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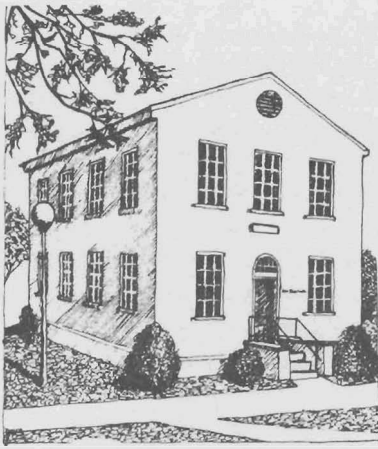
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Rusk Center Newsletter

May 1986

Thomas J. Schoenbaum, *Executive Director*

The University of Georgia, School of Law

Volume 3, Number 1

R. Dale Hughes, *Coeditor*

Kim Carr, *Coeditor*

Japanese Judicial Jurisdiction: Are Japanese Courts Catching Up With Americans?

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Since the end of the World War II, the U.S. has been Japan's teacher in various senses. To the Japanese, everything American appeared splendid and was highly evaluated. The history of Japan after the war is summarized as an effort to catch up with the U.S. In the course of this history, Japan has undergone strong American influence. In many areas of law, too, American influence cannot be denied.

Recently Japanese courts appear to be following the American way of judicial jurisdiction. Is this the right way for Japan?

U.S. courts are known to assert judicial jurisdiction in a variety of international situations. This assertion of jurisdiction is based on the so-called "long arm" statute, which resulted from *International Shoe Co. v. Washington*. The long arm statute allows a court to stretch its jurisdictional arm far enough to catch a defendant who lives in a foreign country if he has certain minimum contacts with the forum state so that the maintenance of a suit does not offend the traditional notion of fair play and substantial justice. However the long arm statute some-

times causes defendants to suffer hardships, requiring them to defend in distant forums. A Ninth Circuit Court judge said in the dissenting opinion of a case where a British manufacturer was subjected to the jurisdiction of Hawaii: the "long arm stretched halfway around the world to the alien defendant brings to mind 'a caricature of Blind Justice with arms of rubber!'"

Criticism against such an exorbitant jurisdiction came to appear among lawyers in both the U.S. and foreign countries: "In establishing bases for jurisdiction in the international sense, a legal system cannot confine its analysis to its ideas of what is just, appropriate, and convenient. To a degree it must take into account the views of other communities concerned. Conduct that is overly self-regarding with respect to taking and exercise of jurisdiction can disturb the international order and produce political, legal, and economic reprisal."

There does exist, however, an established safeguard in American law. This is the common law doctrine of forum non conveniens, designed specifically to protect defendants

against overly oppressive assertion of jurisdiction. Under this doctrine courts can stay the proceeding begun under a long arm statute and allow the parties to find a proper forum elsewhere. At first, U.S. courts were reluctant to apply the doctrine to send an American party abroad for solution of a dispute. In these days the doctrine has begun to be utilized for settlement of disputes in other countries' tribunals.

A new standard of jurisdiction is advocated to cure the hardship of the long arm statute. This is the notion of "forum convenience." According to advocates of this new standard, court's jurisdiction depends only upon whether it is a convenient forum or not. In reality some courts have been using "convenience" factor as one of the standards to be applied to jurisdictional questions since Chief Justice Stone in the *International Shoe Co.* case considered "an 'estimate of conveniences' which would result to the corporation from a trial away from its 'home' or principal place of business." And a few courts have given the convenience factor

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Japanese Jurisdiction (cont.)
great weight.

The advocates of forum convenience and courts which seem to be in favor of this new and unique jurisdictional notion presuppose that the doctrine of forum non conveniens assumes the positive function of identifying the proper forum in terms of substantial contacts like the origin of the cause of action or the presence of property. However, there is a strong opinion against such a liberal and extraordinary use of the forum non conveniens doctrine: urging state courts to search for the most convenient forum leads to situations where they might well tend to pay the most careful attention to their own interest and of local residents (homeward trend). Therefore most courts so far have rightly used the doctrine of forum non conveniens only for the purpose of refusing excessive jurisdiction. The Uniform Interstate and International Procedure Act has included the doctrine as an integral, but separate part of long arm provision.

Another development is the abolition of quasi in rem jurisdiction which is made clear in *Shaffer v. Heitner*. Quasi in rem jurisdiction was exercised over a defendant as if he were subject to personal jurisdiction when his property was seized by a plaintiff even though he was never in the forum state. Abuse of quasi in rem jurisdiction gave rise to cases in which, without his knowledge, a party was made defendant in a state where he had property by virtue of the attachment of that property. The Supreme Court held such abuse of quasi in rem jurisdiction was contrary to the due process clause and that all jurisdictions must meet the minimum contacts standard. Here it is safe to say that U.S. courts are seeking to restrain excessive jurisdiction.

In addition, the Supreme Court in *Bremen v. Zapata Off-Shore Co.* held a forum selection clause in a contract valid and ordered parties to a contract to settle their dispute in the agreed foreign forum. Before this decision a jurisdictional agreement was made invalid as it was thought to deprive American courts of their jurisdiction. This was another development in American jurisdictional law.

I shall here mention the Common

Market Judgments Convention—the Convention relating to the Jurisdiction of Courts and Enforcement of Judgments in Civil and Commercial Matters, which became effective on February 1, 1973.

The Convention is designed to smooth enforcement of member states' judgments. For this purpose some of the jurisdictional grounds which are provided in the statutes of some member states were ruled out as exceeding the ambit set by the convention. For example, Articles 14 and 15 of the French Civil Code, which provide that any litigation by or against French nationals must be brought in France, were excluded. Another example is Section 23 of the German Code of Civil Procedure, under which German courts are vested with jurisdiction over non-residents who have assets in Germany, even though the value of the assets is nominal. This jurisdiction is, like quasi in rem jurisdiction, not limited to the amount of the assets.

According to the Convention no court within the Common Market nations can take jurisdiction over any person domiciled in the Common Market on the basis of these "excessive" grounds for jurisdiction. Although the safeguard from the hardship of excessive jurisdiction is not applied to persons domiciled outside the Common Market, this Convention can be a step forward to the international solution of disputes concerning jurisdiction.

Japan has no statutory provision concerning international jurisdiction. Courts were traditionally reluctant to expand jurisdiction too far. This is based on the thought that jurisdiction of Japanese courts is determined by considering which country is a fair and convenient forum among the countries that have contacts with a particular litigation. This is, in other words, allocation of judicial business among the nations and we call this an attitude of "internationalism," "international distribution of judicial power" or "international cooperation." As is shown in these words Japanese courts, in general, were far away from "homeward trend," which can be seen, from time to time, in U.S. courts especially when they handle cases brought by American citizens.

In fact, nationality was only one of the factors and not a decisive one in Japan. But recently the Japanese courts have shown a radical view on jurisdiction.

An employee of the Boeing Company seriously injured his hand at work while operating a large power press. The press was manufactured in Japan by Kansai Iron Work, Ltd. according to specifications furnished by Boeing. The press was delivered to Marubeni Japan, a Japanese trading company, which in turn shipped it to its American subsidiary, Marubeni America, at its Los Angeles headquarters. The press was then sold to West Coast Machinery who delivered it to Boeing. The plaintiff Deutsch, in a suit against West Coast Machinery, Marubeni America and Kansai Iron Work, claimed that the press was defective and malfunctioned, severing most of his left hand, for which he was asking \$275,000. Service of process was made upon West Coast Machinery and Marubeni America, but not upon Kansai. The plaintiff was barred by the statute of limitations from asserting any claim against Kansai. Marubeni America filed a cross claim for indemnification against Kansai, which filed a notice of appearance to contest jurisdiction and moved for an order dismissing the complaint against it on the ground that the Washington court lacked jurisdiction over it.

The issue was whether the Washington court, under its long arm statute, had jurisdiction over Kansai, a third party defendant, under a cross claim for indemnification when a product was sold through intermediaries to a Washington corporation and the product caused injury in the state of Washington by reason of an alleged defective manufacture of the product, while being used for the purposes for which it was intended.

The Washington Supreme Court, after considering the facts and the evidences, held that Kansai had submitted itself to the jurisdiction of the courts of Washington, and later Kansai was held liable for damages.

Before the Washington court held Kansai liable, Kansai asked the Osaka District Court in Japan for a declaratory judgment that it owed no obligation to pay 99,000,000 yen (equivalent of \$275,000). Marubeni America

claimed that the Japanese courts had no jurisdiction over it because it has no branch nor place of business in Japan, and that this was a double action which is prohibited under Japanese law.

As to the first jurisdictional question, the Osaka District Court held that (1) product liability is an area of special tort liability, and there is no internationally established rule of jurisdiction for this type of tort nor has Japan any statutory provision on this matter, (2) Japanese jurisdiction over this action is determined by the analogy of section 15 of Japanese Civil Procedure Code which provides the venue for tort in *locus delicti*, and that (3) *locus delicti* includes the place where the cause of the tort (in this case alleged negligent manufacture of the press) arose. Concluding that Japan was the *locus delicti* the Japanese court accorded itself jurisdiction over this special tort case.

As to the second defense of the defendant, the court held that section 231 of the Japanese Civil Procedure Code which prohibits the parties of a case already pending in a court to bring a new action on the same cause of action concerns only domestic situations and has nothing to do with this action.

Then, finally the Osaka District Court held Kansai not liable for damages.

When recognition and enforcement of the Washington judgment was sought in Japan, Kansai raised a

defense that there was a Japanese judgment which declared Kansai not liable. Recognition of the Washington judgment was denied.

Scholars, with some exceptions, criticized the Osaka District Court decision for asserting jurisdiction, while totally ignoring the inconvenience incurred by Marubeni America. Whether a forum is convenient or not is an important factor to consider in Japan in terms of fairness to the parties.

Another important decision was made by the Supreme Court concerning an aircraft accident abroad. The plaintiffs were the wife and two children of the deceased Japanese passenger. The deceased bought a round trip ticket, through a travel agency in Malaysia, between Kuala Lumpur and Pinang to be carried by the defendant, a Malaysian airline company. The deceased, returning from Pinang, had died when the airplane had crashed on the ground in Malaysia. The plaintiffs brought an action in Japan against the defendant claiming the nonperformance of the obligation which the defendant owed under the carriage contract.

The District Court of Nagoya (where the plaintiffs live) denied jurisdiction for the following reasons: (1) The governing law is the Malaysian law, (2) evidence and convenience of answering the complaint indicate that Malaysia is a proper forum, and (3) the residence of the plaintiffs and the existence of the defendant's branch in

Japan alone do not have sufficient weight that would allow Japan to assert jurisdiction.

The Nagoya high court reversed the decision. The court held that, even though the defendant was a foreign corporation established under Malaysian law with its principal place of business in Malaysia, because it had a branch in Tokyo and was doing business in Japan, Japan was the place where its obligation under the air carriage contract was situated.

The Supreme Court allowed the assertion of jurisdiction. It held: Jurisdiction can be, in principle, asserted over as wide an area as its sovereignty covers, and it cannot be extended to a foreign corporation which has a main office outside Japan unless that corporation is voluntarily subject to Japanese jurisdiction. However there are some exceptional situations in which a foreign defendant is subject to Japanese jurisdiction regardless of nationality or residence. One such situation is a case where a defendant has some contacts with Japan. The content of this exception, as there is no provision in the Japanese statute, is determined by the analogy of the Civil Procedure Code in consideration of fairness between the parties and the demand for proper and prompt litigation. If the defendant has a residence (see, CPC §2) in Japan, has an office or a corporate branch (see, CPC §4), or any property (see, CPC §8) in Japan it shall be subject to the jurisdiction of

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The Georgia Journal of International and Comparative Law

The *Georgia Journal of International and Comparative Law* publishes writings of scholars, practitioners, and students on topics of both private and public international law. Published at least three times yearly, the *Journal* is designed to be of value both to specialists in international and comparative law and to practitioners confronted with the increasing frequency of international issues in local practice.

The proceedings of the Rusk Center's "Exporting in the 80's Conference" were published in Volume 14, Issue 2 of the *Journal*. Also included in this issue are the Dean Rusk Award papers for 1983-1984 and 1984-1985.

In Volume 16, Issue 2, the *Journal* will continue an emphasis on international trade law by publishing its annual survey of recent developments in trade. This issue will also include comments from a comparative Roundtable discussion on the problems of worker dislocation and redundancies. The issue will also address related labor law and immigration topics.

Publication of Volume 16, Issues 2 and 3 is anticipated in April and June, respectively. The *Georgia Journal* is published at The University of Georgia School of Law, Athens, Georgia 30602, U.S.A. Telephone: (404) 542-7289. Subscriptions, inquiries, and manuscripts should be sent to this address.

Japanese Jurisdiction (cont.)

the Japanese courts. Likewise, a defendant is deemed to be subject to Japanese jurisdiction if Japan is the place at which a contractual obligation is to be performed (see, CPC §5) or if it is the locus delicti (see, CPC §15). As the defendant has an office and a business representative in Japan, it shall be properly subjected to Japanese court jurisdiction.

This is the first Supreme Court decision on jurisdiction relating to property litigation. Response to the decision was pro and con. It is true that in this case the defendant is an airline company operating internationally and domestically with economic power enough to go and defend a case abroad, while the plaintiffs are only private persons who are less able

to afford an action abroad. But is it fair to subject the defendant to Japanese jurisdiction neglecting his inconvenience? Supposing that the Supreme Court decision is generalized, Japan, as it is one of the business centers of the world, would always provide a forum for the international business disputes. Would this be a Japanese version of "Blind Justice with arms of rubber"?

I wonder what reaction or retaliation would come from foreign countries. A good example of retaliation can be seen especially in relation to extraterritorial application of U.S. antitrust law. This aspect of the law is different, though from that of jurisdictional law. Recently the "*Westinghouse Uranium Contract*" case produced anti-U.S. antitrust laws among

the nations concerned. Because of this type of reaction from foreign countries, U.S. courts began to consider the interest of foreign countries concerned. This is the "balancing of interests" approach. As for judicial jurisdiction, the same kind of consideration will be necessary.

Internationalism in the jurisdictional sense is needed for Japanese courts. The "homeward trend" of U.S. courts was modified by the doctrine of forum non conveniens. Japan, which does not have such a restraining doctrine, should keep a stand of being conscious of the interests of foreign countries. The ideal solution would be international cooperation in allocating judicial business among nations. There should be no conflict of judgments.

Rusk Center Activities

The Center conducts research, presents conferences, promotes teaching, and provides information concerning international and comparative law. Through these activities, the Center seeks to place scholarship at the service of the decision makers, including governmental officials and private sector leaders; to provide a sound basis for policy judgments for the improvement of the lives of the people of the State of Georgia and the nation; to increase international understanding; and to contribute to the solution of problems and issues of international significance.

and political science.

The Rusk Center disseminates its research by means of conferences held on the University campus and elsewhere. In 1985 the Rusk Center sponsored two major conferences on arms control issues. On October 23, a nationally broadcast teleconference on the future of arms control originated from the studios of the Georgia Center for Continuing Education on the University campus. This four-hour teleconference allowed audiences at 25 campuses across the United States and 800 people at the University to participate in a wide ranging discussion of arms control issues with a distinguished panel of speakers, including McGeorge Bundy, Alexander Haig, and Dean Rusk. John Chancellor moderated the program.

On November 15, the Rusk Center cosponsored, along with the School of Social Sciences at the Georgia Institute of Technology, a day-long conference entitled "Strategic Defense: The Pros and Cons of Star Wars." This conference, held on the Georgia Tech campus, brought together notable figures in the Strategic Defense Initiative controversy, including Senator Sam Nunn, State Department legal advisor Abraham Sofaer, SDI program director General James Abrahamson, and ABM Treaty negotiator Gerard Smith. The forum occurred just four days before President Reagan and Soviet leader Gorbachev held their

summit meeting in Geneva where Stars Wars was a major topic of discussion between the two leaders. The proceedings of both conferences will be published this year as part of the Dean Rusk Center Monograph Series edited by the Center's Research Director, Ms. Dorinda G. Dallmeyer.

The Rusk Center plans to continue its research on national security issues. The Center has submitted a proposal to study "United States-Soviet Competition in the Third World in the 1990s." It continues to support the University of Georgia Arms Control Forum, an interdisciplinary group of faculty, staff, and students who meet monthly to discuss national security concerns. And the Rusk Center is seeking foundation support for a conference on the future of NATO.

In the area of international trade, the Dean Rusk Center has enjoyed great success. In early October, the Rusk Center culminated two years of research with the conference "Japan-U.S.-Canada Trade Relations: The Essential Partnership" in Vancouver, British Columbia, Canada. In addition to the Dean Rusk Center, the conference was supported by the Mitsubishi Bank Foundation, the Canadian Center for Asia Pacific Business Studies, and the Consulate General of Japan in Vancouver. Approximately 150 Canadians, Japanese, and Americans attended the conference

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The Dean Rusk Center for International and Comparative Law is a part of the School of Law at the University of Georgia devoted to research on international and comparative law. The Rusk Center, in addition to conducting research, holds conferences and sponsors lectures and discussions in the area of international law. In recent years the Rusk Center has concentrated on the issues of international trade and national security. Regarding the field of national security, the Center is the focal point for interdisciplinary studies by a group of University faculty members from fields of law

Rusk Center Activities (cont.)

which focused on trade issues among the three nations.

On February 26, 1986 the Dean Rusk Center sponsored a roundtable discussion on the Canada-United States free-trade agreement negotiations. The discussion covered the contents of the proposed agreement, the constitutional aspects of free-trade negotiations, non-tariff trade barriers, the economic and political aspects of the negotiations, the future for import relief measures, and dispute settlement mechanisms. Six representatives of the UGA Law School participated as well as Canadian trade officials and law faculty. This conference and its research were supported in part by an institutional research grant from the Embassy of Canada. The embassy has been most gracious with its financial support for the Rusk Center's research.

1985 was a very important year for Japan-U.S. trade and economic relations. We are all aware of the frictions which developed, and the charges of "unfair trade" which were raised by some people in the U.S. We must not forget, however, that 1985 was also a year in which Japanese companies greatly increased their purchases from and investments in this country, and dramatic changes were made which allowed for a much more open Japanese market.

In the area of direct investment, the southeastern United States has been one of the major beneficiaries. The

Rusk Center's research helps to put Japan-U.S. trade relations in perspective and to point out many benefits to this part of the nation. The Rusk Center's Executive Director, Thomas Schoenbaum has been invited to lecture in Japan several times regarding trade, not only in law schools but also to Japanese business groups. His recent editorial in *The Washington Post* was syndicated around the country.

In addition to its work on Japan and Canada, one of the primary concerns for the Rusk Center during the past two years has been issues involving trade between the United States and Israel. With the passage of legislation and an agreement establishing a free trade area between the United States and Israel, there will be much closer economic as well as political cooperation between our two countries. On April 4, 1986, the Rusk Center, in cooperation with the Atlanta Jewish Federation, sponsored a day-long conference on U.S.-Israeli free trade. The conference was a detailed exposition of how to take advantage of the free trade agreement, and it was an occasion for members of the business community from the entire southeastern part of the United States to get together, to make contacts and to talk to government representatives. The conference featured panel discussions by the chief negotiators of the agreement, both from the United States and Israel, as well as practical advice for businesses interested in improving their export potential. The

Rusk Center is sponsoring the trip of Mayer Gabay, Economic Minister in the Department of Justice for the State of Israel. Dr. Gabay was the chief negotiator of the Free Trade Agreement, and is an expert on international copyright law. He will also spend a period in residence at the Rusk Center.

With the increased economic and political cooperation between the United States and Israel, the Rusk Center would like to increase its activities concerning Israel and U.S.-Israeli trade. In particular the Rusk Center would like to exchange scholars and students, hold further conferences, and conduct research concerning U.S.-Israeli trade and business relations. This will benefit the business community, both in the southeastern part of the United States as well as the business community in Israel.

As with its research on national security, the Rusk Center will be publishing the proceedings of these conferences as part of the Dean Rusk Center Monograph series.

The Rusk Center is committed to providing the state and nation with insightful analyses of international issues. Perhaps Georgia Senator Sam Nunn described the Dean Rusk Center best in November 1985 when he called it "one of our outstanding intellectual centers, not only in Georgia and in the Southeast, but in the country."

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International Developments

According to a study by Peat, Marwick & Mitchell, foreign-based companies are increasingly choosing Atlanta as the location for their United States headquarters. Some 229 foreign companies, or 32 percent of the foreign firms in the United States, based their operations in Georgia. Almost half of the 229 companies expect a 20 percent increase in annual sales. About 40 percent of the firms plan to expand their Georgia operations. Half of the companies reported in the survey that Atlanta's Hartsfield International Airport was the major reason for locating in Georgia. The countries with the most corporate

headquarters in Georgia are West Germany (48), the United Kingdom (41), the Netherlands (26), Japan (19), Canada (18), and France (18).

* * *

Chinese Resources (Holding) Ltd., a distributor of Chinese products, plans to join Atlanta developers in building a Chinese emporium around Atlanta's West End MARTA Station. The plaza will feature a handicraft center, a wholesale store carrying Chinese products and an oriental restaurant complex. In addition to the emporium, the developers plan to in-

clude office space and 900 residential units.

* * *

Denon America, a subsidiary of the Tokyo-based Nippon Columbia Co., will build a 30 million dollar compact disc manufacturing plant in Madison, Georgia. Currently, only one compact disc plant exists in the United States: Sony's Digital Audio Disc Corp. in Indiana. The Denon plant, situated on 30 acres and employing 200 people, will be in production by March 1987. If the sales of compact discs exceed the sale of record albums by 1988 as expected, the company may triple the

size of the plant. Eventually, the Madison plant could be expected to produce compact discs for computer data storage.

* * *

Georgia is now the second state, following Alabama, to open a trade office in Seoul, Korea. The Georgia Department of Industry and Trade along with the Georgia Port Authority shared the funding. The two agencies hope to increase trade between Georgia and Korea. Already, Hyundai Motor Company, which began exporting its Pony cars to the United States in January, plans to locate one of its four United States regional sales offices in Georgia. If the Pony becomes as popular in the United States as it has in Canada, Hyundai may build a plant in the Southeast.

* * *

Switzerland closed its general consulate in New Orleans and relocated in Atlanta. Swiss companies in Georgia represent an investment of 58 million dollars and 1,300 jobs. The Swiss plan to promote further trade and investment by starting a direct air service between Atlanta and Switzerland. The consul general for the Atlanta post, Paul Studer, will work with the 3,000 Swiss citizens of his region, who live in Georgia, Florida, Alabama, Mississippi, Tennessee, North Carolina, and South Carolina.

* * *

Mexico will broaden its market by opening two new trade offices in Atlanta and Miami. The Peachtree Center office in Atlanta will serve Georgia, North Carolina, South Carolina, Alabama, Mississippi, and Tennessee. Currently, California and Texas are Mexico's largest markets; however, Mexico expects sales to expand in the newly developing southeast territory. Mexico predicts an increase in exports which will contribute to payments on its 91.4 billion dollar foreign debt. Currently, oil accounts for 65 percent of the country's exports. Mexico wants to increase exports of traditional products such as peppers, nachos, and tequila as well as expanding product sales of cement, marble, and seafood.

* * *

Brazil instituted a drastic anti-

inflationary program that includes replacing its currency, the cruzeiro, with a new currency, the cruzado. Each cruzado will be worth 1,000 cruzeiros. President José Sorney terminated the country's indexation system, which adjusted prices and wages every three months for inflation. The new policy will freeze prices and adjust salaries only when prices rise 20 percent. Economic growth is predicted to drop from four percent in 1985 to two percent in 1986. However, Brazil, which owes more than 100 billion dollars to foreign banks, will benefit from the decline in interest rates resulting from the slump in oil prices.

* * *

Senator John Danforth of Missouri led a congressional delegation to Japan where he sternly warned that Japan should not increase its auto imports to the United States. In response, the Japanese government announced that shipments will remain at last year's level of 2.3 million vehicles. Prime Minister Yasuhiro Nakasone possibly feared that the United States Congress was prepared to pass protectionist legislation to reduce the 49.7 billion dollar trade deficit with Japan. Nakasone was not eager to have a trade dispute so near to May when he and President Reagan will meet with other leaders of industrial nations for the annual economic summit which will be held in Tokyo.

* * *

The nation's largest consumer of lumber from Canada, the Atlanta-based Georgia-Pacific Corp., joined other United States forest businesses in an effort to curtail Canadian timber imports. According to statistics from the National Forest Products Association, imports from Canada now account for nearly one-third of the United States softwood lumber market, as opposed to only 19 percent in 1975. In 1983, Canadian lumber accounted for 49 percent of the lumber used in Georgia, which is the second largest timber-producing state in the nation, following Oregon. The United States Coalition hopes to reduce the Canadian market share to 20 percent through negotiations between the two governments; however, the Coalition will press Congress for legislation imposing duties on imports if

necessary.

Along with the import problems, southern tree growers fear proposed tax schemes which would treat profits from timber as ordinary income rather than as capital gains. This would increase the tax burden, discouraging investment and reforestation projects. In the South, 70 percent of the producing timberland is private. In Georgia, timber production generates 80,000 jobs and earns the state 8.6 billion dollars in revenue.

* * *

The Port of Brunswick received funding from the Georgia Port Authority for a 32 million dollar multi-product dry bulk facility. The funding will revitalize the Port of Brunswick which in recent years experienced loss of funds to the ports of Savannah and Jacksonville. The proposed Colonels Island facility will carry the bulk mineral trade, freeing Savannah's port for grain cargoes. The Brunswick seaport, the westernmost port on the Atlantic coast, will feature an extensive transportation network that will reduce in-port time. The new state of the art bulk terminal is expected to triple the port's annual tonnage, lifting Brunswick into a world-class port status.

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President Reagan vetoed a bill in December that would have given relief to import threatened textile, shoe, and copper industries. Representative Ed Jenkins of Georgia sponsored the bill, which was designed to help the industries compete against the combined effects of a strong United States dollar, aggressive Japanese competition, and low wages in the Third World. A proposed vote for an override motion on the bill is scheduled for August 6, only a few days after the United States will complete international talks on the tightening of current textile-import quotas. The vote will come during the heart of the congressional election campaigns which may mean extra pressure upon political incumbents in the South.