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Commerce Dept

THE WHITE HOUSE
WASHINGTON

May 8, 1975

MEMORANDUM FOR:

Philip W. Buchen

FROM:

Jay T. French *JT*

This memo is in response to the attached letter from Edward J. Frey which you referred to me for inquiry.

Normally, commercial attaches in our embassies collect information on foreign corporations which is channeled to the Office of Export Development at the Department of Commerce. American businessmen may obtain this information by contacting that office and requesting a World Traders Data Report on a particular foreign company. In Puerto Rico, however, there are no State Department facilities. Therefore, data reports are not available on Puerto Rican companies.

The Department of Commerce has a field office in Puerto Rico which collects some information on businesses, and I suggest that Mr. Frey make direct contact with that office.

There is no legal reason why we could not request such information from the Department of Commerce in behalf of Mr. Frey. However, I am concerned that a White House inquiry might appear to be favoritism. Also, Mr. Frey could undoubtedly obtain and evaluate this information more quickly than if we assist him.

If you agree, attached is a suggested response.

*Called Frey
5/12/75*



DRAFT

Dear Ed:

Thank you for your letter of April 29, 1975.

Normally, commercial attaches in our embassies overseas collect information on foreign businesses, and this information is made available to American businessmen through the Department of Commerce. However, because Puerto Rico is a commonwealth, the State Department does not maintain facilities there.

The Department of Commerce does have a field office in San Juan, and the information you are seeking, if it has been collected, would be available at that office. It would be quicker for you to directly contact that office. For your convenience. I have set forth below the address and telephone number of the director of that office.

Enrique Vilella, Director
District Office
United States Department of Commerce
Room 100
Post Office Building
San Juan, Puerto Rico 00902
809-723-4640

With warmest regards,



THE WHITE HOUSE
WASHINGTON

May 6, 1975

MEMORANDUM FOR: JAY FRENCH

FROM: PHIL BUCHEN *P.W.B.*

Here is a request from a close friend of the President and mine for information from the State Department. Is this a matter we can refer to the State Department? If so, to whom should it be referred?

Attachment



UNION BANK AND TRUST COMPANY

NATIONAL ASSOCIATION
200 OTTAWA N.W.,
GRAND RAPIDS, MICHIGAN 49502

EDWARD J. FREY
Chairman

April 29, 1975

Mr. Philip W. Buchen
The White House
Washington, D. C. 20500

Dear Phil:

Centennial Corporation and/or Foremost Insurance Company are negotiating for the sale of mobile home trailers with Jose Benitez, Benitez & Associates, Inc., San Juan, Puerto Rico.

Following is a quotation from a letter outlining his background:

"The Benitez family is one of the most well known and highly regarded families on the island of Puerto Rico. Jose himself has been heavily involved in politics most of his life and knows a number of influential people in Washington, South America, the Caribbean islands and Central America. Below is a list of several of the political positions he has held:

Executive Secretary to the Floor leader of the
Majority of the Puerto Rican Senate,

Executive Assistant to the Secretary of Justice
of Puerto Rico,

Executive Secretary of the Democratic Party of
Puerto Rico,

A Chairman of the Puerto Rican delegation to the
National Democratic Convention,



Mr. Philip W. Buchen
April 29, 1975
Page Two

President of the Democratic Party of Puerto Rico,

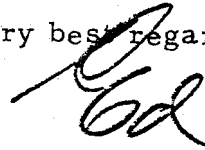
A member of the Mayors Committee on Puerto Rican
Affairs of the City of New York,

Co-Chairman of the Democratic Convention of the
State of New York,

Undoubtedly, the most important position he has held was
Deputy High Commissioner of the U.S.A. in the Pacific
Islands during the Kennedy Administration."

Would it be possible to have the State Department give me
a report on the integrity of this Company?

Very best regards,



EJF:jc



THE WHITE HOUSE
WASHINGTON

September 2, 1975

Commerce
(see letter)

MEMORANDUM FOR: BILL SEIDMAN

FROM: PHIL BUCHEN *P.W.B.*

Attached are copies of recent correspondence concerning payments made by U. S. companies for the purpose of obtaining business in foreign countries.

You will notice that Jim Baker suggests in the last paragraph of his letter to me that the problem be brought up for discussion by the Economic Policy Board.

cc: James A. Baker, III
Department of Commerce





International
THE SECRETARY OF COMMERCE
Washington, D.C. 20230

AUG 19 1975

Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D. C. 20500

Dear Mr. Buchen:

I received a copy of your letter of July 26 to Charlie Potter concerning the problem of foreign payoffs by U. S. companies. He also wrote to me on this matter and I am enclosing a copy of my response.

There are so many aspects to this that have to be examined that judgments at this time would be premature. The securities and tax laws are involved and the antitrust laws may also have application when U. S. firms make payments to foreign government officials. Where specific U. S. statutes may have been violated, obviously the matter has to be left to the respective enforcement officials. In general, I would hope that the United States would not legislate in the area of purely private commercial conduct overseas but leave such cases to be resolved by the local authorities in accordance with local laws.

In view of recent disclosures and current interests, I suggest that this problem be brought up for discussion by the Economic Policy Board.

Sincerely,

James A. Baker, III

ACTING Secretary of Commerce

Enclosure





THE SECRETARY OF COMMERCE
Washington, D.C. 20250

AUG 19 1975

Mr. Charles E. Potter
Potter International, Inc.
Suite 405
1140 Connecticut Avenue
Washington, D.C. 20036

Dear Mr. Potter:

Thank you for your letter of July 22 concerning the reported practices of some U.S. companies overseas in paying commission fees or other benefits in return for concessions, services or contracts in foreign countries. I am glad to have your views on this important question.

The President spoke on this subject at his press conference Saturday, July 12. In answering a question that dealt with payments made to secure business under a military sales contract, he said that legislation should prohibit such payments in the circumstances described. A number of agencies are now exploring the matter very carefully from the standpoint of determining whether the practices are compatible with various statutory provisions.

I agree that a prime consideration in weighing various alternative courses of action is preserving the ability of U.S. companies to compete in the affected foreign markets on an equal basis with other suppliers. It is also in our national best interest to seek the elimination of such payments as a long-term solution. However, the matter has many ramifications and will not be susceptible to easy solutions. Until the review of the problem which is now going on within the Government is complete it would be inappropriate for me to comment further.

Sincerely,

James A. Baker III

ACTING Secretary of Commerce

