

DECLASSIFIED
Authority NND 38111
By KJ NARA Date 12/15/11

*files INV 1-13
Rm 2010*

13847

SECRETARY BLUMENTHAL

JUL 13 1977

Henry C. Stockell, Jr. (Signed) Henry C. Stockell, Jr.
Acting General Counsel

Reply to letter from Representative Harrington

On June 24, Representative Harrington, Chairman of the House Subcommittee on International Development, wrote you concerning the political activities of U.S. corporations in host countries (TAB B). He has suggested that current anti-bribery legislation include prohibitions on foreign corporate payments made with a political (as opposed to commercial) motivation, and has stated his intention to pursue this proposal when the anti-bribery legislation reaches the House floor.

Earlier, Mr. Harrington wrote you about the same subject (TAB C) and you replied to him on June 8, 1977 (TAB D). Your reply stated that his proposal would create numerous problems related to the extraterritorial application and enforcement of U.S. law which may outweigh the benefits sought to be achieved.

Representative Harrington has asked you to reconsider this issue and to support a possible disclosure approach to U.S. corporate contributions to foreign political parties. Your reply reiterates your concern over the legal and political impact of the U.S. Government's seeking to obtain the cooperation of foreign law enforcement agencies in penalizing corporate activities which are often completely legal and need not be disclosed under local law. You also state that unilateral action in this area could impede the progress we have made in developing an international consensus against the foreign payments problem.

Recommendation: That you sign the letter at TAB A.

MUNDHEIM

7/11 - 2010

PALMER MUNK CLAPP HUFBAUER GODLEY
General Counsel:BBPalmer:dlw 7/8/77