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Art will attend

ECONOMIC POLICY BOARD
EXECUTIVE COMMITTEE MEETING

AGENDA
8:30 a.m.
Roosevelt Room

April 29, 1976

1. Report of the Subcommittee on Economic
Statistics

Malkiel

2. Financial Reform Update

Treasury



MINUTES OF THE
ECONOMIC POLICY BOARD
EXECUTIVE COMMITTEE MEETING

April 29, 1976

Attendees: Messrs. Seidman, Lynn, Greenspan, Dixon, Malkiel,
Gorog, Schmults, Porter, Darman, Kearney, Penner,
Arena, Sorenson, Quern, Butler

1. Report of Subcommittee on Economic Statistics

Mr. Malkiel reported on the work currently in progress and the projected 6-month work plan of the Subcommittee on Economic Statistics which is summarized in a memorandum attached at Tab A. The discussion focused on the Subcommittee's work on inventory and capacity statistics, improvements in the Consumer Price Index, and the Federal government's overall data gathering system.

Decision

The Executive Committee requested the Subcommittee to explore alternatives regarding the issue of whether the Federal government should have a nonpartisan institution responsible for the periodic revision of government statistics.

The Executive Committee requested the Subcommittee to prepare a paper on alternatives for structural changes in the Federal government's overall data gathering system.

2. Financial Reform Update

The Executive Committee discussed the current status of the financial reform legislation which is pending in the Congress. The House Banking Committee is scheduled today to begin its markup of the Financial Reform Act of 1976. The discussion focused on the provisions of the House bill which differ from the Financial Institutions Act passed by the Senate and the outlook for any financial reform legislation this year. Deputy Secretary Dixon reported that the task group examining the mortgage interest tax credit has not produced any new alternative and has suspended their effort in light of the current legislative situation.

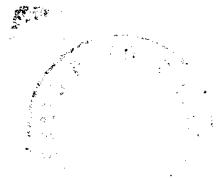
~~EYES ONLY~~

2

3. Antitrust Bill

Mr. Schmults reported that the President had reviewed the memorandum on the antitrust bill and had indicated he wanted to meet on the subject.

~~EYES ONLY~~
RBP



COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

ALAN GREENSPAN, CHAIRMAN
PAUL V. MACAVOY
BURTON G. MALKIEL

April 19, 1976

MEMORANDUM FOR THE EXECUTIVE COMMITTEE OF THE ECONOMIC
POLICY BOARD

Subject: Report of the Subcommittee on Economic Statistics

This memorandum will describe the Subcommittee's work plan over the next six months and will review work currently in progress.

I. Budget Reviews

One of the functions of the Statistical Subcommittee is to review the statistical budgets of each agency. The Committee has determined a priority ranking of statistical projects according to the needs of policymakers and the requirements of program analysis. This analysis has been used by the Office of Management and Budget in its budget-setting process.

Unfortunately, last year, the Committee reviewed budget proposals from the various agencies only after departmental reviews had established priorities within each agency's budget and many items had already been dropped. Such a procedure was considered unsatisfactory because it did not give this Committee an input into the departmental priority-setting process. It was agreed that each department would submit to the Subcommittee a preliminary paper setting forth the choices they would have to make in their internal budgeting review. It was also requested that some form of cost benefit analysis be prepared for each major option. These papers would be reviewed by the Statistical Subcommittee. Moreover, a summary paper would be prepared for submission to the EPB so that inputs from the highest level policymakers could also be obtained.



II. Inventory and Capacity Statistics

The Committee has devoted two meetings in recent months to a discussion of problems of inventory and capacity statistics. The National Bureau of Economic Research has been commissioned to do a study on the measurement of business inventories. Thus far that group has mainly uncovered problems especially concerning valuation methods. NBER and Census are now reviewing proposals that may be made in the 1973 budget to improve the measurement of inventory statistics.

The Committee has also discussed some possible improvements in the annual survey of plant capacity made by the Bureau of Census. It is doubtful, however, that any major breakthroughs in capacity measurement will be made owing to the ambiguous nature of the concept of capacity. The Subcommittee will continue to work on this problem.

III. Improvements in the Consumer Price Index

The Committee has devoted considerable attention to possible improvements in the CPI. In recent weeks we have discussed the problem of the measurement of Owner Occupied Housing in the CPI. The Subcommittee feels that the present method of treating Owner Occupied Housing is both technically deficient and conceptually incorrect. The Committee hopes to bring a proposal before the EPB on Owner Occupied Housing in the near future.

Another area that the Committee will study is the problem of quality improvements. The present price index does not deal effectively with quality improvements and this failure is undoubtedly a source of bias in the CPI. In a forthcoming meeting the Committee will discuss the problem of quality improvements in the services component of the CPI.

IV. Long Run Problems in our Overall Data Gathering System.

During the time I have chaired this Committee, it is become clear to me that our overall data gathering effort is unnecessarily fragmented. One agency may collect price statistics while another agency collects shipments figures. The price statistics are used to deflate the shipments figures to produce a measure of real flows. The two different data series are often not comparable, however. It would appear desirable that prices and shipments figures be collected

at the same time by one agency. Such a procedure would not only be likely to improve our statistical data but might also ease the reporting burdens on businesses who may be asked to report to several different agencies. This is the kind of long run problem we hope our Committee will address in the coming months.

Burton Malkiel

Burton G. Malkiel



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 23, 1976

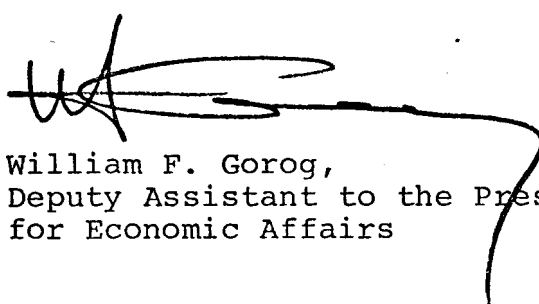
FOR: EPB/CIEP EXECUTIVE COMMITTEE MEMBERS

SUBJECT: REVIEW OF INTERNATIONAL ECONOMIC
POLICY ISSUES

The planned review of international economic policy issues has been rescheduled from April 29-30 to May 6, 1976, beginning at 8:30 am, OEOB Room 208.

The revised agenda is as follows:

| | | |
|-------|----------------------------------|----------|
| 8:30 | <u>World Economic Outlook</u> | CEA |
| 8:50 | <u>Trade Policy Issues</u> | STR |
| 9:30 | <u>East-West Economic Policy</u> | TREASURY |
| 9:45 | <u>Financial Policy Issues</u> | TREASURY |
| 10:30 | <u>Action Forcing Events</u> | EPB |



William F. Gorog,
Deputy Assistant to the President
for Economic Affairs

April 28, 1976

EPB DISCUSSION PAPER:
Administration Position on Arab Boycott Legislation

On April 22, 1976, an Interdepartmental Working Group on the Arab Boycott/Discrimination issue reviewed legislation to amend the Export Administration Act proposed by Senators Stevenson and Williams and Representative Koch. This group consisted of representatives from Treasury (Assistant Secretary Parsky), Commerce (General Counsel J. T. Smith), Justice, State, the Office of the White House Counsel (Schmultz), and the NSC Staff.

Title I of the proposed legislation: (A) requires disclosure of boycott request compliance reports submitted to the Commerce Department by US firms; (B) bars religious, racial, ethnic, or sex discrimination by US exporters; and (C) prohibits refusals by US firms to do business with other firms pursuant to foreign boycott requests.

The Working Group agreed that the provisions on disclosure of compliance with Arab boycott requests could have some negative effect on smaller businesses in this country, causing them either to avoid the Arab market completely or go to third-country affiliates, although most larger firms would probably continue business as usual. It further agreed that the provisions barring discrimination are identical for all intents and purposes to the measures announced by the President on November 20. Finally, it



agreed that the provisions which prohibit US firms from refusing to do business with other US firms on the boycott list go far beyond the Justice Department conception of the applicability of our anti-trust laws, and if enforced would deal a very serious blow to United States business with the Arab world. Even large multinational corporations now heavily engaged in the Arab world would be obliged to shift procurement to third-world affiliated or unrelated firms in order to stay in business. Smaller companies would be forced to get out of business with the Arab world.

Title II of the proposed amendment requires disclosure of beneficial ownership of United States firms at levels of 1% or lower. The group agreed this would be onerous for banks and business firms and would serve no purpose, since public and Congressional concern over foreign investment in the United States has eased. The Williams Act already requires disclosure at the 5% and 10% level.

Finally, there was a consensus that the Arabs would see any additional legislation on the Arab boycott as another sign of Administration weakness before the Israeli lobby. Assistant Secretary Parsky pointed out that Secretary Simon, with President Ford's approval, had told both Arab and Israeli leaders on his recent trip to the Middle East that the Administration would oppose any further legislation on the boycott per se, although it would continue to act vigorously against religious discrimination.



The group agreed that the best tactic for dealing with the Stevenson/Williams/Koch legislation and other pending bills is for the Administration to signal forcefully that it is opposed to any additional legislation, explaining that none is necessary in light of actions already taken by the Executive Branch and that this would be damaging to United States interests and to our long-term efforts to remove the boycott. In order to make the position of the Administration very clear, high-level demarches are necessary. Since it is unlikely that the Senate can be stopped, given the head of steam which has built up, we should make our points clearly but quietly in the hopes that the amendments will get buried in the House or dropped in Conference.

If this strategy fails, the President may have to decide between vetoing or accepting a modified version of the Bill. There was no agreement as to what to recommend to the President in this situation--although there was agreement that for the moment the Administration should take a very tough line in the hopes of heading off the necessity for such a choice.

Subsequent to the Working Group meeting, meetings were held by State and Treasury representatives with Senators Stevenson and Proxmire. In response to arguments against further legislation on the Arab Boycott issue, the Senators stated their intention to press ahead and said the Stevenson-Williams amendments would easily pass the Senate. Senator Stevenson added that he would be willing to consider some "technical amendments" of the prohibition of refusals by US firms to do business with other US firms.



In a subsequent conversation by State Department officials with Representative Koch, arguing that there is no need for additional legislation, the latter replied that whereas he can see that the discrimination issue has been adequately dealt with by executive action, this is not his judgment with respect to either disclosure or refusal to deal. Koch stated his belief that United States firms should be clearly enjoined from refusing to deal with other United States firms because of the Arab boycott. However, he was willing to consider whether or not this could be done by administrative rather than legislative means. He did not believe that the Bechtel anti-trust action by the Department of Justice was adequate to deal with this problem. Koch gave the clear impression that he would be willing to consult with the Executive Branch on trying to meet his minimum requirements by administrative action--although it is unlikely that this could be successful within the framework of our present policy.

Among the issues which should be discussed at the meeting of the Economic Policy Board are the following:

- 1 - Review the President's policy on the Arab Boycott/Discrimination issue.
- 2 - Review developments since the November 20 White House statement on this issue, including the reactions of Arab governments and United States business firms as well as current Congressional attitudes and pending legislation (See Tab A).



- 3 - Discuss the probable effect of the Stevenson-Williams amendments (and the Koch Bill) if adopted as presently drafted.
- 4 - Discuss the positions of the different agencies toward the Stevenson-Williams amendments and the Koch Bill, including the possibility of compromise with the Congress on any of the provisions.
- 5 - Consider what to recommend to the President on a common Administration position toward the Stevenson-Williams amendments and Koch Bills, including the tactics best suited to obtain our objectives with Congress.



MAJOR ANTI-BOYCOTT LEGISLATION

SENATE BILLS

1. Stevenson-Williams Bill (S. 953)

Title I

- * Would require that U.S. firms report to the Department of Commerce on whether they intend to comply and whether they have complied with boycott requests which they receive.
- * Would require that boycott reports hereafter filed with the Department of Commerce be made public, except that commercial information regarding the value, kind, and quantity of goods involved in any reported transaction may be kept confidential.
- * Would prohibit U.S. firms from furnishing, pursuant to a boycott request, any information regarding the race, religion, or nationality of its employees, shareholders, officers, or directors, or the employees, shareholders, officers, or directors of any other U.S. company.
- * Would prohibit U.S. firms from refusing to do business with other U.S. firms pursuant to a boycott request.
- * Maximum administrative penalties applicable under the Act would be increased from \$1,000 to \$10,000. In addition, would make it clear that export privileges may be suspended for a violation of the anti-boycott provisions of the Act.
- * Would require public disclosure of Commerce Department charging or warning letters against U.S. companies for failing to comply with anti-boycott provisions of the Act.
- * Would require that the Commerce Department provide the State Department with summaries of the information contained in boycott reports for appropriate action by the State Department.



- * Would require that the semi-annual reports to Congress under the Export Administration Act include an accounting of what action the Executive Branch has taken to effect the anti-boycott policy of the Act.
- * Would clarify the Act to leave no doubt that it applies to banks, other financial institutions, insurers, freight forwarders, and shipping companies.

Title II

- * Would amend section 13(d) of the Securities Exchange Act to expand the disclosure requirements imposed thereunder on those who acquire the beneficial ownership of more than 5% of any equity security by requiring disclosure of the following:
 - (a) The residence, nationality, and nature of the beneficial ownership of the person acquiring the securities. (The latter would include, for example, whether the beneficial owner has the right to direct the voting of the securities, the receipt of dividends, or the proceeds of sale);
 - (b) The background and nationality of each associate of the purchaser who has a right to acquire additional shares of the insurer.
- * Would impose new disclosure requirements as follows:

Every holder of record, of, and any other person having an interest in, 2% or more of a class of any equity security, would be required to file reports as prescribed by the SEC at such time as the SEC may require. The SEC would have authority to make such exceptions to the above as are not inconsistent with the public interest or the protection of investors.

The 2% threshold is to be reduced to 1% on September 1, 1976 and to 1/2 of 1% on September 1, 1977. However, the SEC may extend or shorten such periods if the SEC, after public comment, concludes that such change is not inconsistent with the public interest or the protection of investors.



The bill was originally reported out of the Senate Banking and Currency Committee on February 6, 1976. However, it was decided to defer full Senate action until legislation to provide a simple extension of the Export Administration Act was considered, at which time the two pieces of legislation would be combined. This did, in fact, occur at the subcommittee level on April 27 when the extension bill, S. 3084, was favorably reported to the full Committee with the Stevenson-Williams bill incorporated in it. Full Committee mark-up and final reporting of the legislation is expected Thursday, April 29 or Friday, April 30.

2. Ribicoff Bill (S. 3138)

The bill would deny tax benefits on foreign source income to taxpayers who participate in or cooperate with the boycott of Israel. These benefits include the foreign tax credit and tax deferral, and DISC. The denial would apply to that foreign source income derived through direct or indirect dealings with boycotting countries.

The bill is pending before the full Senate Finance Committee where no action is currently scheduled.



HOUSE BILLS

It is anticipated that those House bills pending before the International Relations Subcommittee on International Trade and Commerce will be considered as amendments to legislation to extend the Export Administration Act scheduled to come before the full committee some time in June.

1. Bingham Bill (H. R. 4967)

The bill would prohibit US companies from answering or complying in any way with boycott requests.

The bill is pending before the IRC Subcommittee on International Trade and Commerce.

2. Drinan Bill (H. R. 5913, 5997, 6431, 6661 and others)

The bill would make it unlawful for any US exporter to engage in such practices as:

--furnishing information to a foreign agent concerning the race, religion or national origin of its employees or the employees of firms with which it does business;

--furnishing information on business dealings with a boycotted country or firm; or refusing, because of dealings with a foreign agent, to do business with a boycotted country or firm.

The bill would require the Secretary of Commerce to revoke the export license of any exporter violating these provisions.

The legislation is pending before the IRC Subcommittee on International Trade and Commerce.

3. Koch Bill (H. R. 11464)

This bill is almost identical to the Stevenson-Williams Bill and has been dually referred to the House International Relations Committee and Interstate and Foreign Commerce Committee.

4. Holtzman Bill (H. R. 5246 and others)(almost 100 cosponsors)

The bill would prohibit any business enterprise from using economic coercion to induce another not to do business with, employ or otherwise discriminate against (on the basis of race, religion, etc.) any US or foreign person in respect to its activities in the United States. The bill would also make it unlawful to yield to such coercion or take discriminatory action to prevent the coercion from ever occurring.

The bill is pending before the Judiciary Subcommittee on Monopolies.



UNITED STATES GOVERNMENT

Memorandum

TO : Jonathan C. Rose
Deputy Assistant Attorney General
Antitrust Division

DATE: April 29, 1976

FROM : *DR* Douglas E. Rosenthal, Asst. Chief
WAK Donald A. Kaplan
Foreign Commerce Section

SUBJECT: Proposed Amendments to S. 953, the Stevenson "Arab
Boycott Amendments" to the Export Administration Act

Attached are proposed amendments to S. 953 which, in our view, improve the precision and the scope of those portions of that bill which relate to refusals to do business with boycotted firms. The principal amendments are to Section 103 (C), which prohibits such refusals to deal. These changes are as follows:

(1) Jurisdiction is limited to situations in which goods or services are present in United States commerce. Thus, if one U.S. firm's subsidiary in Africa boycotted another U.S. firm's subsidiary in Asia as to products manufactured in Asia, the statute would not apply.

(2) The broad language of the bill which may include a unilateral response to a foreign law is limited to require that the boycott in the United States is only undertaken pursuant to an agreement or understanding between at least two parties. This limits the scope of the amendment to the scope of the violation alleged in the Bechtel complaint. It would be no violation under this amendment if; say, a U.S. contractor in the Middle East purchased GM rather than Ford trucks because it knew that local customs regulations would lead to confiscation of Ford trucks. If, however, that U.S. contractor bound itself by agreement or understanding to boycott blacklisted U.S. firms in the United States and then did so, it could be liable under the amendment. Accordingly, our amendment deletes such language as "requirement of," "request from" and "on behalf of." Inclusion of these terms make unclear those situations in which the bill would be properly invoked.



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



(3) The language of this amendment does not conclusively settle the question of whether an American bank enforcing an Arab bank's letter of credit, containing a boycott certification provision, is a violation. However, it is our view that such a "pass on" of commercial paper which the American bank had no part in creating would probably not constitute a refusal by the American bank to do business with the United States letter of credit payee.

(4) The bill as presently drafted would make a private foreign boycott established for political purposes a violation. We doubt that the Senator intended to apply the Export Administration Act against, say, two French companies privately seeking "Algerie Francaise." Accordingly, our amendment relates only to agreements or understandings which the domestic concern "believes or has reason to believe was based upon a policy or law by the governmental authority of a foreign country."

(5) S. 953 refers to the implementation of "restrictive trade practices or boycotts." It is an overbroad provision since some restrictive trade practices, such as the enforcement of patents, or the imposition by governments of countervailing duties are nonetheless legitimate. Since the concern is with the implementation of political boycotts or blacklists that is what should be specified in the bill.

(6) We believe it would be a mistake to apply the Export Administration Act to restrictions in shipping documents which call for certification by the shipper or maritime company that a particular vessel will not appear in Israeli waters prior to the delivery of goods at Arab ports. Such provisions make commercial sense since they are a rational reflection of a merchant's or customer's desire to lessen risk of loss. Furthermore, they are traditional in maritime transactions where a state of belligerency exists.



(7) The last sentence of our proposed amendment is self-explanatory; it should be made explicit that S. 953 does not encroach upon the antitrust laws.

We offer no comments on the appropriateness of the last sentence of Section 103 (C) since it relates not to the substance of a violation but to the enforcement procedure for dealing with a violation.

The final amendment is technical. The present definition of "domestic concern" found in Section 106 of S. 953 is, in our view, needlessly imprecise. Additionally, to show the Administration's effort to be constructive in offering these amendments, we suggest a reasonable expansion of the definition to include business enterprises not merely organized in the United States, but also qualified to do business in the United States. While this would apply the law to certain foreign enterprises, it would do so only to the extent they are engaged in United States commerce. This amendment makes S. 953 itself a less discriminatory piece of legislation since it would protect foreign firms doing business within our jurisdiction on an equal basis with U.S. domestic concerns and since it would impose no greater burdens upon U.S. firms than it would impose on others doing business here. We believe this even-handedness should be reflected in this legislation since U.S. policy has been critical of legislation in foreign nations which discriminates against Americans based upon nationality.

Two additional points: first you have asked who was coordinating the Administration's response to S. 953. I have been advised that it is Robert Oakley of the National Security Council (395-3330). Second, you will note that our amendments leave the Act's enforcement to the Department of Commerce. Note that if enforcement jurisdiction is to remain with Commerce the last sentence of Section 103 should be retained after the insertion of our proposed amendment.



Amend Section 103(c) to read:

(ii) refusing to do business with any other domestic concern in the United States pursuant to an agreement or understanding with any foreign country, national or agent thereof, which agreement or understanding it believes or has reason to believe was based upon a policy or law by the governmental authority of a foreign country, for the purpose of enforcing or implementing a boycott or blacklist to injure, directly or indirectly, a country friendly to the United States or a domestic concern.

This Section C shall not apply to any action taken by a domestic concern concerning ports of call in the shipment of exports, which is designed primarily to prevent damage to or the loss of exports while in transit within the jurisdiction of one country which is considered hostile to another country. The provisions of this Section C neither substitute for nor limit the operation of the antitrust laws of the United States.



Amend Section 106 to read as follows:

Section 11 of the Act is amended by adding at the end thereof the following: "the term "domestic concern" means any corporation or business enterprise organized under the laws of any municipality, county or state of the United States or any corporation or business enterprise otherwise qualified to do business anywhere in the United States."



1 with such request. Any report filed pursuant to this subpara-
2 graph after enactment of the Foreign Boycotts Act of 1975
3 shall be made available promptly for public inspection and
4 copying: Provided, however, That information regarding the
5 quantity, description, and value of any goods to which such
6 report relates may be kept confidential if the Secretary de-
7 termines that disclosure thereof would place the domestic
8 concern involved at a competitive disadvantage. The Sec-
9 retary of Commerce shall report the results of such reports
10 to the Secretary of State on a periodic basis for such action
11 as the Secretary of State, in consultation with the Secretary
12 of Commerce, may deem appropriate for carrying out the
13 purposes of section 3(5) of the Act.

14 “(C) Rules and regulations implementing such provi-
15 sions shall also prohibit each domestic concern from (i)
16 furnishing information regarding the race, religion, or na-
17 tional origin of that concern's or of any other domestic con-
18 cern's, directors, officers, employees, or shareholders to or
19 for the use by any foreign country, national, or agent thereof
20 where such information is sought for the purpose of en-
21 forcing or implementing restrictive trade practices or boy-
22 cotts against a country friendly to the United States or
23 against any domestic concern, or (ii) refusing to do business
24 with any other domestic concern or person pursuant to an
25 agreement with, requirement of, or a request from, or on



1 behalf of, any foreign country, national, or agent thereof
2 made or imposed for the purpose of enforcing or implement-
3 ing restrictive trade practices or boycotts against a country
4 friendly to the United States or against any domestic con-
5 cern. Any civil penalty (including any suspension or rev-
6 ocation of the authority to export) imposed under this
7 Act for a violation of rules or regulations issued under
8 clause (ii) of the preceding sentence may be imposed only
9 after notice and opportunity for an agency hearing on the
10 record in accordance with sections 554 through 557 of title
11 5, United States Code."

12 SEC. 104. (a) Section 6(c) of the Act is amended—

13 (1) by striking out "The head" and inserting in
14 lieu thereof "Except as otherwise provided in the second
15 sentence of this subsection, the head"; and

16 (2) by adding at the end thereof the following:
17 "The head of any department or agency exercising any
18 functions under this Act, or any officer or employee of
19 such department or agency specifically designated by the
20 head thereof, may impose a civil penalty not to exceed
21 \$10,000 for each violation of section 4(b)(2) of this
22 Act or of any rule or regulation issued thereunder, either
23 in addition to or in lieu of any other liability or penalty
24 which may be imposed under this Act. The head of
25 any department or agency exercising any function under



1 this Act relating to licensing, or any officer or employee
2 of such department or agency specifically designated by
3 the head thereof, may use the authority under this Act
4 to suspend or revoke the authority of a person to export
5 articles, materials, supplies, or information from the
6 United States for each violation of section 4(b)(2) of
7 this Act. Any charging letter or other document initi-
8 ating proceedings by the Secretary of Commerce after
9 enactment of the Foreign Boycotts Act of 1975 for the
10 imposition of sanctions for violations of section 4(b)(2)
11 of this Act shall be made available for public inspection
12 and copying.”.

13 (b) Section 7(c) of the Act is amended by striking the
14 word “No” at the beginning thereof and inserting in lieu
15 thereof the following: “Except as otherwise provided by
16 this Act, no”.

17 SEC. 105. Section 10(b) of the Act is amended by add-
18 ing at the end thereof a new paragraph (3) as follows:

19 “(3) Each such report shall also contain a description
20 of actions taken by the President and the Secretary of Com-
21 merce to effect the policy of section 3(5) of this Act.”.

22 SEC. 106. Section 11 of the Act is amended by adding at
23 the end thereof the following: “The term ‘domestic con-
24 cern’ as used in this Act shall include but not be limited



1 to banks, other financial institutions, insurers, freight for-
2 warders, and shipping companies organized under the laws
3 of the United States or any State or any political subdivision
4 thereof.”

5 TITLE II—DISCLOSURE

6 SEC. 201. This title may be cited as the “Domestic and
7 Foreign Investment Improved Disclosure Act of 1975”.

8 SEC. 202. Section 13(d)(1) of the Securities Exchange
9 Act of 1934 (15 U.S.C. 78m) is amended to read as
10 follows:

11 “(d)(1) Any person who, after acquiring directly or
12 indirectly the beneficial ownership of any equity security of
13 a class which is registered pursuant to section 12 of this
14 title, or any equity security of an insurance company which
15 would have been required to be so registered except for the
16 exemption contained in section 12(g)(2)(G) of this title,
17 or any equity security issued by a closed-end investment
18 company registered under the Investment Company Act of
19 1940, is directly or indirectly the beneficial owner of more
20 than 5 per centum of such class shall, within ten days after
21 such acquisition, send to the issuer of the security at its prin-
22 cipal executive office, by registered or certified mail, send to
23 each exchange where the security is traded, and file with the
24 Commission, a statement containing such of the following in-

