

WATCH STATE DEPARTMENT

NATIONAL HEADQUARTERS
Post Office Box 65398
Washington, D.C. 20035
703-241-3700

WEST COAST OFFICE
Post Office Box 6102
Woodland Hills, California 91365
818-223-8080

September 8, 2004

Ms. Deborah A. Garza
Fried, Frank, Harris, Shriver & Jacobson LLP
1001 Pennsylvania Avenue NW
Washington, D. C. 20004

Re: Antitrust Modernization Commission

Dear Ms. Garza:

For your participation on the Antitrust Modernization Commission, you will find our suggestion enclosed.

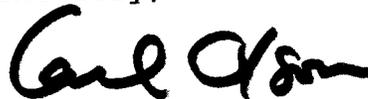
A gaping and dangerous loophole in antitrust laws is the lack of any prohibition on the U. S. government assisting any cartel or other combination in restraint of trade anywhere in the world.

Much mischief can be done by the executive branch without such a prohibition. The American public can lose free markets if the power of the government comes in on the selling side of the market. The results are vast windfall profits for the few, and social loss of vast resources for the many.

A current example is the support that the U. S. government is giving to the oil cartel Organization of Petroleum Exporting Countries due to the ongoing occupation of Iraq, resulting in part in the doubling of oil prices.

Your thoughts on this matter are invited. Please direct all replies to our West Coast Office. State Department Watch is a nonpartisan foreign policy watchdog group.

Sincerely,



Carl Olson
Chairman
State Department Watch

CLO:moi
Enclosure

**An Act to Oppose U.S. Government Assistance
To Any Cartel Anywhere in the World**

Findings:

1. It is settled U. S. government policy to outlaw commercial cartels in this country, as expressed in the Sherman Act and other measures.
2. Cartels which operate inside and outside the United States can wreak economic damage to America. They should not be supported in any way by any action of any part of the U. S. government.
3. The American public and Congress should be informed regularly as to any activity of the U. S. government which might assist the operations, information gathering, or penalty enforcement of any cartel anywhere in the world.

Legislation:

1. No department, office, commission, agency, corporation, or other entity or agent of the United States government shall assist in any way the operation, information gathering, or penalty enforcement of any cartel in any industry or product anywhere in the world within or without the United States. This policy includes, but is not limited to, the Organization of Petroleum Exporting Countries.
2. No assistance to any cartel shall be permitted under any treaty obligation, any executive agreement or other agreement, any military occupation activity, any foreign assistance program, or any grant, loan, or loan guarantee program of the U. S. government.
3. The policy against cartels anywhere in the world shall be promoted by the U. S. government in all departments, offices, commissions, agencies, corporations, and other entities, agents, vendors, loan recipients, and grantees.
4. This policy shall be enforced by the Attorney General as follows:
 - A. The Attorney General shall have access to all records and personnel of all departments, offices, commissions, agencies, corporations, and other entities, agents, vendors, loan recipients, and grantees for the purpose of monitoring any activity to assist or to inhibit any cartel anywhere in the world. The Federal Bureau of Investigation shall assist in this monitoring.
 - B. The Attorney General shall prepare an annual public report and an annual classified report to Congress on any and all activities of the U. S. government to assist or to inhibit any cartel anywhere in the world, such reports to be delivered within 90 days of enactment of this law and annually on the same day as the first report.
 - C. The Attorney General shall prepare an annual public report and an annual classified report to Congress on any and all activities of the U. S. government to assist or inhibit in any way the Organization of Petroleum Exporting Countries in its operations, information gathering, or penalty enforcement, such report to be delivered within 90 days of enactment of this law and annually on the same day as the first report; and the first report shall include the period of January 1, 2003, to the date of the first report. The report shall include any assistance that has been and is provided under any treaty obligation, any executive agreement or other agreement, any military occupation activity, any foreign assistance program, or any grant, loan, or loan guarantee program of the U. S. government, including but not limited to the activities of the Department of Defense's Coalition Provisional Authority and the Department of State.

Iraq and OPEC

OPEC's insidious boosting of gas prices was correctly described: "OPEC, which produces about one-third of the world's oil, prevents prices from reaching that equilibrium price by constricting supplies" ("The price of oil" Editorial, April 18). However, the U.S. government has supported everything the oil car-

tel — the Organization of the Petroleum Exporting Countries (OPEC) — has done for more than a year. When it occupied Iraq, the U.S. government became a de facto member of OPEC. It has a duty to provide policing and intelligence in OPEC's program to shrink oil production.

It's time to end this enormous

conflict of interest with the American public interest. President Bush could remove Iraq from OPEC with the stroke of a pen. We wish he would.

CARL OLSON
Chairman
State Department Watch
Washington

The Washington Times

THURSDAY, MAY 13, 2004 ★

HOW THE U.S. CAN COMBAT HIGH GAS PRICES

SKYROCKETING GAS PRICES are primarily the result of the OPEC oil cartel's ability to squeeze off production worldwide ("Are refiners boosting the pain at the pump?" News: Analysis & Commentary, Mar. 29). The U.S. government has been a de facto member of OPEC because of the occupation of Iraq. The Bush Administration has supported everything OPEC has done in the past year. President Bush could remove Iraq from OPEC with the stroke of a pen. We wish he would.

—Carl Olson, Chairman
State Department Watch
Washington

April 19, 2004 | **BusinessWeek** |

LETTERS

OPEC Squeeze

Skyrocketing gasoline prices cited in the March 8 story, "No Relief in Sight — Supply Cited in Gas Cost, but Dilemma Is Demand," are primarily due to the success of the OPEC oil cartel in squeezing off production.

Tens of billions of dollars are leaving the American economy and ending up in the hands of dubious Persian Gulf regimes and others.

Incredible as it sounds, the U.S. government is actively supporting the Organization of the Petroleum Exporting Countries. Iraq is a member of OPEC. The Bush administration should immediately take Iraq out of OPEC. After all, cartels and monopolies are illegal under American law and violate all principles of free enterprise.

Carl Olson
Chairman
State Department Watch,
Woodland Hills

How to reach us

LETTERS

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5700 Wilshire Blvd., Suite 170,

Los Angeles, CA 90036

FAX: (323) 549-5255

E-mail: letters@labusinessjournal.com

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