



# Committee On Finance

Max Baucus, Ranking Member

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**Opening Statement of U.S. Senator Max Baucus (D-Mont.)  
Hearing to Consider the nominations of Robert Steel and John Veroneau  
Hearing before the Senate Finance Committee**

Today we consider two important nominees: Robert Steel, to be Undersecretary for Domestic Finance; and John Veroneau, to be Deputy U.S. Trade Representative.

Both of these nominees will face tough challenges. They both appear to be up to the task. Let me start with Mr. Steel.

President Clinton's advisor James Carville once famously remarked that in his next life, he wanted to come back as the bond market, because it was so powerful.

Mr. Steel has seen that power up close. He knows how it works. He is well suited to serve as the Government's primary ambassador to the bond market, the Undersecretary of Domestic Finance.

Mr. Steel comes highly recommended by Democrats and Republicans alike. I am pleased that Secretary Paulson is bringing in talent of the highest caliber.

Once confirmed, Mr. Steel will supervise the issuance of Federal debt. His job will include the grim task of recommending when Congress will need to raise the statutory debt limit.

Unfortunately, his predecessors over the past six years told Congress that we had to raise the debt limit by about \$3 trillion. The debt limit has increased by 50 percent during that time, from \$6 trillion to \$9 trillion.

That means that every man, woman, and child in America carries a debt burden of about \$30,000.

And the future looks no better. The administration projects that the debt will rise to \$11 trillion in the next five years. Beyond that, the picture gets even worse. Do we really want to leave that kind of burden to our grandchildren?

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And much of the increase in the debt is financed by foreigners. During this administration, debt held by foreigners has doubled. If foreigners decide to buy less of our debt, it could cause a drop in the value of the dollar. It could cause a rapid increase in interest rates. It could cause a recession.

We are in this mess because the Government has failed to act responsibly. We need to change course. We need to return to paying as we go.

We were doing just that as recently as six years ago. The Treasury Department played a big role in that effort. And Treasury should play that role again.

As one of Secretary Paulson's senior domestic advisors, I hope that Mr. Steel will help to restore fiscal sanity. I hope that he will bring a little of that power of the bond market into the room, to help us change course.

I am also pleased that the Committee is considering Mr. Veroneau's nomination to become Deputy U.S. Trade Representative. I believe that Mr. Veroneau is well qualified for that position. He served both as Assistant USTR for Legislative Affairs and USTR General Counsel.

I admire and appreciate Mr. Veroneau's willingness to return to public service to serve in this important post. I have confidence that he will be a great asset at USTR.

I believe that Mr. Veroneau's skills and experience will be put to good use during this difficult period in trade policy. The Doha Round negotiations are at an impasse. WTO members differ on how the system should operate. Populism is on the increase, particularly in South America, which I understand will be part of his portfolio. To break the deadlock, America will have to provide leadership.

But providing leadership abroad will be difficult, if we don't first address concerns about trade here at home. Many have serious concerns about the way that this administration has used Trade Promotion Authority. That authority expires in less than a year. And I, for one, do not see a smooth path to renewal.

Mr. Veroneau has extensive experience with the Senate. He is well placed to meaningfully address congressional concerns, and to help find a way forward.

I thank both of the nominees for their willingness to serve. I look forward to working with them in the future. And I look forward to hearing of their good work. Who knows, perhaps even the bond market will be impressed.

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