

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

2 (10:00 a.m.)

3 CHAIRMAN WEIDENBAUM: Good morning. I am pleased  
4 to welcome you all to the first public hearing of the Trade  
5 Deficit Review Commission. In establishing the Commission,  
6 Congress gave us a basic mandate to examine the causes and  
7 consequences of the Nation's international trade deficit, and to  
8 propose changes in public policy necessary.

9 Today's session is devoted entirely to the first  
10 item: the causes of the trade deficit. On September 9, we will  
11 meet again for a similar session on the impacts of the trade  
12 deficit on the U.S. economy.

13 An impressive array of experts from think tanks and  
14 universities has accepted our invitation to brief the Commission.

15 I should emphasize briefly. Each speaker has provided in advance  
16 extensive materials. Each of them will now summarize those  
17 materials in the allotted five minutes.

18 To aid me as traffic cop, the lights at each  
19 speaker's table will turn to yellow at the end of four minutes,  
20 and to red at the end of five. The idea is that most of this  
21 session will be devoted to answering questions from the  
22 Commissioners, to interact on the part of the experts with the

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1 members of the Commission. I thank everyone in advance for their  
2 cooperation, both in terms of time and in sticking to the assigned  
3 question.

4           The first expert is Dr. Charles Schultze of the  
5 Brookings Institution. His distinguished background includes  
6 service as Director of the Bureau of the Budget, Chairman of the  
7 Council of Economic Advisers, and President of the American  
8 Economic Association. It is with special pleasure that I  
9 recognize Dr. Schultze.