

S. HRG. 104-417

**NOMINATION OF STUART E. EIZENSTAT, TO BE
UNDER SECRETARY OF COMMERCE FOR INTER-
NATIONAL TRADE**

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED FOURTH CONGRESS
SECOND SESSION
ON THE
NOMINATION OF
STUART E. EIZENSTAT, TO BE UNDER SECRETARY OF COMMERCE
FOR INTERNATIONAL TRADE

—
FEBRUARY 14, 1996
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NOMINATION OF STUART E. EIZENSTAT, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE

WEDNESDAY, FEBRUARY 14, 1996

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

The hearing was convened, pursuant to notice, at 3:00 p.m., in room SD-215, Dirksen Senate Office Building, Hon. William V. Roth, Jr. (chairman of the committee) presiding.

Also present: Senators Rockefeller and Pressler.

OPENING STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S. SENATOR FROM DELAWARE, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. The committee will please come to order. I am pleased today to welcome Ambassador Stuart Eizenstat, President Clinton's nominee for Under Secretary for Commerce for International Trade.

Before we begin, I understand that your family is in Brussels, so we will move ahead. But I would, first, like to note the important role the Under Secretary of Commerce for International Trade plays in helping to develop international trade policy, in administering our trade laws—including the antidumping and countervailing duty laws—and in helping U.S. companies to do business in foreign countries.

Ambassador Eizenstat's qualifications for this position are most impressive. He has had a distinguished career in government, the private sector, and academe, and, of course, he is currently our Ambassador to the European Union in Brussels.

His extensive writings and speeches demonstrate a breadth of understanding on diverse issues covering international relations, international trade, and economics.

In sum, I think President Clinton has made an excellent choice in nominating Ambassador Eizenstat for Under Secretary of Commerce for International Trade. I look forward to working with him in the future on international trade issues before this committee.

So at this time it is my pleasure to yield to my good friend and colleague, Senator Rockefeller, who will introduce our nominee who needs no introduction.

Senator ROCKEFELLER. But who is going to get one. [Laughter.]

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

Senator ROCKEFELLER. Mr. Chairman, thank you very much. I am going to introduce him and I am going to take my time to do it in exactly the way that I want to do it, knowing that the competition for questions will be somewhat limited since it will be you and myself.

I think the President has nominated an absolutely superb public servant of the highest caliber, Ambassador Stuart Eizenstat, to be Under Secretary of Commerce for International Trade.

I personally have known Stuart for almost 20 years, since I was Governor of West Virginia. At that time, he was a rather young Domestic Policy Advisor to the President that I saw a lot of and in whose office I spent a great deal of time.

Over the years I have worked with him on many issues, including health care, tax policy, trade, and many, many other things. He is an extraordinarily principled person who takes enormously complicated issues and somehow is able to work through them almost effortlessly.

The members of this committee have received the resume of Ambassador Eizenstat. I really have to say that, in all of my years in the Senate, I have rarely seen, if ever, a more qualified individual to perform just about any job, in or out of government. This is an extraordinary person, Stuart Eizenstat. He is immensely prepared to assume the important position that we are here to consider him for.

He has worked for the White House, in fact, twice. Once, as a junior aide to Lyndon Johnson, and, after a distinguished academic career where he was a Phi Beta Kappa graduate of the University of North Carolina and Harvard Law School, was the assistant to the President of the United States for Domestic Policy, that being President Carter, from 1977 to 1981.

I have scratched out the part, in that Senator Bradley is not here, that he was an honorable mention All American as a high school basketball player, but that is meaningful to me because it shows balanced skills and coordination of all kinds.

President Carter paid Stuart Eizenstat, I think, one of the highest compliments I have ever heard a President make when he said that if he had to choose only one advisor to be with him, it would be Stu.

During his years with President Carter, Stu developed an expertise in trade issues and in working with the business community. All trade issues came through Stuart's office before going to the President. The business community, from the Business Roundtable to the Chamber of Commerce and the small business associations found him accessible, interested, and knowledgeable in their concerns.

Stu resumed his career in public service by going to Brussels as our Ambassador to the European Union after President Clinton was elected. As you know, Mr. Chairman, this is one of the premier ambassadorships affecting trade policy, since all of our trade issues with Europe are now done in Brussels through the European Union.

He has been at the center of major trade negotiations for the Uruguay Round, the Euratom Treaty regulating our civilian nuclear trade with Europe, the compensation negotiations for the accession to membership of Sweden, Finland, Austria, to the EU.

I have heard only praise for Ambassador Eizenstat from those who have reflected upon his service, especially in his work representing the interests of the American business community, on everything from gaining greater access for our country's agricultural products to trying to eliminate audio-visual quotas on American films.

As if this were not enough for him, he was asked by the Department of State to take on a difficult and delicate diplomatic task as Special Envoy on property restitution in Central Europe.

This has taken him to nine Central European and Baltic countries since May to help encourage the governments to restitute back to the Jewish communities in those countries, property confiscated during the Nazi era, and to return to U.S. citizens, properties confiscated during World War II and the Communist eras.

Stu's versatility is demonstrated by his various outside interests. He is one of the premier leaders locally, nationally, and internationally in the Jewish community, having a variety of leadership positions and awards.

He is an extraordinarily prolific writer, which did not sink home to me till I dove into his resume, on a wide variety of topics, including how to make U.S. companies more competitive.

He has taught—and I did not know this before—for a decade a course on the Presidency at the John F. Kennedy School of Government at Harvard, which year in and year out, was voted one of the best by the students.

He is a member of numerous bipartisan groups and organizations. He knows the American business community as well as anyone, having served on three corporate boards of U.S. companies and having represented in private life a large and diverse group of U.S. companies, with a special emphasis on high-tech companies.

I will end by saying Stu is a very good, trusted, personal friend. He and his wife Fran have been close to me and to my wife Sharon. I am an enthusiastic supporter of Ambassador Eizenstat, and believe the President has made an outstanding nomination.

I will now, with your permission, Mr. Chairman, go back to my seat, where I will be prepared to ask very difficult and confrontational questions. [Laughter.]

The CHAIRMAN. Thank you, Jay.

Ambassador Eizenstat, do you have a statement that you would like to make?

STATEMENT OF HON. STUART E. EIZENSTAT, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE

Mr. EIZENSTAT. Yes, I do, Mr. Chairman. Thank you, Senator Rockefeller, and thank you, Mr. Chairman, for your generous remarks. They are greatly appreciated.

I would like, if I may, with your permission, Mr. Chairman, to have my full and complete opening statement made part of the record, and I will read a few excerpts from it.

I want to thank you, in particular, for scheduling this hearing at my convenience. It was enormously thoughtful of you. One of the reasons I am so pleased to be here is because of my deep and long-standing respect for you, my admiration for you—the work that I have done for one of the companies in your State has brought us into contact on many occasions—as well as my respect for Senator Rockefeller, Senator Moynihan, and so many other members of this committee with whom I have worked over the years in both public and private life, and that includes many of the members of the staff sitting behind you.

I deeply respect the crucial role that the Congress and this committee in particular plays in trade policy and I assure you that, if confirmed, I will closely consult with you and with your staff, as well as with members of the House.

I will solicit your advice, I will seek your views, I will inform you of our activities, and I will keep you informed and apprised of everything we do within the areas of my jurisdiction.

I have been given the opportunity by the President and by Secretary Brown to work on the types of trade issues that I have worked on in Europe, but to do so on a worldwide basis.

I have had, as Senator Rockefeller mentioned, a great deal of contact with the American business community in various facets of my life, both as President Carter's Chief Domestic Advisor, in private practice, and now as well in Brussels.

As the Ambassador to the European Union I have made it an absolutely central goal of our mission to champion the cause of U.S. business in breaking down tariff and non-tariff barriers. We have worked closely with individual U.S. companies based in, or doing business in Europe, in ways which I describe in more detail in my statement.

One of the broadest and most significant initiatives in which I have played a role was in initiating, conceptualizing, and helping to coordinate the new Transatlantic Agenda and Joint Action Plan that was signed in Madrid in December by the President.

This takes the relationship between the United States and the European Union to a new and higher level, but it also has a new trade component. That trade component is the creation of what we call a New Transatlantic Marketplace, which is geared to reduce or eliminate many tariff and non-tariff barriers which restrict trade between the United States and Europe, and will continue the momentum for trade liberalization from the Uruguay Round.

My experience in Brussels has given me a deeper appreciation of the important nexus between trade, jobs and growth. Trade and exports are essential to the creation of high-paying American jobs.

Just as an example, over the past 7 years export-related jobs have grown at a rate eight times faster than total employment. They pay, on average, about 15 percent higher than jobs dedicated to products only for the domestic market. Exports have accounted for one-third of the total U.S. economic growth over this period of time, even though they only represent 12 percent of the overall economy.

So our future economic growth and prosperity relies on an aggressive pursuit of market opportunities, a strict enforcement of

our trade laws, and an understanding that we have to work with the private sector to ensure our competitiveness.

I am particularly excited about the prospect of joining a Commerce Department which has been steadily reinvigorated in recent years by Secretary Brown, who I think, along with Malcolm Baldrige, is one of the two great Secretaries of Commerce of our era.

I have seen first-hand in Brussels the ability of the Commerce Department in, for example, the new transatlantic business dialogue. Indeed, I just chaired a meeting for five hours today of the steering group, a group composed of 100 CEOs of both European and American companies, who have made specific recommendations to us in Seville, which we are now trying to follow up on, of how to improve the commerce and trade between Europe and the United States.

ITA, the agency which I would be heading with your permission, is in a unique position, through its ability to provide strategic support for the development of U.S. international trade and commercial policies, to be a major part of the trade picture.

It is the only agency of the U.S. Government with the proven capacity to provide hands-on assistance to U.S. companies that seek to broaden their markets by exporting or doing business abroad.

ITA assists in interpreting foreign rules and regulations, it helps arrange joint ventures with foreign partners, it helps U.S. companies navigate an often strange and sometimes foreboding foreign marketplace, and, importantly, it also enforces the laws which protect U.S. companies against unfair trade.

It has accomplished a great deal over the past few years and we are well on our way to achieving the goal of the administration's export strategy, and that is to increase U.S. exports to \$1.2 trillion by the year 2000, supporting over six million American jobs.

If I may, I would like to just conclude my statement by stating a few goals of my own, Mr. Chairman and Senator Rockefeller, which I hope, if I am confirmed, to be able to implement.

First, compliance and enforcement. I am a very strong believer in the value of free trade. I believe the protectionism in today's interdependent global economy is self-defeating.

We are dependent upon exports to create jobs, to provide greater choice for our consumers, and to strengthen the competitiveness of our companies, but we can't expect to have open markets abroad if we close ours at home.

Under Republican and Democratic Presidents and Republican and Democratic Congresses since the end of World War II, the United States has been the world's champion in insisting upon trade liberalization and creating a rules-based system for the adjudication of trade disputes. This has helped us, and it has helped the world obtain unparalleled prosperity and to reduce global tensions.

But we must maintain the bipartisan consensus for that free and open trade, given the chorus of protectionist voices. One crucial ingredient is more effective and more visible enforcement of our existing trade laws and trade agreements.

Let me give you a few examples of how we would like to strengthen this element. We already have a very effective Import

Administration that impartially enforces our antidumping and countervailing duty laws, and I will work very closely with them to assure them of my support, to assure that they have sufficient resources to do their important job, to protect American industries against dumping and other unfair practices like subsidies to distort the marketplace.

If confirmed, I will create a new Trade Compliance Center within the International Economic Policy Unit of ITA devoted solely to monitoring foreign compliance with our trade agreements.

This center, Mr. Chairman and members of the committee, will utilize existing ITA resources, but it will draw on the sectoral and geographical expertise of ITA, its skilled economists and industry experts, and its long history of effective monitoring and enforcement of trade agreements.

It will be headed by a senior official. It will serve as a central repository to monitor all the trade agreements that we have. It will bring together in a synergistic way all of the monitoring efforts already undertaken by our sectoral and country experts.

It will complement these experts through providing a central source for data collection, for analysis of foreign compliance, and for the development of monitoring techniques.

We will work very closely and will complement the welcome initiative of Ambassador Kantor and USTR in establishing an enforcement office.

We have a mandate to monitor compliance in non-agricultural trade agreements, and I want to assure you and the members of this committee that we will focus more than ever on using this authority in close cooperation with USTR to help identify priorities for enforcement and to develop strategies for obtaining compliance by our trading partners. American workers and American industry deserve no less than this.

We can also help sustain a public and Congressional consensus for free trade by continuing to encourage rapidly industrializing countries, particularly in Asia, and more developed nations like Japan and China, to open their markets to foreign products.

The perception that the U.S. market, and often the reality, is far more open to their products than they are to ours fans protectionist flames among ordinary working people. Because of their reliance on our markets, these countries have a greater stake than anyone in opening their markets to ours to assure a continuation of the free trade orientation which has been the hallmark of our policy since the end of World War II.

A second goal will be to strengthen our administration-wide advocacy efforts through our Advocacy Center, which I want to enhance, and the Trade Promotion Coordinating Committee created by the Congress in 1992.

I want to broaden the interagency participation of the TPCC, regularize its meetings, and work with it to develop a unified advocacy effort and to make effective use of the unified trade promotion budget.

I also want to develop a response to foreign competitive practices such as bribery and subsidies that unfairly disadvantage U.S. companies in global competition.

My third goal, is to give special and increased emphasis and energy to targeting small and medium-sized businesses and minority and women-owned businesses that are severely under-represented in the export area in order to increase their exports.

These small and medium-sized businesses are where the new jobs in this country are being created. They represented, Mr. Chairman and members of the committee, about 25 percent of our total manufacturing output, but only about 12 percent of our exports.

This gap has to be filled through better education, more outreach, improved trade facilitation, and possibly even new export financing mechanisms, to broaden the export base of this country and to increase the profits and job opportunities in key sectors of the economy.

Toward this end I will initiate, with your cooperation, if confirmed, a series of conferences around the country specially targeting small and medium-sized businesses and workers in industries with export potential which ITA would sponsor with Senators and members of the House from those areas.

Fourth, I want to align more closely the efforts of ITA with the foreign policy goals of the State Department and of the administration, the achievement of which increasingly depends, in an era when budget stringency and foreign assistance are being cut, on bringing U.S. private commercial interests to bear in three respects.

One is undergirding emerging democracies in places like South Africa and Haiti, and in particular in an area in which I have an interest, Central Europe, the Baltic States, and the NIS countries.

Trade and investment can also play an important foreign policy role in supporting the peace process in areas like the Middle East, Northern Ireland, and Bosnia.

In addition, I want to specially reinforce our goals in two countries, Egypt and Turkey, both of which are subject to religious extremist pressures, and where the private sector can do much to help our goals.

A fifth goal is to continue our emphasis on big, emerging markets. This is where the lion's share, Mr. Chairman and members of the committee, of the incremental growth in world imports will occur, in fewer than a dozen markets. If present trends continue, by the year 2000 they will exceed exports to Japan and Europe combined and they offer the greatest opportunity for future export growth.

But, at the same time, we can't and we won't ignore our major markets in Canada, Japan, and the European Union. Here, even a 3-5 percent increase, because of the huge base, would do much to add to the job creation in this country. So the big, emerging markets versus our more mature markets is not an either/or proposition, we must do both at the same time.

Last, and in conclusion, I hope to better communicate to the American people the benefits of trade, because only with public understanding can we maintain a political consensus for trade liberalization.

Workers must see trade as job-creating and not job-destroying. Trade is not some esoteric policy issue. Approximately 12 million jobs in this country depend on imports and exports.

Trade means jobs, and good-paying jobs, and better buys for consumers. There is a vast global marketplace out there for American products, and I hope that you will give me the opportunity to work with American business to more fully expand and develop that market. This is an area we can make a great deal of difference in people's lives.

I want to thank you again for the opportunity to appear before you and share my ideas and goals, and I look forward to answering your questions.

The CHAIRMAN. Thank you, Mr. Ambassador.

[The prepared statement of Mr. Eizenstat appears in the appendix.]

The CHAIRMAN. Senator Pressler, do you have a statement?

Senator PRESSLER. Well, I do have an opening statement. I will put it in the record.

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

Senator PRESSLER. I just strongly support Stuart Eizenstat's nomination. I have some questions for the record. I do have to depart here shortly, but I just wanted to stop by and give my encouragements. I think we are very lucky to have you serving.

[The questions appear in the appendix.]

The CHAIRMAN. Thank you, Larry.

Stuart, let me start out with the three standard questions that I ask all nominees before the Finance Committee.

Is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. EIZENSTAT. No, sir, there is not. I have served now for two and a half years in Brussels in a public position. I have been very forthcoming in terms of all holdings. If there is any question that ever should arise, I will certainly bring it to the attention of the ethics officers immediately, but I certainly know of none at this time, nor have I during the past two and a half years of public service.

The CHAIRMAN. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities to the office for which you have been nominated?

Mr. EIZENSTAT. No, sir. I will continue to bring the same energy to this job that I have to the one that I am currently serving in.

The CHAIRMAN. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress, if you are conformed?

Mr. EIZENSTAT. I do, and I have had the pleasure on many occasions of so testifying.

The CHAIRMAN. Mr. Ambassador, a major priority, of course, would be to work with USTR to monitor compliance by our trading companies under existing trade agreements. Where would this matter be among your priorities as Under Secretary of Commerce for International Trade?

Mr. EIZENSTAT. It would literally be the first priority. As I mentioned in my opening statement when I mentioned my goals, the creation of a new Compliance Center will help augment the work

that USTR is doing through its new enforcement effort. We have negotiated some 180 agreements over the past 3 years.

What we need to do is to concentrate on assuring the American people and American industry that those agreements will be fully implemented. This is critically important, as I mentioned, to maintain a consensus for free trade, so it will be at the very top of my priority list. I have had a longstanding relationship with USTR and the senior officials there and in Brussels, and I look forward to working with them very closely.

The CHAIRMAN. As you well know, the direction of antidumping policy was a central issue in the Uruguay Round and continues to be the subject of debate as the Commerce Department drafts new antidumping regulations. What principles do you think should guide U.S. antidumping policy?

Mr. EIZENSTAT. We are, in fact, in the final stages of having those regulations now done. I think that there are few things more important than effective enforcement of our antidumping laws.

Antidumping, to me, means selling a product in the U.S. market at below its cost or below the price at which it is being priced at in the home market. That, together with unfair subsidies which are dealt with through the countervailing duty laws, create an uneven playing field.

I want to assure the Import Administration the full opportunity to implement those antidumping laws in ways that are fair, that offer due process to all the people, and that do not involve political considerations. So, I think those would be my principles.

I want to make sure that Assistant Secretary Esserman, who has done a very fine job over the past several years, has my full and complete support in implementing the spirit and the letter of the laws which the Congress has passed in this area over the years.

The CHAIRMAN. While you were in Brussels, the United States never challenged the European Union (EU) in the World Trade Organization on any EU antidumping cases against U.S. exporters. Does that mean that all the EU's substantive antidumping rules and antidumping decisions are fair to our exporters?

Mr. EIZENSTAT. No. There have been discussions and negotiations on a number of matters with Europe. And, although they are not in the antidumping area, we now are in the process of bringing two matters to the WTO against the European Union.

One, their egregious banana regime, which is very unfair to some of our companies, and the second, regarding beef hormones, where they are keeping out our perfectly same hormone-fed beef. So we are not reluctant to bring cases when we can, but we try to negotiate them out whenever we can.

I would say, however, that we find, because of the economic integration that is occurring, perhaps fewer problems with respect to dumping from the EU-15 than we do from some of the more developing countries elsewhere in the world. That is a welcome development.

The CHAIRMAN. Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman. Ambassador Eizenstat, for some reason which is just intellectually impossible for me to understand, you failed to mention the question of short supply in your opening statement. I say that humorously, but do

not mean it at all humorously, and would ask, in fact, if you see any need for any changes in our dumping laws, such as short supply, or as some say, "temporary duty suspension" provisions.

As I say that, I note that a short supply provision is something which I think would fundamentally undermine our dumping laws, and that it is based upon a false premise. That is, that there is a "short supply," when, in fact, it is entirely a matter of price. I would just like to get you on record, Ambassador Eizenstat, as regards short supply.

Mr. EIZENSTAT. I appreciate the opportunity to respond to that. We have fairly recently gone through changes in our antidumping laws with the Congress and, as Chairman Roth indicated, we are now in the process of finishing regulations. We think that this is not a time to reopen those, and particularly with respect to the short supply issue.

If one were to add a short supply provision to the antidumping laws, in effect you would be rewarding the very organizations and entities that are the most effective in dumping, that is, the ones that would have destroyed the domestic capacity to produce. This, therefore, would reward exactly the wrong people.

We do have the capability, through the flexibility that the Import Administration has, to take into account the kinds of concerns that lead to requests for this type of short supply without all the disadvantages that short supply would have. You can target particular products, for example; there is now a sunset provision.

So, there are a variety of ways in which the Import Administration can take those issues into account, but short supply itself would be, in our opinion, a mistake and would distort the dumping laws.

In addition, I am told by the people who administer them that it would be cumbersome, burdensome, and extremely complex. So, for those reasons, we think it would not be appropriate.

Senator ROCKEFELLE. Mr. Chairman, that is a more than satisfactory answer.

My final question, Mr. Ambassador, would be that, as you know, the semiconductor agreement with Japan, that was negotiated back in 1986, comes to a close this year. At that point, I think the U.S. share of the Japanese semiconductor market was about 8.5 percent. Since then it has gone up to about 17 percent.

Mr. Ambassador, if you exclude Japan from our sales on a worldwide basis, we have about 54 percent of the global market. With each point of the Japanese market equal to about \$420 million in sales, therefore, it is obviously an extremely important issue and I would be interested if you have any thoughts about the possibility of renewal.

Mr. EIZENSTAT. Yes. We think that it should be extended. The foreign market share in Japan now is a little over 26 percent. That's a significant increase over the past few years. We think it is significantly due to the fact that a government-to-government agreement was there.

The U.S. semiconductor industry strongly supports the continuation of the arrangement and it fears that, without a government-to-government agreement, its hard-won access would potentially drop precipitously.

So we believe this is a proven framework for improved market access, that it has reduced tensions with Japan, and that Japan will see it in its interest to continue this so that we don't have regular tensions in this area. This is something that has worked, it deserves to be continued, and we are going to work with our industry to see that it is extended.

Senator ROCKEFELLER. I thank the Ambassador, and I thank the Chairman for the chance to ask questions.

The CHAIRMAN. Thank you, Senator Rockefeller.

Well, Mr. Ambassador, although we, do not have a quorum present today, I hope, that before too long, the committee will have the opportunity to vote on and report out your nomination to the full Senate.

Senator ROCKEFELLER. Mr. Chairman, could I ask unanimous consent to insert my full opening statement in the record?

The CHAIRMAN. Without objection.

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

The CHAIRMAN. Also Mr. Ambassador, in addition to some questions from Senator Pressler, we have a number of questions from Senator Grassley and one from Senator Hatch. We would appreciate your answers in response to these questions.

[The questions appear in the appendix.]

The CHAIRMAN. I have one additional question that I will ask right now.

The Administration has devoted a lot of effort in trying to get China to improve its protection of intellectual property rights, but appears stalemated on how to address the problem of inadequate IPR protection in Argentina.

So far, Argentina has reneged on bilateral IPR agreements to improve its laws and enforcement. If confirmed, what recommendations would you make on how to resolve this problem?

Mr. EIZENSTAT. Well, we do have very active enforcement with respect to intellectual property in China and with respect to Argentina as well. One of the things that I will do, particularly given your interest in this, is make sure that this is one of the priority items that we look at.

Intellectual property is, in some respects, I think, for many people a sort of ephemeral concept that is hard to grasp, but it is absolutely essential to some of our fastest-growing exports and trade. It is hard to believe, but the audiovisual area is actually our second-largest export industry, next to aircraft.

So intellectual property protection everywhere—Argentina, China, and elsewhere—is absolutely critical to the protection of one of our major industries, and I will do everything possible to look into the Argentina situation and report back to you promptly, after I'm confirmed.

The CHAIRMAN. Well, I strongly agree with you as to the importance of protecting intellectual property rights. I also believe that growth in the trade area will significantly depend on providing better protection, not only with respect to Argentina and China, but, throughout the world, particularly in the developing world. So I think it is deserving of the highest priority.

Mr. EIZENSTAT. There is a psychology, I think, in much of the developing world that is shared by large elements of the population, that there is simply nothing wrong with copying without paying for records, films, books, and other intellectual property.

So there is a lot of education that has to be done, but we cannot simply depend on long-term education. We have to, and we will, very effectively enforce these laws because, as you say, they are absolutely essential to one of our key industries.

The CHAIRMAN. I want to thank you, Mr. Ambassador, for your candid answers today. As I have indicated, we hope to move very quickly on your confirmation. When that takes place, we wish you every success.

Mr. EIZENSTAT. Thank you, Mr. Chairman. Again, thank you and the staff for arranging this so promptly.

The CHAIRMAN. The committee is in recess.

[Whereupon, at 3:40 p.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF HON. MAX BAUCUS

Mr. Chairman: It is my great pleasure to welcome Ambassador Stuart Eizenstat to this hearing, and give him my strong support for the post of Undersecretary of Commerce for International Trade.

Ambassador Eizenstat and I have known each other for nearly twenty years. I consider him one of America's great public servants. As our Ambassador to the European Community, Stuart has represented our interests very effectively in disputes, and also helped to make sure we take advantage of broad areas of mutual economic interest like the Transatlantic Business Dialogue.

I would also note to the Committee that Stuart has consulted very closely with Congress, through both personal contact and periodic "Letters from Brussels."

Finally, I should say that Stuart is also a great friend and a good man. And it is thus a great pleasure to commend him to this Committee and to my colleagues in the Senate.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF AMBASSADOR STUART E. EIZENSTAT

Mr. Chairman and members of the Senate Finance Committee, it is an honor to be here today, particularly because of my deep and long-standing respect and admiration for Chairman Roth, Ranking Member Moynihan, and so many members of this Committee with whom I have worked over the years in both public and private life.

I had the privilege of appearing before the Senate Foreign Relations Committee in July, 1993, to be confirmed for my present position as U.S. Ambassador to the European Union. Having once gone through the confirmation hearing process, I fully understand its gravity and importance and take this process very seriously. I would also like to thank the Chairman, the Committee, and the staff for the effort and sacrifice they have made in scheduling this hearing today. I appreciate and welcome the opportunity to share with you my thoughts and to respond fully to your comments and questions.

Today's hearing in this building is indicative of where I intend to spend a great deal of my time if I am confirmed for the position of Under Secretary of Commerce for International Trade. I have deep respect for the crucial role of the Congress in both foreign policy and trade policy. If confirmed, one of my top priorities will be to work in close consultation with both the Members and staff of the Senate and the House. I shall solicit your advice, seek your views, and inform you of our activities. You can be certain that I will keep the Congress in general, and this Committee in particular, fully apprised of activities and developments on the international trade front which are within my jurisdiction.

By President Clinton having nominating me to this position, he and the Secretary of Commerce, Ron Brown, have given me the opportunity to work on the full range of trade issues on which I had been working within Europe, but now on a worldwide basis. Throughout my years in both the public and private sector, I have worked closely with American business. Prior to my current position as Ambassador to the European Union, my previous public service included service on the White House staff of President Johnson and as President Carter's Chief Domestic Policy Adviser, where I worked on all trade issues and cases which came before the Carter Administration. I have worked in all three branches of government, as well as in the private

sector. My experience and responsibilities have given me exposure to and an understanding of the challenges facing the private sector in creating jobs, competing in foreign markets, and developing an atmosphere conducive to economic growth. Thus my experiences in both public and private life have prepared me for the new responsibilities I hope to undertake, with your support.

As the United States Ambassador to the European Union, I have made it a central goal of the U.S. Mission to champion the cause of U.S. business in breaking down tariff and non-tariff barriers to Europe. With this in mind, our Mission has worked very closely with individual U.S. companies based in or doing business in Europe and with organizations like the EU Committee on the American Chamber of Commerce in Brussels. I have worked directly with Ambassador Mickey Kantor and his excellent staff at USTR on a multitude of trade issues, from the Uruguay Round to the recently concluded compensation negotiations under Section XXIV-6 of GATT rules for the changes in duty bindings resulting from the accession of Sweden, Finland, and Austria to the EU. I have worked closely with the Department of State, in particular Under Secretary Lynn Davis, on the successful extension of the Euratom Treaty governing civilian nuclear trade in a manner that is fully consistent with the Non-Proliferation Act. I have strongly supported the efforts of the U.S. Department of Agriculture to assure compliance with the agricultural provisions of the Uruguay Round, which help to open European markets to such U.S. commodities as soybeans, rice, and cereals. Likewise, I have supported efforts of the Department of Agriculture to have the EU lift the ban on the import of hormone-fed beef, and efforts of the Department of Transportation to achieve liberalized aviation agreements with the EU and its member states.

Permit me to give you just a few of the many examples of ways in which our Mission, working with Washington agencies, has tried to assist American companies: helping a major computerized airline reservation service successfully compete in the EU in the face of obstacles erected by its European competitors; successfully reversing an initial proposal by the European Technical Standards Institute which would have required U.S. companies to provide what would have amounted to compulsory licenses for their innovations as a condition of inclusion in European standards; attempting to modify the unfair EU banana regime, which discriminates against U.S. companies; preventing any further tightening of the EU Broadcast Directive, which seeks to limit by quota U.S. television programming in Europe, and indeed, working to eliminate them over time; helping convince the EU to extend the moratorium on a directive banning the import of U.S. furs from animals caught in leghold traps, while we try to negotiate an international standard for humane trapping; striving to secure the introduction of FDA and USDA-approved biotechnology products in the European marketplace; fighting to prevent European eco-labels from becoming a non-tariff barrier to the U.S. products based on different, but equivalent, U.S. production methods.

One of the broadest and most significant initiatives in which I played a significant role was initiating, conceptualizing, and helping coordinate the New Transatlantic Agenda and Joint Action Plan, signed in Madrid in December by President Clinton. This not only takes the U.S.-EU relationship to a new, higher level, but also has a substantial trade component. This aspect of the New Transatlantic Agenda was developed with the leadership of USTR and the Department of Commerce, and seeks to engage Europe in the reduction or elimination of many tariff and non-tariff barriers to trade. Our initiative in this respect will continue the momentum for trade liberalization from the Uruguay Round and instill a new dynamic to the World Trade Organization.

My experience in Brussels has given me a deeper appreciation of the important nexus between jobs and growth, trade and competitiveness. Trade and exports are essential to the creation of high-paying American jobs. Estimates are that every \$1 billion in additional exports supports between 15,000 and 20,000 new jobs. Exports today represent over 12 percent of our GDP, up 45 percent since 1980, when it was 8.5 percent. In 1995, 12.7 million jobs depended upon exports, and by the year 2000 that number will rise to nearly 16 million. On average, jobs related to exports pay about 15 percent more than the hourly wage in the rest of the economy. Over the past seven years, export-related jobs have grown eight times faster than total employment, and exports have accounted for one-third of the total U.S. economic growth, even though they represent only 12 percent of the overall economy.

Our future economic growth and prosperity rely on an aggressive pursuit of market opportunities, a strict enforcement of our U.S. trade laws, and an understanding that we must work with the private sector to ensure America's competitive advantage as we approach the 21st century. If confirmed, I will focus on these objectives that are so critical to the Nation's economic future.

I am particularly excited about the prospects of joining a Commerce Department which has been steadily reinvigorated in recent years. There have been several great Secretaries of Commerce in recent years, most notably Malcolm Baldrige, during the Reagan Administration, and Ron Brown today. Under Secretary Brown's leadership, the Department of Commerce has successfully focused on a mission of providing jobs and economic opportunity to all Americans and serving as a voice for the business community in the senior policy-making circles in the Administration.

I have seen this first hand in Brussels, where I worked closely with the Secretary and his senior aides on such projects as the Transatlantic Business Dialogue, which brought public and private sector leaders together to address ways to improve our commercial relations. In Seville, Spain, we invited 100 U.S. and European CEOs in the first-ever conference of its kind, to make recommendations to the U.S. government and to the EU on a variety of issues. The conference adopted market opening initiatives in such areas as: reducing regulatory costs and duplicative testing and certification procedures; encouraging greater trade liberalization; reducing investment barriers; and dealing with competition in third country markets. Many of these recommendations have already been incorporated, with my assistance, in the New Transatlantic Agenda. Other recommendations will be considered by a follow-up group now being organized and chaired by Alex Trotman, the CEO of Ford Motor Company, and Juergen Strube, the CEO of BASF. If confirmed, I hope to continue to work closely with this private sector group from this side of the Atlantic.

While in Brussels, I also participated in the International Trade Administration's Showcase Europe initiative, a comprehensive program to expand U.S. business penetration of the European market. "Showcase Europe," which builds on the "Showcase Germany" strategy launched in FY 1994, seeks to further open transatlantic trade and investment by encouraging the reduction of tariffs and standard barriers, mutually recognizing product testing and certification guidelines, providing full and transparent access to government procurement opportunities, and assuring rational treatment for investors.

The Transatlantic Business Dialogue is just one way in which the Commerce Department in general and the International Trade Administration specifically have focused on areas that satisfy the important international commercial objectives of the United States.

ITA is in a unique position to support these objectives, through its ability to provide strategic support to the development of U.S. international trade and commercial policies. It is the only agency of the U.S. government with the proven capacity to provide hands-on assistance to U.S. companies that seek to broaden their markets by exporting or doing business abroad. ITA can assist in interpreting foreign rules and regulations, help arrange joint ventures with foreign partners, and help U.S. companies navigate an often strange and sometimes foreboding foreign marketplace. ITA offers a full service global network of resources through its Commercial Service; provides leadership in the U.S. government for trade promotion and advocacy through the Trade Promotion Coordinating Committee; analyzes U.S. competitiveness on an industry-by-industry basis in the Trade Development unit; provides business counseling and market access assistance on a country-by-country basis through its International Economic Policy unit; and through the Import Administration ensures a level playing field for American businesses through enforcement of the anti-dumping and countervailing duty laws. The Department's Advocacy Center in the Trade Development unit last year alone assisted in 77 successful projects totaling some \$31 billion, accounting for some \$22 billion in U.S. exports, and supporting 350,000 U.S. jobs.

ITA has accomplished a great deal over the past few years with the leadership of Secretary Brown, former Under Secretary Jeff Garten and former Acting Under Secretary David Rothkopf. We are well on our way to achieving the goal of the Administration's National Export Strategy of increasing U.S. exports to \$1.2 trillion by the year 2000, supporting over 6 million American jobs. In addition, I have several clear goals that I would like to accomplish in the coming years to ensure America's competitive advantage, to create jobs through exports, and to maximize our trade potential.

I am a strong believer in the value of free trade. I believe protectionism in today's interdependent, global economy is self-defeating. We are dependent upon exports to create jobs, to provide greater choice for our consumers, and to strengthen the competitiveness of U.S. companies. We cannot expect to have open markets abroad if we close ours at home. Under Republican and Democratic Presidents, and Republican and Democratic Congresses, the United States since the end of World War II has been the world's champion in trade liberalization and in creating a rules-based system for the adjudication of trade disputes. This has helped foster more open markets around the world and has helped bring unparalleled prosperity to the United

States and elsewhere, while significantly reducing global tensions. Among the most important achievements of the Clinton Administration has been the successful negotiation of NAFTA and the Uruguay Round and its support by Republicans and Democrats alike in the Congress.

To maintain the current bipartisan consensus for free trade against the chorus of protectionist voices, one crucial ingredient is to more effectively and visibly endorse our existing trade laws and trade agreements—including the some 180 agreements successfully negotiated by the Clinton Administration.

ITA has a very effective Import Administration that impartially enforces our anti-dumping and countervailing duty laws. I will work closely with them to assure them of my support and to see that they have sufficient resources to do their important job of protecting American industries against dumping and subsidy practices that distort the marketplace.

With this in mind, if confirmed, I will create a Trade Compliance Center, within the International Economic Policy unit of ITA, devoted to monitoring foreign compliance with our trade agreements. This Center, which will utilize existing ITA resources, will draw on the sectoral and geographic expertise of ITA, its skilled economists and industry experts, and its history of monitoring and enforcing trade agreements. The Center, which will be headed by a senior ITA official, will serve as a central repository of monitoring expertise. It will bring together in a synergistic way monitoring efforts already undertaken by our sectoral and country experts, and will complement these efforts through providing a central source for data collection, analysis of foreign compliance, and the development of monitoring techniques. It will complement and work closely with the welcome initiative of Ambassador Mickey Kantor and USTR to establish an enforcement office, as well as with other agencies of the government and with the Congress to ensure that American firms and workers receive the full benefits from the trade agreements the United States has negotiated over the years. The ITA has a mandate from the 1979 Executive Order to monitor compliance in non-agricultural trade agreements, and I want to assure you that we will focus more than ever on using this authority, in close cooperation with USTR, to help identify priorities for enforcement and to develop strategies for obtaining compliance by our trading partners. ITA's sector-specific analytic tools will be particularly helpful, from NAFTA standards and obligations to WTO rules on intellectual property rights and investments, to bilateral agreements with countries like Japan and China.

We can also help sustain a public and congressional consensus for free trade by encouraging rapidly industrializing countries, particularly in Asia, and more developed nations like Japan and China, to open their markets to foreign products. The U.S. trade deficit with China is expected to surpass \$35 billion, exceeded only by our deficit with Japan. The perception that the U.S. market is far more open to their products than they are to ours fans protectionist flames among ordinary working people. These countries, because of their reliance on the U.S. market, have a greater stake than anyone in opening their markets to assure a continuation of the free trade orientation of the United States.

A second goal is to strengthen our Administration-wide advocacy efforts for exports through our Advocacy Center, which I want to enhance, and the Trade Promotion Coordinating Committee (TPCC). I want to broaden the inter-agency participation, regularize its meetings, and work with the TPCC to develop a unified advocacy effort and make effective use of the unified trade promotion budget. I also intend to work with the TPCC to continue the efforts begun by Secretary Brown last year to develop a response to foreign competitive practices, such as bribery and subsidies, that unfairly disadvantage U.S. companies in global competitions.

Third, I want to give special and increased emphasis and energy to targeting small and medium-sized businesses, and minority and women-owned businesses that are severely under-represented in the export area, in order to increase their exports. Small and medium-sized businesses are where the new jobs in the United States are being created. They represent about 25 percent of our manufacturing output, yet only account for 12 percent of our exports. ITA is already aggressively targeting small and medium-sized business through its Commercial Service, but better education, more outreach, and improved trade facilitation, and, possibly, new export financial mechanisms, must be in place to broaden the export base of this country, and to increase the profits and job opportunities in this key sector of our economy. Small businesses often lack the resources for market research overseas. ITA can and does help, counseling over 41,000 small businesses each year on how to break into foreign markets.

Toward this end, I will initiate, if confirmed, a series of conferences around the country, specifically targeting small and medium-sized, minority and women-owned businesses, and workers in industries with export potential, which ITA would spon-

sor with the Senators and Members of the House from those areas. Working with you—not just in Washington, but around the country, where it really counts—I hope together we can promote U.S. exports, help businesses overcome the hurdles to exporting into foreign markets, and sustain support for free trade and open markets both here and abroad. As the world's most competitive economy, we have enormous opportunities.

Fourth, I want to align more closely the efforts of ITA with the foreign policy goals being advanced by the Department of State, the achievement of which increasingly depends upon bringing U.S. commercial interests to bear. Having served for two and one-half years as Ambassador to the European Union, I bring to Commerce a first hand understanding of the importance of the ways in which our trade and commercial efforts support and work hand-in-hand with our foreign policy goals.

An example of this coordination is the undergirding, with U.S. business, of new democracies whose viability depends upon improving living standards for their citizens. This is evident in South Africa, in Haiti, and other areas in which I am particularly interested: Central Europe, the Baltic States, and Russia, the Ukraine, and the NIS. If these fledgling democracies are to flourish, it is absolutely essential that we work together with the private sector to increase trade and investment. We can no longer rely solely on foreign assistance in an era of budget stringency.

Trade and investment also play an important role in our foreign policy interest, namely in supporting the peace process in troubled regions throughout the world. In the Middle East, Northern Ireland, and Bosnia, peace and stability are intrinsically tied to jobs and prosperity. The best way the peace process can take hold and become durable is by creating a better way of life through jobs in the private sector. We can contribute mightily to this end by encouraging American trade and investment in these regions.

A fifth goal of the Commerce Department and the ITA, which I will continue with enthusiasm, is the emphasis on trade with Big Emerging Markets (BEMs). I fully recognize the importance of the BEM initiative, for it is here that the lion's share of the incremental growth in world imports will occur in fewer than a dozen markets—the Chinese Economic Area (China, Hong Kong, Taiwan); South Korea; the ASEAN countries and India; South Africa; in Europe via Poland and Turkey; and in Latin America (Mexico, Brazil, Argentina). In 1994, U.S. exports to the BEMs exceeded exports to either Japan or Europe. If present trends continue, by the year 2000, they will exceed exports to Japan and Europe combined. These markets offer the greatest opportunity for future export growth, given the significant growth rates of these countries—with some 2.5 billion people. The BEMs' share of global GDP may double from 10 percent now to more than 20 percent in just twenty years. This initiative has helped bring our trade promotion activities into better balance after many years of emphasis on our traditional trading partners. The BEM's initiative has redressed this historic imbalance.

But the support of the United States government is essential to help U.S. businesses take full advantage of this phenomenal growth, particularly in infrastructure development. In a sampling of over 200 overseas competitions in the past eight years, the Commerce Department estimates that U.S. firms lost approximately one half of these competitions due to political and economic pressure by other governments, including concessional financing, promises of technology transfer, and linking foreign aid flows—totaling some \$25 billion in lost contracts.

Having represented the United States to the EU over the past two and one-half years, and having seen things from a European perspective at the same time, makes it more clear, however, that we cannot ignore our mature markets in Europe, Canada, and Japan. The trade flows there are huge—for example, some \$230 billion in two-way trade with the 15 countries of the European Union. Fifty percent of our merchandise exports go to traditional markets (20 percent to the EU, 20 percent to Canada, and 10 percent to Japan). Even a 3 to 5 percent increase in our exports to these countries represents an enormous increase in our exports. This is not an either/or proposition. We must continue to stress our Big Emerging Markets initiative while at the same time continuing our strong relations with mature markets that have historically been the foundation of our trade and export growth.

Last, I hope to better communicate to the American people the benefits of trade in very clear and concert ways. Only with public understanding and support can we be successful in expanding exports and maintaining a political consensus for trade liberalization. Workers must see trade as job creating, not job destroying. Trade is not some esoteric policy issue. Approximately 12 million jobs in the United States depend on exports and imports. To those people, trade means jobs—good paying jobs. It means better buys for consumers. It is the means by which we as a nation create future economic growth, ensure future prosperity, and provide jobs and opportunity for our people. There is a vast global marketplace out there for American

products. I hope that you will give me the chance to work with American business to more fully expand and develop it. This is an area in which we can make a real difference in our people's lives.

I thank you once again for the opportunity to share these views and goals with you today, and would be pleased to answer your questions or respond to your concerns.

RESPONSES TO QUESTIONS FROM SENATOR GRASSLEY

CITA

Question. As our former ambassador to the European Union and as someone who is certainly well aware of U.S. Government efforts to make international decision-making more transparent, can we obtain from you today a commitment to make the CITA decision-making process more transparent?

Answer. I agree with you that transparency is important, and this is a goal for which the Administration has worked hard. As you know there are instances in which foreign policy and business confidentiality considerations are relevant. I will be happy to review CITA's procedures in this context, with the aim of assuring the maximum feasible transparency.

Question. Don't you think the process for determining the existence of serious damage to a domestic industry would be more accurate and complete if it were more transparent?

Answer. Transparency is an element which is important to the effective administration of the textile program and for other domestic industries. As I have said, I will be happy to review our procedures within the context of relevant foreign policy and business confidentiality considerations.

Question. As a starter, can we obtain a commitment from you that under your leadership as Under Secretary the minutes of CITA meetings at which the decisions to issue a call are made will be made public no later than 60 days after the determination, and that records will be kept of all ex parte meetings with interested parties, and made public also within 60 days of the injury determination to which they relate? Are you aware that the Federal Reserve Board releases the minutes of its secret meetings, six weeks later?

Answer. I will be happy to promptly review your recommendations. I should note that CITA is an interagency committee, and any changes in procedure would require the approval of the member agencies, not just the Department of Commerce. I am familiar with the parameters of the Federal Reserve Board practice you cite, which is an interesting fact to consider.

Question. In the Summer of 1993, the Clinton Administration announced the establishment of an anti-transshipment task force to "develop an overall strategy for dealing with the transshipment problem." The Chairman of CITA, the Commerce Department's Deputy Assistant Secretary for Textiles, Apparel and Consumer Goods is the co-chair of that task force. According to a Federal Register notice issued by CITA, in June 1994, the task force held a hearing to "solicit individual recommendations and views for actions that the United States Government can take to reduce the scope of illegal transshipments." According to the notice announcing the hearing, "During the summer of 1994, the Task Force will issue its recommendations." To date, so far as I can tell, there has been no report or issuance of recommendations from the Task Force.

Can you determine for us whether such a report or recommendations have ever been issued and precisely what has happened to this initiative? Why has this been allowed to languish for so long?

Answer. It is my understanding that events overtook the issuance of a report in 1994. These included Congress's own initiative, embodied in the Uruguay Round implementing legislation, section 333, to implement new textile origin rules, and the Customs Service's development of a Trade Group specifically dedicated to attacking the transshipment problem. The transshipment problem with China, of course, is one of the primary issues that will be addressed by the joint monitoring and enforcement initiative undertaken by the Department of Commerce and USTR. I have committed, if confirmed, to establish a Compliance Center.

Question. I also note that last April, I, as Chairman of the Finance Committee's subcommittee on Trade, along with Ways and Means Committee Chairman Bill Archer and Trade Subcommittee Phil Crane, requested the initiation of a study by the General Accounting Office of the operation of CIT. In particular, we asked that the GAO evaluate CITA's decision-making processes and the data relied upon by CITA and to recommend improvements, including ways that costs could be cut. The GAO report is expected to be completed this Spring and I hope that we can count on you

to ensure that the Commerce Department will act promptly to implement any recommended changes. Thank you.

Answer. CITA agencies are cooperating with GAO in its review, and we will carefully consider its recommendations. As you may know, the GAO examined CITA in 1983, and CITA effectively implemented its recommendations at that time.

RESPONSES TO QUESTIONS FROM SENATOR PRESSLER

AGRICULTURE

Question. One of my goals is to expand export opportunities for U.S. agricultural products. Expansion of these markets is important to South Dakota. As Under Secretary for International Trade you will be in a unique position to evaluate export opportunities for agricultural products. Have you given any thought to how the U.S. could increase its exports of agricultural products?

Answer. Yes. As you know, the Department of Commerce works with the Department of Agriculture, both on individual issues and through the Trade Promotion Coordinating Committee (TPCC), to increase exports of agricultural products and I believe this relationship should be strengthened. I hope to reinvigorate that TPCC by more systematic meetings and closer interagency coordination. Generally speaking, in these sectors Commerce focuses on manufactured products like processed foods and beverages while USDA emphasizes exports of agricultural commodities.

In my view, increasing U.S. exports of processed foods and beverages offers an excellent opportunity for increased agricultural exports. It would benefit both U.S. farmers and the 1.5 million workers in the processing industries. We exported \$30 billion of processed food and beverages in 1996, up 75 percent over 1989, and this can surely be increased.

Another way we can increase exports of agricultural products is to work closely with U.S. industry, USDA and USTR to reduce trade barriers throughout the world to provide greater access for U.S. agricultural products. For example, as you know, Mr. Chairman, the Administration recently announced that we will press our case against the EU ban on U.S. beef produced with the benefit of hormones. That ban is costing U.S. ranchers, cattle feeders and meat processors more than \$100 million per year, and is totally without scientific merit. I know firsthand from my time in Brussels of the Europeans' considerable intransigence on this issue, and therefore I am pleased that this case is now being taken to the WTO.

It's also clear from my experience in Brussels that increasingly U.S. agriculture is going to find some of its greatest trade challenges in the form of sanitary and phytosanitary issues raised by importing countries (this is especially true as trade agreements eliminate traditional barriers such as tariffs and quotas). Our challenge in turn will be to respond rapidly to each of these barriers as they arise, and where they are without scientific foundation, seek their immediate removal.

The International Trade Administration (ITA) will work closely with U.S. industry, USDA, and USTR to reduce trade barriers maintained by our trading partners, to provide greater access for U.S. producers in world markets. For example, ITA is working with USDA to help the Inter-American Institute for Cooperation on Agriculture organize a workshop for Latin American agricultural officials on sanitary and phytosanitary regulations affecting agricultural products. Reform of these Agriculture regulations, now required under WTO rules, will increase opportunities for trade in food products throughout the Americas. ITA is also contributing to U.S. efforts to reform Japan's additive regulations and product standards that affect our agricultural exports.

In my position as U.S. Ambassador to the European Union, I have worked very hard with the USDA and USTR, and with the Foreign Agricultural Service personnel on my staff to expand opportunities for U.S. agricultural products in Europe, from the Uruguay Round negotiations to the recently concluded enlargement compensation agreement. I have worked directly on improved U.S. access for rice, cereals, bananas and beef. I also believe another issue of great promise is U.S. bioengineered agricultural products, like soybeans.

Question. Are there any particular countries or regions that you believe are good targets for further efforts to increase agricultural exports?

Answer. Japan continues to be by far our largest export market for processed foods and beverages, accounting for over 25 percent of the total. Japan will probably continue to be a major market, especially in light of a more open distribution system in Japan and a favorable yen/dollar rate. Another region of interest, due to its income growth potential, would include the East Asia newly-industrializing countries (NIC), which currently account for about 12-15 percent of U.S. exports of processed foods and beverages.

I believe there remains room for a great increase in agricultural exports to Europe both in traditional products and bioengineered agricultural products, if we can reduce barriers to their entry. As U.S. Ambassador to the European Union I have worked hard to reduce barriers to U.S. agricultural products, including beef, cereals and rice, and bananas grown or distributed by U.S. companies. In this regard, I have worked closely with the U.S. Department of Agriculture and the Foreign Agricultural Service at our Mission. I also worked closely with USDA and USTR during the Uruguay Round to reduce EU agricultural export subsidies. Also, during the recently concluded compensation negotiations with the EU over the accession to EU membership or Finland, Austria, and Sweden, we successfully included agriculture as a beneficiary.

TOURISM

Question. In your new post you also will be well positioned to be one of our leading advocates for increasing foreign tourism opportunities. Have you given any thought as to how you might advance this important industry?

Answer. Yes. With the elimination of the United States Travel and Tourism Administration, we are establishing a unit in our Trade Development division under the leadership of a Deputy Assistant Secretary that will focus solely on tourism trade development. We expect this activity will be fully complementary and an integral part of our program of promoting exports. One of the primary responsibilities of this body will be to continue the vital research that serves as the sole source of international travel data for the public and private sectors as well as providing the foundation for the Bureau of Economic Analysis (BEA) to configure our balance of trade for travel and tourism. This unit will also focus on coordinating Federal policy that affects tourism, including ensuring that U.S. tourism interests continue to be represented in appropriate international fora and to follow up on the recommendations of the White House Conference on Travel and Tourism involving Federal activities. In addition, we are developing a program in the US&FCS to train our officers so that the expertise in this industry sector will be more diffused worldwide.

Question. Do you agree this is an area in which we, as a nation, should concentrate our energies as a means to improve international trading opportunities?

Answer. Yes. The opportunities for increasing the number of international visitors to our country are enormous. International tourism is the largest business services sector in international trade. Its potential is growing. The United States has had a surplus since 1989 in travel and tourism. In 1994, it was \$22 billion. We estimate that it will be \$18 billion in 1995. The economic and social benefits of international travelers visiting our country extend to all regions of this nation. Often these benefits extend beyond the first visit, resulting in foreign investment, repeat business and pleasure visits.

Also our global competition for international visitors and their expenditures is steadily increasing. Earlier this year, the United States slipped from its rank of the second most visited country in the world to the third. We now rank behind France and Spain with other countries making concerted public and private efforts to increase their share of the pie. So, it is important to continue giving attention to this trade sector, and indeed to enhance our attention and focus on tourism.

ENCRYPTION

Question. The Commerce Department's Bureau of Export Administration (BXA) released a report this past January concerning a study BXA did on marked for encryption software for the international market. The report indicates that the growth of an international market for encryption software is being slowed by U.S. export controls, and that these controls damage the competitiveness of U.S. industry. This report seems to carry the endorsement of Secretary Brown and would thus seem to indicate a change in the Department's view of these matters. Should we ease controls on encryption software or leave them unchanged?

Answer. The Under Secretary for Export Administration, Bill Reinsch, who oversees this issue, advises me that the Administration is engaged in a very serious review of encryption export policy. Our goal is an export policy that meets the needs of both national security and law enforcement while supporting U.S. encryption producers and their ability to compete overseas. The Department of Commerce is fully engaged in the Administration effort, and the BXA report is one element of this larger review.

The Administration has consulted with industry and other interested parties over the past several months on ways to make stronger encryption products available for export, while protecting public safety. This effort is not complete, and we are committed to continuing to consult with industry in the hopes of moving ahead. The De-

partment of Commerce will remain closely involved in resolving this important issue.

Question. If you were asked to change the export controls on the sale of encryption software, what changes would you propose?

Answer. Under Secretary Reinsch informs me that a review of these controls is still in progress. Because BXA's review is ongoing, neither he nor I can provide you with specific suggestions for change at this time. The Administration will continue to consult with industry to identify ways to improve encryption exportability. We have informed industry that we are committed to finding mutually acceptable solutions.

Our goal is a policy that will help U.S. exporters compete successfully overseas, as well as be consistent with our national security and law enforcement concerns. Some changes to encryption policy have already been made. For example, the personal use exemption for Americans traveling abroad is complete, and options for escrow encryption are currently under review. Because of your interest in this issue, I will ask Under Secretary Reinsch to keep in contact with you.

RESPONSE TO A QUESTION FROM SENATOR HATCH

SPECIAL 301

Question. Special 301, as you know, allows the U.S. to designate countries that don't adequately protect U.S. intellectual property exports. How do you see ITA strengthening the effect of Special 301 during your stewardship?

Answer. ITA has been integrally and actively involved since 1988 with the implementation of the Special 301 provisions of the Trade Act, working closely with USTR and the interagency Special 301 committee. ITA brings sectoral, country, and legal expertise and analysis, buttressed by our close working relationship with the Patent and Trademark Office, to the implementation of Special 301. Moreover, ITA's role in coordinating the private sector advisory committee on intellectual property matters (IFAC-3) allows us to factor industry's immediate problems and concerns into the Special 301 process. The creation of a Trade Compliance Center within the International Economic Policy unit of ITA, which I pledged to initiate if confirmed, will elevate the profile of Special 301 in the Commerce Department, and enhance our implementation of Special 301 by drawing together existing ITA resources and thereby creating greater synergies.

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FOLLOWUP BY SENATOR HATCH

Good prosecutions are only as good as the information that they are based upon. Your administration has two key entities that have responsibility for ensuring good information regarding the economic harm to our IP sector: the Trade Development and the Import Administration offices.

I would hope that you will work as closely as possible with the IP sector to develop a formula for identifying U.S. losses.

Pirating is too widespread: China steals 98 percent of the software entering the country. Russia, Indonesia and Thailand are not far behind. Do you realize, for example, that IP pirating losses for U.S. companies, reported at \$30 billion, are just about the size of the annual budgets for Thailand and Indonesia? They can well understand why we're serious about this matter.

RESPONSES TO QUESTIONS FROM SENATOR MURKOWSKI

Introductory remark:

I would like to preface my answers to these questions by noting that policy on weapons trade comes under the statutory authority of other Departments. While I was not involved in working out the VRA on Russian Munitions Imports and expect to have no future role in it, I have been informed of this issue after receiving the questions, and will try to be helpful in responding to these questions.

Question 1. Please briefly explain the purposes for which voluntary restraint agreements (VRAs) are used.

Answer. VRAs are generally sought in instances where the U.S. Government determines that the volume, or potential volume, of certain imports poses a threat to the interests of the United States, and the nature of that threat is judged to be such that it outweighs the benefits to the U.S. of allowing these imports to continue without restraint. They have been used in past years on products like Japanese autos.

Question 2. What is the purpose of the International Traffic in Arms Regulations (ITAR) list?

Answer. The ITAR regulations have been promulgated by the State Department under the Arms Export Control Act (RECA) of 1968 as amended. The purpose of the ITAR is to provide a comprehensive regulation in accordance with the RECA to control the import and export of defense goods and services. As I have been told, the purpose of the ITAR proscribed list is to delineate countries for which it is U.S. policy to deny licenses and other approvals for exports and imports of defense articles and services.

Question 3. Are you aware that Russia currently cannot export any sporting firearms or ammunition to the United States because it is on the ITAR list—the list of countries from which such imports are proscribed?

Answer. I have been informed that this is correct.

Question. Are you also aware that the President, through the office of the United States Trade Representative (USTR), has announced the use of a voluntary restraint agreement with Russia as a condition of coming off the ITAR list?

Answer. Yes. Beginning in 1993, in the expectation that Russia would soon be removed from the ITAR proscribed list, the State Department exercised its authority under ITAR regulations to grant licenses, on an exceptional basis, for import of firearms from Russia. U.S. firearm imports from Russia increased sufficiently by 1994 that the Administration decided to stop granting licenses for firearms imports from Russia.

In 1995, Russian Prime Minister Chernomyrdin agreed with Vice President Gore on the desirability of our removing Russia from the ITAR list once a VRA could be implemented. The agreement on a VRA with Russia was initial led in Washington, D.C. on February 10, 1996, but [as of March 12, 1996] has not yet been formally signed or implemented, pending final approval from the Russian Government.

Question. Are you aware that the purpose of the VRA is to prevent Russia from exporting to the United States certain firearms and ammunition that would otherwise be lawful to import?

Answer. I understand that the rationale for this VRA was the concern shared by law enforcement agencies over the potential impact on domestic safety of increased imports of certain types of firearms and ammunition which are present in Russia in large quantities, once Russia was removed from the proscribed list. These would include military-style semi-automatic weapons which could be readily converted into automatic use; inexpensive, easily-concealable handguns; and certain types of armor-piercing ammunition.

Question 4. Does Russia otherwise qualify for removal from the ITAR list?

Answer. This is a determination which would need to be made by our State Department, based on its authority to administer the ITAR regulations.

Question. Do you believe the Administration's reason for compelling Russia to undertake this VRA is the appropriate justification for taking Russia off the ITAR list?

Answer. The reason for taking Russia off the ITAR proscribed list was that such anachronistic Cold War trade restrictions had become outdated.

I understand that the reason for asking Russia to undertake the VRA was to avoid the potential danger of a large influx of certain types of weapons, and on this matter I must defer to the judgment of those agencies which are statutorily responsible for public security.

Question 5. Has the Administration decided to pursue gun control on a transnational basis?

Answer. In the case of Russia, I believe that the Administration has made a good-faith effort to increase our ability to trade with that country, while striving to balance this goal with public safety concerns.

I would expect that those in the Administration who are responsible for public safety policies will continue to monitor trends in the number and type of firearms and ammunition imported into this country, and that similar arrangements may be sought with other countries in the future, if this is judged to be in our national interest. But again, this would not be within my jurisdiction if I am confirmed as Under Secretary of Commerce for International Trade.

Question. Would you support the use of gun control VRAs with other countries?

Answer. This would not fall within my professional area of competence, and I would have no role in such decisions. I assume that for those agencies which would be directly involved, they would judge each case on its particular merits.

SENATE FINANCE COMMITTEE
 OUTLINE OF INFORMATION REQUESTED BY NOMINEES

Please provide three copies of your typed responses to Kelly Cordes, Chief Clerk, 219 Dirksen Senate Office Building, Washington, D.C. 20510.

A. BIOGRAPHICAL:

1. Name: Stuart E. Eizenstat.
2. Address: Residence: 64, avenue du Vert Chasseur,
B-1180 Brussels.

Work: 40, boulevard du Regent,
B-1000 Brussels.
3. Date and place of birth: January 15, 1943
Chicago, IL
4. Marital status: Married to Frances Carol Taylor.
5. Names and ages of children: Jay (25); Brian (22).
6. Education: University of North Carolina, 1960-1964,
A.B.; Harvard Law School, 1964-1967,
LL.B.
7. Employment record:
 - Summer 1964--Office of Postmaster General John Gronouski, Washington, DC (research);
 - Summer 1966--Office of General Counsel, Department of Health, Education and Welfare, Washington, DC (legal research);
 - 1967-1968 --White House Staff, President Lyndon B. Johnson (research and speechwriting on domestic issues);

- 1968 --Research Director, Vice President
Hubert Humphrey Presidential Campaign,
Washington, DC;
- 1968-1970 --Law Clerk, U.S. District Court Judge
Newell Edenfield, Northern District of
Georgia, Atlanta;
- 1970-1976 --Attorney and Partner, Powell, Goldstein,
Frazer & Murphy, Atlanta, Georgia;
- 1976 --Issues and Policy Director, Carter
Presidential Campaign, Atlanta, Georgia;
- 1976-1977 --Director of Policy, Carter/Mondale
Transition, Washington, D.C.;
- 1977-1981 --Assistant to the President for Domestic
Affairs and Policy and Executive
Director of the Domestic Policy Staff at
the White House;
- 1981 --Guest Scholar, Brookings Institution,
Washington, D.C.;
- 1981-1993 --Partner and Vice Chairman, Powell,
Goldstein, Frazer & Murphy, Washington,
D.C.;
- 1982-1992 --Adjunct Lecturer, John F. Kennedy School
of Government, Harvard University,
Cambridge, MA;
- 1993-present--United States Representative to the
European Union (with the rank and title
of Ambassador), Brussels, Belgium.

8. Government experience:

See answer to Question 7. In addition, I was appointed by President George Bush to the Presidential Task Force on United States International Broadcasting (1991-1992). I began serving as a Board member of the Eurasia Foundation in May, 1993. This organization was chartered by Congress to encourage democracy and free markets in Russia and in the CIS.

9. Memberships:Academic:

- 1991-1993 Chairman, Feinberg Graduate School
Weizmann Institute of Science
- 1990-1993 International Board of Governors
Weizmann Institute of Science
Rehovoth, Israel
- 1991-1996 Board of Trustees
Brandeis University
Waltham, MA
- 1988-1992 Council of the Harvard Law School
Association
- 1987-1991 Board of Visitors
The University of North Carolina at
Chapel Hill
Chapel Hill, NC
- 1981-1989 Vice President and Board of Directors,
American Associates
Ben-Gurion University of the Negev
New York, NY

Public Policy:

- 1991-1994 Board of Directors
Overseas Development Council
Washington, DC
- 1993-present Council on Foreign Relations
- 1992 Carnegie Endowment Institute for
International Economics Commission
on Organization of the Presidency
- 1991-1992 University of Virginia Miller Center
Commission on the Vice Presidency

1991-1993 Advisory Council
Carnegie Commission on Science,
Technology and Government

1989-1991 Public Member
Administrative Conference of the
United States

1990-1993 Member
Commission on the Selection Process
of Vice Presidents

1989-1993 Board of Advisors
Legislative Studies Institute

1990-1993
(approx.) Member
International Trade Committee
National Foreign Trade Council

1993-1993 Board of Directors
International Management and
Development Institute

1986-1993 Principal and Board of Trustees
Council for Excellence in Government

1985-present Fellow
National Academy of Public
Administration

1981-1993 Board of Directors
Center for National Policy

1990-1991 Democrats for the 90's

1981-1989 Democrats for the 80's

1987-1989 Board of Directors
Near East Research, Inc. (The Near
East Report)

1982-1989 International Policy Committee
U.S. Chamber of Commerce
Washington, DC

- 1978-1987 Board of Directors
Woodrow Wilson Center for
International Studies
Washington, DC
- 1986 Member
Governor's Commission on Federal
Funding
Commonwealth of Virginia
- 1986 Chairman
Economic and Budget Strategy Committee
Montgomery County Council
- 1984-1985 Member
Committee on Federalism and National
Purpose, chaired by Senator
Daniel J. Evans and Governor
Charles S. Robb

Religious and Civic:

- 1992-present Member
National Council
CLAL (The National Jewish Center for
Learning and Leadership)
- 1992-present Board of Directors
The Jerusalem Foundation, Inc.
- 1991-present Honorary Vice President
American Jewish Committee
- 1989-1991 President
Greater Washington Jewish Community
Center
Rockville, MD
- 1982-1986 Founding Chairman, Advisory Committee
Institute for American Jewish-Israeli
Relations
American Jewish Committee
New York, NY

1991-present	Board of Directors UJA Federation of Greater Washington
1991-1993	National Advisory Board Project Interchange
1988-1993	Board of Trustees The Washington Institute for Jewish Leadership and Values
1988-1993	Board of Trustees Greater Washington Jewish Community Foundation
1987-1993	Board of Trustees The Jerusalem Institute of Management
1988-1990	Commissioner Commission on Jewish Education in North America Task Force on Federal/Local Relations Cleveland, OH
1986-1990	Chair, Committee on Social Responsibility American Jewish Congress
1982-1986	Board of Directors The National Jewish Center for Learning and Leadership (CLAL) New York, NY
1981-1986	Board of Directors Jewish Publication Society Philadelphia, PA
1981-1984	Board of Directors United Synagogues of America
1981-1982	B'nai B'rith Youth Commission Washington, DC

1970-1974 (approx) Co-Chair (with spouse)
Adult Institute for
Jewish Studies
Atlanta, GA

1973-1976 Vice President
Atlanta Bureau of Jewish Education
Atlanta, GA

1970-1976 Executive Committee
Atlanta Jewish Community Center
Atlanta, GA

Bar and Professional Associations:

1991-1992 Government Standards Committee
American Bar Association

1982-1989 Special Committee on Lawyers in
Government
American Bar Association

1988-present Fellow
National Academy of Public
Administration

1988-1993 Fellow
Center for Excellence in
Government

1967-present American Bar Association

1981-present District of Columbia Bar Association

1967-present State Bar of Georgia

10. Political Affiliations and Activities:

1991-1993 Vice Chairman
National Jewish Democratic Council

- 1992 Democratic Party Platform Drafting
Committee (one of principal authors
of 1992 Platform)
- 1976, 1980 Principal Representative
Governor Carter Presidential Campaign
to Democratic Party Platform
Committee (one of principal authors
of Democratic Party Platform)

11. Honors and Awards:

Phi Eta Sigma (Political Science Honorary),
University of North Carolina;
Phi Beta Kappa (junior year), University of
North Carolina;
Cum laude (Political Science), University of
North Carolina;
Man of the Year, Yeshiva High School, Atlanta,
GA (1993)
Order of the Old Well, University of North
Carolina;
Hadassah, Luxembourg (1994);
Hadassah-Florida Atlantic Region, Myrtle Wreath
Award (1991);
Hadassah-Southern New England Region, Tree of Life
Award (1989);
The Academy of Jewish Religion, Jewish Leadership
Award (1989);
Man of the Year Award from National Capital
Association, B'nai B'rith Lodges (1982);
Award for Outstanding Service to Summer Youth
Program, U.S. Department of Labor (1980);
Award for Outstanding Service, Hebrew Aid
Immigration Society (1980);
Award for Outstanding Service, Opportunities
Industrialization Centers (1979);
Award from Washington International Business
Council (1978);
Award from National Coalition of Involved People
(1977);

Leaders of Atlanta, Atlanta Magazine (1976);
Young Man of Year Award for Leadership, American
Association for Jewish Education (1973-1974)

Who's Who in America; Who's Who in American Lawyers;
Who's Who in American Jewry; Who's Who in World
Jewry; Who's Who in American Politics; Who's Who in
the World

12. Published Writings:

Newsletter, "Letter from Brussels," January 2, 1996.

Op-ed article, "Real Steps Toward a Stronger U.S.-EU Partnership," December 8, 1995 (International Herald Tribune).

Article, "Estados Unidos-Union Europea: una relacion economica vital," August/September 1995 (Politica Exterior).

Newsletter, "Letter from Brussels," July 19, 1995.

Op-ed article, "The Trans-Atlantic Desire for Devolution," April 4, 1995 (The Wall Street Journal Europe).

Newsletter, "Letter from Brussels," December 30, 1994.

Op-ed article, "Why We Must Back Biotechnology," December 2, 1994 (The European).

Op-ed article, "Don't Rush the East-West Energy Charter," October 11, 1994 (The Wall Street Journal Europe).

Op-ed article, "The United States Backs the Process of European Integration," August 19, 1994 (International Herald Tribune).

Newsletter, "Letter from Brussels," August 10, 1994.

Letter to the Editor, "Germany, But Also Europe," August 5, 1994 (International Herald Tribune).

Article, "An American's View of Europe," July/August 1994 (The Brussels Review).

Op-ed article, "Enlargement Has Never Been Easy," June 1, 1994 (The Wall Street Journal Europe).

Newsletter, "Letter from Brussels," February 11, 1994.

Op-ed article, "Sober Lessons From an Era of Job Creation," December 9, 1993 (The Wall Street Journal Europe).

Op-ed article, "You Can Take Heart From U.S. History," October 1993 (International Herald Tribune).

Article, "Holocaust Memorial Deserves Capital Place," April 28, 1993 (The Christian Science Monitor).

Article, "The President and the Economy," February 14, 1992 (The Christian Science Monitor).

Article as Guest Columnist, April 1992 (Moment).

Op-ed article on Israel (in Hebrew), May 21, 1992 (Yedioth Ahronoth).

Article, "Should Japan Fear Bill Clinton," May/June 1992 (The International Economy).

Op-ed article, "Why It's Crucial to Woo the White Vote," July 14, 1992 (Los Angeles Times/Washington Edition).

Op-ed article, "Convention Glitz Aside, It's the End of a Winning Era for Republicans," August 21, 1992 (The Christian Science Monitor).

Article, "Economists and White House Decisions," Summer 1992 (Journal of Economic Perspectives, Volume 6, Number 3).

Op-ed article, "Selecting the Cabinet," November 5, 1992 (Newsday).

Op-ed article, "The Carter Legacy," December 15, 1992 (Atlanta Journal/Atlanta Constitution).

Op-ed article on the Clinton transition, December 1992 (Maariv Daily).

Testimony on S. 279, The Motor Vehicle Fuel Efficiency Act, before the Commerce Subcommittee of the Senate Committee on Commerce, Science, & Transportation, February 21, 1991 (Washington, DC).

Viewpoint, U.S.-Japan Relations Forum, February 1991 (Inside Japan).

Op-ed article, "Arabs Must End Boycott of Israel," April 21, 1991 (The Atlanta Journal/The Atlanta Constitution).

Op-ed article, "The Presidency, by Any Means," May 5, 1991 (Los Angeles Times).

Article, "The American Jewish Community at the Crossroads, a Keynote Address to the JCC Association Leadership Conference," June 1991 (JCC Association Circle).

Book review, "To Be Jewish and American," June 2, 1991 (The Boston Sunday Globe).

Statement on behalf of the National Association of Public Hospitals before the Subcommittee on Health, Committee on Ways & Means, U.S. House of Representatives, June 27, 1991 (Washington, DC).

Article, "The State of American Jewry: Survival & Commitment," closing address of the 26th Annual America-Israel Dialogue in Jerusalem, July 10, 1991 (Congress Monthly, May/June 1992).

Essay, "The War as a Bonding Experience," for Wilstein Institute's American Jews and Israel After the Gulf War, Spring, 1991.

Article, "The Gulf War: An Analysis," Fall 1991 (United Synagogue Review).

Op-ed, "How to Make Medicaid Popular," September 4, 1991 (The New York Times).

Op-eds, "Taking a Look at Jewish Life in America" and "One Man's View of Jewish Life in America," November-December 1991, and January-February 1992 (The Jewish Georgian).

Article, "Executive Office Agencies and Advisory Policy Units," for the book Executive Leadership in Anglo-American Systems, Pittsburgh Press, December 1991.

Op-ed, "In the Mideast, Here a Little, There a Little," December 16, 1991 (The Christian Science Monitor).

Statement on behalf of the Coalition for Reauthorization of the Paperwork Reduction Act on S. 1742, before the Senate Government Affairs Committee, February 22, 1990 (Washington, DC).

Occasional Paper for the Law School, the University of Chicago, Number 26, "The State of the Modern Presidency: Can It Meet Our Expectations?," March 1990.

Op-ed article, "How to Reform the Israeli Economy," April 3, 1990 (The Wall Street Journal Europe).

Op-ed article, "Earmark Taxes to Break Budget Deadlock," May 21, 1990 (Los Angeles Times).

Op-ed article, "What Bush Should Do About Taxes," June 19, 1990 (The Washington Post).

Washington Jewish Week article, "The Gulf Crisis: A New Balance Sheet," November 1, 1990.

Newsday article, "No More Oil Binges?," November 4, 1990.

Op-ed article, "No Cause for Democrats to Cheer," November 12, 1990 (The Washington Post).

Op-ed article, "Lessons on Democracy," November 12, 1990 (Atlanta Constitution).

Speech to Hofstra University, "President Jimmy Carter, the Democratic Party, and Domestic Policy," November 15, 1990 (Hempstead, NY).

Foreign Policy article, "Loving Israel--Warts and All," Winter 1990-91, Number 81.

America's Transition: Blueprints for the 1990s article, "Overview: A New Direction for the 1990s," January 26, 1989.

Testimony on The American Agenda to the Ways and Means Committee, United States House of Representatives, February 7, 1989 (Washington, DC).

Op-ed article, "Try Efforts That Are Neutral of Race, Too," February 12, 1989 (Los Angeles Times).

Speech to LTV Corporation Seminar, A World Perspective: A Challenge for the 90's, "America in the 1990's: How Do We Maintain Our World Leadership," March 6, 1989 (Washington, DC).

Op-ed article, "Israelis Pull Together Despite Intifada and Other Strains," March 7, 1989 (Los Angeles Times).

Testimony on behalf of The Council on Competitiveness and CORETECH before the Subcommittee on Science, Research, and Technology, Committee on Science, Space, and Technology, United States House of Representatives, May 18, 1989 (Washington, DC).

Op-ed article, "How Bush Has Abandoned Reagan," July 2, 1989 (The Washington Post).

The National Law Journal article, "Crying 'Wolf' on Takeovers," July 24, 1989.

Op-ed article, "Court's Shift on Rights Requires Congress to Act," August 10, 1989 (Los Angeles Times).

Op-ed article, "Joe Pechman: A Passion for Fairness," September 2, 1989 (The Washington Post).

Op-ed article, "We Have Perverted Liberalism," September 12, 1989 (The Washington Post).

Survey of Jewish Affairs 1989 article, "The Presidential Election of 1988," November 1989.

Moment magazine article, "Are We Still One," January/February 1988.

Present Tense article, "Stay Tuned," January/February 1988.

Testimony on Export-Import Bank before the Subcommittee on International Finance, Trade, and Monetary Policy, Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, February 25, 1988 (Washington, DC).

Op-ed article, "Southern Democrats' Bold Step, Super Tuesday, is Unlikely to Work for Party," March 5, 1988 (Atlanta Constitution).

Policy Paper, Number Nine, "Formalizing the Strategic Partnership: The Next Step in U.S.-Israel Relations," for the Washington Institute for Near East Policy, March 1988.

Essay, "The Crucial Dilemma and the Democratic Response," for Robert Levin's book, Democratic Blueprints, published May 1988.

Congress Monthly article, "Towards a New Maturity: The Present Imperative," May/June 1988.

Op-ed article, "Defense Lessons for Democrats," June 19, 1988 (The Washington Post).

Op-ed article, "Presidential Transitions, Usually Neglected, Can be Creative," July 22, 1988 (The Atlanta Constitution).

Ethics magazine article, "Post-Employment Lobbying: Maintaining a Delicate Balance," Spring/Summer 1988.

Washington Jewish Week article, "Liberalism: The Once and Future Mainstream," November 24, 1988.

American Agenda, Report to the Forty-First President of the United States of America, Volumes One and Two, November 8, 1988. Republished by Book-of-the-Month Club (1989) (Mr. Eizenstat was Executive Director and Editor with James M. Cannon.)

Tikkun magazine article, "Toward 1988: Uniting North and South," January 1987.

Op-ed article, "In the Right Direction," January 14, 1987 (The Jerusalem Post).

Op-ed article, "A Historical 'Memory' for residents," January 14, 1987 (The New York Times).

Present Tense magazine article, "Two More Years," January/February 1987.

Op-ed article, "President's Agenda is Anybody's Guess," February 8, 1987 (Los Angeles Times).

Testimony to the Subcommittee on Economic Stabilization, House Committee on Banking, Finance and Urban Affairs, February 8, 1987 (Washington, DC).

Op-ed article, "Welfare Reform and a New Federalism," March 23, 1987 (The Christian Science Monitor).

Center for National Policy article, "Welfare Reform and a New Federalism," March 1987.

Op-ed article, "The Lessons of Mourning," April 16, 1987 (Washington Jewish Week).

Op-ed article, "Will the Democrats go British Labor's Route?", June 18, 1987 (The New York Times).

Testimony before the Senate Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, June 25, 1987 (Washington, DC).

Op-ed article, "Don't Stop with Catastrophic Insurance," September 8, 1987 (The Washington Post).

Testimony before the Senate Committee on Governmental Affairs, September 17, 1987 (Washington, DC).

Remarks to Tifereth Israel Congregation, "Open Letter to an Israeli Friend: A New Relationship Between American Jews and Israel," October 3, 1987 (Washington, DC).

Op-ed piece, "Help for Poor Black Families Starts with Young Fathers," May 16, 1986 (Los Angeles Times).

Testimony on Post-Employment Conflicts of Interest before the Subcommittee on Administrative Law and Governmental Relations, Committee on the Judiciary, United States House of Representatives, July 16, 1986 (Washington, DC).

Testimony on Federalism Reform before the Subcommittee on Intergovernmental Relations, Committee on Governmental Affairs, September 26, 1986 (Washington, DC).

Op-ed piece, "Israel's Only Real Option is Austerity Now," February 1, 1985 (The Jerusalem Post).

Commentary magazine article, "Israel's Economic Crisis: What Israel Must Do," April 1985.

Quarante magazine article, "The Quiet Revolution," Spring 1985.

The Lawyer's Brief magazine article, "The Legislative Process," June 15, 1985.

Testimony before the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee on S. 1145 regarding legislative vetoes, July 9, 1985 (Washington, DC).

Op-ed piece, "Why is Congress Foiling Reagan?," August 8, 1985 (The New York Times).

Op-ed piece, "As Israel Defines Its Essence American Jews Just Play New Role," October 10, 1985 (Washington Jewish Week).

Telematics magazine article, "Intelsat: Cornerstone Or Orphan of United States Policy?," October 1985.

Op-ed piece, "Power (Back) to the President," November 12, 1985 (The Washington Post).

Op-ed piece, "Easing Washington's Quid Pro Quo," November 24, 1985 (The New York Times).

Environmental Auditing Handbook, McGraw-Hill (1984) (co-author).

Fortune magazine article, "Industrial Policy: Not If, But How," January 23, 1984.

Op-ed piece, "The Great Role Reversal," February 14, 1984 (The Washington Post).

Moment magazine article, "How Washington Sees Jerusalem," March 1984.

Op-ed piece, "A New Antitrust Law," April 22, 1984 (The New York Times).

Testimony before the Subcommittee on Commerce, Transportation, and Tourism of the House Committee on Energy and Commerce, "H.R. 4360, The Industrial Competition Act (Title I)," May 17, 1984 (Washington, DC).

Op-ed piece, "White House is at the Mercy of Events," June 3, 1984 (The New York Times).

Op-ed piece, "In Defense of Jimmy Carter," July 15, 1984 (The Washington Post).

Op-ed piece, "Born-Again Democrats," July 27, 1984 (Los Angeles Times).

Op-ed piece, "...And the Chance to Help the Jobless Before They Get That Old," September 9, 1984 (The Washington Post).

Op-ed piece, "A Quid Pro Quo for Steel," September 18, 1984 (The New York Times).

Op-ed piece, "To Return to Power, the Democrats Must Win Back the Middle Class...", November 25, 1984 (The Washington Post).

Yale Journal on Regulation article, "Reindustrialization Through Coordination or Chaos?," (Volume 2, Number 1, 1984).

Op-ed piece, "Why U.S. Jews Bucked the Trend," November 27, 1984 (Jerusalem Post).

Public Welfare magazine article, "A Rational Federalism," Spring 1983.

The American Jewish Congress Monthly magazine article, "The Meaning of Zionism," April/May 1983.

Op-ed piece, "Saudi-U.S. Conference Must Stick to the Business at Hand," May 6, 1983 (The Atlanta Constitution).

Op-ed piece, "Unsettling a Delicate Balance," June 19, 1983 (The New York Times).

Op-ed piece, "Former Carter Aide Urges Industrial Policy," August 22, 1983 (Journal of Commerce).

"White House and Justice Department After Watergate," American Bar Association Journal (1982).

"Begin and Reagan: Costs and Consequences of Golon Actions," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, January 6, 1982.

"State of the Union 1982," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, February 2, 1982.

"Changing of the Guard," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, July 20, 1982.

"Beirut and the U.S. Jews," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, September 23, 1982.

American Bar Association Journal magazine article, "White House and Justice Department after Watergate," February 1982.

Talking Business piece, "Energy Policy: A Critic's View," February 9, 1982 (The New York Times).

Japan Economic Journal magazine article, "The Inappropriateness of Reciprocity," March 1, 1982 (in Japanese).

Op-ed piece, "Periling Energy Security," June 1, 1982 (The New York Times).

Inc. magazine article, "A Failure to Communicate," July 1982.

University of Detroit Journal of Urban Law magazine article, "The Future of Unemployment Insurance," Summer 1982.

Op-ed piece, "The Massacre and U.S. Jews," October 17, 1982 (The Jerusalem Post).

Op-ed piece, "Volcker's Monetarist Policy: Painful, Costly," October 18, 1982 (The New York Times).

Op-ed piece, "Pass the Regulatory Reform Bill," December 17, 1982 (The Christian Science Monitor).

Testimony before the Intergovernmental Relations Subcommittee of the Senate Governmental Affairs Committee regarding the Report of the Panel on Metropolitan and Nonmetropolitan America, President's Commission for a National Agenda on the 80's, February 26, 1981 (Washington, DC).

"The Reagan Revolution," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, April 1, 1981.

"Reagan Does It," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, August 10, 1981.

Article for the "Inside America: The Direction of the United States" column for the Jerusalem Post, September 22, 1981.

"AWACs Debate Takes an Ominous Turn," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, October 15, 1981.

"AWACs--A Look Back, A Look Forward," for the "Inside America: The Direction of the United States" column for the Jerusalem Post, November 4, 1981.

Op-ed piece, "The Hill's Budget Stampede," June 17, 1981 (The Washington Post).

• Testimony before the Subcommittee on Energy Development and Applications, Committee on Science and Technology, United States House of Representatives, July 15, 1981 (Washington, DC).

Op-ed piece, "Nuclear Anxieties Spreading in Europe," July 23, 1981 (The Washington Star).

"My Turn" article, "Where Do We Go From Here?," October 19, 1981 (Newsweek).

Article, "Israel and the Diaspora," Summer 1982 (The Jewish Spectator).

Testimony before the House Committee on Rules on H.R. 4882, December 10, 1981 (Washington, DC).

Op-ed piece, "Cutting the Exim Will Only Help the Competition," June 17, 1981 (The Washington Post).

"Andrew Young: The Path to History," Voter Education Project (1973) (co-author).

"Accountants' Professional Liability: Expanding Exposure," Federation of Insurance Counsel Journal (1972) (co-author).

"An Expanding Era of Civil Rights," Mercer Law Review (1971).

"Defendant's Dilemma in Federal Employee Actions: Impleader of the United States," Insurance Counsel Journal (1971).

"Mental Competency to Stand Trial," Harvard Civil Rights-Civil Liberties Law Review (1969).

"Mutuality: Is This Doctrine Really Necessary?," Harvard Legal Commentary (1968).

13. Speeches:

During my tenure as Ambassador to the European Union, I have given literally well over 150 speeches and addresses. It is very difficult to reconstruct each. With the Committee's permission, I would like to submit a sample of several of my standard speeches, which are then adapted to the particular audience involved, without significant substantive modifications. In addition, I would also like to submit five newsletters called the "Letter from Brussels" prepared during my time in Brussels. (See Attachment A.)

October 20, 1993; Brussels, Belgium; "U.S.-EC Relations"; Global Business Forum.

October 21, 1993; Brussels, Belgium; Annual Conference of the American Electronic Association.

November 9, 1993; Brussels, Belgium; "Achieving Our Common Goals"; Transatlantic Policy Network (TPN).

November 10, 1993; Brussels, Belgium; "U.S.-EC Relations"; International Management Development Institute (IMDI).

November 16, 1993; Brussels, Belgium; "Policy of the Clinton Administration Towards the European Community"; Atlantic and Pacific Exchange Program.

November 22, 1993; Brussels, Belgium; Rex Committee of Parliament.

November 26, 1993; Madrid, Spain; "The Clinton Administration, Congress, and Europe"; conference sponsored by The King Juan Carlos I of Spain Center of New York University Foundation and The Cortes of Spain.

December 2, 1993; Paris, France; Institut de l'Entreprise.

December 16, 1993; Brussels, Belgium; "U.S.-EC Relationship"; American and Common Market Club.

January 14, 1994; Athens, Greece; "U.S.-EU Relations"; remarks to the American-Hellenic Chamber of Commerce.

January 18, 1994; Brussels, Belgium; "U.S.-EU Relations"; remarks to the American European Community Association Belgium.

January 19, 1994; Amsterdam, The Netherlands; "U.S.-EU Relations"; remarks to the American European Community Association.

January 25, 1994; Brussels, Belgium; "NATO and the Security Alliance: Where Does the EC Fit In?"; Transatlantic Policy Network (TPN) EU/US Discussion Forum.

February 3, 1994; Brussels, Belgium; "U.S. View of the EU and Outreach to the East"; talking points for Center for Strategic and International Studies, International Conference on Poland.

February 14, 1994; Washington, D.C.; "The Current State of U.S.-European Union Relations"; Council General Meeting.

February 16, 1994; Brussels, Belgium; "U.S.-EU Relations in the Post-Uruguay Round Era"; remarks to the International Federation of Wines and Spirits.

February 28, 1994; Vienna, Austria; "U.S. Relations with the European Union"; USIS Vienna conference on the U.S.-European economic relationship.

March 2, 1994; Brussels, Belgium; "U.S.-EC Relations in the Post-Uruguay Round Era"; Harvard Club of Belgium.

March 9, 1994; Brussels, Belgium; "Perspectives for Transatlantic Relations"; The European Institute of Public Administration and The Brookings Institution.

March 10, 1994; Oxford, The United Kingdom; "U.S.-EU Relations"; Oxford University.

March 11, 1994; London, The United Kingdom; "U.S.-EU Relations"; AmCham London.

March 11, 1994; London, The United Kingdom; "U.S.-EU Relations"; AECA London.

April 14, 1994; Brussels, Belgium; Chiefs of Mission Conference.

April 18, 1994; Brussels, Belgium; "U.S.-EU Relations"; American University's Brussels Seminar Program.

April 21, 1994; Corsendonk Priory, Oud-Turnhout, Belgium; "Growth and Employment in Europe and North America"; USIS/USEC, Rand Conference.

April 28, 1994; Brussels, Belgium; "U.S.-EU Relations"; European-American Chamber of Commerce.

May 4, 1994; Paris, France; "U.S.-EU Relations"; The Harvard Club of France.

May 4, 1994; Brussels, Belgium; Uruguay Round Conference, Center for Economic Policy Studies (CEPS).

May 12, 1994; Washington, D.C.; standard remarks for a luncheon organized by the European Institute.

May 14, 1994; Charleston, SC; "Immigration and Other Challenges to the U.S.-EU Relationship"; ECSA Workshop on "Immigration into Western Societies."

May 24, 1994; The Hague, The Netherlands; conference on socio-economic policy between risk and security.

May 27, 1994; Versailles, France; "The Current State of U.S.-EU Relations"; remarks to Pensions 2000 conference, "The New Face of Europe."

May 27, 1994; Brussels, Belgium; "U.S.-EU Trade Relations"; remarks to World Law Group meeting.

June 8, 1994; Brussels, Belgium; CEO Summit on Converging Technologies; Wall Street Journal and Center for Economic Policy Studies (CEPS) (no prepared speech, but own remarks on "Challenges for the Global Trading Order").

June 10, 1994; Brussels, Belgium; remarks to graduating seniors, Class of 1994; Brussels American School.

June 13, 1994; Brussels, Belgium; brief Atlantic Association of Young Political Leaders; USEU/USIS.

June 15, 1994; Brussels, Belgium; "U.S.-EU Relations"; Center for Economic Policy Studies (CEPS) Executive Seminar.

June 15, 1994; Brussels, Belgium; UNICE External Relations Committee.

June 20, 1994; Brussels, Belgium; "U.S.-EU Economic Relations"; Transatlantic Policy Network (TPN) meeting on European strategy in the U.S.

June 23, 1994; Frankfurt, Federal Republic of Germany; "NAFTA, The Challenge of Europe"; International Bankers' Forum.

June 28, 1994; Rome, Italy; "International Trade Agreements: The Uruguay Round"; International Association of Jewish Lawyers and Jurists World Council meeting.

June 30, 1994; Berlin, Federal Republic of Germany; "Partnership 94-Partenariats et Alliances: les voies du succes"; second annual conference of the corporation.

July 5, 1994; Brussels, Belgium; "U.S.-EU Relations"; British Conservative Association in Belgium.

September 16, 1994; The Hague, The Netherlands; Round Table on the Transatlantic Relationships in the Field of Security and Economics--Netherlands Institute of International Relations.

September 22, 1994; Stockholm, Sweden; Institute of International Affairs.

September 27, 1994; Copenhagen, Denmark; Ministry of Economic Affairs, Foreign Policy Society.

October 2, 1994; Wolfsberg, Switzerland; "Europe and America: Challenges and Opportunities"; Wilson Center European Alumni Association.

October 3, 1994; Brussels, Belgium; remarks at the Joint Meeting of Swiss-American Chamber of Commerce and the American International Club.

October 18, 1994; Louvain, Belgium; "The Importance of Policies to Promote High Technology Collaboration"; Louvain-la-Neuve-Convex/UCL.

October 19, 1994; Brussels, Belgium; spoke from own notes; MIT.

October 19, 1994; Brussels, Belgium; "NAFTA, The Challenge for Europe"; Mayer, Brown & Platt office.

October 21, 1994; Brussels, Belgium; "The Transatlantic Relationship: Where We Are, Where We're Going"; European-American Chamber of Commerce.

October 28, 1994; Warsaw, Poland; "The U.S. Relationship with the EU and the Changing Europe"; American Cultural Center with journalists, academics, and government officials.

October 31, 1994; Budapest, Hungary; "The U.S. Relationship with the EU and the Changing Europe"; Central European University.

November 2, 1994; Brussels, Belgium; "The U.S. Relationship to the EU and the Changing Europe"; Heritage Foundation's Board of Trustees.

November 8, 1994; Atlanta, Georgia; "U.S. Relations with the European Union and the Changing Europe"; The International Law Society, Emory University School of Law.

November 18, 1994; Dublin, Ireland; "The U.S. Relationship to the European Union and the Changing Europe"; Institute of European Affairs.

November 18, 1994; Dublin, Ireland; "The U.S. Relationship to the EU and the Changing Europe"; Center for European Economic and Public Affairs.

November 18, 1994; Dublin, Ireland; "The U.S. Relationship to the EU and the Changing Europe"; Ambassador's Residence.

November 19, 1994; Shannon, Ireland; "New Dimensions in Transatlantic Relations"; Dromoland Castle, EU-U.S. journalists conference.

November 28, 1994; Brussels, Belgium; GATT negotiations; Boston University.

December 8, 1994; Brussels, Belgium; CEPS paper, EU-U.S. Foreign Cooperation in the 1990's; Center for Economic and Policy Studies (CEPS).

December 20, 1994; Brussels, Belgium; address on the U.S.-EU relationship; AmCham EC Committee.

January 20, 1995; Brussels, Belgium; "U.S.-EU Relations"; MIT's Sloan School of Management (organized by the Belmont European Policy Center).

February 1, 1995; Brussels, Belgium; "Challenges for the European Union and for the U.S.-EU Relationship: An American Perspective"; Transatlantic Policy Network (TPN).

February 16, 1995; Milan, Italy; "Challenges for the EU and for the U.S.-EU Relationship: An American Perspective"; European Council of the American Chamber of Commerce of Milan.

March 14, 1995; Brussels, Belgium; "The EU and the U.S.-EU Relationship: An American Perspective"; Economic and Social Committee Section for External Relations, Trade Development, and Policy.

March 15, 1995; Brussels, Belgium; "The U.S. Relationship with the EU and the Changing Europe: Focus on Enlargement"; remarks to the Club of International Economy.

March 16, 1995; Slovak Republic; "The U.S. Relationship with the EU and the Changing Europe: Focus on European Security Architecture"; remarks to the Slovak Foreign Policy Association.

March 16, 1995; Bratislava, Slovak Republic; "The U.S. Relationship with the EU and the Changing Europe"; American Chamber of Commerce.

April 4, 1995; Federal Republic of Germany; "Common Values, Common Interests? European Integration and U.S. Objectives in a Vital Partnership"; Representation of the European Commission in Germany.

April 17, 1995; Denver, Colorado; "The U.S. Relationship with the EU and the Changing Europe"; University of Denver's Graduate School of Public Affairs.

April 18, 1995; Palo Alto, California; "The U.S. Relationship with the EU and the Changing Europe"; Center for European Studies, Stanford University.

April 18, 1995; Berkeley, California; "The U.S. Relationship with the EU and the Changing Europe"; Center for Western European Studies, University of California-Berkeley.

April 19, 1995; Orange County, California; "The U.S. Relationship with the EU and the Changing Europe"; World Affairs Council of Orange County.

April 20, 1995; Phoenix, Arizona; "The U.S. Relationship with the EU and the Changing Europe"; Thunderbird Institute for International Policy.

May 23, 1995; Brussels, Belgium; "The U.S. Relationship with the EU and the Changing Europe"; The American Club of Brussels.

June 1, 1995; Brussels, Belgium; "U.S. Views of European Integration and the EU-Turkey Customs Union"; The Foreign Investor's Association.

June 2, 1995; Brussels, Belgium; "The Economic and Political Benefits fo the Turkey-EU Customs Union"; meeting sponsored by the Strategic Research Foundation.

June 7, 1995; Brussels, Belgium; "U.S.-European Aviation Relations: A New Building Block"; European Aviation Club symposium.

June 9, 1995; Madrid, Spain; "U.S. Views of European Integration and the European Common Foreign and Security Policy"; Centro Espanol de Relaciones Internacionales (CERI).

June 14, 1995; Brussels, Belgium; "Europe and the Global Information Infrastructure"; Computing Technology Industry Association.

June 19, 1995; Newcastle, The United Kingdom; "The Future of Transatlantic Relations"; Sunderland City Council/Newcastle University.

July 6, 1995; Atlanta, Georgia; "The Future of Transatlantic Relations: An American Perspective"; The Southern Center for International Studies in Atlanta.

September 14, 1995; Brussels, Belgium; "The Future of Transatlantic Relations"; The Council on Foreign Relations/Transatlantic Policy Network (TPN).

September 18, 1995; Sophia Antipolis, France; "The Future of Transatlantic Relations"; The American Chamber of Commerce, Riviera Chapter.

October 16, 1995; London, The United Kingdom; "International Trade: The Current U.S.-EU Agenda, Growth of Regional Blocs, and the Political Context"; The 1995 International Corporation Direction Forum.

October 25, 1995; Brussels, Belgium; "The Future of Transatlantic Relations"; IFRI/Transatlantic Policy Network (TPN).

November 13, 1995; Brussels, Belgium; U.S. Chamber of Commerce Europe Task Force.

November 15, 1995; Atlanta, Georgia; "The Future of U.S.-EU Relations"; Emory Law School.

November 24, 1995; The Hague, The Netherlands; Global Panel 1995.

November 30, 1995; Brussels, Belgium; "The Future of Transatlantic Relations"; BDO Binder.

December 6, 1995; "The Future of Transatlantic Relations"; meeting of General Assembly Senior Advisory Group Biotechnology (SAGB).

December 15, 1995; Sofia, Bulgaria; "The Future of Transatlantic Relations"; Atlantic Club of Bulgaria.

December 19, 1995; Brussels, Belgium; "The Transatlantic Relationship: The New Agenda"; EU Committee.

December 20, 1995; Brussels, Belgium; remarks to the European Parliament Delegation for Relations with the U.S. Congress.

January 18, 1996; Brussels, Belgium; remarks to the Chemical Manufacturers Association on the Transatlantic Business Dialogue and New Transatlantic Agenda.

14. Qualifications:

The areas of responsibility under the jurisdiction of the Under Secretary of Commerce for International Trade are ones in which I have had considerable experience. During my White House years as chief domestic policy adviser to President Carter I dealt extensively with a broad range of business, economic, and trade issues. All trade issues came to me before going to the President for decision. I was deeply involved in general trade policy, participated in interagency meetings chaired by USTR on trade issues, and was involved in discussions involving particular trade disputes. I developed a close and regular working relationship with the American business community, meeting with senior officers from a wide variety of U.S. corporations, having regular, structured dialogues with representatives from organizations such as the Business Roundtable, U.S. Chamber of Commerce, National Association of Manufacturers, and the NFIB, as well as

representatives of minority and women's businesses. Likewise, on economic issues, I was an ex-officio member of the Economic Policy Group and participated in virtually all domestic and international economic issues.

In private life, I wrote extensively on economic, trade, and competitiveness issues which are an important facet of the work of the International Trade Administration of the Department of Commerce, and have been involved in a variety of public policy groups and efforts looking at these issues.

Since 1993 I have been the U.S. Representative to the European Union. In this capacity I have worked extensively and deeply on a variety of trade issues: the Uruguay Round; the U.S.-Euratom Treaty governing trade in civilian nuclear items; the 24:6 enlargement negotiations; a variety of sectoral issues from opposition to EU audio-visual quotas to the EU's banana regime. I have worked extensively with U.S. business interests on a variety of issues to improve market access, such as modifying the ETSI standards of the EU. I have also worked directly with the Department of Commerce on negotiating Mutual Recognition Agreements with the EU, organizing the Transatlantic Business Dialogue between leading U.S. and European business leaders in Seville, the ecolabel issue which threatens to become a non-tariff barrier to U.S. products. I have worked very closely with the EU Committee of the U.S. Chamber of Commerce in Brussels and with an extensive number of U.S. businesses with problems in the European marketplace.

I also intend to work closely with the Congress if confirmed. In both public and private life I have extensive experience in working with Congress and personally know a wide variety of Members and their staffs of both political parties.

All of this experience will serve me well in the position for which I have been nominated.

B. Financial Information

This page is Committee Confidential.

C. FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes. This was done in 1993 when I was confirmed as Ambassador to the European Union.

2. Do you have any plans for completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No.

3. Has anyone made a commitment to employ your services in any capacity after you leave government service?

No.

4. If confirmed, will you serve your full term of office?

Yes.

D. POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

None. There is a deferred payment due me pursuant to an understanding at the time I left my former law firm, Powell, Goldstein, Frazer & Murphy, in 1993, by which I will recover a percentage of the firm's contingent fee on an antitrust suit on a pro-rata basis based on my time with the firm up to the

date of departure. The U.S. Government is not a party or otherwise involved in the case and this payment will not create a conflict with my government duties. A portion of this payment was transmitted to me in January, 1996. There is a possibility of an additional payment, depending upon the outcome of a judicial decision following an arbitration award.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None. I have interests in a number of companies, bonds, mutual funds, and real estate, and positions in a few non-profit organizations, but these interests and positions are not likely to create a conflict of interest. I will recuse myself from participating in matters likely to affect banking and financial services companies in which I have financial interests and will seek a conflict of interest waiver regarding my interests in other entities which may have matters pending before the Department or interests that could be affected by International Trade Administration actions. I will seek advice from an agency ethics official regarding any potential conflicts of interest and take appropriate action to avoid such conflicts.

3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None, except as noted in #2 above.

4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.

Powell, Goldstein, Frazer & Murphy, an Atlanta firm with a Washington, D.C. office, has registered under the Foreign Agents Registration Act (FARA). While it has been a very small percentage of my total billable time (my practice was almost exclusively representing United States corporations, particularly in the high tech and export areas), I have performed FARA-related work for the following clients within the past ten years:

Intelsat (The International Telecommunications Satellite Organization) (1/17/85-9/93). Intelsat, created by multilateral agreement to which the U.S. is a party, is an international cooperative responsible for launching and operating international telecommunications satellites. This work has involved monitoring and representation on a variety of developments, proposals, and policies affecting international telecommunications satellite policy.

Hitachi (9/25/85-4/1/90). This work involved monitoring and representation on matters in the trade and business area of importance to the company and to its U.S. operations.

M'Hamed Bargach (Embassy of Morocco) (3/30/87-8/1/90). Counsel and representation in connection with foreign assistance legislation.

Societe Generale de Surveillance, S.A. (4/1/87-4/11/90). This involved representation in connection with proposed legislation relating to the regulation of preshipment customs inspection programs that certain nations employ to maximize importer compliance with their customs laws.

Sunbelt Corporation (6/2/88-11/22/89). This involved work on tariff schedules for their products.

Minorco (10/6/88-3/1/90). This involved providing counsel and representation with respect to certain acquisitions of assets and entities located in the U.S.

Hong Kong Trade Development Council (2/15/93-3/31/93) and Hong Kong Economic and Trade Office of the British Embassy (4/1/93-9/93). This involved monitoring and representation regarding trade and other policy areas of interest to Hong Kong.

British Airways PLC (3/1/93-9/93). Representation involving U.S. international aviation policy, including governmental approval of its investment in USAir.

Other attorneys in the Washington office of the firm have filed under FARA on other matters, but on which I have done no FARA-related work.

Other attorneys filed under FARA for two other foreign corporations, Koyo Seiko, Ltd, (8/8/89-9/10/90), a Japanese anti-friction bearing manufacturer and their U.S. subsidiary, Koyo Corp. of U.S.A. (8/8/89-9/10/90); and Hoogovens Groep B.V. (6/23/89-8/11/92), a Dutch steel manufacturer, in trade dispute cases. I have done no work on either of these matters.

In addition, another attorney from time to time worked with the Embassy of Canada on non-FARA related matters, and I have occasionally assisted in this work.

Powell, Goldstein, Frazer & Murphy is registered as an organization under the Federal Regulation of Lobbying Act (FLRA) on behalf of certain of its clients. I have personally performed and reported the performance of lobbying activities and services for clients, including:

The Alter Group
American Council on Education
Association of American Universities
Bear, Stearns & Co.
Messrs. Joseph Bernstein, Ralph Bernstein, William
Deyo of Bernstein, Carter & Deyo
The Chase Manhattan Bank
Coalition for Advancement of Industrial Technology
Coalition for Competition
Coalition for Employment Through Exports
Committee Against Regulation of Video Enterprises
Committee for Equitable Compensation/Owens-
Illinois
Council on Research and Technology (CORETECH)
DESTEC
Digital Equipment Corporation
The Entrepreneurs Group
Flood Control Advisory Committee (Rochester,
Minnesota)
Fluor Corporation
General Cinema Corporation
Hadson Electric, Inc.
Hercules Incorporated
Hewlett-Packard & Co.
Hewlett-Packard & Co. (Deferral Coalition)
Hitachi Ltd.
Hitachi Sales Corporation of America
Holiday Inn
Hong Kong Trade Development Council
Intelsat
Intergraph Corporation
International Paper Company
The Jacques Borel Enterprises, Inc.
Koch Industries
Maxxam
Mid-America Associates
National Association of Medical Equipment Suppliers
(NAMES)
National Council for Industrial Innovation
Owens-Illinois, Inc.
Puerto Rico - U.S. Foundation
Phillip D. Winn
The Proctor & Gamble Manufacturing Co.

Project on the Federal Social Role
PSI Energy
Schering-Plough
Second Olbill Era Kelulau, Palau
Shea & Gardner
SKW Alloys, Inc.
Societe Generale de Surveillance, S.A.
Sunbelt Corporation
Weizmann Institute of Science, American Associates
Westinghouse

I know of no matters which would constitute or result in a possible conflict of interest, as noted in questions 2, 3, and 4.

5. Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements)

I will immediately consult with a Department of Commerce ethics official if any conflict of interest arises, but I know of no such potential case. If appropriate, I would divest myself of conflicting interests, recuse myself, or obtain a waiver of conflict of interest restrictions if the interest is not substantial.

6. Written opinions should be provided directly to the Committee by the General Counsel of the Agency to which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management, concerning potential conflicts of interest or any other legal barriers to your serving in this position.

These will be provided.

E. TESTIFYING BEFORE CONGRESS:

1. Are you willing to appear and testify before any duly constituted Committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. Are you willing to provide such information as is requested by such Committee?

Yes.

F. OTHER:

1. Provide the full details of any civil or criminal proceedings in which you were a defendant or any inquiry or investigation by the Federal, State, or local agency in which you were the subject of the inquiry or investigation?

None. The only civil actions in which I have been involved are in my representative capacity as a member of a Board of Directors or as a partner in my law firm. None involved me personally or my own actions and none have involved any personal financial contribution towards any settlement or judgment.

I was a member of the Board of Directors of Hercules Incorporated of Wilmington, Delaware, and PSI Resources and PSI Energy of Plainfield, Indiana. Various suits have been brought by disgruntled shareholders against these corporations, in which I have been named in my capacity as Director, along with other Directors. None involved me personally.

All PSI Resources cases in which I am a party involve a hostile takeover bid by Indiana Power and Light Company and an attempt to block a merger between PSI and Cincinnati Gas & Electric Company. The following

suits were filed either in Hendricks County, District Court, Southern District of Indiana or in the U.S. District Court. My only involvement was as a member of the PSI Board of Directors.

Moise Katz v. PSI Resources, et al. (3/16/93)

J.E. and Z.B. Butler Foundation v. PSI Resources, et al. (3/17/93), filed in District Court, Southern District of Indiana

IPALCO v. PSI (3/15/93), filed in District Court, Southern District of Indiana

Lydia Grady v. PSI Resources, et al. (3/17/93), filed in Superior Court No. 1 of Hendricks County

Ronald Gaudiano, et al. v. PSI Resources, et al. (3/26/93), filed in District Court, Southern District of Indiana

Lamont Carpenter, et al. v. PSI Resources, et al. (3/29/93), filed in District Court, Southern District of Indiana

Sonny Merrit v. PSI Resources, et al. (4/2/93), filed in District Court, Southern District of Indiana

The Hercules case, Gary Steiner, et al. v. Hercules Incorporated, et al., was filed on February 21, 1990, as a class action in the U.S. District Court of the Eastern District of Pennsylvania (the case was shifted to Delaware) asserting SEC violations by the Corporation based upon Hercules' announcement in January 1990 of a pre-tax charge to earnings in the fourth quarter of FY 1989 of \$327 million. I was a member of the Corporation's Board of Directors and the Board's Audit Committee. I was voluntarily dismissed, without prejudice, by plaintiffs on May 10, 1990.

Hercules denied and continues to deny all material allegations of the complaint. Hercules agreed to a settlement which was submitted to the Court for approval and to class members. The settlement is for the convenience of the defendants and without admission of any wrongdoing or liability.

In addition, from time to time, clients have filed suit against the law firm in which I am a partner. None involved any conduct by me personally, either directly or indirectly.

Suits naming Powell, Goldstein, Frazer & Murphy as defendant:

William Jack Hamilton and John C. Spencer v. Powell, Goldstein, Frazer & Murphy (1979-1980) filed in DeKalb County, Georgia, Superior Court

Frank W. Scroggins, Receiver in Chapter XI for Kaleidoscope, Inc., Susan L. Edmondson, Theodore J. Munchak v. Powell, Goldstein, Frazer & Murphy (1981-1983) filed in Fulton County, Georgia, Superior Court

Eduardo De La Maria v. Powell, Goldstein, Frazer & Murphy and John Gornall (Partner) (1984-1986) filed in United States District Court for the Northern District of Georgia, Atlanta Division

Josie Alexander v. Powell, Goldstein, Frazer & Murphy (1986-1987) filed in EEOC

Ronald S. Leventhal v. Cobb American Bank and Trust Company, American Bank Shares, Inc., Claude E. Surface, Jr., Roman A. Deville, Rosa Dziewiński, CSG Partners, Ltd., Powell, Goldstein, Frazer & Murphy, Lynda Thompson and Sam Mathis (1992 to my leaving the firm in 1993) filed in United States District Court for the Northern District of Georgia, Atlanta Division

Leonard Steve Logan v. Hayes Microcomputer Products, Inc. and Powell, Goldstein, Frazer & Murphy (1992-1993) filed in Gwinnett County, Georgia, State Court

2. Give the full details of any proceeding, inquiry or investigation in which you were the subject of the proceeding, inquiry or investigation.

None.

3. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

I will work closely, if confirmed, with the Members of the Committee and the staff, both to inform the Committee of ITA positions and activities and to solicit opinions and views from the Committee on how ITA can improve its performance.

Alvin S. Eizenstat
Signature

January 23, 1996
Date

PREPARED STATEMENT OF HON. LARRY PRESSLER

I have followed Mr. Eizenstat's extensive career in public service and am pleased President Clinton has nominated him as the Department of Commerce Under Secretary for International Trade.

This is an extremely important position in the Administration, the duties of which I am certain he will take very seriously. Staurt, let me offer you two bits of advice to take to your new post should you be confirmed.

One of your goals should be to expand export opportunities for U.S. agricultural products. As Under Secretary for International Trade you will be in a unique position to evaluate export opportunities for agricultural products. I urge you to pay close attention to the development of new markets for our agricultural products and I have a couple questions for you concerning your thoughts in this area.

A second priority should be the development of new opportunities in tourism. Tourism is a major industry fundamental to the economic well-being of any developed nation. As a result, many countries undertake significant promotional activities to foster this important "export."

As Chairman of the Senate Committee on Commerce, Science, and Transportation, and Co-Chair of the Senate Tourism Caucus, I am extremely concerned that we as a nation are not doing enough to promote and facilitate the United States tourism industry. The travel industry is the nation's second largest employer as it directly employs 6 million Americans.

Tourism is our largest service export. In my home state of South Dakota, tourism ranks as the second largest industry and is our state's second largest employer. Indeed, tourism accounts for approximately \$416 Billion of the U.S. economy. Clearly there are great opportunities here and I hope that as Under Secretary for International Trade, it is an area that deserves significant attention.

Let me conclude by noting that your public service record is diverse and impressive. You served with distinction as President Carter's chief domestic adviser and most recently the as U.S. Representative to the European Union. This distinguished background should serve you well in the challenges which lie ahead.

PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV

Mr. Chairman, I strongly support the nomination of Stuart E. Eizenstat to be Under Secretary of Commerce for International Trade. I have known Ambassador Eizenstat for many years, and believe he will excel in this new position.

This Committee is well-versed in the important role that the International Trade Administration (ITA) plays, even more so since the passage of the GATT. The ITA, more than any other part of government is our steward, our leading voice, in taking advantage of the global economy. Certainly the USTR has an important part to play in negotiating trade agreements, and enforcing those agreements. But it is the ITA that will see our way through to reaping all the gains that the Uruguay Round promised. The ITA is the "cop on the beat" making sure that the dumping and subsidy codes are obeyed, and it is the leading advocate for American exporters.

President Clinton has wisely chosen Ambassador Stuart Eizenstat, a man who brings a unique blend of international experience and domestic policy expertise to this vitally important position. He will need both these qualities to handle the responsibilities of this job, and I am confident he will handle the post with vigor and skill.

Stuart Eizenstat knows American industry, and how international business is conducted. It is said so often that it is becoming trite, but the U.S. needs to export to survive. Every week we seem to hear about some contract won by a big American firm abroad, often with the help of Department of Commerce experts and advocates. This is not corporate welfare, this is about America's bottom line. This Senator thinks it is a good idea for the Department of Commerce to help General Electric win a contract in India that might otherwise go to Siemens—who probably have the German government right there with them trying to win the deal.

But I want to take this opportunity to focus the Committee's attention on one area of the ITA's work that doesn't get as much attention as some of the tens of billions of dollars worth of contracts that have been won by big American companies with the help of the Department of Commerce. As the Senator from West Virginia, I want to make special note of the work done by the ITA in helping small and medium sized firms export—to take advantage of the global economy, instead of being taken advantage of by the globalization of the economy.

Ambassador Eizenstat told me something fascinating when we sat down to talk about the work he wants to do at the ITA: 25 percent of America's manufacturing

is done by small and medium sized firms, but only 12 percent of our manufacturing exports are by small and medium sized firms. He promised to make outreach to these manufacturers—to give them the tools they need to export—a priority for the ITA.

I know, first hand, how much it can mean to a small company to have someone show them the way to exporting. Last year I took representatives from 33 West Virginia companies to Japan and Taiwan on a trade mission dubbed: "Project Harvest." Most of these companies had never tried to export their products to East Asia. They frankly had no idea how a company goes about exporting to countries like Japan or Taiwan. Today, with the great help of the ITA, and the United States Foreign and Commercial Service (U.S. & F.C.S.) offices in Taipei and Tokyo, eight of these West Virginia firms have already won contracts to export more than \$4 million worth of goods to Asia. That is simply remarkable.

Take Precision Samplers, whose president joined us on the trade mission. Within two months of our return to the United States, this company won a \$500,000 contract to supply coal sampling systems to Taiwan. Another favorite story of mine is of Walhonde Tools, a small company based in South Charleston. A year ago, this was a six person operation that made pipe fittings. Well Mr. Chairman, a few days after our mission last year was the tragic earthquake in Kobe—near where we had visited. It turns out that a lot of their pipes couldn't stand the shock, and came apart. They needed pipe fittings that could stand seismic pressure, and no Japanese company made these kinds of fittings. I think you know how this story turns out. They turned to Walhonde Tools, whose pipe fittings can survive most earthquakes. None of this, Mr. Chairman, could have been accomplished without the U.S. & F.C.S. officers on the ground in Asia. A Precision Samplers or a Walhonde Tools can't afford to have an office in Tokyo or Taipei, but the U.S. government, in the form of the U.S. & F.C.S., can.

When I hear Stuart Eizenstat say that he wants to double the exports of America's small and medium sized manufactures, that hits home. That's how we help create the American Dream for the 21st Century.

Before I finish, I'd be negligent if I didn't mention the vitally important work the ITA, specifically, the Import Administration, does to make sure that our trade laws are properly enforced. Back in 1993 I went to Geneva because I was concerned about how the negotiations over the Uruguay Round of the GATT were going. I had seen what dumped and subsidized imports could do to American industry, and American communities, and I was not going to let that happen again. Mr. Chairman, Mr. Eizenstat, let me be clear, this is not about "protectionism," it wasn't then and it isn't now. It was and is about making sure that our competitors play by the rules, the laws, we all agree on.

Mr. Eizenstat, to this Senator, the responsibility you have to make sure our dumping and countervailing laws are properly enforced is paramount. I said above that your role as our leading advocate for exports is important, and it is, but don't neglect what's happening on the home front. You have an excellent team at the I.A. Sue Esserman has done a fabulous job, and Paul Joffe is one of the most capable and decent men I know. Working for them are a very dedicated group of career civil servants who know how to enforce these technical laws. Let them do their job, and we'll be alright.

On this note, I have one more thing to say. Mr. Ambassador, there is troubling trade legislation being brewed up by some in Congress. It was formerly called "short supply," but the people concocting this measure are now calling it by the more benign moniker of "temporary duty suspension," or some such. I hope, Mr. Ambassador, that you will join me in fighting this with great vigor if it rears its ugly head. I'd remind the Committee that back in 1994, we solidly rejected a short supply amendment, because the Committee saw what a fallacy that measure was.

In short, a short supply provision would allow importers to avoid paying duties on products that have been found to be illegally dumped or subsidized, any time there is insufficient domestic production to meet 100 percent of U.S. demand. There are a myriad of reasons to oppose this, and supporters of reasonable trade laws should fight this at every turn. Mr. Chairman, it would be a crime for Congress to legislate a way for lawbreakers to get around our statutes.

Supporters of Short Supply say that this would be a "rarely used" escape valve, which would only be used in cases where a dumping or countervailing duty order covers something that an importer can not get from a U.S. source. What this really masks however, is a cost issue. In a capitalist society, I think we all know that supply follows demand. A product in demand is always available at a cost, either from a recovering domestic source, or from the original foreign supplier—so in truth, there is no such thing, in an open market, as "short supply." Supporters claim that this will only be used if domestic supply doesn't meet demand. However, they fail

to admit, and it is axiomatic, that if a foreign producer has been found to have been illegally subsidized or dumped and caused injury, they are the effective reason for the shortage of domestic supply in the first place. I don't see how we could countenance that behavior by essentially rewarding that illegal activity, by inserting this loophole in our trade laws.

A short supply provision would, in all likelihood, actually encourage *more dumping and subsidizing* by our competitors. On the front end, it would create an incentive to flood our markets so massively with artificially low priced goods, that domestic suppliers are wiped out; that is, injure domestic suppliers so severely that there is little to no domestic production, and then you can apply for an exemption to the imposition of unfair trade duties. On the back end, among other things, it would create a kind of escape valve: importers could merely alter their purchasing specifications in order to define a specific product category without domestic supply, and thereby effectively evade duties.

I know Ambassador Eizenstat is aware of all this, and I am confident he will stand beside me in this fight, if and when it comes.

Mr. Chairman, I close by repeating what I said in the beginning of my statement. I believe that Ambassador Stuart E. Eizenstat will make an excellent Under Secretary of Commerce for International Trade, and I hope that this Committee, and the full Senate, confirm him with great haste.

