

P-R-O-C-E-E-D-I-N-G-S

10:00 a.m.

CHAIRMAN WEIDENBAUM: Good morning, ladies and gentlemen. Welcome to the second technical briefing of the Trade Deficit Review Commission.

Today's sessions will be devoted to answering a key question posed to us by the Congress; simply, what are the consequences of the trade deficit?

Next month, the Commission will begin its field hearings outside of Washington, D.C. On October 29, we will hold our first hearing in Pittsburgh on the subject of international trade and traditional manufacturing. That hearing also will cover labor and environmental issues.

This morning's session will focus on the macro, or general impacts of the trade deficit. The afternoon session will be devoted to the micro aspects, including cross-cutting concerns, such as technology.

The Commission is grateful for the four experts who have joined us this morning, both for the

written materials they've provided and for the oral presentations they're about to give.

I want to thank them in advance for adhering to the five-minute rule for opening statements.

The idea of that is very basic: To ensure that most of our time is devoted to the give and take discussions between the four panelists and the commissioners.

As the assigned traffic cop, I must note that the signaling device at the witness table turns to yellow after four minutes and to red at the end of five.

Our first briefer is Dr. Ernest Preeg at the Hudson Institute who previously served at the Center for Strategic and International Studies and at the State Department.

Ambassador Preeg.