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MINORITY VIEWS OF THE HONORABLE JAMES M. COLLINS
TO SUBCOMMITTEE REPORT ON THE
"ARAB BOYCOTT AND AMERICAN BUSINESS"

At the very outset of these views, I wish to make it abundantly clear that I find totally abhorrent discrimination based upon race, religion, creed, or national origin. That being the case, I hold no brief for the "Arab Boycott." I believe, however, that the answer to the problems caused by this boycott cannot be ameliorated by the restrictive legislation that is being considered by the House and the Senate at this time, nor by the legislative recommendations in the Subcommittee Report. In fact, I believe that such legislation may in the final analysis prove counterproductive and defeat the goals and purposes of those well-intentioned individuals who are currently espousing these legislative remedies.

The ultimate answer to the "Arab Boycott" problem lies not with restrictive legislation but with progress towards a just and lasting peace in the Middle East. I am not for one moment suggesting that until that peace, that we all hope and pray is achieved, we do nothing about boycott practices. This has clearly not been the case with respect to the Ford Administration. Secretary of the Treasury, William E. Simon, testified before the House Committee on International Relations on June 9, 1976, and he identified in his testimony the many positive steps taken by the Administration and I reiterate those meaningful efforts at this juncture:

In February 1975, President Ford issued a clear statement that the U.S. will not tolerate discriminatory acts based on race, religion or national origin.

The President followed this in November 1975 with an announcement of a series of specific measures on discrimination:



- He directed the heads of all departments and agencies to forbid any Federal agency in making selections for overseas assignments to take into account exclusionary policies of foreign governments based on race, religion or national origin.
- He instructed the Secretary of Labor to require Federal contractors and sub-contractors not to discriminate in hiring or assignments because of any exclusionary policies of a foreign country and to inform the Department of State of any visa rejections based on such exclusionary policies.
- He instructed the Secretary of Commerce to issue regulations under the Export Administration Act to prohibit U.S. exporters and related service organizations from answering or complying in any way with boycott requests that would cause discrimination against U.S. citizens or firms on the basis of race, color, religion, sex or national origin.
- Also, in January 1976, the Administration submitted legislation to prohibit a business enterprise from using economic means to coerce any person or entity to discriminate against any U.S. person or entity on the basis of race, color, religion, sex, age, or national origin.
- In March 1976, the President signed into law the Equal Credit Opportunity Act, which amended the Consumer Credit Protection Act making it unlawful for any creditor to discriminate against any applicant with respect to a credit transaction on the basis of race, color, religion, national origin, sex, marital status or age.
- The Comptroller of the Currency, the Securities and Exchange Commission and the Federal Home Loan Board have all issued statements to the institutions under their jurisdiction against discriminatory practices.

In recent months, the Administration has also taken the following actions to make clear that it does not support boycotts of friendly countries:

1. In November 1975, the President instructed the Commerce Department to require U.S. firms to indicate whether or not they supply information on their dealings with Israel to Arab countries.

2. In December 1975, the Commerce Department announced that it would refuse to accept or circulate documents or information on trade opportunities obtained from materials known to contain boycott conditions.



3. The State Department instructed all Foreign Service posts not to forward any documents or information on trade opportunities obtained from documents or other materials which were known to contain such boycott provisions.

4. In December 1975 and January 1976, the Federal Reserve Board issued circulars to member banks warning them against discriminatory practices and reiterating the Board's opposition to adherence to the Arab boycott.

5. In January 1976, the Justice Department instituted the first civil action against a major U.S. firm for violation of anti-trust laws arising out of boycott restrictions by Arab countries. The Justice Department has a continuing investigation in this area.

Certainly no reasonable person, in my mind, could or should contend on the basis of this record that the Administration is "winking its eye" at the Boycott. I also take note of the fact that the United States alone among industrialized nations has a clearly established policy and program of opposition to foreign boycotts of friendly countries which, of course, includes the Boycott of Israel.

I believe that the type of restrictive legislation recommended by this Report would indeed be harmful to the role that the United States has played and continues to play in helping to achieve a settlement of the Arab-Israeli dispute via negotiations. As I have pointed out above, what I consider to be adequate and effective steps have been made by the President to prevent discrimination in export transactions based on race, creed, religion or national origin. Even the Subcommittee Report takes cognizance of the fact that acts of discrimination do not characterize the Arab Boycott. Only 15 such religious/ethnic clauses were discovered by the Subcommittee Staff's intensive nine-month review of the Arab Boycott.



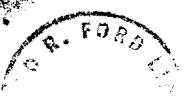
These types of clauses are clearly obnoxious to all of us. I believe that the 15 cases reported are exactly 15 too many, but I further believe that the regulations and forceful position taken by the Administration remedy this evil. New legislation as proposed in this report might very well result in stronger Arab enforcement of their boycott regulations. Arab leaders have publicly stated that passage of restrictive legislation would be viewed as an unfriendly act forcing them into a retaliatory posture. Our past experience with legislation such as that attempting to increase the outflow of Soviet Jewish emigrants, which with respect to its moral underpinnings is similar to that now being proposed, resulted in the opposite effect.

I agree totally with the recommendation made in the Subcommittee's Report calling for an increased level of diplomatic efforts in order to minimize the impact of the foreign-imposed restrictive trade practices on American commerce. This is precisely the position of the Administration which is seeking diplomatic modifications of the onerous and obnoxious manifestations of the boycott. Legislation, on the other hand, may very well be viewed by the Arab countries as a laying down of the gauntlet by seeking direct confrontation. I opt for negotiation rather than confrontation. Confrontation, or even perceived confrontation, would tend to reduce trade and commercial ties between the United States and the Arab nations with a concomitant reduction in this country's effectiveness in bringing about a lasting peace. I believe that Assistant Secretary of State, Joseph A. Greenwald, made this point best in his testimony before the House International Relations Committee when he said:



"Continued quiet diplomacy and the efforts of individual firms offer the best chance at this time of lessening the impact of the boycott on U.S. firms. This approach has had some success over the past year, as is evident in the modification of some boycott procedures which had been in effect over a long period of time."

One of my major criticisms of this report is that nowhere in this rather lengthy and exhaustive treatment of the Arab Boycott is there any discussion of two questions which I feel are extremely important: access to Middle East oil and oil prices. I am obligated to discuss these points, because this country is now 41% dependent on foreign sources of oil. The reason for this high rate of dependency is clear. The Congress has failed to promulgate a rational and coordinated energy policy that would encourage domestic production. Quite to the contrary, Congress has gone out of its way to stifle domestic production as any careful and reasonable observer will report. I have always had great misgivings about dependency on foreign sources. As far back as 1969, I warned the nation, when the question of elimination of the oil import quota was under consideration, that removal of this quota would definitely lead to adverse consequences. It did. I knew full well that this action would lead to ever-increasing dependence on Arab oil. It did. At the time of this discussion of the removal of the quota, foreign oil was selling for \$2.28 a barrel, and we were importing 13.3% of our needs from these foreign sources. Domestic oil was selling for \$3.18 per barrel. The hue and cry went up that we should import more and more of this cheap oil, because it was cheaper than domestic oil. The argument for more imports was ostensibly made in the name of the consumer. I indicated at that time that we should not be deceived by these low prices, and further indicated that in my opinion as soon as



we became so reliant on foreign sources that we could not do without foreign oil, the prices would go up markedly. They did. I was not prescient enough to think that there would be an embargo, but when it came and when the high prices came, I was not surprised.

Getting back to my original question, do we really know what impact the legislative recommendations advanced in this report do to oil prices and oil access. I think not, and as a result, I am deeply concerned. The Subcommittee's Report has done nothing to alleviate my concern, only to heighten it. This is why I take the position that I do. We are in a very delicate position. How will such a legislative frontal attack be received by the voices of moderation in the Arab world, such as Saudia Arabia, when we challenge what they perceive to be their sovereign right? I do not know the answer, nor do I believe that anyone in Congress knows this answer. I, therefore, counsel caution and continued diplomatic efforts. As I indicated earlier and I will reiterate it again so that there will be absolutely no misinterpretation of my remarks -- discrimination on the basis of religion, creed or national origin is intolerable, but I believe that the Administration is dealing and has dealt with this problem.

I am totally opposed to boycotts of any sort with the exception of those for national security purposes. I find inconsistent the position taken by the majority of the members of this Subcommittee with respect to this boycott. I point out their inconsistency because most of the members supporting this report have voted for and favor boycotts against Rhodesia and also secondary boycotts in this country.



Subcommittee Recommendations

Now that I have given in my rather lengthy prologue, my general views on this matter, I would like to turn to some specifics in the Subcommittee's Report. I will address myself to each of the Subcommittee's recommendations.

Recommendation No. 1

This recommendation calls for a prohibition against persons providing information to foreign concerns as to whether or not their firm or any of its subsidiaries or subcontractors are "blacklisted." I, of course, would very much like to see this type of blacklisted company clause eliminated, but I do not believe as the Subcommittee Report recommends that we should do it via legislative mandate. The issue at which this recommendation is directed is the refusal of one U.S. company to deal with another U.S. company for the purpose of enforcing the boycott. I do not believe that we should legislatively prohibit a company from answering this question, because what may happen is that you could very well be depriving a trade opportunity to a company that is not blacklisted nor deals with any companies that are not because that company is refusing to deal with blacklisted companies. The company in question may not be blacklisted. None of its subsidiaries may be blacklisted, and it may have no "business need" to deal with a company that is blacklisted. If the U.S. companies are prohibited from answering these questions, the foreign concerns will

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not end their search for this type of information, but will be left with their own sources of information. These sources may be completely erroneous. What should we do then? I say let us prohibit the evil that this recommendation addresses itself to. Secretary Richardson should promulgate regulations prohibiting a company from agreeing to refuse to deal with another U.S. company at the request of a foreign concern for the purpose of enforcing the boycott, and of course, any such request would be required to be reported to the Department of Commerce. By utilizing this approach, it would make clear that the United States is not interfering with or impinging upon the sovereign powers of any foreign country but is only attempting to deal with its own internal affairs.

Recommendation No. 2

This recommendation deals, of course, with what I perceive to be the primary impetus for the consideration of this entire question of the boycott, because it deals directly with the discrimination question. The recommendation would in essence prohibit U.S. business from providing information to any foreign concern about the race, creed, national origin, sex religion or political beliefs of any citizen when the person furnishing that information knows or should know that the information is for the purpose of discrimination against or boycotting any person or concern. I agree with the intent of this recommendation, but I do not believe it is necessary to amend the Export Administration Act. The Commerce Department already has regulations in effect (Section 369.2 of the Export Administration Regulations) which effect the end sought by this recommendation. The

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regulations provide as follows:

(a) Prohibition of Compliance with
Requests

All exporters and related service organizations (including, but not limited to, banks, insurers, freight forwarders, and shipping companies) engaged or involved in the export or negotiations leading towards the export from the United States of commodities, services, or information, including technical data (whether directly or through distributors, dealers, or agents), are prohibited from taking any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting a restrictive trade practice fostered or imposed by foreign countries against other countries friendly to the United States, which practice discriminates, or has the effect of discriminating, against U.S. citizens or firms on the basis of race, color, religion, sex or national origin.

The Commerce Department has interpreted this regulation to prohibit U.S. companies from answering questions about their involvement in "Pro-Israeli Activities" such as whether or not the U.S. companies supported activities such as the United Jewish Appeal. I, then, believe that the need for this recommendation has been rendered moot as a result of the regulations that have already been promulgated.

Recommendation No. 3

This recommendation calls for the amendment of the Export Administration Act to allow domestic businesses to provide importers or their agents with only affirmative factual information concerning the origin of goods, only affirmative information concerning vessels,



and only affirmative information concerning insurers. This recommendation is directed at three clauses with the shipping clause being the most important according to the Subcommittee's computations. I do not find this recommendation objectionable in its intent. I do, however, believe that a better approach would be to have the regulations under the Export Administration Act provide for this requirement.



Recommendation No. 4

This calls for improvement in the Commerce Department's data collection system. I agree completely with this recommendation.

Recommendation No. 5

I have a very real problem with this recommendation and I disagree with the notion that there should be public access to filed export reports. I also do not agree with the Subcommittee's proposition that public disclosure would aid in compliance. I believe that compliance can be best assured by what the Subcommittee Report proposes in Recommendation No. 7, increased Congressional oversight. The difficulty with public exposure is that companies could be subjected to domestic pressures and economic reprisals even though trading with those countries participating in the Arab Boycott is perfectly legal.

Recommendation No. 6

I agree wholeheartedly with this recommendation for increased diplomatic efforts. This is the approach that I feel will bear the most fruit both from the standpoint of promoting a settlement of the Arab-Israeli conflict, and also from the standpoint of seeking diplomatic modification of the objectionable aspects of the Boycott. I note in passing that all of the available information that I have seen indicates to me that the Boycott is rather loosely enforced or not enforced at all. I, therefore, believe that there is definitely room to negotiate and that avenue should be pursued with the strongest possible vigor.



Recommendation No. 7

I agree that there should definitely be increased Congressional oversight, as I indicated in my discussion of Recommendation No. 5. I do not agree, however, that the Commerce Department has a poor record in carrying out the statutory policy against foreign-imposed boycotts. On the contrary, I believe that the record of actions taken by this Administration which I set forth earlier, clearly indicates an acute awareness of the statutory policy, and a demonstrated willingness to take positive steps in fulfillment of those ends.



Subcommittee Hearings

The Subcommittee Report indicates in footnote 30 that it is not clear what Secretary Morton meant when he said:

"In fact, a U.S. firm trading with Arab countries may very well be trading with Israel as well, since the Arab Boycott list does not extend to U.S. firms engaging in routine trade with Israel."

I believe that I understand what the Secretary meant when he made that statement. He, in my opinion, was addressing himself to a recommendatory set of "Principles" adopted by the Arab League Council. These so-called "Principles" have been adopted by the League over the course of many years, and their purpose is to specify the types of business activities which the Arab government look upon as supporting Israel. Always, bear in mind that the boycott arose out of and is a continuing manifestation of the conflict between the Israelis and the Arabs.

Returning again to the "Principles", they are primarily directed towards major contributions to Israel including such activities as:

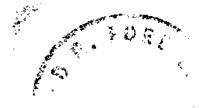
- 1 - Establishment of a plant in Israel
- 2 - Supply of large portions of component parts
for products assembled in Israel
- 3 - Grants of manufacturing licenses
- 4 - Right to use a company's name
- 5 - Entry into a partnership with Israel
- 6 - Supply of technical expertise to Israel
- 7 - Acting as agents for Israeli companies
- 8 - Being principal suppliers of Israeli products
- 9 - Refusal to answer boycott questions



Secretary Simon in his testimony before the House International Relations Committee which I referred to earlier confirmed what Secretary Morton's understanding of the boycott was when he said:

"A number of firms do business with both Israel and the Arab countries. Recently, a prominent U.S. business leader informed me that he had successfully concluded a commercial contract with an Arab country even though he maintains extensive ties with Israel. The Arab countries, in fact, are considering the adoption of a standard policy of exempting from the boycott list any firms which make as significant a contribution to them as to Israel. (Emphasis Added)

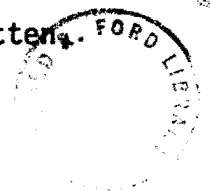
Thus, what I believe Secretary Morton was saying was that companies that did not make major contributions to the economy of Israel were in effect outside the purview of the boycott. This brings us, of course, to the bubble gum company and the parking system company mentioned in the report. I do not believe that we have enough facts to make any judgements about either. The Subcommittee Report seems to indicate that the boycott is directed exclusively at the ability to wage war. My understanding of the "Principles" is that the question of ability to wage war is only a part of the reason for the boycott. The boycott, recall, is "economic warfare", and it is primarily directed at the economy of the State of Israel. It may also be with respect to the companies cited in the report that they have been the victims of erroneous information acquired about them or their activities. I addressed that point earlier in these views in my discussion of the recommendations.



Contempt Proceedings

I would now turn my attention to the discussion in the report concerning Secretary Morton, and his initial refusals to supply the Subcommittee with the "Exporter Reports" which had been subpoenaed. I voted against the resolution adopted by the Subcommittee which indicated the Subcommittee's belief that Secretary Morton was in contempt of Congress. I would do so again today if the same issue was presented to me.

What the Subcommittee's Majority and Secretary Morton had was a legitimate dispute over the interpretation of a statute. The Subcommittee report indicates that it was found that the Secretary's position was "legally untenable." I have re-checked the Constitution of the United States paying particular attention to those powers granted unto Congress, and I find no reference to any power given unto Congress to find "legally untenable" any interpretation of statute. Article I of the Constitution is the power source for most powers of the Congress, and there is not even a passing reference to a role to be played by Congress in interpreting statutes. There are other references to powers possessed by Congress in other Articles and Amendments but they do not mention this power either. It appears from my reading of the Constitution that what the framers intended when they produced this document was to give unto Congress the legislative powers in this government. As Chief Justice John Marshall said in Marbury v. Madison, 1 Cranch 137, (1803): "The powers of the legislature are defined and limited; and those limits may not be mistaken or forgotten."



the Constitution is written." I then look at Article III of the Constitution and that seems to vest Judicial power in "one supreme court and such inferior courts as Congress may from time to time ordain and establish. I note again what Chief Justice Marshall said in Marbury, supra: "It is emphatically the province and the duty of the Judicial department to say what the law is." I believe that Marbury v. Madison is just as good law today as it was in 1803.

My point here is clearly that it was simply not within our power to decide which was the correct interpretation of the statute. The Subcommittee's Majority had one interpretation. Secretary Morton had another interpretation. The place to resolve this matter was in the courts, because just as Chief Justice Marshall said, the Judicial Branch says what the law is. Congress enacts laws.

Great legal scholars often differ over the interpretation of statutes and our system of government provides a means to resolve those differences. The way you settle those differences is by going to court and the courts say what the law is. My colleague from New Jersey, Mr. Rinaldo, asked Secretary Morton when he testified before our Subcommittee if he would comply with the Subcommittee's subpoena if a court found that his and the Attorney General's interpretation of the statute was incorrect. Secretary Morton responded: "Yes, indeed." Mr. Rinaldo further suggested that the court was the proper forum for the resolution of this dispute and indicated that an action for a declaratory judgement be commenced. Secretary Morton suggested to the Chairman of our Subcommittee that he was amenable to going to court, and settling this matter. The Secretary offered to go to court, but



his offer was not accepted.

So even today, the matter of the proper interpretation of Section 7(c) of Export Administration Act has not been decided by the branch of government that says what the law is. Secretary Morton was pressured, chastised, critized, and castigated because his interpretation of a statute differed from the Subcommittee's Majority. I did not think that it quite fair then and I still do not today, especially when there was an available forum to resolve the case.



Potential International Implications

The Subcommittee's report gives far too short a shrift to the international implications of its proposed recommendations while accentuating all other factors. The report makes the cavalier statement that the "United States has a major competitive advantage in agricultural products and wide variety of manufacturer products." I ask the question on what do they base this off-hand remark. The report itself develops no material that would lead one to that conclusion as a matter of fact there is absolutely nothing in the report to substantiate it. As the table in Appendix I illustrates, if the United States is advantaged there are other countries that are more advantaged.

As you will note from the table, Japan is a bigger trading partner with Iraq, Kuwait, Oman, Qatar, United Arab Emirates, Yemen, Arab Republic, and Libya than the United States. West Germany is a bigger trading partner with Syria, Oman, and Iraq than the United States. West Germany and Japan combined have greater market shares than the United States with every country participating in the boycott except for Egypt. When you compare the market share possessed by the United States and those of the rest of the countries of the world, I see no evidence of inherent competitive advantage.

The report says that the United States has a competitive advantage in agriculture and certain manufactured products. I cite the following table in Appendix II which illustrates that of the \$4.4 billion in 1975 exports to the boycott countries, only 10.8% is for agricultural products.



As I look over the rest of this list of exports, I am very hard pressed to find a commodity that cannot be produced by other industrialized countries such as West Germany, Japan or the United Kingdom. Many of those pushing for restrictive legislation which, in my opinion, are in reality counter-boycotts against the Arab nations, have said that the Arabs could not afford not to trade with the United States, because we supply them with the equipment needed to drill and produce oil. I must point out that this type of equipment is definitely available from other sources. Admittedly, our oil field equipment is more technologically advanced than our competitors abroad, but the point is that the Arabs simply do not need our sophisticated equipment. The type of drilling in this area of the world does not require it and foreign equipment is more than adequate to meet their needs.

In Appendix III, which I have attached, there is another table which I find equally revealing. This table shows exports to the Arab countries as compared to imports from those same countries into the United States. The table shows, for instance, in the first six months of 1976 our imports from Saudia Arabia alone amount in dollar value to over \$2.6 billion with exports totaling \$1.2 billion. I need not remind anyone the bulk of the \$2.6 billion are petrodollars. We, however, recouped nearly 50% of those petrodollars for our country with exports to Saudia Arabia. Within the Arab countries of the Near East, all of whom participate in the boycott, our total imports amounted to \$3.4 billion dollars but our export to those countries recovered \$2.4 billion or approximately 70%. Given the large amount of imports from these countries it is essential in my mind that we continue to actively pursue trade opportunities with the Arab world in order to reduce this balance of payments deficits.

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I believe the point of this discussion then, and what the statistics show, is that we do not have a great competitive advantage over the rest of the world. Our market share is small, but in terms of dollars it is extremely important and we, as a nation, cannot afford to lose any of the trade that we now have. The \$4.4 billion accounts for between 200,000 to 300,000 jobs. We simply cannot afford to lose any of these especially at this time when our economy is in the midst of recovery.

The Subcommittee makes another off-handed statement, this one about Saudia Arabian officials making statements to the effect that enactment of new anti-boycott legislation in Congress would result in a loss of U.S. trade. I do not pass off these remarks as lightly as the report, because I for one remember the Arab oil embargo even if no one else does. Let me tell you exactly what the Arab officials are saying about the possibility of restrictive legislation concerning the boycott. These statements reveal no readiness to abandon the boycott in response to legislation. The head of the Arab League of States, Mohammed Mahjoub, stated in Damascus early this year that "efforts to restrict American companies from trading with Arab states, because some do not like the idea of a boycott of Israel could result in those companies losing the growing Arab markets." Hisham Nazer, Minister of Planning for Saudia Arabia recently said, "but we have our boycott legislation and we do not intend to change it." Dr. Gazial-Gusabi, Minister of Electricity for Saudia Arabia said in New York in April of this year that "this growing



and mutually advantageous relationship is threatened by attempts to break the Arab boycott of Israel in the United States." Another Saudia Arabian Minister, Mohammed Yamani, in an interview with a New York Times correspondent in Jidda, Saudia Arabia last spring noted that "if we don't find the right companies in the United States we can move to the rest of the world and find the same standard."

The most important statements that I have seen on this, however, come from Crown Prince Fahd of Saudia in an interview that appeared in the Middle East Economic Survey of August 2, 1976. In that interview he was asked about the efforts in the Congress to pass anti-boycott legislation and he made the following statements:

"Successful or not this campaign will have no influence on our policy whatsoever."

"We shall go with the boycott, which is a legitimate political weapon."

"A policy of not doing business with Saudia Arabia will only hurt American firms and consequently, the American economy and people. We for our part have many options in many parts of the world."

Are these idle threats? I really do not know, but I believe that they merit our consideration and more discussion than a passing reference to them. Crown Prince Fahd is an official in the highest level of his government and what he says does in my mind require some very careful thought.

I am totally opposed to boycotts of any sort with the exception of those for national security purposes. I find inconsistent the position taken by the majority of the members of this Subcommittee with respect to this boycott. I point out their inconsistency because most of the members supporting this report have voted for and favor boycotts against Rhodesia and also secondary boycotts in this country.



Conclusion

I am not one to countenance threats by anyone including the Arabs. My natural inclinations are to stand up and resist, but we have very little to resist with due to the lack of an energy policy that will encourage domestic production of oil and natural gas. This Congress has done next to nothing to remedy this situation. We need at this time oil from the Middle East, and we also must get as many of those petrodollars back into our economy.

I believe that what I have proposed will effect the end that we all desire without jeopardizing our trade alliances with the Arab world. My position, as I see it, is different in form not substance from the Subcommittee's report. The ends to be achieved by both recommendations are the same and only the means to achieve that end are different.

Honorable W. Henson Moore

My good friend and colleague, the Honorable W. Henson Moore has asked me to point out in these views that he voted "present" on the motion made in Subcommittee to adopt the Subcommittee report. The reason for his vote in this manner was because he was not a member of the Subcommittee when it held hearings on this subject.



1974

NEAR EAST AND NORTH AFRICA IMPORTS
TOTALS AND MAJOR SUPPLIERS IN PERCENT

	Total \$ Millions	U.S. %	West Germany%	France %	Japan %	U.K. %	Italy %	USSR, E. Eur.China%	All Others Countries%
Bahrain ✓	451.0	17.8	4.6	1.8	14.5	14.4	3.3	-	43.5
Iraq ✓	2257.1	10.4	15.0	6.8	15.6	5.3	3.4	-	33.0
Jordan ✓	482.2	11.3	9.3	2.4	4.7	7.7	3.8	10.6	33.0
Kuwait ✓	1669.8	14.1	10.4	4.2	17.1	9.0	4.4	7.0	53.8
Lebanon ✓	2417.4	13.1	9.5	10.0	4.3	6.5	10.3	5.3	35.6
Oman ✓	452.4	9.0	9.6	4.3	10.9	24.4	4.6	5.3	41.1
PDRY ✓	243.4	5.6	3.5	1.9	6.6	6.3	1.6	-	37.3
Qatar ✓	270.9	10.3	6.2	2.6	17.9	14.0	2.9	-	74.4
Saudi Arabia ✓	4082.8	22.5	7.7	3.2	18.2	7.6	3.6	-	46.2
Syria ✓	1230.7	2.8	13.0	9.8	4.3	3.4	8.6	1.6	35.6
United Arab Emirates ✓	1841.8	13.8	5.4	4.1	18.4	13.6	2.2	15.8	42.3
Yemen Arab Republic ✓	218.8	4.3	7.0	4.4	17.9	6.9	2.3	-	42.5
Algeria ✓	4131.1	8.4	12.8	34.5	4.1	3.4	8.6	-	57.2
Libya ✓	3460.1	4.2	12.4	11.1	7.4	4.6	27.0	4.3	23.7
Morocco ✓	1909.3	9.9	10.0	28.4	1.4	2.8	4.4	-	33.2
Tunisia ✓	1135.6	8.1	8.0	30.9	.5	3.6	10.9	6.9	36.0
Egypt ✓	2670.5	18.7	8.6	14.3	3.0	5.0	7.6	3.7	34.3
Iran ✓	7742.1	24.6	16.2	3.7	14.4	9.3	4.0	7.4	35.3
Israel ✓	5388.7	14.0	12.2	2.9	2.4	10.0	4.3	5.6	22.2
TOTAL	42055.7	14.3	11.5	10.4	9.3	7.4	7.1	4.1	53.9
*Rough Estimates									35.5

Sources: Direction of Trade
Annual 1970-74
IMF/IBRD

Prepared by: Commerce Action Group for the Near East
Bureau of International Commerce
April, 1976

Appendix I



U.S. Exports to 14 Arab Countries Employing the Secondary Boycott, 1975

(In millions of dollars)

Commodity	Saudi Arabia	Egypt	Lebanon	UAE	Kuwait	Iraq	Libya	Jordan	Syria	Bahrain	Oman	Qatar	Yemen	Yemen (Aden)	Group Total
TOTAL	1,501.8	682.7	402.3	371.5	366.1	309.7	231.5	195.4	127.8	90.2	74.7	50.3	8.3	2.8	4,415.1
0 Food & live animals	106.1	244.9	27.5	6.5	7.0	82.0	3.7	19.0	36.5	2.4	1.0	.8	4.0	.2	511.6
046 Wheat and wheat flour	46.0	168.5	7.9	1.0	--	13.9	--	16.9	25.0	--	--	--	1.7	--	280.9
042 Rice, unmilled	37.1	--	.4	.5	.4	64.0	.7	.2	9.0	.1	.1	.1	2.1	.1	114.8
044 Corn or maize, unmilled	.2	68.5	12.9	.1	.1	--	.1	--	1.5	--	--	--	--	--	83.4
05 Animal feeding stuff	4.5	2.6	1.7	.1	.6	--	--	.2	.2	.1	--	--	--	--	10.0
1 Beverages & tobacco	18.3	16.8	14.3	13.7	14.7	.7	12.0	.3	16.1	5.3	.8	.8	--	--	113.8
120 Tobacco, umfr.	--	14.4	6.0	--	--	--	7.5	--	6.1	--	--	--	--	--	34.3
122 Cigarettes	17.8	2.4	7.9	13.3	14.5	.7	4.4	.2	9.6	5.2	.7	.7	--	--	77.4
2 Crude materials, inedible	6.2	19.7	10.7	3.6	2.5	10.1	1.0	.2	2.2	.3	.1	.8	.1	--	58.2
24 Wood, lumber & cork	2.1	.1	1.3	--	.1	--	.6	--	.1	.1	--	.7	--	--	5.1
25 Pulp & waste paper	--	9.7	.1	--	--	7.7	--	.1	--	--	--	--	--	--	17.6
26 Raw textile fibers & waste	.3	4.4	3.2	.1	--	.1	--	.5	1.0	.1	--	--	--	--	9.7
3 Mineral fuels, lubricants	13.0	15.5	.5	1.7	2.3	3.7	.8	1.2	.2	2.2	.2	.7	--	.6	41.0
325 Lubricants	9.7	3.7	.4	1.0	1.5	.2	.7	1.0	.8	.4	.2	.3	--	.6	20.5
4 Oils and fats	2.7	152.7	3.8	.7	2.7	1.8	--	.2	.2	.4	.1	.2	.1	--	178.6
41 Animal oils & fats	--	42.6	3.0	--	1.8	--	--	--	--	--	--	--	--	--	47.4
42 Vegetable oils & fats	9.1	117.1	.8	.5	1.6	--	--	.2	.2	.4	.1	.2	.1	--	130.3
5 Chemicals	33.2	25.2	12.2	12.6	12.0	14.2	11.2	2.2	5.4	8.4	1.1	1.6	.2	.1	139.6
51 Chem. elements & comp.	4.8	12.1	3.2	1.4	.7	.8	.3	.1	.1	4.3	.2	.1	--	--	28.3
54 Pharmaceutical products	8.8	3.1	4.5	1.3	1.5	3.2	1.9	1.1	3.3	.2	.2	.4	.1	.1	29.7
55 Essential oils, perfums mtl.	5.2	1.0	1.2	3.1	2.8	.2	1.2	.1	.2	1.1	.4	.5	--	--	17.0
6 Mfr. goods, by chief mtl.	122.1	69.0	21.5	76.2	22.2	34.1	32.1	2.2	7.6	2.4	31.0	5.3	.4	.1	411.6
62 Rubber mfrs.	6.7	.9	1.0	2.6	2.9	1.1	1.0	.3	.8	.3	.3	.4	--	--	18.3
63 Paper, paperboard, & mfrs.	8.1	21.5	8.9	1.3	2.8	.4	1.3	.5	.7	.6	.2	.2	--	--	45.5
65 Textile yarns, fabric, art.	8.8	.3	5.7	3.3	3.3	.2	.9	.7	.8	.7	.1	.5	--	--	25.3
67 Steel pipes and tubes	23.8	35.9	.2	53.8	3.5	20.7	27.2	--	1.2	2.8	29.1	2.7	.4	--	201.3
69 Metal structures & parts	30.0	1.3	.4	4.3	3.5	3.2	1.2	.2	--	1.4	.3	.2	--	--	46.0
7 Machinery, transport equip.	227.7	115.1	279.4	226.1	276.0	148.2	133.6	50.2	54.2	52.1	33.3	36.2	2.1	1.5	2,337.0
711 Power generating machinery	48.9	9.1	8.7	9.4	7.4	11.5	11.4	2.5	3.7	2.5	1.1	1.2	--	--	117.4
712 Agricultural machinery	25.9	3.0	5.4	5.8	2.6	6.8	8.1	1.8	4.5	.2	.9	.6	.3	.4	67.3
714 Office machines	2.7	2.4	1.9	.4	.8	.5	.9	.3	.1	.7	.1	.3	--	.2	11.3
717 Textile, leather mach.	.5	6.1	.5	.2	.1	2.4	.5	.1	.7	.1	--	--	--	--	11.2
718 Construction, mining mach.	64.3	19.1	5.6	53.6	12.1	30.4	19.1	4.5	3.7	14.7	3.8	3.2	.8	.3	235.2
719 Heating, cooling equip.	58.8	2.9	7.2	40.7	22.1	11.1	5.8	.8	.7	6.5	3.7	4.9	.2	--	165.4
722 Pumps and centrifuges	47.1	5.4	2.7	15.9	7.6	17.2	17.5	.6	.2	4.1	2.5	1.3	--	.2	122.3
723 Mechanical handling equip.	40.2	3.4	8.5	11.5	12.9	10.1	4.4	1.9	3.3	3.0	.8	3.1	--	--	103.1
725 Elec power machinery	43.3	14.7	4.5	13.8	18.8	5.0	4.7	.9	.4	.9	2.2	1.3	--	--	110.5
726 Telecommunications equip.	30.1	1.6	3.4	4.2	2.0	1.6	3.7	3.7	1.8	1.6	5.2	1.2	.4	--	60.5
728 Elsc. household ppl.	14.7	.1	3.6	1.4	5.7	.3	1.4	.6	--	.6	.2	.5	--	--	29.1
732 Road motor vehicles & pts	250.2	25.5	46.0	37.1	151.3	23.2	11.6	8.8	28.9	5.6	4.9	14.6	.1	.1	607.9
734 Aircraft and parts	175.0	1.6	171.9	5.9	15.8	4.7	29.7	14.3	.1	.2	3.6	.3	--	--	423.1
735 Ships, boats, floating struc.	4.0	1.5	--	6.0	2.4	2.4	1.2	.6	--	3.2	.4	.4	--	--	22.1
8 Misc. manufactured articles	69.8	10.8	21.2	10.5	14.3	7.8	18.6	3.4	2.0	4.0	2.5	2.6	.3	.1	168.6
83 Travel goods, handbags, etc	2.7	--	.5	1.0	1.8	--	.6	.1	.1	.2	.3	.3	--	--	7.7
84 Clothing	3.5	.7	1.0	1.8	3.9	--	3.3	.4	.1	.7	.1	.2	.1	--	15.8
85 Medical instruments	8.4	.5	1.1	.2	.4	.5	1.0	.3	.2	--	--	--	--	--	12.6
86 Measuring, controlling instr.	10.4	3.7	.8	2.1	1.6	3.5	5.4	1.0	.4	1.1	1.1	.8	--	--	31.9
Special category (military)	157.0	.2	1.8	10.1	4.2	.1	2.3	112.3	--	.3	1.0	--	1.0	.1	190.0



U.S. Trade with Near East/North African Countries
1974, 1975, January - June 1975, 1976
(In millions of dollars)

	U.S. Exports, including reexports				U.S. General Imports			
	1974	1975	J-J 1975	J-J 1976	1974	1975	J-J 1975	J-J 1976
Total for Area	<u>6,282.3</u>	<u>10,131.3</u>	<u>4,778.1</u>	<u>5,479.0</u>	<u>6,647.7</u>	<u>8,744.3</u>	<u>3,897.2</u>	<u>6,583.6</u>
Percent of U.S. Total	6.4	9.4	8.9	9.6	6.2	8.5	7.6	10.8
Arab countries of								
Near East	<u>2,162.4</u>	<u>3,502.9</u>	<u>1,547.0</u>	<u>2,436.0</u>	<u>2,591.8</u>	<u>4,198.6</u>	<u>1,819.0</u>	<u>3,407.0</u>
Bahrain	79.7	90.2	45.1	163.8	70.4	114.9	39.0	6.6
Iraq	284.7	309.7	158.8	174.0	1.0	22.6	5.3	1.8
Jordan	105.2	195.4	92.0	135.8	.2	.9	.2	.7
Kuwait	208.5	366.1	169.4	222.2	15.4	126.1	64.2	32.8
Lebanon	286.9	402.3	226.1	38.0	32.0	35.2	25.5	3.9
Oman	36.5	74.7	30.9	29.0	24.3	58.4	13.9	75.4
PDRY	12.3	2.8	1.5	2.6	6.0	.6	.2	.4
Qatar	33.6	50.3	22.4	36.1	91.0	64.4	32.2	33.6
Saudi Arabia	835.2	1,501.8	537.5	1,228.2	1,926.5	2,986.7	1,329.2	2,614.6
Syria	39.6	127.8	70.9	173.2	2.3	7.4	4.4	6.6
United Arab Emirates	229.7	371.5	188.2	223.2	422.1	781.2	304.7	630.5
Yemen Arab Republic	10.5	8.3	4.2	9.9	.6	.2	.2	.1
Arab countries of								
North Africa	<u>1,180.6</u>	<u>1,835.5</u>	<u>979.5</u>	<u>946.8</u>	<u>1,300.2</u>	<u>2,640.4</u>	<u>1,093.3</u>	<u>2,179.2</u>
Algeria	315.1	631.8	305.8	241.2	1,169.6	1,448.0	765.4	1,037.8
Libya	139.4	231.5	133.7	85.6	1.5	1,120.1	298.0	1,033.7
Morocco	184.0	199.5	108.3	168.6	22.4	11.3	6.0	10.6
Tunisia	86.9	90.0	46.6	46.8	23.8	28.2	20.9	34.4
Egypt	455.2	682.7	385.2	404.6	82.9	32.8	3.0	62.7
Non-Arab countries								
Near East	<u>2,939.3</u>	<u>4,792.9</u>	<u>2,251.6</u>	<u>2,096.2</u>	<u>2,755.7</u>	<u>1,905.3</u>	<u>984.9</u>	<u>997.4</u>
Iran	1,733.6	3,241.7	1,592.1	1,365.4	2,459.8	1,579.0	829.3	797.3
Israel	1,205.7	1,551.2	659.5	730.8	295.9	326.3	155.6	200.1

Including Special Category Commodities
Imports - c.i.f. value
Exports - f.a.s. value

Source: U.S. Department of Commerce
Bureau of the Census, Report FT 990
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Bureau of International Commerce
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