

VICE CHAIRMAN PAPADIMITRIOU: Thank you very much, Chairman Weidenbaum. First, let me welcome you all to this third technical hearing. I also want to thank you, on behalf of the Commission for taking the time to come to present us with your views on the causes, the consequences, the impacts and the solutions to the trade deficit in the U.S. Your challenge is to do all this and to tell us all about it in seven minutes. Now that's a real challenge and we know you can do it, but just in case you cannot, we have made sure that we give you ample warning in terms of the traffic lights that we have here. What it means is that we will monitor your time by allowing you to speak rapidly during the time when the green light is on. When the yellow light comes on, you have to begin to slow down and when the red light goes on, you are really in a deficit position and you must stop.

In the press release, you have been listed as follows: going first will be Mr. Barbera who is an

Executive Vice President of Hoenig & Company, followed by Professor Blinder of Princeton University and currently at Brookings, to be followed by Wynne Godley from the Levy Institute, to be followed by Bob Lawrence who is a member of the Council of Economic Advisers of the Executive Office of the President and finally Paula Stern, President of the Stern Group.

Since I don't want to take any more of your time, and to mostly, leave as much time as possible for questions from the Commissioners who are here I would like to begin with Mr. Barbera first. Thank you.