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Dear Mr. Chairman:

Thank you for your letter of May 13, 1977, relating to payments by U.S. corporations to foreign public officials and political parties.

In your letter you expressed concern that the proposed anti-bribery legislation in both Houses of Congress would not cover foreign payments made with a "political" (as opposed to commercial) motivation. As you know, both S. 305 and H.R. 3815 would prohibit payments to any foreign political party, official, or candidate for foreign office, made to obtain a direct business or commercial benefit or to influence legislation or regulations of a foreign government.

Foreign payments made to secure a commercial benefit have been declared illegal in almost all of the countries in the world. As you pointed out, payments made to foreign political parties which are not tied to a specific business purpose are legal in many countries where U.S. companies do business.

It would not be offensive to other nations for U.S. domestic law to proscribe foreign payments made to secure a commercial benefit, since this type of conduct has been uniformly denounced. By contrast, outlawing payments made to foreign political parties for other purposes, presents problems stemming from the extraterritorial application of U.S. law to conduct in foreign countries which

CODE	INITIATOR	REVIEWER	REVIEWER	REVIEWER	REVIEWER	
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By KJ NARA Date 12/15/11

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they accept and even encourage. The addition of a provision to prohibit such payments to current anti-bribery legislation would thus create additional enforcement and political problems which may outweigh the benefits you seek to achieve.

Sincerely,

W. M. Blumenthal

W. Michael Blumenthal

The Honorable
Michael J. Harrington, Chairman
Subcommittee on International Development
Committee on International Relations
United States House of Representatives
Washington, DC 20515