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THE WHITE HOUSE
WASHINGTON

Gen. Brentnall

This is what Joints
spoke to me about.

THE PRESIDENT HAS SEEN. 28

THE WHITE HOUSE
WASHINGTON

Info -

February 20, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: DON RUMSFELD

DR

Attached is a letter which Jake Javits sent to Secretary Simon as he discussed with you on the telephone. It is for your information.

Attachment

United States Senate

WASHINGTON, D.C. 20510

Dear Dan:

Here is the letter

about the boycott of books

I gave check to the President -

It was a great dinner -

Please thank the President -

7/19/71

Sincerely,
Jacob

United States Senate

WASHINGTON, D.C. 20510

February 14, 1975

Dear Mr. Secretary:

We have noted with grave concern reports of efforts to discriminate against banking firms with Jewish members from participation in international financial transactions. This effort now seems to be spreading to the United States as evidenced by the reported withdrawal of the Kuwait Investment Company from two transactions in which it would have been an underwriter together with Lazard Freres and Company. We believe that the spread of this unconscionable practice so opposed to American principles and law should be stopped in the United States. Quite properly, Merrill Lynch, Pierce, Fenner, and Smith, Inc., as the leading underwriter, and Donald Regan, its chief executive has announced its intention to proceed with the transactions not to be intimidated by the Kuwait withdrawal.

It is clearly intolerable to permit Arab---or any---investors to attempt to extend such religious discrimination to the United States. Indeed, the policy of the United States has been expressed in the Export Administration Act in an amendment we introduced in 1965---now law---which states:

"It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries friendly to the United States and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States..."

This latest action by Arab interests is an attempt to extend the boycott against Israel to firms with any Jewish members everywhere, including the United States, and therefore contrary to stated U.S. policy.

These events have raised the distinct possibility also of pressure by Arab interests that could result in a positive discriminatory action or financial harm to a U.S. company or citizen. Furthermore, the Kuwait Investment Company may be engaged in other U.S. transactions of a comparable discriminatory nature. While U.S. law cannot compel the inclusion of underwriters who do not wish to participate in an underwriting, we cannot allow any investor to dictate the membership of an underwriting group on the basis of religious exclusion.


Prompt action is required to prevent the spread of such discrimination. We therefore request your department to act promptly to:

- (1) determine whether any cases of religious discrimination against Jewish or any other Americans by the Arab interests have already occurred;
- (2) examine closely U.S. law and regulations to determine whether violations of law are involved;
- (3) promulgate, where possible, under existing law such regulations as may be necessary to prevent the occurrence of any such religious discrimination; and
- (4) propose such new legislation as may be needed to prevent such discrimination.

We are aware that studies may be under way in your department with regard to foreign investment in the U.S., and we welcome them. However, the issue of religious discrimination in business is so vital and so fundamental that it should be addressed immediately.

We feel the U.S. stands ready to welcome foreign investment, including Arab investment, that conforms to the standards of our society and the national security and interest, but Arab oil money should not be permitted to enter our country on a basis contrary to our morality and constitution. This matter should be given the highest priority and we await your prompt response.

Sincerely,



Jacob K. Javits



Harrison A. Williams, Jr.

The Honorable William E. Simon
Secretary
Department of the Treasury
Washington, D.C.


THE WHITE HOUSE

WASHINGTON

February 21, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: JERRY H. JONES 

The attached material was returned in the President's outbox with the following notation to you:

-- This is what Javits spoke to me about.

cc: Don Rumsfeld