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Office of the White House Press Secretary
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STATEMENT BY THE PRESIDENT

Recent disclosures that American-based corporations have made questionable payments during the course of their overseas operations have raised substantial public policy issues here at home.

The Federal Government is already undertaking a number of firm actions to deal with this matter. Full-scale investigations to determine whether U. S. laws have been violated are currently underway in the Securities and Exchange Commission, the Internal Revenue Service, and elsewhere. In addition, I have directed my advisers in the areas of foreign policy and international trade to work with other governments abroad in seeking to develop a better set of guidelines for all corporations.

To ensure that our approach to this issue is both comprehensive and properly coordinated, I am today establishing a Cabinet-level Task Force on Questionable Corporate Payments Abroad.

The Task Force will be chaired by the Secretary of Commerce, Elliot Richardson, and it will include among its members the Secretaries of State, Treasury and Defense as well as the Attorney General and other high-ranking members of the Administration.

I have directed the Task Force to conduct a sweeping policy review of this matter and to recommend such additional policy steps as may be warranted. The views of the broadest base of interest groups and individuals are to be solicited as part of this effort. I have also asked that periodic progress reports be submitted to me during the course of the review, and that a final report be on my desk before the end of the current calendar year.

The purpose of this Task Force is not to punish American corporations but to ensure that the U. S. has a clear policy and that we have an effective, active program to implement that policy.

To the extent that the questionable payments abroad have arisen from corrupt practices on the part of American corporations, the United States bears a clear responsibility to the entire international community to bring them to a halt. Corrupt business practices strike at the very heart of our own moral code and our faith in free enterprise. Businesses in this country run the risk of ever greater governmental regulation if they illegally take advantage of consumers, investors and taxpayers.

Before we condemn American citizens out of hand, however, it is essential that we also recognize the possibility that some of the questionable payments abroad may result from extortion by foreign interests. To the extent that such practices exist, I believe that the United States has an equal responsibility to our own businesses to protect them from strong-arm practices. It is incumbent upon us to work with foreign governments to curb any such abuses.

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From the facts at hand it is not clear to me where true justice lies in this matter, and that issue may never be resolved to everyone's satisfaction. The central policy question that needs to be addressed today is rather how we can arrive at clear, enforceable standards to prevent such questionable activities in the future. That is the key issue to which this new Task Force will direct its attentions.

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