Japan rejects U.S. 'anti-trust' outrage

by Kathy Wolfe

Japanese officials on April 4 rejected a plan by the U.S. Department of Justice to sue and destroy Japanese companies, by applying U.S anti-trust laws on Japanese soil. "We don't accept this idea of extra-territoriality. . . . We cannot accept the administration of a country's law beyond its territory," a Japanese Foreign Ministry spokesman said.

Tokyo was responding to a ruling finalized April 3 by U.S. Attorney General William Barr, that the hated "Thornburgh Doctrine" will now be extended to trade and corporate law. Under the doctrine, which Barr wrote while assistant to former Attorney General Richard Thornburgh, the Bush administration has applied U.S. law extra-territorially—that is, completely illegally—to invade sovereign nations such as Panama. Thousands died in the U.S. "arrest" of Panamanian President Gen. Manuel Noriega.

"Applying U.S. antitrust laws to remove illegal barriers to U.S. export competition makes sense as a matter of law and policy," Barr told a press conference. Any company which maintains "practices harmful to American exports if such conduct would be illegal in the United States" is now in line to be sued by the Justice Department. Barr did not say whether he is planning to kidnap Japanese or other foreign corporate executives and jail them as well.

Barr's new announcement raises the specter (not entirely comic) of the Marines invading Japan to enforce purchases of Chryslers or Coca Cola.

One Japanese official suggested that Japan might retaliate by trying to sue U.S. states and other government bodies for "Buy American" laws. "No state government has ever bought a Japanese car," the spokesman pointed out.

Attack on national sovereignty

"The decision could jeopardize a nation's sovereignty," an official at Japan's Ministry of International Trade and Industry (MITI) said April 4. "It is very regrettable. "We hope the United States will carry out its new policy cautiously."

"This should not be allowed under international law," the Foreign Ministry said. "The government of Japan maintains the position that [the policy] is an extra-territorial application of U.S. law that violates international law."

The Japanese government will not bother to discuss with the Bush administration Barr's ruling. Rather, MITI and other Japanese agencies are seeking to haul the United States before the General Agreement on Tariffs and Trade (GATT) and other international forums, to force these bodies to declare Barr's action illegal under international law.

"Washington's action might possibly threaten the sovereignty of other countries," Yuji Tanahashi, vice minister of MITI, told the press April 6. Japan had voiced strong concern in trade working sessions in Washington during March, he noted, only to be hit with the unilateral Barr announcement.

Bush administration desperate

Attorney General Barr first went public with his idea on the nationwide TV show "One on One" Feb. 23. He told interviewer John McLaughlin that the Justice Department is "reinterpreting" anti-trust policy so that the U.S. government can sue Japanese *keiretsu*. (A *keiretsu* is a group of companies such as Mitsubishi Auto and Mitsubishi Steel which work together, producing goods for each other—one of Japan's most useful practices, which many economists believe the United States should emulate.)

The Bush administration can't stand any form of economic competence and wants to chop up the competition. Furthermore, Washington wants to create a new British Empire of colonies for the United States abroad. If the Japanese government were so foolish as to allow Barr to carry out his policy, which is unlikely, dozens of Japan's largest companies would be bankrupted and broken up, the way AT&T was broken up. Just as America's phone system no longer works, Japan's entire economy could not work under those circumstances.

"I think the anti-trust laws will be a useful tool against cartels which are excluding U.S. exports," Barr said. This will be done by reinterpreting American laws, designed to protect U.S. consumers, so they can be cited instead to protect U.S. exporters, like Chrysler or General Motors.

Previously, the Justice Department had applied anti-trust laws only to cases where foreign companies, selling in the United States, could be demonstrated to be using cartels to keep prices artificially high here. The new policy only requires the Justice Department to prove that U.S. exporters "have been harmed" by a foreign business's practices. Potentially any loss now by any U.S. company may now be blamed on any foreign competitior.

George Bush, facing an election year, has come under increasing pressure to take tougher action to cut the huge U.S. trade deficit with Japan, especially after his disastrous trip to Tokyo in January. Bush has now apparently dropped his former pretense of objection to the Barr plan, and is "sending strong signals that the United States was serious about eliminating unfair trade practices," a White House spokesman told the press April 3.