

INTRODUCTION OF THE "PROTECT AMERICAN JOBS THROUGH THE FOREIGN TRADE ANTITRUST IMPROVEMENTS AMENDMENTS ACT OF 1998"

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. CONYERS. Mr. Speaker, I am pleased to join with my colleagues, Judiciary Committee Chairman Henry Hyde, and Commerce Committee Ranking Member John Dingell, in introducing today the "Protect American Jobs Through the Foreign Trade Antitrust Improvements Amendments Act of 1998." This bill clarifies one of our most important U.S. antitrust laws in order to enshrine the principle that U.S. law reaches anti-competitive foreign cartels, acts, and conspiracies designed to unfairly exclude American products from overseas markets. The principal aim of my bill is to codify the U.S. Department of Justice's current and correct interpretation of the Foreign Trade Antitrust Improvements Act ("FTAIA") which is embodied in footnote 62 of the International Antitrust Guidelines. The footnote makes it clear that there are no unnecessary jurisdictional or legal roadblocks to challenging anti-competitive acts and conspiracies that take place outside our borders.

We live in an era of economic globalization. Today, America's prosperity depends, not just on vigorous competition within our territorial borders, but on free and fair access to markets in Japan, Europe, Africa, Latin America, China, Russia, and a host of other countries. Anti-competitive practices that block foreign markets to U.S. exporters are just as much a threat to the U.S. economy, as the purely domestic cartels and combinations that the Sherman Act sought to address at the turn of the century.

The opening of global markets has advanced America's current economic prosperity, but it also poses fundamental challenges for U.S. antitrust laws. One example is the U.S. flat glass industry. For the better part of a decade, America's leading flat glass producers have been seeking access to the Japanese market, the biggest and richest in Asia. This isn't a situation where America doesn't have a good product. American companies are leaders in producing and selling high-quality innovative glass products around the world; and in fact, have succeeded in Europe, Asia, the Middle East, Latin America, but not Japan. The fact is that securing distribution effective channels for American glass products has not proved to be a significant barrier to entry in any country but Japan.

My bill aims to address this situation by making an important clarification in the U.S. antitrust laws that govern jurisdiction over foreign firms. It does not change U.S. antitrust law. Instead, it is designed to codify and clarify U.S. antitrust doctrine. Although most observers would agree that the FTAIA established conclusively that DOJ and U.S. firms have jurisdiction to bring an antitrust case against foreign firms engaged in anti-competitive conduct that harms U.S. exporters, enforcement officials misinterpreted the law and said so in a footnote to the International Antitrust Guidelines. That footnote—Footnote 159—created a higher burden for U.S. exporters than Con-

gress had intended by requiring that they show harm to U.S. consumers in order to get their day in court.

This bill would ensure that the will of Congress and the plain meaning of the FTAIA could never again be misconstrued by the federal antitrust agencies, a foreign litigant or a U.S. court. In doing so, it would assist in breaking down anti-competitive foreign barriers to U.S. exports.

While the correction to Footnote 159 was drafted by Assistant Attorney General Jim Rill in the Bush Administration, it has been fully endorsed by the Clinton Administration. I commend Assistant Attorney Generals Rill, Bingham, and Klein for their strong leadership in strengthening international antitrust enforcement and for bringing cases under the authority of the FTAIA.

By clarifying the jurisdictional requirements of the FTAIA, I hope to encourage the Department of Justice and injured industries to make any necessary use of this important power by challenging cartels, such as those blocking distribution of U.S. products in the U.S. courts, before U.S. juries, under U.S. law.

My bill makes a simple and straightforward point. Anti-competitive foreign cartels and conspiracies are subject to the long-arm of U.S. antitrust law. Foreign producers can run . . . but they can't hide. The global economy may be a reality, but U.S. law applies fully to anti-competitive international cartels, combinations, and conspiracies.

This bill already has the support of industry leaders, including Kodak, PP&G Industries, and Guardian International Corporation, and the National Association of Manufacturers. I look forward to working with other interested parties to bring U.S. law into a new era of international economic globalization, and to ensure that American firms and workers have a timely and effective remedy against those who engage in anti-competitive acts designed to exclude American products or services from the international marketplace.

NAFTA=AMERICAN GHOST TOWNS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to highlight the inequity that NAFTA has created along the U.S.-Mexico border in Texas. As a recent New York Times article has shown, NAFTA has been a boon to the big companies, and to Mexican labor, but has created ghost towns in American border communities where vibrant, growing cities once burgeoned.

"This whole free-trade thing turned out to be for the big companies, not the little guy," Ricardo Grando, a manager at a Brownsville money exchange was quoted as saying in the Times article. For many in the border towns, NAFTA has not brought prosperity, like its supporters claimed, and border communities hoped for. With tariffs removed, workers in Brownsville, El Paso, Laredo, and other towns have watched their jobs walk across the borders to cities like Ciudad Juárez and Matamoros. In fact, Ciudad Juarez boasts a lower unemployment rate than its sister city El Paso.

Ciudad Juarez's largest employers are corporations such as General Motors, Ford, and

United Technologies, where average wages are \$1.36. Compare this to the \$7.71 for factory jobs in El Paso, when there are no jobs. The largest employers in El Paso are two schools and a military base. With lower wages just feet away, it is no wonder why companies take their operations across the border.

Mr. Speaker, NAFTA's ill effects can be seen along the U.S.-Mexican border. Just as I and other critics of NAFTA said in 1993, the cheap, unsafe labor markets in Mexico are too inviting to U.S. companies, and American workers are losing jobs by the thousands. Not only are jobs stolen in El Paso, but they are lost in major cities far away from the border, such as my hometown of Chicago. If we do not end this NAFTA injustice, NAFTA ghost towns will pop up all across America.

PANAMANIAN ELECTION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. BALLENGER. Mr. Speaker, the Panamanian people are soon to encounter an important vote that may affect the future of their democracy. On August 30, Panama will hold a plebiscite to decide whether to amend the constitution to allow the current president, Ernesto Perez Balladares, to run for a second term. The Panamanian people seem to have developed a stable democracy and I hope they understand that any change could be the beginning of a retreat from this democracy. I trust the Panamanian people will recognize the importance of this vote. In addition, I hope international election observers will help guarantee an honest vote.

TRIBUTE TO DR. JOHN H. BLOSSOM

HON. GEROGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to Dr. John H. Blossom for his life long dedication and hard work in the health care arena. Mr. Blossom's care giving efforts in decentralized rural clinics has allowed other physicians to enter and start their own practice.

For nearly three decades, Dr. John H. Blossom has worked to establish physician training programs in rural clinics through his long-standing relationship with the University of California, San Francisco-Fresno Medical education program.

Dr. Blossom began training family practice residents in decentralized rural clinics. This idea of recruiting physicians to generally underserved areas worked well and has since been used in many other parts of the country.

Dr. Blossom first came to Fresno for training at Valley Medical Center and was appointed chief resident in 1974. Once he completed his residency training, Dr. Blossom became a medical director of a community health center in Mendota, a small rural town west of Fresno.

During the two years that he provided patient care services there, he introduced that