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SENATE

{ REPORT
{ No. 902

AMENDING THE ACT REQUIRING REGISTRATION OF AGENTS OF FOREIGN PRINCIPALS

JULY 24 (legislative day, JULY 18), 1939.—Ordered to be printed

Mr. PITTMAN, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 5988]

The Committee on the Judiciary, to whom was referred the bill (H. R. 5988) to amend an act entitled "An act to require registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes," approved June 8, 1938 (Public Law No. 583, 75th Cong., 3d sess.), after consideration, report the same to the Senate with the recommendation that it do pass.

The purpose of the bill is to clarify the act, and the Senate Committee on the Judiciary adopts the report made by the House committee as follows:

[H. Rept. No. 711, 76th Cong., 1st sess.]

This bill makes certain clarifying amendments, hereinafter described, to the act of June 8, 1938, requiring the registration of persons employed by foreign principals to disseminate propaganda in the United States. These amendments have been found desirable after experience in the administration of the act, and are recommended by the State Department in a communication from the Secretary of State which is attached to this report.

Section 1 of the reported bill amends section 1 of the act, containing definitions. The definition of the term "foreign principal" is broadened by defining it to "include" instead of to "mean" the entities named in the definition. A domestic organization subsidized directly or indirectly in whole or in part by a foreign country or its agents becomes a "foreign principal" under the definition, and this change makes an agent of a foreign principal include an agent of a domestic organization subsidized from abroad.

The definition of "agent of a foreign principal" is also broadened by including "any person who receives compensation from or is under the direction of a foreign principal."

The exemption from registration extended to duly accredited diplomatic or consular officers of foreign governments is made to include any official of a recognized foreign government, other than publicity agent, whose status and the character of whose duties are of record in the State Department, and also to the staffs of diplomatic and consular officers, other than publicity agents, whose status and the character of whose duties are of record in the State Department.

Awkward language in the existing law with reference to the exemption of persons performing only private and nonpolitical activities is clarified.

Persons engaged only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts are specifically exempted, by new language, from the necessity to register.

In section 3 of the act, requiring reregistration every 6 months, an obvious typographical error in present law is corrected by changing the word "such" to "each".

An amendment to section 4 of the act would give the Secretary of State discretionary power to withdraw from the public records the registration statement of a person who has ceased the activities which required him to register. This would not have the effect of withdrawing the registration, nor of removing the papers from the State Department. It would only authorize the Secretary of State, if he sees fit to do so, to relieve persons who have ceased activities for a foreign principal of some embarrassment.

DEPARTMENT OF STATE,
Washington, May 6, 1939.

Hon. HATTON W. SUMNERS,
Chairman, Judiciary Committee,
House of Representatives.

MY DEAR MR. SUMNERS: In compliance with the oral request of Representative Celler, chairman of Subcommittee No. 1 of the House Judiciary Committee, I am writing to express the views of the Department in respect to the amendatory legislation set forth in the bill, H. R. 5988, Seventy-sixth Congress, first session, entitled "A bill to amend an act entitled 'An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes', approved June 8, 1938 (Public Law Numbered 583, Seventy-fifth Congress, third session)." It is my understanding that this bill is now under consideration by your committee.

It is noted that the terms "person" and "United States" are defined in subsections (a) and (b) of the first section of the bill in the same manner as in the corresponding provisions of the present act.

Under subsection (c) of the first section of the bill the term "foreign principal" is defined to "include" rather than to "mean", as in the present act. "the government of a foreign country, a political party of a foreign country, a person domiciled abroad, any foreign business, partnership, association, corporation, or political organization, or a domestic organization subsidized, directly or indirectly, in whole or in part, by any of the entities described herein." The substitution of the word "includes" would seem advisable in that this change serves to broaden the definition. The phrase "or a domestic organization subsidized, directly or indirectly, in whole or in part by any of the entities described herein" is already, by implication, included in the definition of the term "foreign principal" when subsections (c) and (d) of the first section of the present act are read in their relation to each other but the express inclusion of the phrase as provided for in the bill is considered preferable for administrative purposes.

The term "agent of a foreign principal" is defined in subsection (d) of the bill under reference in such manner as to include "any person who receives compensation from or is under the direction of a foreign principal." The addition of this phrase serves to give legislative sanction to the Department's interpretation of the term "agent of a foreign principal" as used in the present law and is for this reason considered desirable. The exception numbered (1) set forth under subsection (d) of the first section of the bill does not differ from the corresponding exception provided for in the present act in respect to duly accredited diplomatic and consular officers of foreign governments. Exceptions numbered (2) and (3) are considered desirable for purposes of clarification. It is believed, however, that a comma should be inserted following the word "government" in line 23 on page 1 of the bill.

Exception numbered (4) is not essentially different from the similar exemption in respect to persons, other than public-relations counsel, or publicity agents, performing only private, nonpolitical, financial, mercantile, or other activities in furtherance of bona fide trade or commerce, provided for in the present act, except that the phrase "other than a public-relations counsel or publicity agent" has been deleted. This deletion is considered highly desirable in that it will enable the Department to accord exemption to a number of persons who are engaged

only in private, nonpolitical, financial, mercantile, or other activities in furtherance of bona fide trade or commerce, but who have heretofore been considered subject to the requirement of registration because of the wording of the present act. The exemption described in exception numbered (5) of subsection (d) of the first section of the bill, relating to persons engaged only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts, is already embodied in the regulations promulgated under the present act, but the additional statutory authority provided for in this section of the bill is considered desirable for purposes of clarification.

Section 2 of the bill, if enacted, would serve to correct the word "such" as first used in section 3 of the present act, to read "each." It is believed that the word "such" as used in the present act is the result of a typographical error, inasmuch as it refers to a "period of six months" which is not previously mentioned or referred to in the act. This correction is considered to be of especial importance as it is felt that the present act does not expressly authorize the Department to require supplemental information from registrants after the expiration of 6 months following the first statement submitted by such registrants pursuant to section 3 of the act. It is noted that under section 2 of the bill, subsections (a), (b), and (c) of section 3 of the present act will remain unchanged. I may point out, however, in this connection, that there appears to be a typographical error in line 16 on page 4 of the bill, in which the word "person" has been spelled in the plural rather than in the singular as is the case in the wording of the present law.

The authority conferred under section 3 of the bill, amending section 4 of the present act, would enable the Department to transfer from the public records to the Department's files the registration statements of those persons whose activities are no longer of a character which requires registration under the act of June 8, 1938. Without such authority, registration statements submitted pursuant to the act must of necessity remain matters of public record permanently. This requirement would seem to impose undue hardship upon those persons who, subsequent to their registration, become desirous of terminating their relations as agent for a foreign principal. For this reason, the Department favors the enactment of the proposed amendment. I may add, in this connection, that, should section 4 of the present act be amended in accordance with the terms of section 3 of the bill, the Department would, of course, retain in its files registration statements not required to remain matters of public record in order that the information set forth therein may be available at all times upon specific inquiry.

It is clear, I believe, from the considerations set forth above, that the enactment of the bill, H. R. 5988, will serve a very useful purpose in facilitating the administration by the Department of the act of June 8, 1938, requiring the registration of agents of foreign principals. Moreover, the implementation of the present act by the amendments proposed in this bill would operate to clarify the provisions of the former and materially aid the Department in its efforts to carry out the stated objectives of the act.

For the reasons stated I feel no hesitancy in expressing the Department's unqualified approval of the bill, H. R. 5988.

Due to the urgency of this matter this report is being forwarded without prior reference to the Bureau of the Budget to ascertain its relationship to the President's program.

Sincerely yours,

CORDELL HULL.

In compliance with clause 2a of rule XIII, the act of June 8, 1938, is printed below in roman with matter proposed to be omitted enclosed in black brackets and new matter proposed to be added printed in italic:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

"(a) The term "person" means an individual, partnership, association, or corporation;

"(b) The term 'United States' includes the United States and any place subject to the jurisdiction thereof;

"(c) The term 'foreign principal' [means] *includes the government of a foreign country, a political party of a foreign country, a person domiciled abroad, [or] any foreign business, partnership, association, corporation, or political organization, or a domestic organization subsidized directly or indirectly in whole or in part by any of the entities described herein;*

"(d) The term 'agent of a foreign principal' means any person who acts or engages or agrees to act as a public-relations counsel, publicity agent, or as agent,

servant, representative, or attorney for a foreign principal [or for any domestic organization subsidized directly or indirectly in whole or in part by] and shall include any person who receives compensation from or is under the direction of a foreign principal [or Such]: Provided, however, That such term shall not include—

“(1) a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State of the United States; nor

“(2) any official of a foreign government recognized by the United States as a government other than a public-relations counsel or publicity agent or a citizen of the United States, whose status and the character of whose duties as such official are of record in the Department of State of the United States; nor

“(3) any member of the staff of or person employed by a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State of the United States, other than a public-relations counsel or publicity agent, whose status and the character of whose duties as such member or employee are of record in the Department of State of the United States; nor [a]

“(4) Any person [other than a public-relations counsel, or publicity agent,] performing only private, nonpolitical, financial, mercantile, or other activities in furtherance of the bona fide trade or commerce of such foreign principal; nor

“(5) Any person engaged only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts.

“(e) The term ‘Secretary’ means the Secretary of State of the United States.”

SEC. 2. Every person who is now an agent of a foreign principal shall, within thirty days after this Act takes effect, and every person who shall hereafter become an agent of a foreign principal shall forthwith file with the Secretary a registration statement, under oath, on a form prescribed by the Secretary which shall set forth—

“(a) The name, business address, and residence address of the registrant;

“(b) The name of the foreign principal or other person or organization for which such person is acting as agent;

“(c) A copy of all contracts of employment under which such person acts or agrees to act as such agent, if written, or a full statement of the terms and conditions thereof, if oral;

“(d) The date when each such contract was made, the date of commencement of activity thereunder, and the period during which such contract is to be in effect;

“(e) The compensation to be paid, if any, and the form and time of payment, under such contract;

“(f) The name of every foreign principal, or other person or organization which has contributed or which has promised to contribute to the compensation provided in such contract; and

“(g) If the registrant be a partnership, association, or corporation, a true and complete copy of its charter, articles of incorporation, copartnership, association, constitution, and bylaws, and any other instrument or instruments relating to its organization, powers, and purposes.

SEC. 3. Every person who has filed a registration statement required by section 2 shall, within thirty days after the expiration of [such] each period of six months succeeding the first filing, file with the Secretary a statement under oath, on a form prescribed by the Secretary, which shall set forth with respect to such preceding six months' period—

“(a) Such facts as may be necessary to make the information required under section 2 hereof accurate and current with respect to such period;

“(b) The amount and form of compensation received by such person for acting as agent for a foreign principal which has been received during such six months' period either directly or indirectly from any foreign principal; and

“(c) A statement containing such details required under this Act as the Secretary shall fix, of the activities of such persons as agent of a foreign principal during such six months' period.

SEC. 4. The Secretary shall retain in permanent form all statements filed under this Act, and such statements shall be public records and open to public examination and inspection at all reasonable hours, under such rules and regulations as the Secretary may prescribe: Provided, That the Secretary is hereby authorized to withdraw from the public records the registration statement of any person whose activities have ceased to be of a character which requires registration under the terms of this Act.

"Sec. 5. Any person who willfully fails to file any statement required to be filed under this Act, or in complying with the provisions of this Act, makes a false statement of a material fact, or willfully omits to state any material fact required to be stated therein shall, on conviction thereof, be punished by a fine of not more than \$1,000 or imprisonment for not more than two years, or both.

"Sec. 6. The Secretary is authorized and directed to prescribe such rules, regulations, and forms as may be necessary to carry out this Act

"Sec. 7. This Act shall take effect on the ninetieth day after the date of its enactment."

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Caplin & Drysdale