

STATEMENT BY THE PRESIDENT

It is with great pleasure that I sign today S. 2375, the "International Anti-Bribery and Fair Competition Act of 1998." This Act makes certain changes in existing law to implement the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which was negotiated under the auspices of the Organization for Economic Cooperation and Development (OECD). The Convention was signed on December 17, 1997, by the United States and 32 other nations. On July, 31, 1998, the Senate gave its advice and consent to ratification of the Convention. With enactment of this bill, the United States is able to proceed with the deposit of its instrument of ratification, and it is my hope that the Convention will enter into force by the end of 1998, the target date established by OECD Ministers.

The United States has led the effort to curb international bribery. We have long believed bribery is inconsistent with democratic values, such as good governance and the rule of law. It is also contrary to basic principles of fair competition and harmful to efforts to promote economic development. Since the enactment in 1977 of the Foreign Corrupt Practices Act (FCPA), U.S. businesses have faced criminal penalties if they engaged in business-related bribery of foreign public officials. Foreign competitors, however, did not have similar restrictions and could engage in this corrupt activity without fear of penalty. Moreover, some of our major trading partners have subsidized such activity by permitting tax deductions for bribes paid to foreign public officials. As a result, U.S. companies have had to compete on an uneven playing field, resulting in losses of international contracts estimated at \$30 billion per year.

The OECD Convention - - which represents the culmination of many years of sustained diplomatic effort - - is designed to change all that. Under the Convention, our major competitors will be obligated to criminalize the bribery of foreign public officials in international business transactions. The existing signatories already account for a large percentage of international contracting, but they also plan an active outreach program to encourage other nations to become parties to this important instrument. The United States intends to work diligently, through the monitoring-process to be established under the OECD, to ensure that the Convention is widely ratified and fully implemented. We will continue our leadership in the international fight against corruption.

Section 5 of S. 2375 is unrelated to the Convention. However, it can be implemented in manner that advances U.S. objectives for the privatization of the international satellite organizations, and does not put the United States in breach of its obligations under international agreements.

WILLIAM J. CLINTON

THE WHITE HOUSE,

November 10, 1998