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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, D.C. 20510

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June 12, 1979

ACK. FM/NSC
CONGRESSIONAL
LAW OFFICE

JUN 22 1979
cc: Tate

The President
The White House
Washington, D. C.

Dear Mr. President:

I was extremely disappointed to read in the New York Times this morning that a White House Task Force formed at the urgings of Messrs. Brzezinski and Owen is recommending that you gut the Foreign Corrupt Practices Act.

Congress passed this law which outlaws the bribery of foreign government officials by American companies with your support. By letter dated June 20, 1977, you strongly supported passage of the legislation and you pointed to the commitment of the Western European industrialized nations and the United States reached at the London Summit in 1977 to work toward an international treaty to outlaw the bribery of foreign officials by civilized nations.

Your position supporting efforts to place international trade on a free market basis has been gratifying. It is with this background that I find the statements attributed to your staff demoralizing. The staff recommendations set out in the New York Times would have this nation, the leader of the free world, stoop to the level of the lowest common denominator in international trade.

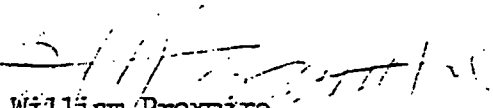
Since this Committee has jurisdiction over the FCPA, I would appreciate a copy of these recommendations so that the Committee may be fully informed. I would also appreciate knowing why the Securities and Exchange Commission, which along with the Justice Department has exclusive jurisdiction over the FCPA, was not included on the Task Force. I would appreciate all data supporting the conclusions that the FCPA is costing the United States \$1 billion a year in lost trade.

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Finally, Mr. President, I think it unconscionable that high officials of the White House would propose to prepare the ground for changes in the law that would permit a resumption of bribery as the New York Times states. Testimony before this Committee by Secretary Blumenthal and the Securities and Exchange Commission was that bribery is not necessary to sell products overseas. The adverse effects of bribery are not only visited upon domestic competition for foreign sales but is demoralizing to foreign governments which do not want their officials bribed. Think back to the reaction in Japan, Italy and the Netherlands for the adverse reaction against the United States when bribery was uncovered in those countries. I hope the sales practices of those cases will not form the cornerstone of the foreign policy recommended by your principal White House advisors.

Sincerely,



William Proxmire
Chairman