A BILL FOR AN ACT

To further amend title 10 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 2-61 and 3-4, by adding a new chapter 4 for the purpose of providing for the registration of foreign propagandists, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Title 10 of the Code of the Federated States of Micronesia is hereby further amended by adding a new chapter 4, to be entitled "Registration of Foreign Propagandists" to read as follows:

"Section 401. Definitions. As used in and for the purposes of this act:

(1) Except as provided in subsection (2) of this section, the term 'agent of a foreign principal' means:

(a) Any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal, and who directly or through any other person;

(i) Engages within the Federated States of Micronesia in political activities for or in the interests of such foreign principal;

(ii) Acts within the Federated States of Micronesia as a public relations counsel, publicity agent, information-service employee or political consultant for or in the interests of such foreign principal;

(iii) Within the Federated States of Micronesia solicits, collects, disburses, or dispenses contributions, loans, money, or other things of value for or in the interest of such
foreign principal; or

(iv) Within the Federated States of Micronesia

represents the interests of such foreign principal before any
agency or official of the Government of the Federated States of
Micronesia; and

(b) Any person who agrees, consents, assumes or purports
to act as, or who is or holds himself out to be, whether or not
pursuant to contractual relationship, an agent of a foreign principal
as defined in clause (1) of this subsection;

(2) The term 'agent of a foreign principal' does not include
any news, press service, or association organized under the laws of
the Federated States of Micronesia or of any State or other place
subject to the jurisdiction of the Federated States of Micronesia, or
any newspaper, magazine, periodical, or other publication published
in the Federated States of Micronesia engaged primarily in bona fide
news or journalistic activities, including the solicitation or
acceptance of advertisements, subscriptions, or other compensations
therefor, so long as it is at least 80 percentum beneficially owned
by, and its officers and directors, if any, are citizens of the
Federated States of Micronesia, and such news or press service, or
association, newspaper, magazine, periodical, or other publication,
is not owned, directed, supervised, controlled, subsidized, or
financed, and none of its policies are determined by any foreign
principal as defined in subsection (4) of this section or by any agent
of a foreign principal required to register under this act;
(3) The term 'foreign political party' includes any organization or any other combination of individuals in a country other than the Federated States of Micronesia, or any unit or branch thereof, having for an aim or purpose, or which is engaged in any activity devoted in whole or in part to, the establishment, administration, control, or acquisition of administration or control, of a government of a foreign country or a subdivision thereof, or the furtherance or influencing of the political or public interests, policies, or relations of a government of a foreign country or a subdivision thereof;

(4) The term 'foreign principal' includes:

(a) A government of a foreign country and a foreign political party;

(b) A person outside of the Federated States of Micronesia, unless it is established that such person is an individual and a citizen of and domiciled within the Federated States of Micronesia, or that such person is not an individual and is organized under or created by the laws of the Federated States of Micronesia or of any State or other place subject to the jurisdiction of the Federated States of Micronesia and has its principal place of business within the Federated States of Micronesia; and

(c) A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country;

(5) The term 'government of a foreign country' includes any
person or group of persons exercising sovereign de facto or de
jure political jurisdiction over any country, other than the
Federated States of Micronesia, or over any part of such country,
and includes any subdivision of any such group and any group or
agency to which such sovereign de facto or de jure authority or
functions are directly or indirectly delegated. Such term shall
include any faction or body of insurgents within a country assuming
to exercise governmental authority whether such faction or body of
insurgents has or has not been recognized by the Federated States
of Micronesia;

(6) The term 'information-service employee' includes any
person who is engaged in furnishing, disseminating, or publishing
accounts, descriptions, information, or data with respect to the
political, industrial, employment, economic, social, cultural, or
other benefits, advantages, facts, or conditions of any country
other than the Federated States of Micronesia or of any government
of a foreign country or of a foreign political party or of a partner-
ship, association, corporation, organization, or other combination
of individuals organized under the laws of, or having its principal
place of business in, a foreign country;

(7) The term 'Micronesian republic' includes any of the
States which are or were part of the Trust Territory of the Pacific
Islands;

(8) The term 'person' includes an individual, partnership,
association, corporation, organization, or any other combination
of individuals;

(9) The term 'political activities' means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the Federated States of Micronesia or any section of the public within the Federated States of Micronesia with reference to formulating, adopting, or changing the domestic or foreign policies of the Federated States of Micronesia or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party;

(10) The term 'political consultant' means any person who engages in informing or advising any other person with reference to the domestic or foreign policies of the Federated States of Micronesia or the political or public interest, policies, or relations of a foreign country or of a foreign political party;

(11) The term 'political propaganda' includes any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the Federated States of Micronesia with reference to the political or public interests, policies, or relations of a government of a
foreign country or a foreign political party or with reference to
the foreign policies of the Federated States of Micronesia or
promote in the Federated States of Micronesia racial, religious, or
social dissensions, or (2) which advocates, advises, instigates, or
promotes any racial, social, political, or religious disorder,
civil riot, or other conflict involving the use of force or violence
in any other Micronesian republic or the overthrow of any government
or political subdivision of any other Micronesian republic by any
means involving the use of force or violence. As used in this
section the term 'disseminating' includes transmitting or causing
to be transmitted in the Federated States of Micronesia mails or
by any means or instrumentality of interstate or foreign commerce or
offering or causing to be offered in the Federated States of Micronesia mails;
(12) The term 'prints' means newspapers and periodicals, books,
pamphlets, sheet music, visiting cards, address cards, printing
proofs, engravings, photographs, pictures, drawings, plans, maps,
patterns to be cut out, catalogs, prospectuses, advertisements, and
printed, engraved, lithographed, or autographed notices of various
kinds, and, in general, all impressions or reproductions obtained
on paper or other material assimilable to paper, on parchment or on
cardboard, by means of printing, engraving, lithography, autography,
or any other easily recognizable mechanical process, with the
exception of the copying press, stamps with movable or immovable
type, and the typewriter;
(13) The term 'publicity agent' includes any person who engages directly or indirectly in the publication or dissemination of oral, visual, graphic, written, or pictorial information or matter of any kind, including publication by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or otherwise;

(14) The term 'public-relations counsel' includes any person who engages directly or indirectly in informing, advising or in any way representing a principal in any public relations matter pertaining to political or public interests, policies, or relations of such principal;

(15) The term 'registration statement' means the registration statement required to be filed with the Attorney General under section 402(a) of this title and any supplements thereto required to be filed under section 402(b), and includes all documents and papers required to be filed therewith or amendatory thereof or supplemental thereto, whether attached thereto or incorporated therein by reference; and

(16) For the purpose of section 403(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 Federated States of Micronesia 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 (1) 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, (2) the identity of such foreign person is disclosed to the agency or official of the Federated States of Micronesia with whom such activities are conducted, and (3) 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.

"Section 402. Registration statement.

(1) Filing; Contents. No person shall act as an agent of a foreign principal unless he has filed with the Attorney General a true and complete registration statement and supplements thereto as required by this subsection and subsection (2) of this section or unless he is exempt from registration under the provisions of this act. Except as hereinafter provided, every person who becomes an agent of a foreign principal shall, within 10 days thereafter, file with the Attorney General, in duplicate, a registration statement, under oath on a form prescribed by the Attorney General. The obligation of an agent of a foreign principal to file a registration statement shall, after the tenth day of his becoming such agent, continue from day to day, and termination of such status shall not relieve such agent from his obligation to file a registration statement for the period during which he was an agent of a foreign
principal. The registration statement shall include the following, which
shall be regarded as material for the purposes of this act:

(a) Registrant's name, principal business address, and all other
business addresses in the Federated States of Micronesia or elsewhere, and
all residence addresses, if any;

(b) Status of the registrant; if an individual, nationality; if
a partnership, name, residence addresses, and nationality of each partner
and a true and complete copy of its articles of copartnership; if an
association, corporation, organization, or any other combination of individ-
uals, the name, residence addresses, and nationality of each director and
officer and of each person performing the functions of a director or officer
and a true and complete copy of its charter, articles of incorporation,
association, constitution, and bylaws, and amendments thereto; a copy of
every other instrument or document and a statement of the terms and
conditions of every oral agreement relating to its organization, powers,
and purposes; and a statement of its ownership and control;

(c) A comprehensive statement of the nature of registrant's
business; a complete list of registrant's employees and a statement
of the nature of the work of each; the name and address of every
foreign principal for whom the registrant is acting, assuming or
purporting to act or has agreed to act; the character of the
business or other activities of every such foreign principal, and,
if any such foreign principal be other than a natural person, a state-
ment of the ownership and control of each; and the extent, if any, to
which each such foreign principal is supervised, directed, owned,
controlled, financed, or subsidized, in whole or in part, by any
government of a foreign country or foreign political party, or by
any other foreign principal;

(d) Copies of each written agreement and the terms and
conditions of each oral agreement, including all modifications of
such agreements, or, where no contract exists, a full statement of
all the circumstances, by reason of which the registrant is an
agent of a foreign principal; a comprehensive statement of the
nature and method of performance of each such contract, and of the
existing and proposed activity or activities engaged in or to be
engaged in by the registrant as agent of a foreign principal for
each such foreign principal, including a detailed statement of any
such activity which is a political activity;

(e) The nature and amount of contributions, income,
money, or thing of value, if any, that the registrant has received
within the preceding 60 days from each such foreign principal, either
as compensation or for disbursement or otherwise, and the form and
time of each such payment and from whom received;

(f) A detailed statement of every activity which the
registrant is performing or is assuming or purporting, or has agreed
to perform for himself or any other person other than a foreign
principal and which requires his registration hereunder;

(g) The name, business, and residence addresses, and if
an individual, the nationality, of any person other than a foreign
principal for whom the registrant is acting, assuming or purporting
to act or has agreed to act under such circumstances as require
his registration hereunder; the extent to which each such
person is supervised, directed, owned, controlled, financed,
or subsidized, in whole or in part, by any government of a
foreign country or foreign political party or by any other
foreign principal; and the nature and amount of contributions,
income, money, or thing of value, if any, that the registrant
has received during the preceding 60 days from each such person
in connection with any of the activities referred to in clause
(f) of this subsection, either as compensation or for disburse-
ment or otherwise, and the form and time of each such payment
and from whom received;

(h) A detailed statement of the money and other things
of value spent or disposed of by the registrant during the preceding
60 days in furtherance of or in connection with activities which
require his registration hereunder and which have been undertaken
by him either as an agent of a foreign principal or for himself or
any other person or in connection with any activities relating to
his becoming an agent of such principal, and a detailed statement
of any contributions of money or other things of value made by him
during the preceding 60 days in connection with an election to any
political office or in connection with any primary election,
convention, or caucus held to select candidates for any political
office;

(1) Copies of each written agreement and the terms and
conditions of each oral agreement, including all modifications of
such agreements, or, where no contract exists, a full statement of
all the circumstances, by reason of which the registrant is perform-
ing or assuming or purporting or has agreed to perform for himself
or for a foreign principal, or for any person other than a foreign
principal, any activities which require his registration hereunder;

(j) Such other statements, information, or documents
pertinent to the purposes of this act as the Attorney General,
having due regard for the National security and the public interest,
may from time to time require; and

(k) Such further statements and such further copies of
documents as are necessary to make the statements made in the
registration statement and supplements thereto, and the copies of
documents furnished therewith, not misleading.

(2) Supplements; Filing period. Every agent of a foreign
principal who has filed a registration statement required by
subsection (1) of this section shall, within 30 days after the
expiration of each period of 6 months succeeding such filing, file
with the Attorney General a supplement thereto, under oath, on a
form prescribed by the Attorney General, which shall set forth with
respect to such preceding 6 months' period such facts as the
Attorney General, having due regard for the National security and
the public interest, may deem necessary to make the information
required under this section accurate, complete, and current with
respect to such period. In connection with the information furnished
under clauses (c), (d), (f) and (i) of subsection (1) of this
section, the registrant shall give notice to the Attorney General of
any changes therein within 10 days after such changes occur. If the
Attorney General, having due regard for the National security and
the public interest, determines that it is necessary to carry out
the purposes of this act, he may, in any particular case, require
supplements to the registration statement to be filed at more
frequent intervals in respect to all or particular items of
information to be furnished.

(3) Execution of statement under oath. The registration
statement and supplement thereto shall be executed under oath as
follows: if the registrant is an individual, by him; if the
registrant is a partnership, by the majority of the members thereof;
if the registrant is a person other than an individual or a partner-
ship, by a majority of the officers thereof or persons performing
the functions of officers or by a majority of the board of
directors thereof or persons performing the functions of directors,
if any.

(4) Filing of statement not deemed full compliance nor as
preclusion from prosecution. The fact that a registration state-
ment or supplement thereto has been filed shall not necessarily be
deemed a full compliance with this act and the regulations there-
under on the part of the registrant; nor shall it indicate that the
Attorney General has in any way passed upon the merits of such
registration statement or supplement thereto; nor shall it preclude
prosecution, as provided for in this act, for willful failure to
file a registration statement or supplement thereto when due or
for a willful false statement of a material fact therein, or the
willful omission of a material fact required to be stated therein,
or the willful omission of a material fact or copy of a material
document necessary to make the statements made in a registration
statement and supplements thereto, and the copies of documents
furnished therewith, not misleading.

(5) Exemption by Attorney General. The Attorney General may,
by regulation, provide for the exemption:

(a) From registration, or from the requirement of
furnishing any of the information required by this section, of
any person who is listed as a partner, officer, director, or
employee in the registration statement filed by an agent of a
foreign principal under this act;

(b) From the requirement of furnishing any of the
information required by this section of any agent of a foreign
principal; and

(c) Where by reason of the nature of the functions or
activities of such person the Attorney General, having due regard
for the National security and the public interest, determines that
such registration, or the furnishing of such information, as the
case may be, is not necessary to carry out the purposes of this
act.

"Section 403. Exemptions. The requirements of section 402(1)
of this title shall not apply to the following agents of foreign
principals:

(1) Diplomatic or consular officers. A duly accredited
diplomatic or consular officer of a foreign government who is so
recognized by the Department of External Affairs, while said
officer is engaged exclusively in activities which are recognized
by the Department of External Affairs as being within the scope
of the functions of such officer;

(2) Official of foreign government. Any official of a foreign
government, if such government is recognized by the Federated
States of Micronesia, who is not a public-relations counsel, publicity
agent, information-service employee, or a citizen of the Federated
States of Micronesia, whose name and status and the character of
whose duties as such official are of public record in the Depart-
ment of External Affairs, while said official is engaged exclusively
in activities which are recognized by the Department of External
Affairs as being within the scope of the functions of such official;

(3) Staff members of diplomatic or consular officers. Any
member of the staff of, or any person employed by, a duly accredited
diplomatic or consular officer of a foreign government who is so
recognized by the Department of External Affairs, other than a
public-relations counsel, publicity agent, or information-service
employee, whose name and status and the character of whose duties
as such member or employee are of public record in the Department
of External Affairs, while said member or employee is engaged
exclusively in the performance of activities which are recognized
by the Department of External Affairs as being within the scope of
the functions of such member or employee;

(4) Private and nonpolitical activities; Solicitation of
funds. Any person engaging or agreeing to engage only (1) in
private and nonpolitical activities in furtherance of the bona
fide trade or commerce of such foreign principal; or (2) in other
activities not serving predominantly a foreign interest; or (3)
in the soliciting or collecting of funds and contributions within
the Federated States of Micronesia to be used only for medical aid
and assistance, or for food and clothing to relieve human suffering,
if such solicitation or collection of funds and contributions is in
accordance with and subject to the laws of the Federated States of
Micronesia;

(5) Religious, scholastic, or scientific pursuits. Any person
engaging or agreeing to engage only in activities in furtherance of
bona fide religious, scholastic, academic, or scientific pursuits or
of the fine arts;

(6) Defense of foreign government vital to Federated States
of Micronesia defense. Any person, or employee of such person,
whose foreign principal is a government of a foreign country the
defense of which the President deems vital to the defense of the
Federated States of Micronesia while, (1) such person or employee
engages only in activities which are in furtherance of the policies,
public interest, or National defense both of such government and
of the Government of the Federated States of Micronesia, and are
not intended to conflict with any of the domestic or foreign
policies of the Government of the Federated States of Micronesia,
(2) each communication or expression by such person or employee
which he intends to, or has reason to believe will, be published,
disseminated, or circulated among any section of the public, or
portion thereof, within the Federated States of Micronesia,
is a part of such activities and is believed by such person to
be truthful and accurate and the identity of such person as an
agent of such foreign principal is disclosed therein, and (3)
such government of a foreign country furnishes to the Secretary of
External Affairs for transmittal to, and retention for the duration
of this act by, the Attorney General such information as to the
identity and activities of such person or employee at such times
as the Attorney General may require. Upon notice to the government
of which such person is an agent or to such person or employee,
the Attorney General, having due regard for the public interest
and National defense, may, with the approval of the Secretary of
External Affairs, and shall, at the request of the Secretary of
External Affairs, terminate in whole or in part the exemption
herein of any such person or employee; and

(7) Persons qualified to practice law. 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 Federated
States of Micronesia; 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.

"Section 404. Filing and labeling of political propaganda.

(1) Copies to Attorney General; Statement as to places, times, and extent of transmission. Every person within the Federated States of Micronesia who is an agent of a foreign principal and required to register under the provisions of this act and who transmits or causes to be transmitted in the Federated States of Micronesia mails or by any means or instrumentality of interstate or foreign commerce any political propaganda for or in the interests of such foreign principal (1) in the form of prints, or (2) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons shall, not later than 48 hours after the beginning of the transmittal thereof, file with the Attorney General two copies thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal.

(2) Identification statement. It shall be unlawful for any person within the Federated States of Micronesia who is an agent of a foreign principal and required to register under the provisions of this act to transmit or cause to be transmitted
in the Federated States of Micronesia mails or by any means or
instrumentality of interstate or foreign commerce any political
propaganda for or in the interests of such foreign principal (1)
in the form of prints, or (2) in any other form which is reasonably
adapted to being, or which he believes will be, or which he intends
to be, disseminated or circulated among two or more persons, unless
such political propaganda is conspicuously marked at its beginning
with, or prefaced or accompanied by, a true and accurate statement,
in the language or languages used in such political propaganda,
setting forth the relationship or connection between the person
transmitting the political propaganda or causing it to be transmitted
and such propaganda; that the person transmitting such political
propaganda or causing it to be transmitted is registered under this
act with the Federated States of Micronesia Office of the Attorney
General, as an agent of a foreign principal, together with the
name and address of such agent of a foreign principal and of such
foreign principal; that, as required by this act, his registration
statement is available for inspection at and copies of such
political propaganda are being filed with the Office of the Attorney
General; and that registration of agents of foreign principals
required by the act does not indicate approval by the Federated
States of Micronesia Government of the contents of their political
propaganda. The Attorney General, having due regard for the
National security and the public interest, may by regulation
prescribe the language or languages and the manner and form in
which such statement shall be made and require the inclusion of
such other information contained in the registration statement
identifying such agent of a foreign principal and such political
propaganda and its sources as may be appropriate.

(3) Public inspection. The copies of political propaganda
required by this act to be filed with the Attorney General shall be
available for public inspection under such regulations as he may
prescribe.

(4) Government and Congress Library. Notwithstanding anything
in this section, the entry and transmittal by mail of foreign prints
imported for governmental purposes by authority of or for the use
of the Federated States of Micronesia Government or for the use of
the Federated States of Micronesia Congress Library shall not be
restricted.

(5) Information furnished to agency or official of Federated
States of Micronesia Government. It shall be unlawful for any person
within the Federated States of Micronesia who is an agent of a
foreign principal required to register under the provisions of this
act to transmit, convey, or otherwise furnish to any agency or
official of the Government (including a Member or committee of
Congress) for or in the interests of such foreign principal any political
propaganda or to request from any such agency or official for or
in the interests of such foreign principal any information or
advice with respect to any matter pertaining to the political or
public interests, policies, or relations of a foreign country or of
a political party or pertaining to the foreign or domestic
policies of the Federated States of Micronesia unless the
propaganda or the request is prefaced or accompanied by a true
and accurate statement to the effect that such person is registered
as an agent of such foreign principal under this act.

(6) Appearances before congressional committees. Whenever
any agent of a foreign principal required to register under this
act appears before any committee of Congress to testify for or
in the interests of such foreign principal, he shall, at the time of
such appearance, furnish the committee with a copy of his most
recent registration statement filed with the Attorney General as
an agent of such foreign principal for inclusion in the records of
the committee as part of his testimony.

"Section 405. Books and records. Every agent of a foreign principal
registered under this act shall keep and preserve while he is an
agent of a foreign principal such books of account and other records
with respect to all his activities, the disclosure of which is
required under the provisions of this act, in accordance with such
business and accounting practices, as the Attorney General, having
due regard for the National security and the public interest, may
by regulation prescribe as necessary or appropriate for the
enforcement of the provisions of this act and shall preserve the
same for a period of 3 years following the termination of such
status. Until regulations are in effect under this section, every
agent of a foreign principal shall keep books of account and shall
preserve all written records with respect to his activities.

Such books and records shall be open at all reasonable times to
the inspection of any official charged with the enforcement of
this act. It shall be unlawful for any person willfully
to conceal, destroy, obliterate, mutilate, or falsify; or to
attempt to conceal, destroy, obliterate, mutilate, or falsify, or
to cause to be concealed, destroyed, obliterated, mutilated, or
falsified, any books or records required to be kept under the
provisions of this section.

"Section 406. Public examination of official records; Transmittal
of records and information.

(1) Permanent copy of statement; Inspection; Withdrawal.
The Attorney General shall retain in permanent form one copy of all
registration statements and all statements concerning the distrib-
ution of political propaganda furnished under this act, and the
same shall be public records and open to public examination and
inspection at such reasonable hours, under such regulations, as
the Attorney General may prescribe, and copies of the same shall
be furnished to every applicant at such reasonable fee as the
Attorney General may prescribe. The Attorney General may withdraw
from public examination the registration statement and other
statements of any agent of a foreign principal whose activities
have ceased to be of a character which requires registration under
the provisions of this act.

(2) Secretary of External Affairs. The Attorney General
shall, promptly upon receipt, transmit one copy of every
registration statement filed hereunder and one copy of every
amendment or supplement thereto, and one copy of every item of
political propaganda filed hereunder, to the Secretary of External
Affairs for such comment and use as the Secretary of External
Affairs may determine to be appropriate from the point of view of
the foreign relations of the Federated States of Micronesia.
Failure of the Attorney General so to transmit such copy shall not
be a bar to prosecution under this act.

(3) Executive departments and agencies; Congressional
committees. The Attorney General is authorized to furnish to
departments and agencies in the executive branch and committees of
the Congress such information obtained by him in the administration
of this act, including the names of registrants under this act,
copies of registration statements, or parts thereof, copies of
political propaganda, or other documents or information filed under
this act, as may be appropriate in the light of the purposes of
this act.

"Section 407. Liability of officers. Each officer, or person
performing the functions of an officer, and each director, or
person performing the functions of a director, of an agent of
a foreign principal which is not an individual shall be under
obligation to cause such agent to execute and file a registration
statement and supplements thereto as and when such filing is
required under section 402(1) and 402(2) of this title."
and shall also be under the obligation to cause such agent to
comply with all the requirements of sections 404 (1), 404(2),
and 405 of this title and all other requirements of this act.
Dissolution of any organization acting as an agent of a foreign
principal shall not relieve any officer, or person performing
the functions of an officer, or any director, or person performing
the functions of a director, from complying with the provisions
of this section. In case of failure of any such agent of a
foreign principal to comply with any of the requirements of
this act, each of its officers, or persons performing the functions
of officers, and each of its directors, or persons performing the
functions of directors, shall be subject to prosecution therefor.

"Section 408. Enforcement and penalties.

(1) Violations; False statements and willful omissions. Any
person who:

(a) Willfully violates any provision of this act or any
regulation thereunder; or

(b) In any registration statement or supplement thereto
or in any statement under section 404 of this title concerning
the distribution of political propaganda or in any other document
filed with, or furnished to the Attorney General under the
provisions of this act willfully makes a false statement of a
material fact or willfully omits any material fact required to
be stated therein, or willfully omits a material fact or a copy
of a material document necessary to make the statements therein
and the copies of documents furnished therewith not misleading,
shall, upon conviction thereof, be punished by a fine of not
more than $10,000 or by imprisonment for not more than 5 years,
or both, except that in the case of a violation of subsection (2), (5), or
(6) of section 404 or of subsection (7) or (8) of this section
the punishment shall be a fine of not more than $5,000 or
imprisonment for not more than 6 months, or both.

(2) Proof of identity of foreign principal. In any proceeding
under this act in which it is charged that a person is an agent
of a foreign principal with respect to a foreign principal outside
of the Federated States of Micronesia, proof of the specific
identity of the foreign principal shall be permissible but not
necessary.

(3) Deportation. Any alien who shall be convicted of a
violation of, or a conspiracy to violate, any provision of this
act or any regulation thereunder shall be subject to deportation
in the manner provided by law.

(4) Nonmailable matter. The Postmaster General may declare
to be nonmailable any communication or expression falling within
section 501(11) of this title in the form of prints or in any
other form reasonably adapted to, or reasonably appearing to be
intended for, dissemination or circulation among two or more
persons, which is offered or caused to be offered for transmittal
in the Federated States of Micronesia mails to any person or
persons in any other Micronesian republic by any agent of a
foreign principal, if the Postmaster General is informed in
writing by the Secretary of External Affairs that the duly
accredited diplomatic representative of such Micronesian republic
has made written representation to the Department of External
Affairs that the admission or circulation of such communication
or expression in such American republic is prohibited by the laws
thereof and has requested in writing that its transmittal thereto
be stopped.

(5) Continuing offense. Failure to file any such
registration or supplements thereto as is required by either
section 402(1) or section 402(2) of this title shall be considered a
continuing offense for as long as such failure exists, notwith-
standing any statute of limitation or other statute to the contrary.

(6) Injunctive remedy; Jurisdiction of federal court;
Expedition of proceedings. Whenever in the judgment of the
Attorney General any person is engaged in or about to engage in
any acts which constitute or will constitute a violation of any
provision of this act, or regulations issued thereunder, or when-
ever any agent of a foreign principal fails to comply with any
of the provisions of this act or the regulations issued thereunder,
or otherwise is in violation of the act, the Attorney General may
make application to the appropriate Federated States of Micronesia
court for an order enjoining such acts or enjoining such person
from continuing to act as an agent of such foreign principal, or
for an order requiring compliance with any appropriate provision
of the act or regulation thereunder. The court shall have
jurisdiction and authority to issue a temporary or permanent
injunction, restraining order or such other order which it may
demean proper. The proceedings shall be made a preferred cause
and shall be expedited in every way.

(7) Deficient registration statement. If the Attorney
General determines that a registration statement does not comply
with the requirements of this act or the regulations issued there-
under, he shall so notify the registrant in writing, specifying
in what respects the statement is deficient. It shall be
unlawful for any person to act as an agent of a foreign principal
at any time 10 days or more after receipt of such notification
without filing an amended registration statement in full
compliance with the requirements of this act and the regulations
issued thereunder.

(8) Contingent fee arrangement. It shall be unlawful for
any agent of a foreign principal required to register under this
act to be a party to any contract, agreement, or understanding,
either expressed or implied, with such foreign principal pursuant
to which the amount or payment of the compensation, fee, or other
remuneration of such agent is contingent in whole or in part
upon the success of any political activities carried on by such
agent.

"Section 409. Territorial applicability of this chapter. This
chapter shall be applicable to the several States of the Federated
States of Micronesia and all other places now or hereafter
subject to the civil or military jurisdiction of the Federated
States of Micronesia.

"Section 410. Rules and regulations. The Attorney General may
at any time make, prescribe, amend, and rescind such rules,
regulations, and forms as he may deem necessary to carry out the
provisions of this act.

"Section 411. Reports to Congress. The Attorney General shall,
from time to time, make a report to the Congress concerning the
administration of this act, including the nature, sources, and
content of political propaganda disseminated or distributed.

"Section 412. Savings clause. In the event that any provision
in this chapter is found to be in conflict with the Constitution
of the Federated States of Micronesia or any treaty entered into
by the Federated States of Micronesia, this chapter shall be
invalid only to the extent of such conflict and shall otherwise
remain in effect. In the event that any provision of this
chapter is in conflict with the Trusteeship Agreement or laws,
rules, or regulations promulgated by the United States pursuant
to the Trusteeship Agreement, said provisions shall be suspended
and not take effect until the termination of the Trusteeship.
Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 7/26/85

Introduced by: [Signature]

Jack Fritz