

FOREIGN AGENTS REGISTRATION ACT AMENDMENTS

JUNE 16, 1966.—Ordered to be printed

Mr. CELLER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 693]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *party;*

"(g) For the purpose of section (3)(d) hereof, activities in furtherance of the bona fide commercial, industrial or financial interests of a domestic person engaged in substantial commercial, industrial or financial operations in the United States shall not be deemed to serve predominantly a foreign interest because such activities also benefit the interests of a foreign person engaged in bona fide trade or commerce which is owned or controlled by, or which owns or controls, such domestic person: Provided, That (i) such foreign person is not, and such activities are not directly or indirectly supervised, directed, controlled, financed or subsidized in whole or in substantial part by, a government of a foreign country or a foreign political party, (ii) the identity of such foreign person is disclosed to the agency or official of the United States with whom such activities are conducted, and (iii) whenever such foreign person owns or controls such domestic person, such activities are substantially in furtherance of the bona fide commercial, industrial or financial interests of such domestic person."

And the House agree to the same.

Amendment numbered 2:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

“(g) Any person qualified to practice law, insofar as he engages or agrees to engage in the legal representation of a disclosed foreign principal before any court of law or any agency of the Government of the United States: Provided, That for the purposes of this subsection legal representation does not include attempts to influence or persuade agency personnel or officials other than in the course of established agency proceedings, whether formal or informal.”

And the House agree to the same.

EMANUEL CELLER,
WM. M. TUCK,
ROBERT W. KASTENMEIER,
RICHARD H. POFF,
EDWARD HUTCHINSON,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
BOURKE B. HICKENLOOPER,
GEO. AIKEN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the Senate bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House passed S. 693 with two amendments. The Senate disagreed to the amendments and requested a conference; the House then agreed to the conference. The conference report recommends that the Senate recede from its disagreement to the House amendments and agree to the same with amendments, the amendments being to insert in lieu of the matter inserted by the House amendments the matter agreed to by the conferees, and that the House agree thereto. The conference report retains the substance of the House amendments with certain modifications.

HOUSE AMENDMENT NO. 1

House amendment No. 1 defines the exemptive scope of a part of proposed section 3(d) of the Foreign Agents Registration Act. As amended by S. 693, section 3(d) would, among other things, exempt from registration any person engaging in activities not serving predominantly a foreign interest. House amendment No. 1 provides that, for the purpose of section 3(d) of the act, activities in furtherance of the bona fide business interests of a domestic concern engaged in substantial business in the United States shall not be deemed to serve predominantly a foreign interest because such activities also benefit a foreign business concern which is owned by or owns the domestic concern. The House amendment imposes three conditions on this exemption: (1) the foreign concern must not be a foreign government or political party, (2) the activities must not be directly or indirectly controlled or subsidized in substantial part by a foreign government or political party, and (3) the relationship with the foreign concern must be disclosed.

The conference report makes two changes in House amendment No. 1. First, it substitutes the word "operations" for the word "activities," the second time the latter word appears, in order to correct an inadvertent ambiguity. Second, it applies a somewhat more rigid test for exemption in the case of U.S. concerns with foreign subsidiaries, by requiring as a further condition of the exemption that whenever the foreign concern owns or controls the domestic concern, the activities in question are substantially in furtherance of the business interests of the domestic concern.

HOUSE AMENDMENT NO. 2

House amendment No. 2 in substance exempts from registration any person qualified to practice law, insofar as he engages or agrees to engage in legal representation of a disclosed foreign principal before any court of law or any agency or official of the Government (other than a Member or committee of Congress).

The conference report makes two changes in House amendment No. 2. First, it deletes reference to any "official" as unnecessary and rearranges and shortens the requirement of disclosure. Second, it defines "legal representation" to exclude attempts to influence or persuade agency personnel or officials other than in the course of established agency proceedings, whether formal or informal.

EMANUEL CELLER,
WILLIAM M. TUCK,
ROBERT W. KASTENMEIER,
RICHARD H. POFF,
EDWARD HUTCHINSON,
Managers on the Part of the House.

○

Caplin &
Drysdale,
Chartered