGE X6, 1139 words, Forgive Us Our Debts, Jeffrey E. Garten, REVIEW

Copyright 1992 The New York Times Company: Abstracts , BY JEFFREY E GARTEN, U.S. NEEDS NEW APPROACH TO KEEP UP, ASIAN WALL STREET JOURNAL, Section 1; Page 14, Column 1, JOURNAL-CODE AWS, April 20, 1992, Monday

The New York Times, March 22, 1992, Sunday, Late Edition - Final, Section 7; Page 8; Column 1; Book Review Desk, 1406 words, 'The Bank of Crooks and Criminals International', By Jeffrey E. Garten;

The New York Times, November 3, 1991, Sunday, Late Edition - Final, Section 7; Page 23; Column 1; Book Review Desk, 804 words, BOOKS & BUSINESS; Policing the Big Casino, By Jeffrey E. Garten;

Foreign Affairs, 1991, Summer, BOOK REVIEW ESSAY; Pg. 155, 3049 words, RETHINKING FOREIGN ECONOMIC POLICY, Jeffrey E. Garten
HEADLINE More Squabbling for the Big Three

* By Jeffrey E. Garten
DATE 04/02/91
SOURCE WALL STREET JOURNAL EUROPE (WSJE), PAGE 10

Copyright 1991 The New York Times Company: Abstracts , BY JEFFREY E GARTEN, ALLIES WHO FAIL US, WALL STREET JOURNAL, Section A; Page 10, Column 4, JOURNAL-CODE WSJ, March 29, 1991, Friday

The New York Times, February 24, 1991, Sunday, Late Edition - Final, Section 3; Page 13; Column 2; Financial Desk, 712 words, FORUM; An Alliance Turning Into a Free-for-All

Los Angeles Times, February 4, 1991, Monday, Home Edition, Metro; Part B; Page 5; Column 3; Op-Ed Desk, 807 words, PERSPECTIVE ON THE GULF WAR; WHO'S SHARING THAT BURDEN NOW?; GERMANY AND JAPAN WERE TO BE CO-ARCHITECTS OF THE 'NEW WORLD ORDER.' BUT THE WAR HAS LEFT THEM SHRINKING TO THE REAR., By JEFFREY E. GARTEN; Opinion

Copyright (c) 1990 The New York Times Company; The New York Times, October 7, 1990, Sunday, Late Edition - Final, Section 7; Page 9, Column 1; Book Review Desk, 1328 words, Selling Ourselves to Tokyo, By JEFFREY E. GARTEN; LEAD: AGENTS OF INFLUENCE By Pat Choate. 295 pp. New York: Alfred A. Knopf. \$22.95.

The Washington Post, August 12, 1990, Sunday, Final Edition, BOOK WORLD: PAGE X6, 1647 words, Why the U.S. Is Losing the Numbers Game, Jeffrey E. Garten, REVIEW

Los Angeles Times, May 13, 1990, Sunday, Home Edition, Book Review: Page 10; Book Review Desk, 31 words, CRITICS' CHOICE: THE HOUSE OF NOMURA: THE

INSIDE STORY OF THE LEGENDARY JAPANESE FINANCIAL DYNASTY BY ALBERT J. ALLETTZHAUSER (ARCADE: \$22.95; 304 PP.; By Jeffrey E. Garten, Column: Book Review

HEADLINE The House of Nomura Nomura Securities rose from the ashes of World War 11 to become the world's most profitable financial empire -- not the first time this giant has made a fortune rebuilding Japan

* Byline: By Jeffrey E. Garten Special To The Star

DATE 05/06/90

SOURCE Toronto Star (TOR)
Edition: SUNDAY
Section: BUSINESS TODAY
Page: F3
(Copyright The Toronto Star)

Los Angeles Times, April 22, 1990, Sunday, Home Edition, Book Review: Page 1; Book Review Desk, 1393 words, DYNASTY, JAPANESE-STYLE; THE HOUSE OF NOMURA: THE INSIDE STORY OF THE LEGENDARY JAPANESE FINANCIAL DYNASTY BY ALBERT J. ALLETTZHAUSER (ARCADE: \$22.95; 304 PP.; 1-55970-089-0), By Jeffrey E. Garten, a managing director of The Stamford Company, an investment banking firm in New York, was in charge of Shearson Lehman Hutton in Tokyo, 1984-1986.;

Copyright (c) 1990 The New York Times Company; The New York Times, March 18, 1990, Sunday, Late Edition - Final, Section 7; Page 9, Column 1; Book Review Desk, 1491 words, THEIR STREET WAS PAVED WITH GOLD, By JEFFREY E. GARTEN; Jeffrey E. Garten, a managing director of the Stamford Company, an investment banking firm, worked in the Nixon, Ford and Carter Administrations., LEAD: THE HOUSE OF MORGAN An American Banking Dynasty and the Rise of Modern Finance. By Ron Chernow. Illustrated. 812 pp. New York: A Morgan Entrekin Book/ Atlantic Monthly Press. \$29.95.

Los Angeles Times, February 20, 1990, Tuesday, Home Edition, Metro; Part 1; Page 7; Column 3; Op-Ed Desk, 938 words, MONEY IS IN A MOOD TO HEDGE ITS BETS; MARKETS: IF THE WORLD SEEMS TO BE MAKING PROGRESS ON MANY FRONTS, INVESTORS ARE GOVERNED BY AN UNDERTONE OF NERVOUSNESS., By JEFFREY E. GARTEN, Jeffrey E. Garten is a managing director of the Stamford Co., an investment banking firm in New York.;

Copyright (c) 1990 The New York Times Company; The New York Times, February 11, 1990, Sunday, Late Edition - Final, Section 3; Page 13, Column 2; Financial Desk, 745 words, FORUM; How to Rescue the Peace Dividend, By ROGER C. ALTMAN and JEFFREY E. GARTEN; Roger C. Altman, vice chairman of the Blackstone Group, served in the Treasury Department in the Carter Administration. Jeffrey E. Garten, managing director of the Stamford Company; served in the State Department in the Ford and Carter Administrations., LEAD: President Bush, in his first budget submitted to Congress, may think he has set the ground rules for the peace dividend. But he is already losing control of the process.

HEADLINE HOW WILL THE DOLLAR FARE IF BONN COMES TO RIVAL TOKYO?

* Byline: By Jeffrey E. Garten

DATE 12/10/89

SOURCE The Record, Northern New Jersey (REC)
Edition: All Editions.-.Sunday
Section: OPINION
Page: o01
Category: OP-ED
(Copyright 1989)

HEADLINE Different kind of Cold War ahead in the '90s?

* Byline: JEFFREY E. GARTEN

Column: Outlook

Corrections: Garten is a managing director of the Stamford Co. Inc., an investment banking firm in New York. He worked in the Nixon, Ford and Carter administrations.

DATE 12/05/89

SOURCE HOUSTON CHRONICLE (HOU)

Edition: 2 STAR

Section: B

Page: 11

Category: EDITORIAL OPINION

(Copyright 1989)

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, December 4, 1989, Monday, Home Edition, Metro; Part B; Page 7; Column 1; Op-Ed Desk, 907 words, WILL THE GREENBACK COME TUMBLING DOWN?; MONEY: WESTERN EUROPE IS ON THE VERGE OF ADOPTING A COMMON CURRENCY, WITH BONN IN CHARGE, AND THE UNITED STATES

RISKS BEING CAUGHT FLAT-FOOTED., By JEFFREY E. GARTEN, Jeffrey E. Garten is a managing director of The Stamford Company, Inc., an investment banking firm in New York. He worked in the Nixon, Ford and Carter Administrations., LEAD: While communism in Central Europe crumbles along with the Berlin Wall, something less amenable to TV images but potentially far more consequential for the United States is about to unfold -- the creation of a monetary union in Western Europe with West Germany at its helm. Once that occurs, Bonn's ability to pull financial levers from Lisbon to Rome will give it global clout rivaling Tokyo's.

Copyright (c) 1989 The New York Times Company; The New York Times, December 3, 1989, Sunday, Late Edition - Final, Section 6; Part 2, Page 60, Column 1; Business World Magazine, 2670 words, CONJURING UP THE 1990'S, By Jeffrey E. Garten; As a State Department official in the 1970's, Jeffrey E. Garten could never have predicted that he would spend the 80's as an investment banker., LEAD: SOOTHSAYING HAS A long and checkered history, and the year-end predictions of economic soothsayers generally fare no better than the rest. How much more chancy is the task of the end-of-decade forecaster! Yet there is one clue to the proper approach, provided by the astounding record of the last 10 years: think boldly.

Foreign Affairs, 1989 / 1990 America and the World, Pg. 84, 6780 words, JAPAN AND GERMANY: AMERICAN CONCERNS, Jeffrey E. Garten; Jeffrey E. Garten is a managing director of The Stamford Company, Inc., an investment banking firm. He was on the staff of the White House Council on International Economic Policy in the Nixon Administration and a member of the State Department's Policy Planning

Staff under Presidents Ford and Carter.

Copyright (c) 1989 The New York Times Company; The New York Times, November 5, 1989, Sunday, Late Edition - Final, Section 3; Page 3, Column 1; Financial Desk, 1032 words, BUSINESS FORUM: HOW TO BALANCE TRADE; Lord Keynes Had It Right the First Time, By JEFFERY E. GARTEN; Jeffrey E. Garten is a managing director of The Stamford Company Inc., an investment banking firm in New York., LEAD: Few would deny that America's spending and borrowing must be brought under control if our gigantic international trade and financial imbalances are to be corrected. But in a seamless, global economy this is only half of the picture. What about the responsibilities of Japan and Germany, both of which have staggering surpluses?

Copyright (c) 1989 The New York Times Company; The New York Times, October 29, 1989, Sunday, Late Edition - Final, Section 7; Page 42, Column 2; Book Review Desk, 1090 words, BOOKS & BUSINESS; DAMAGE CONTROL DIDN'T WORK, By JEFFERY E. GARTEN; Jeffrey E. Garten is a managing director of the Stamford Company, a New York investment bank., LEAD: THE FALL OF THE HOUSE OF HUTTON By Donna Sammons Carpenter and John Feloni. 322 pp. New York: Henry Holt & Company. \$19.95. SUDDEN DEATH The Rise and Fall of E. F. Hutton. By Mark Stevens. 298 pp. New York: NAL Books/New American Library. \$19.95.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, October 8, 1989, Sunday, Home Edition, Book Review; Page 1; Book Review Desk, 1274 words, SPENDTHRIFT JAPAN?; THE SUN ALSO SETS: THE LIMITS TO JAPAN'S ECONOMIC POWER BY BILL EMMOTT; (TIMES BOOKS: \$18.95; 250 PP.), By Jeffrey E. Garten, Garten is a managing director of The Stamford Company Inc. From 1984 to 1986, he oversaw the Far Eastern operations of Shearson Lehman Hutton from Tokyo., LEAD: Ever since Toyotas and Nissans invaded the American market many years ago, books and articles about Japan have been written in successive waves. The first admired such Japanese business practices as teamwork, government-industry cooperation and long-term planning. Then came concern about America losing its competitive edge and prescriptions about how American policies must change., Book Review

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, June 4, 1989, Sunday, Home Edition, Book Review; Page 1; Book Review Desk, 977 words, UP AND AWAY INTO THE TWENTY-FIRST CENTURY; THE NEW REALITIES, BY PETER F. DRUCKER, (HARPER & ROW: \$19.95/288 PP.; 0-06-016129-9), By Jeffrey E. Garten, president of Eliot Group Inc., an investment banking firm in New York, writes frequently on economics and politics., LEAD: As dusk settles on the 1980s, the landscape of the next decade appears eerily unclear. In America, debt and deficits seem out of control. The Soviet Union and China are wavering between openness and anarchy. Japan's high-gear economy must now reckon with political upheaval in Tokyo. National pride is competing fiercely with the forces of economic integration in Western Europe., Book Review

May 20, 1989, OPINION; Pg. 11, 1086 words, Significant issues wide open in Japan-EC ties, By Jeffrey E. Garten; Jeffrey E. Garten is president of Eliot Group Inc., New York investment bankers. He formerly directed the Far Eastern investment banking business of Shearson Lehman Brothers from Tokyo, and worked in the Nixon, Ford and Carter administrations.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, May 14, 1989, Sunday, Home Edition, Opinion; Part 5; Page 5; Column 1; Op-Ed Desk. 839

WORDS, RECESSION BLUES WON'T PLAY ABROAD, By JEFFREY E. GARTEN, Jeffrey E. Garten is president of the Eliot Group Inc., an investment banking firm in New York. He worked in the Nixon, Ford and Carter Administrations., LEAD: Virtually all indicators show the American economy slowing down, and worries about a recession are mounting. In this unprecedented sixth year of a business expansion, even optimists are holding their breath., Opinion

HEADLINE Latin debt may be unsolvable
 * Byline: Jeffrey E. Garten
 DATE 02/20/89
 SOURCE STAR TRIBUNE Mpls.-St. Paul Newspaper of the Twin Cities (MSP)
 Edition: METRO
 Section: NEWS
 Page: 11A
 Origin: Los Angeles, Calif.
 (Copyright 1989)

HEADLINE Beyond any solution - the Latin debt morass
 * Byline: JEFFREY E. GARTEN
 Column: Outlook
 Corrections: Garten is the president of Eliot Group Inc., an investment-banking company in New York.
 DATE 02/16/89
 SOURCE HOUSTON CHRONICLE (HOU)
 Edition: 2 STAR
 Section: B
 Page: 11
 Category: EDITORIAL OPINION
 (Copyright 1989)

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, February 14, 1989, Tuesday, Home Edition, Metro; Part 2; Page 7; Column 3; Op-Ed Desk, 809 words, TOO FAR GONE TO FIX?; RESCUE OF S&LS BEGINS, BUT LATIN DEBT MAY DEFY SOLUTION, By JEFFREY E. GARTEN, Jeffrey E. Garten is the president of Eliot Group Inc., an investment-banking firm in New York., LEAD: Now that President Bush has weighed in with a gutsy plan to rescue the nation's savings-and-loans, we will have to turn to the next bailout -- debt-swamped Latin America.

Copyright (c) 1989 The New York Times Company; The New York Times, February 12, 1989, Sunday, Late City Final Edition, Section 7; Page 12, Column 1; Book Review Desk, 907 words, RAMBO ECONOMICS, By JEFFREY E. GARTEN; Jeffrey E. Garten is president of the Eliot Group, an investment banking company in New York., LEAD: THE ECONOMICS OF CHAOS On Revitalizing the American Economy. By Eliot Janeway. 402 pp. New York: Truman Talley Books/E. P. Dutton. \$22.50.

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, January 28, 1989, Saturday, Home Edition, Metro; Part 2; Page 8; Column 4; Op-Ed Desk, 889 words, BIG BARK, NO BITE; CONGRESS' POWER ON WALL STREET PEAKED YEARS AGO, By JEFFREY E. GARTEN, Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm in New York., LEAD: This week, the Senate Finance Committee took up hearings on mergers, takeovers, leveraged buyouts, corporate debt and other assorted sins often blamed on Wall Street., Opinion

Copyright (c) 1989 The Times Mirror Company; Los Angeles Times, January 9, 1989, Monday, Home Edition, Metro; Part 2; Page 5; Column 2; Op-Ed Desk, 800 words, MORALITY OF MARKETPLACE IS FIT SUBJECT FOR BUSH; INAUGURAL SHOULD SET THE TONE AGAINST GREED AND SLEAZE IN FINANCIAL ARENA, By JEFFREY E. GARTEN, Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm in New York, and worked in the Nixon, Ford and Carter administrations., LEAD: When the investment banking firm of Drexel Burnham Lambert Inc. pleaded guilty to six counts of mail, wire and securities fraud a few weeks ago, a sad chapter was added to the excesses of Wall Street in the late 1980s. As he takes office, George Bush should speak out against such crimes.;

Copyright (c) 1988 The New York Times Company; The New York Times, October 24, 1988, Monday, Late City Final Edition, Section A; Page 17, Column 1; Editorial Desk, 730 words, The Emerging Trade Threat, By Jeffrey E. Garten; Jeffrey E. Garten is president of Eliot Group Inc., an investment banking firm., LEAD: While Bush and Dukakis out-Rambo one another on national defense and trade, real foreign policy pressures are building. The United States, Europe and Japan risk being pulled apart by three super-regional blocks of nations now forming in our own hemisphere, across the Atlantic and in East Asia. The results could be a more protectionist world economy, more trouble in handling Moscow and less clout.

St. Petersburg Times, July 22, 1988, Friday, City Edition, EDITORIAL; COLUMNS; Pg. 17A, 688 words, Policies of Bonn, Tokyo back Bush, JEFFREY E. GARTEN

Copyright (c) 1988 The New York Times Company; The New York Times, July 21, 1988, Thursday, Late City Final Edition, Section A; Page 25, Column 1; Editorial Desk, 692 words, How Bonn, Tokyo Slyly Help Bush, By Jeffrey E. Garten; Jeffrey E. Garten is president of the Eliot Group Inc., an investment banking company., LEAD: While Americans will choose their next President in November, the Japanese and West German Governments have already cast their votes. George Bush is their man, and they are propping up the dollar to assure him smooth economic sailing in the campaign.

Copyright (c) 1988 The New York Times Company; The New York Times, June 12, 1988, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1027 words, BUSINESS FORUM: ONE WORLD, ONE MARKET; We Need Global Regulations for Stocks, By JEFFREY E. GARTEN; Jeffrey E. Garten is president of the Eliot Group, an investment banking firm., LEAD: WE have enough of post-mortems on the Oct. 19 stock market collapse. But despite all the reports and Congressional hearings, one major aspect of stock market supervision has gone unstudied and unattended - the regulation of stocks that are issued and traded across national borders. This is a very dangerous omission.

Copyright (c) 1988 The New York Times Company; The New York Times, June 12, 1988, Sunday, Late City Final Edition, Section 7; Page 42, Column 2; Book Review Desk, 1019 words, WHY JAPAN CLOBBERED US (Cont.), By Jeffrey E. Garten; Jeffrey E. Garten, president of the Eliot Group, an investment banking company, worked in Tokyo from 1984 to 1986 and held various economic posts in the Nixon, Ford and Carter Administrations., LEAD: TRADING PLACES How We Allowed Japan to Take the Lead. By Clyde V. Prestowitz Jr. 365 pp. New York: Basic Books. \$19.95.

Copyright (c) 1988 The New York Times Company; The New York Times, March 27, 1988, Sunday, Late City Final Edition, Section 6; Part 2, Page 8, Column 1; Business World Magazine, 1054 words, TO START WITH . . . ; What Happened to the Revolving Door, By JEFFREY E. GARTEN; Jeffrey E. Garten is an investment banker in New York., LEAD: THE CLOSING BELL AT THE New York Stock Exchange had not even sounded on Black Monday before Wall Street was blaming the Reagan Administration and Congress for provoking the crash with out-of-control budgets and deliberate debasement of the dollar. Washington, meanwhile, was accusing the investment banking crowd, with its megabillion-dollar mergers and exotic trading techniques, of turning our capital markets into one gigantic casino.

Copyright (c) 1987 The New York Times Company; The New York Times, November 29, 1987, Sunday, Late City Final Edition, Section 6; Part 2, Page 90, Column 1; Magazine Desk, 916 words, WHEN THE DAY NEVER ENDS, By Jeffrey E. Garten; Jeffrey E. Garten is a New York investment banker., LEAD: THE SUN WAS JUST RISING OVER MY tiny garden apartment in Tokyo when I placed the call to my boss in New York. I was in urgent need of some instructions to complete a multimillion-dollar deal. My sleeves were rolled up, my morning coffee was steaming on the kitchen table and I was in high gear.

Copyright (c) 1987 The New York Times Company; The New York Times, November 1, 1987, Sunday, Late City Final Edition, Section 4; Page 25, Column 1; Editorial Desk, 820 words, The Looming Crisis With Bonn and Tokyo, By JEFFREY E. GARTEN; Jeffrey E. Garten, a New York investment banker, was deputy director of the State Department policy planning staff from 1976 to 1978., LEAD: As the panic on Wall Street fades, another crisis is brewing, this time between Washington, Bonn and Tokyo. It may be of more lasting significance than the financial debacle.

Copyright (c) 1987 The New York Times Company; The New York Times, September 1, 1987, Sunday, Late City Final Edition, Section 7; Page 9, Column 1; Book Review Desk, 1136 words, LAST OF THE ONE-MAN TITANS, By JEFFREY E. GARTEN; Jeffrey E. Garten, an investment banker and former State Department official, writes frequently on economics and politics., LEAD: A MAN OF INFLUENCE The Extraordinary Career of S. G. Warburg. By Jacques Attali. Translated by Barbara Ellis. 380 pp. Bethesda, Md.: Adler & Adler. \$22.50.

Copyright (c) 1987 The New York Times Company; The New York Times, May 5, 1987, Tuesday, Late City Final Edition, Section A; Page 35, Column 1; Editorial Desk, 1230 words, It All Came to Nothing, By Jeffrey E. Garten; Jeffrey E. Garten, a managing director of Shearson Lehman Brothers Inc., recently returned from a three-year assignment in Japan., LEAD: As the dust settles from Prime Minister Yasuhiro Nakasone's trip to Washington, this latest summit meeting can be appraised for what it was - a sad demonstration of the impotence of political leadership on both sides of the Pacific.

Copyright (c) 1987 The New York Times Company; The New York Times, January 1, 1987, Sunday, Late City Final Edition, Section 7; Page 9, Column 1; Book Review Desk, 680 words, THE COLORS OF WALL STREET, By Jeffrey E. Garten; Jeffrey E. Garten is a managing director of Shearson Lehman Brothers., LEAD: THE PANIC OF '89 By Paul Erdman. 304 pp. New York: Doubleday & Company. \$17.95.

Copyright (c) 1986 The New York Times Company; The New York Times, December 8, 1986, Sunday, Late City Final Edition, Section 3; Page 2, Column 3; Financial Desk, 1543 words, BUSINESS FORUM: WHO LOST EAST HAMPTON?; 1987, A YEAR WE WON'T SOON FORGET, By ROGER C. ALTMAN and JEFFREY E. GARTEN; Roger C. Altman and Jeffrey E. Garten, managing directors of Shearson Lehman Brothers Inc., received advanced degrees in economic forecasting from the Herbert Hoover School of Finance., LEAD: IF you are a corporate executive who resists planning ahead, consider yourself an enemy of America in the competitive world market. As it is holiday time and there are more enjoyable diversions. But big changes are in store and the prudent executive must prepare. Here, accordingly, is a not-so-cautious guide for 1987.

Copyright (c) 1986 The New York Times Company; Abstracts, BY JEFFREY E. GARTEN, THE GATT MINE FIELD, WALL STREET JOURNAL, Section 1; Page 30, Column 4, JOURNAL-CODE WSJ, September 11, 1986, Thursday

Copyright (c) 1986 The New York Times Company; The New York Times, August 8, 1986, Friday, Late City Final Edition, Section A; Page 27, Column 1; Editorial Desk, 1073 words, The Global Pocketbook, By Jeffrey E. Garten; Jeffrey E. Garten is a managing director at Shearson Lehman Brothers who is based in Tokyo., TOKYO LEAD: WHEN the Federal Reserve head, Paul Volcker, told Congress last week that the sagging American economy needs a bail-out from West Germany and Japan, it was a far cry from how the Reagan team used to brag about America's status as the world's economic locomotive. Even so, it was an understatement of our weakness.

Copyright (c) 1986 The New York Times Company; The New York Times, July 20, 1986, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1176 words, A THREAT TO STABILITY; TAMING THE SWINGS OF THE YEN AND DOLLAR By JEFFREY E. GARTEN; Jeffrey E. Garten is a managing director of Shearson Lehman Brothers, based in Tokyo., LEAD: A HALF-CENTURY ago the rising and meant Japanese militarism. For the last two decades, it has signified Tokyo's relentless conquest of foreign markets. Today, it could be the soaring yen, a serious threat to global economic stability.

Copyright (c) 1985 The New York Times Company; The New York Times, September 1, 1985, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1154 words, CAN JAPAN CREATE A NATION OF CONSUMERS?, By JEFFREY E. GARTEN;

Copyright (c) 1985 The New York Times Company; The New York Times, August 2, 1985, Monday, Late City Final Edition, Section A; Page 17, Column 1;

Editorial Desk, 1040 words, America's Economic House of Cards, By Jeffrey E. Garten; Jeffrey E. Garten manages the Far East investment banking activities of Shearson Lehman Brothers., TOKYO, LEAD: America's economy has become a house of cards, and the most wobbly part is not interest rates or the budget or trade - it is the United States dollar. A major drop in the value of the dollar is not inconceivable. And Washington is poorly prepared for it.

EADLINE Asia:
Japan's Success at Exporting Won't Be Duplicated

* By Jeffrey E. Garten

DATE 07/08/85
SOURCE WALL STREET JOURNAL (J)

Copyright 1985 The New York Times Company; Abstracts , BY JEFFREY E. GARTEN, WALL STREET JOURNAL, Section 1; Page 13, Column 3, JOURNAL-CODE WSJ, July 8, 1985, Monday

Copyright (c) 1985 The New York Times Company; The New York Times, June 16, 1985, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1201 words, ADDICTED TO IMPORTS; AMERICA'S RETREAT FROM PROTECTIONISM, By

JEFFREY E. GARTEN; Jeffrey E. Garten manages the Far Eastern investment banking activities of Shearson Lehman Brothers Inc. from Tokyo., LEAD: TOMORROW marks the day in 1930 that Congress passed the Smoot-Hawley Tariff Act, the highest import levy in American history. This single act provoked a wave of retaliation, forced Europe to suspend debt repayments and caused world commerce to dry up. Is the United States once again poised for such wide-spread protectionism?

Copyright (c) 1985 The New York Times Company; The New York Times, May 8, 1985, Wednesday, Late City Final Edition, Section A; Page 27, Column 1; Editorial Desk, 899 words, HOW THE HANDLE THE JAPANESE, By Jeffrey E. Garten; Jeffrey E. Garten, an investment banker based in Tokyo, was a member of the State Department policy-planning staff in the Ford and Carter Administration., TOKYO, LEAD: Despite the hullabaloo, not much has happened in recent months to prevent America's trade deficit with Japan from soaring further.

Copyright (c) 1984 The New York Times Company; The New York Times, September 23, 1984, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1159 words, DON'T USE MEXICO'S SOLUTION AS A MODEL, By JEFFREY E. GARTEN.

Copyright (c) 1984 The New York Times Company; The New York Times, August 8, 1984, Wednesday, Late City Final Edition, Section A; Page 23, Column 2; Editorial Desk, 786 words, EUTHANASIA FOR CONTINENTAL, By Jeffrey E. Garten; Jeffrey E. Garten is an investment banker., LEAD: When Congress holds hearings on the virtual nationalization of Continental Illinois National Bank and Trust Company next month, it should howl. The Administration's latest large-scale intervention was a mistake.

Copyright (c) 1984 The New York Times Company; The New York Times, June 10, 1984, Sunday, Late City Final Edition, Section 3; Page 2, Column 3; Financial Desk, 929 words, THE IMPORTANCE OF FREEING THE YEN; FEW IMMEDIATE REWARDS FOR THE U.S., By JEFFREY E. GARTEN, LEAD: THE negotiations were stormy.

ACCESS # 840604-0201.
 HEADLINE LEISURE & ARTS -- Business Bookshelf:
 Selective Services:
 The Future of Banking

 * By Jeffrey E. Garten
 DATE 06/04/84
 SOURCE WALL STREET JOURNAL (J)

ACCESS # 840529-0061.
 HEADLINE Dealing With a Changed Banking System

 Chaos, Not Confidence, Reigns;
 Congress Must Restore Order

 * By Jeffrey E. Garten
 DATE 05/29/84
 SOURCE WALL STREET JOURNAL (J)

Copyright (c) 1984 The New York Times Company; The New York Times, April 29, 1984, Sunday, Late City Final Edition, Section 7; Page 20, Column 5; Book Review
 Desk, 1050 words, SICKLY UNCLE SAM, By Jeffrey E. Garten, LEAD: Jeffrey E. Garten, a member of the State Department Policy Planning Staff in the Ford and Carter Administrations, is a vice president of Lehman Brothers Kuhn Loeb.
 TRADE
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Copyright (c) 1984 The New York Times Company; The New York Times, March 25, 1984, Sunday, Late City Final Edition, Section 6; Page 70, Column 3; Magazine Desk, 3913 words, AID IN THE EIGHTIES, By Jeffrey E. Garten, LEAD: Jeffrey E. Garten, who was deputy director of the State Department's Policy Planning Staff in 1978-79, is now vice president of Lehman Brothers Kuhn Loeb Inc.

Copyright (c) 1984 The New York Times Company; The New York Times, March 16, 1984, Friday, Late City Final Edition, Section A; Page 25, Column 1; Editorial Desk, 768 words, U.S. OFFER BIG STEEL A DEAL, By Jeffrey E. Garten and Roger C. Altman; Jeffrey E. Garten, deputy director of the State Department policy planning staff in 1977 and 1978, is a vice president of Lehman Brothers Kuhn Loeb, and Roger C. Altman, Assistant Secretary of the Treasury for Domestic Finance from 1977 to 1980, is a managing director of the firm., LEAD: Big steel is asking Washington for two concessions. It is calling for a halt to crippling foreign imports. And it wants exemption from antitrust prosecution on at least two proposed mergers. Both requests give Washington an opportunity to breathe new life into one of America's critical industries.

Business Week, March 5, 1984, IDEAS & TRENDS; Pg. 18, 834 words, STIMULATE COMMERCIAL TECHNOLOGY -- OR ELSE, BY ROGER C. ALTMAN AND JEFFREY E. GARTEN; ROGER C. ALTMAN, FORMERLY ASSISTANT TREASURY SECRETARY FOR DOMESTIC FINANCE, IS

A MANAGING DIRECTOR OF LEHMAN BROS. KUHN LOEB INC. JEFFREY E. GARTEN IS A VICE-PRESIDENT OF LEHMAN BROS. AND TEACHES POLITICAL ECONOMY AT NEW YORK UNIVERSITY

Foreign Affairs, 1984, America and the World, Pg. 538, 8399 words, Gunboat Economics, Jeffrey E. Garten; Jeffrey E. Garten manages the Far Eastern investment banking activities of Lehman Brothers from Tokyo. He was on the staff of the White House Council on International Economic Policy in the Nixon Administration and a member of the State Department's Policy Planning Staff under Presidents Ford and Carter. The author is grateful for research assistance provided by Maria Zammit. Copyright (c) 1985 by Jeffrey E. Garten.

ACCESS # 840106-0189.

HEADLINE LEISURE & ARTS -- Business Bookshelf:
The Bankruptcy Boom and How to Bust It
* By Jeffrey E. Garten

DATE 01/05/84

SOURCE WALL STREET JOURNAL (J)

Copyright (c) 1983 The New York Times Company; The New York Times, October 16, 1983, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1162 words, BUSINESS FORUM; THE ONLY SOURCE OF 'PATIENT CAPITAL' and JEFFREY E. GARTEN, LEAD: Before today's teen-agers finish college, computers will interpret changes in tax law and plan tax strategies for business. Robots will replace humans in radioactive nuclear plants. Genetically engineered bacteria will produce new chemicals to extract metal from poor ores and petroleum from dry wells.

Copyright (c) 1983 The New York Times Company; The New York Times, October 17, 1983, Sunday, Late City Final Edition, Section 3; Page 3, Column 1; Financial Desk, 1119 words, BUSINESS FORUM; THE FALLACY OF A MODERN-DAY R.F.C., ROGER C. ALTMAN and JEFFREY E. GARTEN; Roger C. Altman, Assistant Treasury Secretary for Domestic Finance from 1977 to 1980, is a managing director of Lehman Brothers Kuhn Loeb. Jeffrey E. Garten, Deputy Director of the State Department Policy Planning Staff from 1977 to 1978, is a vice president at Lehman Brothers., LEAD: WHEN the A.F.L.-C.I.O. proposed the creation of a national development bank last week, it joined several distinguished financiers, corporate executives, politicians and professors in urging Washington to bankroll the reindustrialization of our economy.

Copyright (c) 1983 The New York Times Company; The New York Times, September 17, 1983, Friday, Late City Final Edition, Section A; Page 19, Column 1; Editorial Desk, 753 words, TO HELP LATIN ECONOMIES, By Jeffrey E. Garten ; Jeffrey E. Garten is a vice president of Lehman Brothers Kuhn Loeb Inc., an investment banking firm, and teaches political economy at New York University., LEAD: On the first anniversary of the Latin American debt crisis next week, no one will celebrate, least of all the economic ministers of the Western Hemisphere gathering in Caracas, Venezuela, to take stock and share miseries.

Copyright 1983 The New York Times Company; Abstracts , BY JEFFREY E GARTEN, WALL STREET JNL, Section 1; Page 14, Column 3, JOURNAL-CODE WSJ, August 1, 1983, Monday

Copyright 1983 The New York Times Company; Abstracts , BY JEFFREY E GARTEN, MIAMI HERALD, Section 1; Page 27, Column 1, JOURNAL-CODE MH, March 19, 1983, Saturday

Copyright (c) 1983 The Financial Times Limited; Financial Times, March 14, 1983, Monday, SECTION III; Financial Times Survey; International Capital Markets III; Institutions; Pg. III Note: This table may be divided, and additional information on a particular entry may appear on more than one screen., 1992 words, Heightened role as burdens multiply, JEFFREY E. GARTEN

Copyright (c) 1983 The New York Times Company; The New York Times, January 12, 1983, Wednesday, Late City Final Edition, Section A; Page 23, Column 1;

Editorial Desk, 806 words, FOR A TRADE POLICY FOUNDED ON REALISM, By Jeffrey E.

Garten, LEAD: When the Senate Finance Committee holds trade hearings later this month, farmers in Kansas, auto makers in Michigan, scientists in Silicon Valley in California and Wall Street bankers will follow them carefully. Will they hear more than rhetoric about free trade from economic theorists and more than protectionist pleading from special-interest groups?

Copyright (c) 1982 The New York Times Company; The New York Times, September 9, 1982, Thursday, Late City Final Edition, Section A; Page 27, Column 1; Editorial Desk, 885 words, A WORLD BANKING PERIL, By Jeffrey E. Garten, LEAD: As Mexico, Poland and Argentina edge toward bankruptcy, world banking is likely to be presented with its worst crisis since the Great Depression. A coordinated strategy by the governments of the industrial democracies is indispensable.

Copyright (c) 1982 The New York Times Company; The New York Times, August 29, 1982, Sunday, Late City Final Edition, Section 4; Page 19, Column 1; Editorial Desk, 890 words, AT I.M.F., AMERICA AND THE THIRD WORLD, By Jeffrey E. Garten, LEAD: At the annual meeting of the World Bank and the International Monetary Fund, in Toronto next week, a major issue will be whether the United States is losing interest in third-world development. It is a fair question, and there is good reason for America to rethink its policies.

Copyright (c) 1982 The New York Times Company; The New York Times, June 27, 1982, Sunday, Late City Final Edition, Section 3; Page 2, Column 5; Financial Desk, 861 words, Comment: SUBWAY DEFENSE, By JEFFREY E. GARTEN, LEAD: WASHINGTON has now jumped into the battle to block a deal between New York City and Canada for the sale of much needed subway cars. Last week, the United States Government formally accused Canada of illegally subsidizing the subway car sale, thereby promising a slugfest with our most important trading partner.

RESPONSES OF DR. GARTEN TO QUESTIONS SUBMITTED BY SENATOR ROCKEFELLER

Question No. 1. As you know from our visit last week, I am very concerned about the Uruguay Round Draft Text, particularly on dumping, subsidies and dispute settlement. Last June 23rd, the Chairman and Ranking Member of this Committee sent the President a letter on behalf of the Committee that reflected those and other concerns with the Draft Text.

—Do you share the Committee's views on the issues identified in that letter?

Answer. The concerns of the Committee mirror those expressed by many U.S. industries and are also of concern to me. Our trade remedy laws, particularly those administered by the International Trade Administration—antidumping and countervailing duty—are critical to maintaining the competitiveness of our producers, and I will strive in every forum to ensure they remain effective. This includes not just the negotiations, but also the day-to-day conduct of investigations.

—Specifically, do you share the Finance Committee's concern with the Draft Text's provisions on standing, cumulation, cost and profit methodologies, de minimis exceptions, non-actionable subsidies, and the termination of anti-dumping and countervailing duty orders?

Answer. Yes, I share the Committee's concern with each of those specific items. Each has the potential to seriously restrict industry's use of our laws. The result would be that cases would be more difficult to initiate, result in less relief, be more easily circumvented, and any relief eventually obtained would be temporary. While each of these measures is individually objectionable, their adoption as a group could be devastating, particularly if dispute settlement panels are able to employ a standard of review that would make Department of Commerce and International Trade Commission decisions essentially superfluous. I want to be clear that I support improved dispute settlement provisions in general; we have nothing to fear from fair and effective dispute settlement procedures. At the same time, these panels must base their decisions on the text the negotiators craft, not what panels may have wished had been negotiated.

It is difficult to see any scenario in which the United States could accept such severe restrictions on our ability to offset what is internationally accepted as unfair trade practices. I personally will fight such an outcome in every available arena.

—Do you agree that the Text needs stronger language against circumvention of dumping and countervailing duty orders and against diversionary dumping?

Answer. I am convinced the text absolutely must have much stronger language on circumvention of antidumping and countervailing duty actions. It is unacceptable that domestic industry expend the time, energy and money often necessary to obtain relief, and then find the remedy evaded by some slight change in assembly of phys-

ical characteristics of the merchandise. I also strongly prefer that the final agreement contain the U.S. proposals on diversionary dumping which is, after all, a related form of circumvention.

Question No. 2. One of my concerns is that, while the current Administration and its predecessor have been reassuring on these points in general terms, we can never be quite sure of the Administration's commitment on *each specific provision* referred to in the Committee's letter. That's why I would appreciate your thinking on each of these specific issues.

Answer. I agree that the U.S. should seek substantial reduction of tariff and non-tariff barriers to U.S. exports. The **market access** package resulting from the G-7 Summit in Tokyo in July provides a foundation on which to build and represents a significant step amongst the Quad countries. We believe that more must be done and are pushing our key trading partners to match our efforts. In addition, I believe U.S. negotiators are seeking expansion of the zero-zero duty elimination package to cover more sectors (e.g., wood, paper, nonferrous metals, scientific equipment and electronics) and are negotiating with our trading partners on specific bilateral tariff requests.

I am strongly in agreement with the Finance Committee letter that the United States should seek substantial market access commitments for our **service firms**.

To date, U.S. negotiators have received offers of commitments to liberalize trade from a number of countries in such services sectors as: professional services (e.g., accounting, consulting, and legal services), insurance (from all OECD members except Japan), and enhanced telecommunication services.

I have been informed that other topics affecting services trade continue to be contentious, especially audio-visual works, financial services, investment screening, maritime services issues, and the temporary admission of foreigners to conduct services activities.

If these topics are not resolved to the satisfaction of U.S. negotiators and the Congress, there are two ways to limit the benefits of the agreement for those countries that refuse to liberalize their services markets to foreign competition. One is a departure from the Most Favored Nation principle in favor of reciprocity; the other is the non-application of the entire services agreement with respect to specified countries. These decisions on market access and national treatment in services will likely be made at the end of the GATT negotiations.

Regarding **agriculture**, I fully support all the objectives expressed in your letter related to market access, export subsidy and regulatory constraints affecting U.S. exports. U.S. farmers can compete with anyone in world markets as long as tariff and non-tariff import barriers to agricultural products come down.

Market access in agriculture is just as critical to the success of the Uruguay Round as market access in industrial products and services. Exports of farm products total \$40 billion annually and account for over 100 of our total exports. USDA estimates total domestic employment of 860 thousand due to exports of agricultural products in 1991. Almost two-thirds of this total was non-farm employment in food processing, transportation and other agriculture-related industries. These jobs are essential to the economic health of rural communities. According to USDA studies, total economic activity generated by agricultural exports in 1991 was \$94 billion, of which \$10 billion was in the farm sector.

I support negotiations to expand the **government procurement code**, and efforts to extend coverage to services and construction contracts at the central government level and to the procurement contracts of subcentral entities (e.g., Japan's prefectures, Canadian provinces and the German Lander) for goods, services and construction. In order to improve the fairness and transparency of code procedures, I would support the establishment of effective bid protest mechanisms and the elimination of trade distorting offset provisions in procurement contracts.

I favor achieving a strong **dispute settlement** mechanism which I understand has been a major U.S. objective throughout the negotiations. The new procedures are designed to prevent blockage and delay by building automaticity and time limits into the process. These procedures will enable the United States to exercise promptly its right to retaliate, consistent with the GATT, when another country fails to live up to its GATT obligations. The U.S. will retain the ability to use every tool at its disposal to ensure that other markets are as open as our own. This includes resort, where appropriate and necessary, to section 301 and other U.S. trade remedies. U.S. law provides that multilateral rules be used to resolve disputes where such rules exist and we will vigorously pursue our rights under such agreed procedures. However, where there are no multilateral rules, the U.S. should continue to use bilateral venues to resolve disputes.

Regarding our **antidumping and countervailing duty laws**, as I mentioned in response to the first question, I firmly agree that all of the issues mentioned by the

Committee should be changed to allow continued effective U.S. antidumping and countervailing duty practices. The United States did not enter into Uruguay Round negotiations intending to allow our laws to be changed in a way that would make them less effective than the are now, and I personally have no intention of letting that happen. If confirmed, I will push, and push hard, between now and December 15 to let our trading partners know for certain that the Dunkel texts simply must be changed.

With regard to **intellectual property rights**, I agree that the transition periods for developing countries are too long and that the agreement should provide for pipeline patent protection, full recognition of contractual arrangements and transfers and for comprehensive national treatment for U.S. owners of intellectual property rights. I understand our negotiators have tabled proposals for necessary changes in most of these areas and are working with other countries to build support for our proposals. As to the agreement's compulsory licensing provisions, I support the inclusion of these stricter provisions in any IPR agreement.

In regard to **textiles**, our ability to accept the notion of a phase-out of the Multifiber Arrangement should be directly linked to the achievement of effective market access commitments from our trading partners in this sector. In addition, I intend to vigorously pursue a stepped up approach to combatting illegal transshipment and other forms of trade circumvention in the negotiations. On tariffs, I understand our negotiators have taken, and will continue to take into consideration the effects of the proposed phaseout of the MFA and its impact on employment, in developing our negotiating position. In this respect, I will work to ensure that textile tariff cuts are staged over a long period of time and allow the U.S. to retain higher levels of protection for items of greater sensitivity.

Question No. 3. I understand that when steel industry executives met with the President last month, he indicated the government would be undertaking a study of the steel industry that could lead to the development of new policies.

—Are you aware of that study? Are you involved in it?

Answer. While I am not involved because of my nomination status, I understand the U.S. Government is in the process of creating a National Economic Council (NEC) working group to be jointly chaired by, the Department of Commerce and the United States Trade Representative. This group will examine the full range of issues affecting the U.S. steel industry on both the domestic and international fronts.

—If so, what is it's status and when do you see it concluding?

Answer. I understand the International Trade Administration will represent the Department of Commerce on this working group and serve as co-chair. Since the NEC is still in the process of formulating the group, I am not able to provide you with an estimated date for its conclusion at this time. However, as soon as I am aware of the agenda and timeline for policy recommendations by the working group, I will consult with and contact you and your staff.

Question No. 4. I am concerned by what seems to be a Commerce Department policy of interpreting our antidumping law in a way that favors foreign producers at the expense of domestic industry with respect to calculation of the indirect tax adjustment in antidumping cases.

The antidumping law provides for a tax adjustment to prevent dumping margins from arising simply because a foreign country excuses the payment of indirect taxes on export sales that it imposes on sales in its home market. In doing that, Congress plainly said that Commerce should make this adjustment by increasing the export price by the amount of indirect taxes not collected on the export sale.

For ten years now, Commerce has refused to make the adjustment in the way Congress directed—even when told to do so by the courts. Its current tactic is to add to the export price the tax imposed on higher home market sales rather than the lower tax amount excused on the lower priced export sale. This always reduces dumping margins—frequently in large amounts.

Question No. 4A. If you are confirmed as Under Secretary of Commerce will you undertake a review of Commerce's practice in calculating the indirect tax adjustment and determine for yourself whether it conforms to the law as written by Congress and as interpreted by the courts?

Question No. 4B. Will you advise me of the conclusion you reach as a result of the review?

Answer. I will be happy to undertake a review of this highly technical issue and to inform you of the conclusions I reach.

Question 4C. Will you use your authority as Under Secretary to change Commerce's indirect tax adjustment practice if you conclude that the practice conflicts with the intent of Congress as expressed in the antidumping law and construed by the courts?

Answer. I understand that the Import Administration considers its current practice to be consistent with the statute and, in part, with the decisions of the Court of Appeals for the Federal Circuit. Some elements are currently on appeal to the Court of Appeals for the Federal Circuit. If, as a result of my review, I conclude that the Import Administration's practice is not consistent with the intent of Congress as construed by the courts, I certainly will use my authority to direct a change in that practice.

Question No. 5. The 1986 and 1991 U.S.-Japan Semiconductor Arrangements were designed to open the Japanese semiconductor markets to free and fair competition. Both governments recognized in the 1991 Arrangement that the foreign share of the Japanese semiconductor market should grow to more than 20 percent by the end of 1992 and that improvement in market access should be gradual and steady over the duration of the Arrangement.

Although the foreign share reached 20 percent by the end of 1992, the foreign share has been decreasing in 1993. Are you committed to vigorous enforcement of the 1991 Arrangement's requirement that foreign market share should increase gradually and steadily during the next three years?

Answer. I share your concern about the decrease in foreign market share in the Japanese semiconductor market. I understand that foreign market share dropped to 19.2 percent in the second quarter of 1993, a decline of a full percentage point from the 20.2 percent figure achieved in the fourth quarter of 1992.

If confirmed, I would work to vigorously enforce all the provisions of trade agreements with Japan, including the Semiconductor Arrangement. I agree with the Administration's position that an average of at least 20 percent is a reasonable expectation for 1993, and that an average of 20 percent *can be achieved this year* if the Japanese Government and Japanese industry take the steps needed to boost foreign share.

RESPONSES OF DR. GARTEN TO QUESTIONS SUBMITTED BY SENATOR HATCH

Question No. 1. Along with Senator Inouye, I have watched with some frustration as absolutely nothing of any significance has happened in implementing President Bush's proposed creation of a U.S.-Pacific Island Nation Commercial Commission. President Bush made a commitment in October 1989 to 14 Island Nation prime ministers to expand trade relations. I have written, called, appealed and in other ways communicated my pleas for some demonstrable interest in executing the commitment. I would like to propose that Commerce and ITA move immediately toward establishing an office in Honolulu to coordinate trade relations. I would be pleased to meet with whomever you designate to work this out.

Answer. We are currently implementing the MOU that created the U.S.-Pacific Islands Joint Commercial Commission (JCC). The inaugural meeting of the JCC, which we expect at least two prime ministers and several Island cabinet ministers to attend, is scheduled for October 8, 1993 at the Department. We have proposed an agenda that we think will be responsive to the Islanders' interests, and are awaiting their reply.

As indicated in the JCC Memorandum of Understanding, the U.S. co-chair is ITA's Assistant Secretary for International Economic Policy. Appropriate protocol participation at the meeting will be provided by both Commerce and the Department of State, depending upon the level of Pacific Island representation. This inaugural meeting will allow us to identify priority areas of common interest for the U.S. and Pacific Islands.

Regarding an office in Honolulu, we understand the Senate version of the FY 94 appropriations bill for Commerce specifies \$250,000 for a JCC Secretariat but provides no additional funds to Commerce. There was no mention of the JCC Secretariat in the House version of the FY 94 Commerce appropriations bill, and we are awaiting conference committee action on reconciliation.

I understand, however, that the Department has had some serious reservations about the Secretariat proposal as it now stands. Duties and responsibilities of the Secretariat may replicate and frustrate the existing programs of several USG agencies, including NOAA, ITA, USTTA, EDA, NTIA, AID and Interior. I am aware that in the past there have been Commerce Department concerns about cooperation between federal and state programs. I would be happy to explore with you how we can better cooperate and coordinate with the states in this regard.

I look forward to discussing this issue with you further.

PREPARED STATEMENT OF SENATOR ORRIN G. HATCH

Mr. Chairman, I welcome Dr. Garten to this committee and applaud the President's selection of him to head up what is quickly becoming one of the real hot seats in today's executive branch.

I say this for obvious reasons, many pointed out by Dr. Garten himself in his opening statement. Trade is the new foreign policy emphasis. But it is an area of foreign policy that differs from the conventional wisdom about this arena.

As most of us on this committee know well, when you negotiate and implement trade agreements, your reach extends to the grass roots and the economic interests of virtually every member of the workforce. And, unlike foreign policy agreements in general, the persons who are touched by these agreements are not shy in giving Congress their opinions.

Dr. Garten's section of the Commerce Department is our first line of implementation when the treaty negotiations are done. It is his responsibility to determine sector impacts, track quota fulfillment, determine the economic consequences of dumping allegations, and to maintain the ever-important Commerce field offices here and abroad that business people turn to first for help in entering foreign markets.

It is no secret that I am a very supportive champion of the International Trade Administration. And I am extremely sensitive to the immense workload that Dr. Garten will face, especially as we implement NAFTA and, hopefully, the new GATT agreement.

I want to assure Dr. Garten of my commitment to his mission and wish him much success in this highly critical job.

Thank you, Mr. Chairman, for the courtesy of allowing my remarks.

 PREPARED STATEMENT OF SENATOR CAROL MOSELEY-BRAUN

Mr. Chairman, thank you for the opportunity to speak before this committee on behalf of the President's choice for Assistant Secretary for Management and Chief Financial Officer at the Department of the Treasury, George Muñoz.

I am no stranger to the many accomplishments of George Muñoz. He has been a great friend to the city of Chicago and the State of Illinois. For the past six years Mr. Muñoz has served as a Commissioner for Chicago Illinois Development as well as a Trustee for the Illinois International Port Authority. In addition he has always given his time and ability to a number of well-known and important institutions in my state, among them the Chicago Symphony Orchestra, DePaul University, Northwestern University, the United Charities of Chicago, the Leadership of Greater Chicago, and the Mexican Cultural & Educational Institute of Chicago. He is also well known for his service to the Chicago Council on Foreign Relations.

George Muñoz also did the city of Chicago great service as the President of the Chicago School System for three years starting in 1984. During that time Mr. Muñoz was responsible for 42,000 city-employed workers and dealt with a budget of over two billion dollars.

However, George Muñoz has not only been successful in his endeavors on behalf of the city of Chicago and the State of Illinois. Mr. Muñoz is currently the managing-partner of George Muñoz & Associates, p.c., a growing corporate law-firm in downtown Chicago. Before starting his own firm, he was also a partner with Mayer, Brown and Platt, also of Chicago.

The ability and expertise shown by Mr. Muñoz is not surprising. He has distinguished himself in all facets of his life. His academic record is as illustrious as his business experience. Mr. Muñoz has a Juris Doctorate in law and a Masters Degree in public policy from Harvard, a degree in Accounting from the University of Texas, and a Masters degree in law and taxation from DePaul University.

It is clear to me that George Muñoz has the ability, experience and know-how to be an excellent addition to the Department of Treasury. He has an outstanding academic record and his business acumen is obvious. His long history of civil service to the State of Illinois and the city of Chicago speaks for itself. I highly recommend George Muñoz to be confirmed as the Assistant Secretary for Management and the Chief Financial Officer for the Department of the Treasury. I strongly urge his prompt approval by this committee.

PREPARED STATEMENT OF GEORGE MUÑOZ

It is an honor to come before this Committee to be considered for the position of Assistant Secretary of the Treasury for Management and Chief Financial Officer.

The primary function of the Assistant Secretary for Management is to serve as the Chief Financial Officer of the Department and to assure that Treasury is properly managed.

If confirmed, I will dedicate myself fully to the overall management and operation of Treasury consistent with the goals and policies of President Clinton and Secretary Bentsen.

I have the desire to serve the public. I consider it an honor. And I believe my goals are in line with what the public demands. The public wants government to work better and cost less. It wants government to change just as all Americans have had to change. It wants government to be more responsive and less bureaucratic. Most of all, it wants to trust in government again.

President Clinton and the public are asking that our federal government go through a downsizing similar to that in the private sector. This mandate is more than just cuts in the budget and workforce. We need to re-engineer the workings of government to bring about savings through better management and productivity. As Vice President Gore has stated, the problem is not with the federal worker. It is with the bureaucracy in which they work. Too much time and money is spent on rules and things that make no sense to the public. And for which the public does not want to pay.

If confirmed, I will use the report of Vice President Gore on reinventing government as a guide. I will strive to strengthen financial integrity throughout the Department of Treasury in order to limit and reduce the growth of federal outlays. As the principal advisor on internal management, budget, accounting, and financial control issues, the Assistant Secretary for Management and Chief Financial Officer is uniquely positioned to play a central role in this crucial effort.

The people of this great nation deserve public servants who are characterized by integrity and a zealous pursuit of excellence. These qualities have infused my entire personal and professional life, and I pledge that if you confirm me I will continue to adhere to these high standards as I approach the formidable tasks that lie ahead.

I believe that my educational and professional background as a business person, an attorney and a CPA have prepared me well for the task at hand. For the record I am submitting, together with this statement, a summary sheet of my qualifications and experience.

FN 465

The White House,

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To the

Senate of the United States.

I nominate George Munoz, of Illinois, to be
an Assistant Secretary of the Treasury, vice David M.
Nummy, resigned.

I NOMINATE George Munoz, of Illinois, to be Chief
Financial Officer, Department of the Treasury, vice
David M. Nummy, resigned.

WILLIAM J. CLINTON

**RESPONSE TO INFORMATION REQUESTED OF NOMINEES
BY
UNITED STATES SENATE
COMMITTEE ON FINANCE**

NOMINEE: George Muñoz

**NOMINATED FOR: ASSISTANT SECRETARY FOR MANAGEMENT AND CHIEF
FINANCIAL OFFICER, DEPARTMENT OF THE TREASURY**

A. BIOGRAPHICAL:

1. Name: George Muñoz
2. Address: 899 S. Plymouth Court, #1909
Chicago, Illinois 60605
3. Date and place of birth: May 2, 1951, Brownsville, Texas
4. Marital status: Single
5. Names and ages of children: N/A
6. Education: Law: Harvard Law School, J.D. 1978
Cambridge, MA
Tax: DePaul University, L.L.M.
1984
Master's in Law and Taxation
Chicago, IL
Public Policy: - Harvard Kennedy
School of Government, M.P.P. 1978
Master's in Public Policy
Cambridge, MA
Accounting: University of Texas,
B.B.A. 1974
College of Business - Accounting
Austin, TX
7. Employment record: 1989 - present: George Muñoz &
Associates, p.c.
10 S. LaSalle Street, Suite 3600,
Chicago, IL
A Professional Corporation of
Attorneys
Managing Partner

1980 - 1989: Mayer, Brown & Platt
 190 S. LaSalle Street, Chicago, IL
 Law Firm
 Associate: 1980 - 1984
 Partner: 1985 - 1989

1978-1980: Gary, Thomasson, Hall
 & Marks
 210 S. Carancahua
 Corpus Christi, Texas 78401
 Law Firm
 Associate

8. **Government experience:** President, Chicago Board of Education (1984 - 1987)
 Commissioner, Chicago Economic Development Commission (1987 - present)
 Illinois International Port Authority, Trustee, (1987 - present)
9. **Memberships:** Catholic Charities, Board Member
 Chicago Economic Development Commission, Board Member
 The Chicago Symphony Orchestra, Trustee
 DePaul University, Trustee
 Illinois International Port Authority, Board Member
 Northwestern Memorial Corporation, Trustee
 Former President of the Chicago Board of Education, 1984-87
 United Charities of Chicago, Board Member
 Chicago Council on Foreign Relations, Board Member
 Leadership of Greater Chicago, Board Member
 Mexican Cultural & Educational Institute of Chicago, Board Member
10. **Political affiliations:** Democratic party; no offices held.
11. **Honors and Awards:** Various scholarships and fellowships in college. Fellowship award received at Harvard Kennedy School of Government. Honorary degree received from Lewis National College.
12. **Published Writings:** No published books, articles, or reports, except various op-ed articles on civic and education issues.
13. **Speeches:** No copies of speeches. Various speeches on education issues and international trade matters.

14. Qualifications:

Mr. Muñoz has a strong academic background in finance and public policy issues. He has four college degrees that include a degree in accounting, a masters degree in public policy, a degree in law and a masters degree in taxation. He is also a CPA and has "hands on" experience in budget, finance and management matters. As President of the Chicago Board of Education (1984-1987), Muñoz oversaw a public school system with 42,000 employees and a budget of over \$2 billion. Muñoz has been asked to join various Boards and Commissions to help manage public services, such as the Chicago Economic Development Commission and the Illinois International Port Authority. Mr. Muñoz has owned and managed a boutique commercial law firm based in Chicago.

 PREPARED STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV

I just want to publicly say how eager I am to work with Mary Jo Bane as an Assistant Secretary. I believe she is a dedicated, caring individual who is deeply committed to making programs work for children and families.

Her resume reflects her extraordinary range of experience. She started as a teacher in the Peace Corps, then worked in a Massachusetts' public school classroom, and ultimately became a tenured professor at the Kennedy School at Harvard.

She is widely published and as Chairman of the National Commission on Children, I truly benefited from her thoughtful academic work on families and research on the dynamics of poverty.

It's also vital to note that Mary Jo Bane has served as a federal and state administrator for human services so she has practical experience in the challenges of implementing policy. It's hard work, and programs may not always operate at originally intended, but it's crucial to be committed and innovative, and Mary Jo has the perseverance and practical determination we need.

Someone who started in the classroom as a teacher understands that our programs and policy must work at the grassroots level for children and families.

President Clinton was a member of the National Commission on Children, and I know he deeply cares about children and families. Our President is committed to make bold to make changes in our social programs—from expanding the Earned Income Tax Credit to his task force on welfare reform. Mary Jo Bane is a strong, dedicated professional with the range of experience needed to follow through on the changes outlined by our President.

I truly look forward to working with her closely in the months ahead to make real changes for children and families.

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