

AMBASSADOR MICKEY KANTOR
SPEECHES AND TESTIMONY
1993

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19 Nomination
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1 STATEMENT OF MICKEY KANTOR, UNITED STATES TRADE
2 REPRESENTATIVE DESIGNATE

3
4
5 Mr. Kantor. Thank you very much, Mr.
6 Chairman and Senator Packwood.

7 I appreciate that. My wife Heidi who is
8 behind me.

9 Senator Moynihan. Why don't you stand?

10 Mr. Kantor. My son Douglas and my daughter
11 Leslie.

12 Senator Moynihan. Daughter Leslie who works
13 in Public Health in New York City.

14 Mrs. Kantor. That is right.

15 Senator Moynihan. There you are.

16 [Laughter]

17 Mr. Kantor. And my son, Douglas, is in the
18 Teach for America Program, Senator. He is
19 teaching in Los Angeles.

20 Senator Moynihan. I see.

21 Sir, you have a statement. Perhaps, you
22 would proceed.

23 Mr. Kantor. Thank you very much.

24 Senator Packwood, good morning and thank you,
25 too, and distinguished members of the Senate

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PLEASE RETURN TO:
Wayne W. Hosier
Senate Committee on Finance
Room SD-205 Dirksen Buildin
Washington, D.C. 20510

1 Finance Committee.

2 First of all, let me thank Senator Feinstein,
3 Senator Boxer, Senator Sasser, Senator Mathews,
4 and Senator Bond. That was a wonderful display of
5 friendship. And I appreciate that. They make me
6 feel very humble as I come here today in support
7 of this designation by the President-elect.

8 It is a tremendous privilege to appear before
9 you today. I want to thank President-elect
10 Clinton for giving me this honor to serve this
11 Administration and to serve my country, if
12 recommended by this committee and confirmed by the
13 United States Senate as United States Trade
14 Representative.

15 This office has always had a special
16 relationship to this committee and its House
17 counterpart. I value that relationship and will
18 work hard to enhance it.

19 I have been a practicing lawyer for nearly a
20 quarter of a century. During that time, I have
21 been involved in hundreds of negotiations on
22 issues ranging from aerospace to transportation
23 and from energy to retailing.

24 Over that same period of time, I have been
25 involved in negotiations on behalf of migrant farm

1 workers in Florida--which the first time I met
2 Senator Dole was in that connection--and served as
3 a presidential appointee to the Legal Services
4 Corporation.

5 As founder and Chair of the Los Angeles
6 Conservation Corps, I devoted my energies to a
7 tough program of discipline and opportunity for
8 young people left out of the mainstream, but eager
9 to work.

10 In addition, I supported the legal and
11 educational needs of Hispanic Americans as a board
12 member of the Mexican American Legal Defense and
13 Education Fund.

14 Most recently, I have had the pleasure of
15 serving with my good friend and one of America's
16 most distinguished public servants, Secretary of
17 State-designate Warren Christopher, as a member of
18 the Christopher Commission, investigating the
19 policies and practices of the Los Angeles Police
20 Department.

21 I have devoted my life as a lawyer and as a
22 civic leader to bringing people together, to
23 building coalitions that serve the public
24 interest.

25 As the U.S. Trade Representative, I believe

1 that I can effectively build upon that record to
2 develop coalitions that will result in clear and
3 consistent trade policies, policies which benefit
4 the citizens of this country.

5 Those coalitions must be bipartisan. We must
6 develop them together. Trade policy does not lend
7 itself to partisan solutions, Mr. Chairman, or
8 stand apart from economic policy. And I want to
9 assure you that this new Administration will not
10 stand apart from Congress.

11 I pledge to work with the members of this
12 committee, with all of the members of the 103rd
13 Congress, and with the private sector to ensure
14 that our trade efforts will empower our citizens
15 to compete and win in the global marketplace.

16 As this committee knows very well, the
17 incoming Administration faces an extraordinary
18 array of challenging trade issues. I think you
19 will understand that we have not yet formulated
20 our policies toward many of these issues and want
21 to do so in consultation with you.

22 There are several key principles that guide
23 my thinking in the approach of the Clinton
24 Administration, the trade issues that will
25 confront us. Our trade policy must be part of a

1 coordinated and integrated economic strategy.

2 No amount of negotiating, bilaterally or
3 multilaterally, can overcome or offset the burdens
4 placed on U.S. companies from misguided economic
5 policies or uncontrolled health care costs, nor
6 are trade negotiations a substitute for educating
7 our children or training our workers.

8 The Clinton Administration will not blame
9 other countries for our own economic shortcomings.
10 We will not solve those problems overnight, but we
11 will deal with them aggressively and forthrightly.

12 Trade policy is not the only reason that we
13 are failing to meet the challenge of global
14 competition, but it is still a very important
15 factor. This new Administration will favor
16 increased trade.

17 We believe it is vital for a growing U.S.
18 economy. And I think recent statistics in recent
19 years would bear that out, but the days when we
20 could afford to subordinate our economic interests
21 to foreign policy or defense concerns are long
22 past.

23 As President-elect Bill Clinton has noted
24 time and again, our national security is directly
25 related to our economic viability here at home.

1 We will not be guided by the assumption that other
2 Nations share our commitment to free trade and
3 open markets when the world evidence makes it
4 clear that some do not.

5 We will insist that our trading partners join
6 us in strengthening the international trading
7 system. We will work to open foreign markets to
8 U.S. manufactured goods, agricultural products,
9 and services.

10 Our prosperity depends on a large part on our
11 ability to export. Allowing other Nations to
12 close their markets provides them with an enormous
13 competitive advantage in key sectors.

14 This committee was instrumental in the
15 bipartisan effort spanning six years to put in
16 place a more realistic, effective trade policy.

17 I pledge to you that I will use the tools you
18 have given this office to protect and advance U.S.
19 interests.

20 There is nothing academic or theoretical
21 about the job I will undertake, if you support my
22 confirmation.

23 In my visits with the Senators on this
24 committee, each one of you, I benefitted from your
25 knowledge of our trade and economic problems.

1 Each of you painted a vivid picture of our country
2 suffering from a loss of jobs and economic
3 opportunities.

4 I traveled all over this country during the
5 campaign that just ended. And I want to assure
6 you that I have seen that pain, too.

7 I will not be able to satisfy all of you, all
8 of your constituents all of the time, far from it.
9 I think I am a realistic person, but I hope you
10 will know that I understand just what my efforts
11 and those of the Clinton Administration mean to
12 the people you represent.

13 I pledge to carry out my responsibilities
14 diligently to develop U.S. international trade
15 policies and conduct trade negotiations. I will
16 aggressively urge our trading partners in Europe,
17 the Pacific Rim, and elsewhere to open their
18 markets to American goods and services.

19 Specifically, I will urge other countries to
20 reduce their tariffs and other barriers to market
21 access in the ongoing Uruguay Round.

22 The United States must also maintain its
23 ability to respond effectively to foreign trade
24 unfair practices, such as dumping and subsidies.

25 I will move forward to negotiate the

1 agreements that President-elect Clinton has called
2 for as supplements to the North American Free
3 Trade Agreement. The supplemental agreements will
4 deal with the environment, worker's standards and
5 safety, and unexpected import surges.

6 The NAFTA and GATT negotiations are only a
7 part of a wide array of pressing international
8 trade issues that await the Clinton
9 Administration.

10 The United States must respond to the new
11 Utilities Directive of the European community that
12 went into effect January 1st, as all of you know.

13 We have ongoing antidumping and subsidy cases
14 against imported steel from virtually all major
15 U.S. trading partners. Twenty countries are
16 involved in that situation.

17 High on our agenda with Japan must be Japan's
18 adherence to the Semiconductor Agreement, Japan's
19 new voluntary restraint agreement for automobiles,
20 and the continuing large Japanese trade surplus
21 with the United States. And we must address the
22 upcoming renewal of MFN treatment for the People's
23 Republic of China.

24 I will move to carry out another important
25 responsibility of the U.S. Trade Representative,

1 enforce a variety of U.S. laws and international
2 trade agreements. The most notable of these laws
3 is Section 301.

4 If another country is violating a trade
5 agreement with us or engaging in unjustifiable,
6 unreasonable, or discriminatory practices, then,
7 the U.S. Trade Representative can investigate and
8 negotiate with the other country.

9 I see this and other laws as among the many
10 tools that we can draw upon to help open foreign
11 markets for U.S. exports.

12 Mr. Chairman, I also want to directly address
13 the issue of the ethical and professional
14 standards which will be defined and met, not just
15 by this office, but throughout this new
16 Administration.

17 We campaigned throughout the country on the
18 promise of change. Change in this context means
19 we will slam the revolving door shut.

20 Like my colleagues, I have taken formal steps
21 to ensure that no prior affiliation or
22 representation will affect my independent judgment
23 or create even the appearance of conflict. These
24 recusals are specifically designed for the office
25 for which I am being considered. They are

1 particularly appropriate in light of Ambassador
2 Hills' pledges four years ago.

3 I withdrew as a partner from the firm of
4 Manatt, Phelps, Phillips and Kantor as of December
5 31, 1992. My name has been removed from the name
6 of the firm.

7 During my tenure as the U.S. Trade
8 Representative, I pledge to have no professional
9 contacts with members or employees of my former
10 law firm. I have also resigned from all boards,
11 all of which, by the way, are nonprofit, on which
12 I am a member.

13 For a period of one year, I will recuse
14 myself from any transaction or matter which would
15 have a unique and special effect on any entity
16 that has been a client of my firm at any time
17 during the past two years.

18 I will permanently recuse myself from any
19 particular transaction or matter involving a
20 client which my former firm has represented
21 concerning that transaction or matter during my
22 association with the firm.

23 I will also permanently recuse myself in any
24 particular matter which I served as counsel while
25 in private practice, although I do not anticipate

1 that any such matter would arise before the
2 U.S.T.R.

3 However, unless there is some unique and
4 special effect on the client involved, I shall not
5 recuse myself on trade or policy matters which
6 affect the overall industry or industries of which
7 any of the above clients is a part.

8 Mr. Chairman, before I conclude this brief
9 opening statement to respond to questions which
10 you and your colleagues may have for me, I want to
11 express my deep appreciation to a few very special
12 people in my life, some of whom you met just a few
13 minutes ago.

14 It was a privilege and a once-in-a-lifetime
15 experience to serve as the campaign chair for the
16 President-elect. The Kantor family has been
17 blessed by the friendship of Bill and Hillary
18 Clinton for nearly 14 years. No aspect of this
19 nomination could make me prouder than the
20 President-elect's confidence and trust in me.

21 Like the Vice President-elect, I am a son of
22 the State of Tennessee, as Senator Sasser said to
23 you. I grew up in a family that admired and
24 supported the Gore family.

25 I want to express my thanks to Vice

1 President-elect Gore here in this chamber where he
2 and his father before him served their country and
3 brought such pride to those of us from Tennessee.

4 I could not be sitting before you today
5 without the strength, commitment, support, and,
6 yes, love of my wife, Heidi and my three children:
7 Leslie and Douglas, whom you have met, and Alix
8 who decided it was more fun to play with their
9 friends this morning, who is nine years old. No
10 offense to the committee.

11 To them, I pledge to help in any and every
12 way possible to make this country a better place
13 for their future and for the future of every
14 American family.

15 Thank you, Mr. Chairman.

16 Senator Moynihan. Thank you, Mr. Kantor, for
17 a most impressive statement. If you will allow
18 us, sir, we will just move momentarily -- I guess
19 we do not yet have a quorum.

20 In that case, I see that the Republican
21 leader is here. I know that his day is going to
22 be more than normally pressed. Perhaps you would
23 like to begin.

24 Senator Packwood. We will stay for a quorum.
25 Why don't you go ahead? And I will just wait.

1 Senator Moynihan. That is very generous of
2 you, sir.

3 I have some detailed questions, but first I
4 will say, we welcome in particular your statement
5 about consultation with this committee as the new
6 Administration begins a policy which will be both
7 continuous and will have some discontinuities.
8 There are commitments made about the North
9 American Free Trade Agreement, for example.

10 The Office of Special Representative for
11 Trade Negotiations was established by the Trade
12 Expansion Act of 1962. And that legislation which
13 led to the Kennedy Round, a prior condition for
14 obtaining it--and it was very important to
15 President Kennedy--was that we reach some
16 arrangements on cotton textile imports.

17 And it was this committee that so decreed.
18 And it happened that I was the Assistant Secretary
19 of Labor. And I was one of the negotiators of
20 that agreement, as was Secretary-designate
21 Christopher in Geneva.

22 And I have to say, it was our strict
23 understanding that the long term we referred to
24 meant perhaps five years. And that was 30 years
25 ago. And these agreements are still in place. It

1 must be five agreements now.

2 We would not have had that trade expansion
3 act without those restraints on certain kinds of
4 imports that in the real world was necessary for
5 this committee to get the President the bill he
6 wanted.

7 And it is experience that we have had before
8 and will have since. I mean, it is the basis, the
9 founding experience of your office.

10 Technically, your office was created by
11 executive order by President Carter in 1979. And
12 you have a right honorable set of predecessors,
13 including Ambassador Hills who had a wonderful
14 record.

15 I think we would all agree that Ambassador
16 Hills came up here and talked to us in our
17 conference room. And I think it helped a great
18 deal. And I am glad to hear you act as if you
19 expect it to continue.

20 Senator Packwood.

21 Senator Packwood. First, I ask unanimous
22 consent that Senator Durenberger might submit some
23 questions by 5:00 o'clock?

24 Senator Moynihan. Without objection.

25 [Senator Durenberger's questions appear in

1 the appendix.]

2 Senator Packwood. Mr. Kantor, when you were
3 in my office, I told you that you and the OMB
4 director have the two toughest jobs. That poor
5 devil has to say no to everybody. You have to say
6 no to half the people who will come to you. You
7 can please some, but not others.

8 I think this committee would expect you to do
9 everything you can to enforce our countervailing
10 duty laws and our 301 laws and do everything you
11 can to knock down subsidies in foreign countries
12 and open up markets. That goes without saying,
13 that that is part of your job.

14 I do not think that is the tougher part of
15 your job. I think it is the negotiation of the
16 agreements that will be good for America, but some
17 groups will think they will lose.

18 Example, the chairman mentioned the
19 multifiber agreement. I will make you this bet.
20 If you can get a free trade agreement in the world
21 that covered all agriculture and all textiles,
22 that would be very good for the United States, but
23 my guess is, the textile industry would oppose it,
24 no matter that we would increase our agricultural
25 exports infinitely more than we would increase our

1 textile imports.

2 They would say, "What is good for the country
3 is not necessarily good for textiles. And we
4 oppose it." And I do not know how even the
5 world's greatest negotiator is going to placate
6 them, given that situation.

7 Now, with that statement, I want to ask your
8 opinion, not what does President-elect Clinton
9 think, but what are you going to advise him on:
10 one, fast track authority?

11 It is going to expire this June. Whether or
12 not we finish the GATT negotiations by that time,
13 I doubt it. And if we are going to continue it,
14 you are going to want it for GATT, but it applies
15 to all negotiations.

16 What would be your recommendation to him to
17 reenact and extend to the fast track negotiation
18 authority as it now exists?

19 Mr. Kantor. First of all, as you know,
20 Senator--and I appreciate your questions--we have
21 to make a decision on fast track authority no
22 later than March 2nd because that is 90 days
23 before the May 31 deadline, as you correctly
24 pointed out.

25 Fast track authority is important to any

1 negotiator in this job in this position because it
2 says that the person on the other side of the
3 table or persons in a multilateral situation that
4 you do not have to negotiate twice. In most
5 cases, it will be once. And that has been a
6 problem in the past.

7 And I understand that there is something to
8 delegate in this body and the other body, but I
9 think it has, in fact, been effective over the
10 years.

11 We have to make a decision whether or not,
12 given the pendency of the Uruguay Round, as you
13 correctly pointed out, that we will have to ask
14 for an extension of fast track authority.

15 I would like to consult with the committee
16 closely on that before I advise the President-
17 elect and, of course, the Ways and Means Committee
18 and other relevant committees of this body in the
19 House.

20 I think it would be unwise to move forward
21 until those consultations take place, but I will
22 assure you that that will happen very quickly.

23 It is fast upon us. And I think we have to
24 make some judgments very quickly as President-
25 elect Clinton becomes President Clinton tomorrow

1 at noon and hopefully, this designee becomes U.S.
2 Trade Representative on Thursday morning.

3 Senator Packwood. Let me ask the question in
4 a different way. I once asked the CIA if Israel
5 had aerial photographs when they bombed the
6 Baghdad reactor. And they said it was classified
7 information. They could not give it to me.

8 I then asked them if Israel would have
9 attempted the raid without aerial photographs.
10 And they said, "No. They would not have."

11 [Laughter]

12 Senator Packwood. Is it your intuitive
13 judgment that you would not be able to negotiate
14 very good agreements unless you have fast track
15 authority?

16 Mr. Kantor. It is more than intuitive
17 judgment. I think the record will reflect that
18 other negotiators from Ambassador Strauss to
19 Ambassador Hills--both of them are friends of
20 mine--would indicate quite clearly that it is an
21 important asset to have.

22 Senator Packwood. Second question, what
23 would be your recommendation to President-elect
24 Clinton on reclassifying imported minivans as
25 trucks and raising the tariff from 2.5 to 25

1 percent?

2 Mr. Kantor. Well, I will be one of the
3 persons on the National Economic Council Executive
4 Committee who will make a recommendation, along
5 with the chairman of this committee, Senator
6 Bentsen, hopefully the next Secretary of the
7 Treasury--and I think that is maybe a forgone
8 conclusion--to reach that decision.

9 Obviously, the reclassification of minivans
10 in the prior Administration led to some
11 controversy and maybe cost as much as \$300 million
12 to the Treasury of the United States.

13 It is a problem that we will address very
14 soon, as Secretary-designate Bentsen indicated in
15 his appearance before this committee, early on.

16 Senator Packwood. Do you have an intuitive
17 feeling about this question?

18 Mr. Kantor. I have intuitive feelings, but I
19 am going to save those for our first meeting of
20 the NEC. And I will consult with this committee
21 after that and hopefully gain some of your wisdom
22 and some of your guidance as we approach that
23 problem.

24 Senator Packwood. Are you familiar with the
25 Softwood Lumber dispute we are having with Canada?

1 And the binational panel has now been set up.

2 Mr. Kantor. Yes, I am, Senator.

3 Senator Packwood. There is some feeling on
4 both sides that the binational panel is going
5 beyond its scope in getting into countervailing
6 duties and judging the laws of each country.

7 I just want to know if you are aware of it
8 and what do you think ought to be done to keep the
9 panel within the scope of its intended
10 negotiations.

11 Mr. Kantor. Well, that leads into, if I may
12 say so, a larger question about our antidumping
13 laws, countervailing laws, the Uruguay Round,
14 other bilateral-binational panels. We do not want
15 to weaken those laws.

16 I have a strong feeling about that. And
17 anything that would do that is something that I
18 would recommend to each of you as we discuss it
19 and to the President-elect of the United States
20 that we take a position against that.

21 I think it is a particularly sensitive issue
22 in the current Uruguay Round in the Dunkel draft
23 or final agreement text. And it is something that
24 I will look at carefully, assuming I am confirmed
25 by the United States Senate.

1 Senator Packwood. Thank you, Mr. Chairman.

2 Senator Moynihan. Thank you, sir.

3 Senator Baucus.

4 Senator Baucus. Thank you, Mr. Chairman.

5 Mr. Kantor, I very much appreciate your
6 opening statement. I would like to underline the
7 enormity of the task ahead of you.

8 As you well know, the U.S.T.R. is involved in
9 dozens of very complex, international trade
10 negotiations with over 100 different countries.
11 That has to be coordinated with other aspects of
12 American economic policy, coordinated with the
13 private sector.

14 You must, in addition to all of that, work
15 with the Congress very, very closely. The fast
16 track discussion is just an example of the complex
17 relationship in our country between the executive
18 branch and the legislative branch.

19 And you must do all of this with just 125
20 professional people. I mean, it is an incredibly
21 complex job ahead of you. Having said all of
22 that, I know there are some people who question
23 your background, who say you are inexperienced.

24 I frankly find all of that criticism utterly
25 without merit. You have my full confidence. And

1 I know you have the full confidence of our new
2 President.

3 And I can tell you, as you well know, that
4 our best and our brightest prior U.S.T.R.s also
5 did not have trade experience. Prior trade
6 experience is not a prerequisite for this job,
7 rather it is intelligence.

8 It is very good negotiating skills with our
9 trading partners, also, coordinating and working
10 very closely with the Congress and other entities
11 in our country and having the personality to do
12 that.

13 And I can tell from talking with you that:
14 (a) you are a tough negotiator; and (b) in the
15 right circumstances, you are a nice guy.

16 [Laughter]

17 Senator Baucus. Now, having said that, I
18 have a couple of questions I would like to ask
19 you. Number one, you mentioned that you plan to
20 fully enforce Section 301. You did not mention
21 Super 301.

22 As you know, Mr. Clinton during the campaign
23 strongly advocated the repassage, the extension of
24 Super 301. I would like for you to reconfirm that
25 now, if you could, please.

1 Mr. Kantor. I will do that. First of all, I
2 hope this is the right circumstances here and I
3 can maintain a solid ponder in front of my
4 adversaries.

5 It is a tough job, but then, the President-
6 elect has never given me an easy job. I am still
7 waiting for the first from him.

8 On putting people first, the President-elect
9 did support and does support Super 301. He
10 believes it has been effective. And so do I.

11 It ran out, as you know, in 1990, the
12 authority for it. There are, I know, members of
13 this body and the other body who would like to see
14 it reinstated.

15 I think it would be an asset for the next
16 United States Trade Representative. And I would
17 like to work closely with this committee, with
18 members of this body and the other body in trying
19 to develop legislation in that respect.

20 Senator Baucus. I appreciate that. As you
21 know, it is obvious that our credibility as a
22 country is of vital importance. When we reach an
23 agreement with another country, our credibility
24 very much depends upon the degree to which we want
25 that agreement enforced, assuming that the other

1 side is not living up to its end of the deal.

2 In that respect, I have introduced
3 legislation in the past called the Trade Agreement
4 Compliance Act. I would like your general view of
5 that approach, if not that specific statute.

6 Mr. Kantor. As I said in my statement, the
7 enforcement of agreements is extremely important,
8 not only the enforcement of our laws. The
9 agreements are not just pieces of paper.

10 We should not spend so much time and effort
11 and energy and emotion negotiating these
12 agreements if we are not going to try to carry
13 them out in every aspect.

14 And I think in the past, there have been
15 instances--without criticizing anyone
16 particularly--where we have ignored for various
17 purposes those agreements.

18 And I would welcome the chance to sit down
19 with you and discuss your legislation and discuss
20 it with other members of this committee. I think
21 we need to be resolute in enforcing those
22 agreements and frankly, Senator, developing
23 credibility with the American public, if we are
24 going to do that.

25 I think nothing would be better for our

1 ability to open markets than to be credible in
2 showing that we will enforce existing laws and
3 agreements.

4 Senator Baucus. And your general impression
5 of the agricultural tentative agreements in the
6 Uruguay Round. As you well know, during the
7 period 1975 to 1985, the European economic
8 community turned around from being the world's
9 largest net importer of agricultural products to
10 being the world's largest net exporter of
11 agricultural products. Basically, it is a
12 consequence of its CAP.

13 We in America then enacted trade legislation,
14 including EEP, Export Enhancement Program,
15 etcetera, to counteract and deal with the very
16 heavy European subsidies. As you well know, the
17 European's export subsidies last year was about
18 \$11 billion total. Whereas our total EEP program
19 was about \$1 billion.

20 And our position as negotiators was 100
21 percent of reduction of export subsidies. And
22 then we lowered it to 90 percent. And then, we
23 ended up with 24 percent reduction in European
24 export subsidies.

25 It means the Europeans will continue with

1 roughly \$9 billion export subsidies alone. We
2 will have less than \$1 billion. Our whole farm
3 program is less than \$20 million. And their whole
4 apparatus in agriculture is much more.

5 Your general impressions as to how well we
6 did as a country in that agriculture negotiation
7 of the Uruguay Round.

8 Senator Moynihan. I am going to have to --
9 Senator Baucus. If I could just get his
10 short response.

11 Senator Moynihan. Sure.

12 Mr. Kantor. I am deeply concerned and want
13 to look carefully at that. Let me just indicate
14 that it is not 24 percent, the Blair House
15 Agreement. Senator, it is now down to 21 percent
16 over six years.

17 And we started the 86-87 basis. You know and
18 I think it discussed with Senator Conrad.
19 Therefore, it will have an exaggerated impact on
20 U.S. agriculture. And I think we want to look
21 carefully at that agreement.

22 We also have within the Dunkel text, the
23 draft final agreement itself on internal support
24 that supports the question of a 20 percent
25 reduction each year. I want to take a look at

1 that very carefully as well.

2 Agriculture, as many of you know--you are
3 experts up here, like Senator Dole and you live
4 with it every day--represents about 10 percent,
5 over \$40 billion a year in exports. It is a
6 critical, critical part of our export strategy for
7 this country.

8 And I think market access issues in the
9 Uruguay Round with regard to agriculture concerns
10 me as well. So you have market access. You have
11 the subsidies, both export subsidies and internal
12 support, as well as the Dunkel draft we should
13 take a look at.

14 Senator Baucus. I appreciate that. I am
15 very much looking forward to working with you. I
16 wish you luck.

17 Mr. Kantor. Thank you, Senator.

18 Senator Moynihan. If the committee would
19 allow a brief interruption.

20 [Pause]

21 Senator Pryor. I must say, Mr. Chairman,
22 that I spent 10 minutes downstairs sitting in the
23 Judiciary Committee. I thought I was in the
24 Finance Committee. So I apologize.

25 [Laughter]

1 Senator Pryor. We will get our regular
2 hearing room back some day and I will know where I
3 am I think.

4 Senator Moynihan. Senator Packwood has
5 indicated that he would be willing to have a vote
6 on Mr. Kantor's nomination at this time.

7 We have heard your statement. We have had an
8 exchange between two members from each side of the
9 -- we have no sides in this committee. We have
10 had an exchange between two members.

11 If there is no objection, I would accordingly
12 move that the committee recommend that the
13 nomination of Michael Kantor to be United States
14 Trade Representative be confirmed when received by
15 the Senate. Is there a second?

16 Senator Chafee. Wait a minute, Mr. Chairman.
17 I do not think this is the proper way to proceed.

18 Senator Moynihan. The objection is heard.

19 Senator Chafee. I think that these things
20 are not a charade. I think these hearings are
21 worthwhile. And most of us have very little
22 knowledge of Mr. Kantor. I think at the proper
23 time after we have had a questioning of him, then,
24 we can vote on him.

25 Senator Moynihan. Fine. May I say to my

1 friend from Rhode Island that the suggestion was
2 made from that side of the aisle.

3 Senator Chafee. Well, it is just so that he
4 can expect perfection from this side usually, but
5 not always.

6 [Laughter]

7 Senator Moynihan. And the chair also said,
8 "If there is no objection". And objection is
9 heard. We will proceed with our regular hearing.

10 Senator Dole.

11 Senator Dole. Mr. Chairman, thank you for
12 sort of letting me sort of break in here. I would
13 like to include my statement on the record.

14 I would like to indicate that I have visited
15 with Mr. Kantor. We had a good visit with a
16 mutual friend of many of us, Robert Strauss, a
17 former U.S.T.R. who did a good job without much
18 previous experience, as Senator Baucus has
19 indicated.

20 And I also want to reflect for the record, I
21 think Carla Hills has done an outstanding job,
22 another Californian.

23 Senator Moynihan. Can we vote on that?

24 Senator Dole. Yes.

25 [Laughter]

1 Senator Dole. But I think as someone has
2 already stated, I think person for person, your
3 agency has more impact on the economy than any
4 other Federal agency. And it is a very small
5 agency, which I think is a real opportunity for
6 you, one of the most important jobs in this
7 Administration.

8 You are going to know everybody on a first-
9 name basis. And in some of these departments, you
10 will never know anybody because you see so many.

11 And I think, plus, your close relationship
12 with the President-elect is going to mean that we
13 are going to have direct access in most every case
14 on very important trade issues.

15 And second, as you pointed out, I think this
16 has been over the years pretty much of a
17 bipartisan, nonpartisan relationship with the
18 U.S.T.R. We have had off-the-record meetings with
19 the U.S.T.R. Carla Hills and her predecessors are
20 called by the chairman. I know that Senator
21 Moynihan will continue that.

22 And so we look forward to working with you.
23 I think it is a very important agency. I want to
24 share the concerns expressed by Senator Baucus,
25 and I know Senator Conrad, Senator Daschle, and

1 others from farm States. And there are a number
2 of farm States represented on both sides of this
3 committee.

4 We would rather have no agreement than a bad
5 agreement. We are not quite as anxious as some to
6 put initials on something until we make certain
7 that it is not going to have an adverse impact on
8 American agriculture because if you eat, you ought
9 to worry about agriculture. If you do not eat,
10 well, do not worry about the farmers, but most
11 people eat.

12 So I ask that my statement be made a part of
13 the record.

14 Senator Moynihan. Without objection.

15 [The prepared statement of Senator Dole
16 appears in the appendix.]

17 Senator Dole. And then to follow up, I think
18 you covered most everything in your statement on
19 the question of ethics because there has been a
20 lot of concern, some mixed signals from some in
21 the incoming Administration.

22 I would ask that I be permitted to present
23 these questions. You can answer those in writing.

24 Senator Moynihan. If that can be done by
25 5:00 o'clock today, sir.

1 Senator Dole. They are right here.

2 Senator Moynihan. They are right here.

3 And I note that Senator Daschle will have
4 similar questions also by 5:00 o'clock.

5 [Senators Daschle's and Dole's questions
6 appear in the appendix.]

7 Senator Dole. Thank you, Mr. Chairman.

8 Senator Moynihan. Thank you, sir.

9 And Senator Chafee.

10 Senator Chafee. Thank you, Mr. Chairman.

11 First, I want to say that I do not think that
12 any problems are raised by any lack of direct
13 experience in trade matters, as has been pointed
14 out.

15 Since I have been on this committee, there
16 have been four trade negotiators, Bob Strauss,
17 Bill Brock, Clayton Yeutter, and Carla Hills. And
18 none of them to my knowledge had any substantial
19 experience in trade matters. Maybe Clayton
20 Yeutter had to some degree.

21 So I know that as far as that goes, you will
22 do an excellent job. And that is not a problem.

23 I would like to ask, Senator Sasser said that
24 you will bring a coherent strategy to trade.
25 Could you tell me who is going to be in charge?

1 I read about this new National Economic
2 Council which you yourself refer to in the answer
3 to a question that you have to consult with that.
4 That is going to be headed by Mr. Ruben. I
5 suppose the Secretary of Commerce will be in on
6 that group.

7 Can you tell us how this is all going to
8 work? Who is going to be in charge?

9 I have had experience. I noted the other day
10 that when everybody is in charge, nobody is in
11 charge.

12 Mr. Kantor. I think that is correct. And
13 like you, Senator, I do not want to be held to
14 that standard of perfection also, but I think I
15 can hopefully give you an answer to that question
16 that will clear it up.

17 As you know, the President-elect fully
18 intends that I will carry out the dictates of the
19 law as supported by this committee. I will
20 coordinate trade policy. I will speak to the new
21 Administration on trade.

22 I will negotiate trade agreements, but as you
23 know, each of the issues which I face--whether it
24 is the multilateral steel agreement which will
25 come up very quickly right now as we face the

1 antidumping cases where a preliminary decision is
2 due on January 26 or when we face other matters,
3 such as MFN status for China, which we have to
4 face in April if we are going to address it in the
5 June timeframe--cuts across a number of agencies
6 of the United States Government.

7 As you well know, Senator, better than I,
8 those two issues cut across State and Commerce and
9 Treasury and in Agriculture, as we spoke about
10 earlier with Senator Baucus and Senator Dole.

11 So therefore, to coordinate the decision-
12 making with the Trade Policy Review Group, which I
13 am sure you are familiar with, if the deputy level
14 cannot reach a decision, we will have the National
15 Economic Council to bring the Cabinet secretaries
16 together to have a coordinated and comprehensive
17 administrative approach.

18 I will bring to that council, not only my
19 leadership in the trade area, but also my
20 consultations with all of you, the Ways and Means
21 Committee and those of your colleagues in both
22 bodies, in order to try to bring some sort of
23 balance to how we approach these decisions.

24 The fact is, the NEC in this area takes the
25 place of where the Bush Administration had what

1 they called a Policy Review Group which did the
2 same thing frankly with regard to trade in the
3 Bush Administration when the Trade Policy Review
4 Group could not reach decisions.

5 So therefore, we have to have a coordinating
6 body to go to. I will be the leader in that area
7 and coordinate policy. I will have, as stated
8 before, direct access to the President-elect in
9 discussing these issues, but they cannot be
10 discussed out of context because other Cabinet
11 secretaries have significant responsibilities in
12 the area of trade.

13 And it would be foolish on my part not to
14 have full consultation and coordination. And
15 then, I will carry the load in terms of advocating
16 the policy that the President-elect then decides
17 will be the policy of the United States
18 Government.

19 Senator Chafee. Let me ask you another
20 question. You are going to hear a lot of
21 suggestions and possibly from some members of this
22 committee, I know, that there is something
23 inherently evil when another country has a vast
24 trade surplus with us.

25 Somehow that equates with unfairness. Yet,

1 it does not seem to work the other way. When we
2 have a substantial trade surplus with another
3 Nation, that is not evil. We have a trade surplus
4 with Australia. We have a trade surplus with EC.

5 Could you give me your reaction to the
6 suggestion that there is something wrong with
7 another Nation having a trade surplus with us?
8 Does that inherently mean there is something
9 unfair?

10 Mr. Kantor. Not inherently, Senator, not in
11 my view. It does mean you should take a careful
12 look at why that deficit was created and what was
13 its genesis.

14 For instance, in the case of Japan, we will
15 have about a \$48 or \$49 billion trade deficit in
16 1992 it appears. That it is the recent estimate.

17 Japan will have a \$120 billion to \$130
18 billion export surplus in 1992. Two-thirds of our
19 deficit with Japan is auto and auto parts, as
20 Senator Riegle well knows. We need to look at
21 that closely.

22 Are there legal or extra legal impairments to
23 trade with Japan in that area or any other areas?

24 But you are right, it is not inherently evil
25 or wrong or illegal or we should not initiate a

1 301 action just because it exists.

2 On the other hand, I think it would be
3 foolish on my part, if recommended by this
4 committee and confirmed by the Senate and sworn in
5 as Trade Representative, to ignore the problem.
6 And I will not do so, but I will consult closely
7 with this committee.

8 Let me just say, Mr. Chairman, as you
9 indicated, I would welcome the opportunity to meet
10 with this committee on a regular basis in private
11 or public, whatever the wish is of the committee
12 to discuss this and many other issues.

13 I think it is critical that we keep in close
14 consultation. This is just not empty rhetoric in
15 the statement that I made. I think it is as
16 critically important to the success of what I do
17 that I consult with this committee.

18 Senator Chafee. Well, I see my time is up.

19 Let me just say that many decisions as far as
20 trade go are made by the consumer, as you well
21 know. Surpluses come about because consumers take
22 certain actions. And it is not necessarily wrong
23 that some Nation has a trade surplus.

24 Thank you very much, Mr. Chairman.

25 Senator Moynihan. Thank you, Senator.

1 And Mr. Kantor, we take your proposal that we
2 meet regularly with great seriousness. And we
3 will do it and early, if we ever get you
4 confirmed. I do not know about that.

5 Senator Riegle.

6 Senator Riegle. Thank you very much, Mr.
7 Chairman.

8 First, Mr. Kantor, let me say that you have
9 my full support. And I think it is great that
10 your family is here standing with you today. I
11 think you have the talent and the toughness to do
12 this job. And it takes both elements.

13 I want to follow-up on Senator Chafee's
14 comments. And I want to just illustrate for a
15 moment the dimension of the problem that you are
16 inheriting because you are coming into a situation
17 where a massive problem has developed. And we
18 have not dealt with it adequately as a country.

19 And I want to just illustrate on this chart
20 that you see here what our cumulative merchandise
21 trade deficit has been just since 1980.

22 This chart is notched in \$100 billion
23 segments. We do not usually have charts that
24 score that high. You will see that by the end of
25 1992, we had accumulated a merchandise trade

1 deficit of nearly \$1.2 trillion. And it has been
2 terribly damaging to our economy and to our job
3 base.

4 If you could just go to the next chart now.
5 I want to illustrate what has happened with Japan.
6 Senator Chafee raises that issue.

7 If you look at the pattern of bilateral trade
8 deficits with Japan, they are absolutely shocking
9 and indefensible. And they have done great harm
10 to this country. And they have done great harm to
11 all 50 States of the country.

12 If you look at what has happened, we started
13 out in 1980 with a trade deficit with Japan of
14 about \$12 billion. By 1986, it was up. And in
15 1987, it was nearly \$60 billion. It has dropped
16 some, but it has not reversed.

17 And it is getting larger again: in 1992, the
18 figure of nearly \$45 billion. That means that
19 Japan, net, is taking at least \$3.5 billion every
20 month out of the U.S. economy. And it is
21 stripping our job base, particularly in
22 manufacturing.

23 A net deficit of our country in favor of
24 Japan of over \$.5 trillion since 1980 is
25 absolutely indefensible. And we sell many things

1 in all other areas of the world that we cannot
2 sell in Japan because of the barriers of entry in
3 that country.

4 If I could have the next chart, please.

5 We are now seeing Mainland China, communist
6 China, following Japan's example. And you are
7 seeing an explosion in the deficits there. In
8 fact, we cannot keep the numbers up to date
9 because they are growing so rapidly.

10 In this case, we have currency cheating, the
11 use of slave labor in Mainland China, and other
12 things. We are going to have a trade deficit with
13 Mainland China by the end of the year just
14 finished. When the numbers are finally
15 accumulated, it will exceed \$15 billion, another
16 illustration of this problem.

17 Finally, the last chart, if I may. I want to
18 ask you and suggest to you an approach here in
19 terms of dealing with the Japanese bilateral trade
20 deficit.

21 Some of us have argued that the thing to do
22 is to undertake discussions with the Japanese that
23 would take this deficit of some \$45 billion a year
24 and bring it down in 20-percent-a-year reductions
25 over, say, a five-year period of time.

1 In other words, an orderly reduction in order
2 to get, Senator Chafee, to a balance of trade, a
3 rough balance of trade with Japan. We may never
4 actually achieve that.

5 Maybe we will have a slight surplus, but
6 unless we get ourselves on a path like this in
7 terms of an understanding with a country that has
8 a managed trade relationship, I do not see how we
9 are going to break the back of these deficits that
10 are draining jobs and economic strength out of
11 this country.

12 Now, my friends on the other side who want
13 deficit reduction, we all want deficit reduction.
14 You cannot have it if the unemployment rate is
15 above seven percent in this country. In Japan
16 today it is 2.5 percent.

17 In fact, Japan has just undertaken an \$80
18 billion infrastructure investment program which
19 they are paying for in large part by the trade
20 surplus they have with the United States. And we
21 are talking about whether we can come up with some
22 modest amount of money for an infrastructure
23 investment in America.

24 So we need an American trade strategy. And I
25 am confident that you are the person to spearhead

1 that effort. I do not think that means
2 belligerence on our part. I think we have seen a
3 lot of belligerence directed our way in terms of
4 why these numbers are so adverse to us.

5 Is it within the realm of your thinking to
6 believe that we ought to try to strive for some
7 kind of an orderly reduction in this bilateral
8 trade deficit with Japan?

9 Mr. Kantor. We certainly ought to seriously
10 consider that approach, Senator. As you know, we
11 have considered a number of approaches. They have
12 been product-specific at times, sectorial at
13 times.

14 Now, we have the impediments initiative that
15 has been going on with Japan under this
16 Administration. We need to look at other ways to
17 be flexible to address what you correctly point
18 out is a difficult problem.

19 As you know, we had a \$19 billion overall
20 trade deficit with the world in 1980. It grew
21 five times in the 1980s. It was down in 1991 to
22 \$66 billion. And unfortunately, it looks like it
23 is going to go up to about \$80 to \$82 billion in
24 1992.

25 We have to look at that closely. We have to

1 consult on these. I think this committee has
2 tremendous expertise and can help this
3 Administration, along with the Ways and Means
4 Committee and other relevant members of both
5 Houses to develop a policy that will be effective
6 in its approach.

7 That is not discriminatory. That does not
8 mean that that is bashing anyone. What it means
9 is that we have to look at this in realistic terms
10 and try to be effective in our approach.

11 Senator Riegle. Thank you very much.

12 Senator Moynihan. Thank you, Senator.

13 Senator Conrad.

14 Senator Conrad. Thank you, Mr. Chairman.

15 Welcome, Trade Representative-designee,
16 Mickey Kantor.

17 I was thinking this morning, I have known
18 Mickey for 22 years. And I can say to the other
19 members of this committee, we have a tough, smart,
20 extraordinarily hard working Trade Representative-
21 designee.

22 I am very hopeful, Mr. Chairman and members
23 of the committee, that we will confirm Mickey
24 Kantor very quickly.

25 There has been some comment in the press I

1 see that there is a lack of direct experience of
2 Mickey Kantor in trade. Like I say, there is no
3 lack of negotiating experience of Mr. Kantor.

4 And I have seen first hand and directly the
5 extraordinarily negotiating talent of Mickey
6 Kantor. And that is precisely what the United
7 States needs.

8 Needless to say, I represent a State that is
9 the most agricultural State in the Nation. And
10 agriculture is deeply concerned about the general
11 direction of the trade agreements that we have
12 seen, the Canadian Free Trade Agreement that
13 allowed an unprecedented amount durum goods to
14 come into this country from Canada that absolutely
15 collapsed the durum market of this country.

16 I would say to Mr. Kantor and members of the
17 committee, my State is on the front line with
18 respect to the Canadian Free Trade Agreement.
19 Eighty-seven percent of the durum that is produced
20 in this country comes from my State. It is a very
21 popular product. And yet we saw the durum market
22 absolutely collapse in our State after the
23 Canadian Free Trade Agreement because Canada can
24 ship this product out and we cannot ship a single
25 bushel north to Canada.

1 They have a requirement that they call end-
2 use certificates. We have no similar requirement
3 on their exports to this country. They operate
4 using a Canadian wheat board, no price
5 transparency. We operate in a completely open
6 market. Any day, you can go and see in the
7 Chicago markets what grain is trading for.

8 And the Canadians are very clever. We have
9 already caught them in South America, going and
10 telling our South American customers, "Don't
11 worry. Whatever the price is in the United
12 States, we will beat it by five or ten cents a
13 bushel," using the Canadian wheat board to move in
14 a way in which no one knows what the price is
15 except those who are the buyers.

16 And I say to Mr. Kantor, these are the
17 reasons agriculture is deeply concerned. They
18 already see the straws in the wind with the
19 Canadian Free Trade Agreement.

20 Now, they see a NAFTA agreement, a NAFTA
21 agreement, for example, on sugar. Sugar is a
22 major industry in my State, a \$1 billion industry
23 in the Red River Valley of North Dakota and
24 Minnesota.

25 And we see an agreement in which Mexico, that

1 is an importer of sugar, is being told they can
2 have direct access to our sugar market if only
3 they show a surplus with the United States for two
4 years.

5 And anybody in the sugar industry knows they
6 can very easily become a surplus Nation very
7 quickly. All they have to do is convert the soft
8 drink industry in Mexico from using sugar to using
9 corn sweetener. They will be a surplus country.
10 And they will have direct access into this market.

11 And I tell you, that will be a body blow to
12 the sugar industry in this country. And on and on
13 it goes.

14 I have just been advised that our negotiators
15 made a mistake with respect to the barley and malt
16 equivalency measurement. USDA credited 700
17 kilograms of malt as equivalent to one metric ton
18 of barley instead of 770 kilograms.

19 I just give that example, Mr. Kantor, because
20 this is what so frustrates agriculture. The devil
21 is in the details. And over and over, our
22 negotiators with respect to agriculture have not
23 been on top of the details.

24 I can say to you and members of the
25 committee, I have spent a great deal of time with

1 Tram Von Tem who is the chief negotiator for the
2 EC in the GATT Round, a brilliant man, absolutely
3 brilliant.

4 And they have a plan and they have a
5 strategy. And I think it is very clear what their
6 plan and their strategy is. They intend to
7 dominate world agriculture trade.

8 And so I just ask Mr. Kantor to pay close
9 attention to these issues. I know you will,
10 Mickey.

11 And I just ask for your general observation
12 with respect to what you have seen in the
13 agricultural sectors that you have looked over the
14 history.

15 Mr. Kantor. Two things come to mind,
16 Senator. And I appreciate your comments. And I
17 will play close attention, as I indicated to
18 Senator Dole who has now left. We spoke of the
19 same thing, as you know, his concerns in this
20 area.

21 The President-elect has spoken to this in
22 terms of asking for one of the three supplemental
23 agreements we intend to negotiate with the Mexican
24 government as a result of NAFTA and unexpected
25 surges in imports into this country which will

1 particularly affect agriculture and particularly
2 be protective, we hope, of the sugar industry, if
3 such a surge should take place.

4 There is currently language in NAFTA, as you
5 know better than I, which involves itself with
6 surges, which we do not think is tough enough.

7 We believe we can reach a supplemental
8 agreement in that connection without opening up
9 NAFTA again, which we do not want to do. But we
10 think we can do that.

11 Number two, I think in my colloquy with
12 Senator Baucus a little earlier in answering your
13 questions on the Uruguay Round, we talked about
14 internal supports as well as export subsidies. We
15 talked about the Blair House Agreement on November
16 20th and the Dunkel draft. I think that has to be
17 looked at closely.

18 You are right. The devil is in the details.
19 I think Ambassador Hills has done very well, Mr.
20 Chairman, to get into those details. If I could
21 do anything, Senator Conrad, I would like to be
22 the best of Ambassador Strauss and Ambassador
23 Hills. I think I would do quite well by doing
24 that.

25 Senator Conrad. Mr. Chairman, if I might

1 just conclude by saying, if I were in trouble, I
2 would like to have Mickey Kantor working on my
3 behalf. And I think we are in trouble on trade.
4 And I am glad Mickey Kantor is the nominee.

5 Senator Moynihan. A very handsome statement,
6 sir.

7 And Senator Danforth.

8 Senator Danforth. Mr. Chairman, thank you
9 very much. And congratulations on your new role.

10 And Mr. Kantor, congratulations to you.

11 Mr. Kantor. Thank you, Senator.

12 Senator Danforth. What I know of you, I
13 think you will be an excellent U.S.T.R.

14 One of the main problems that we have had in
15 international trade has been a lack of
16 credibility. We seem to say something and not
17 follow through. We tend to be really blowhards, I
18 think, in international trade.

19 We make verbal commitments. And then, we do
20 not do anything about verbal commitments. We
21 negotiate agreements painstakingly. And then, we
22 do not follow through on the remedies that are
23 provided in those agreements.

24 You mentioned in your opening statement that
25 with respect to the EC utility directives, I

1 think, you said that we should respond.

2 There is a case in which last February the
3 U.S.T.R. said that it was going to respond unless
4 it received favorable action by the European
5 community by January of 1993. It is now January
6 of 1993. That time period, I think, has run out
7 really by January 1993.

8 Have you focused on the EC utilities'
9 directive? Basically, what it is, as you know, it
10 is an arrangement by the European community to buy
11 certain products within the European community.

12 We have said we are going to act. We are
13 going to institute sanctions against the EC.
14 Nothing has happened. Do you have any views as to
15 what we should do?

16 Senator Moynihan. Things like generators?

17 Senator Danforth. Yes.

18 Mr. Kantor. It is heavy electrical
19 equipment, telecommunications equipment.

20 As you know, Senator, much of the public
21 utilities as well as the telecommunications
22 operations in Europe are government owned. And it
23 is a serious matter.

24 This directive has gone into effect in the
25 EC, although not all countries have adopted it

1 yet, but it is expected that they will. It is a
2 serious situation because they require and this
3 directive requires a 50 percent local content in
4 the equipment covered by the directive, the heavy
5 electrical equipment.

6 Senator Moynihan. Local being the EC itself?

7 Mr. Kantor. Yes, sir. That is right,
8 Senator.

9 And it is a three-percent preference to
10 locally made or locally-produced items in this
11 category.

12 Senator Moynihan. By which you mean
13 European?

14 Mr. Kantor. European.

15 Senator Moynihan. Local has the context
16 of --

17 Mr. Kantor. I should say EC. Thank you,
18 Senator.

19 Senator Moynihan. Yes.

20 Mr. Kantor. I should say EC.

21 Because of that and because the directive
22 also suggests that it will allow arbitrarily the
23 denial of any bid. Even if the three-percent
24 preference does not allow for the victory for an
25 EC product, it will allow for the disqualification

1 of a non-EC product as well.

2 They have taken what was informal and now
3 made it formal, this non-tariff barrier to entry
4 for very important products from this country.

5 As you know, President Bush said in February
6 1992, as you correctly said, that he would bring
7 sanctions within 11 months. And, of course, that
8 has not happened. That is on the front burner.

9 I have discussed it with Ambassador Hills,
10 with Ambassador Katz. I have discussed it with
11 the staff of the transition team because there is
12 no new Administration as of now.

13 We are preparing documents in that regard and
14 will follow up on that matter. I have not yet
15 discussed it with the President-elect, but will do
16 so immediately after he has taken office.

17 Senator Danforth. The general point I am
18 making is that it is very common for us to cry
19 wolf in international trade. If we cry wolf and
20 then do not do anything, there is not any
21 credibility.

22 And my hope is that in your tenure as
23 U.S.T.R., when you speak, you will speak with
24 authority. And after you speak, you will act in
25 accordance with what you said you will do.