

## Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I am today announcing a number of decisions that provide a comprehensive response to any discrimination against Americans on the basis of race, color, religion, national origin or sex that might arise from foreign boycott practices.

The United States Government, under the Constitution and the law, is committed to the guarantee of the fundamental rights of every American. My Administration will preserve these rights and work toward the elimination of all forms of discrimination against individuals on the basis of their race, color, religion, national origin or sex.

Earlier this year, I directed the appropriate departments and agencies to recommend firm, comprehensive and balanced actions to protect American citizens from the discriminatory impact that might result from the boycott practices of other governments. There was wide consultation.

I have now communicated detailed instructions to the Cabinet for new measures by the United States Government to assure that our anti-discriminatory policies will be effectively and fully implemented.

These actions are being taken with due regard for our foreign policy interests, international trade and commerce and the sovereign rights of other nations. I believe that the actions my Administration has taken today achieve the essential protection of the rights of our people and at the same time do not upset the equilibrium essential to the proper conduct of our national and international affairs.

I made the basic decision that the United States Government, in my Administration, as in the administration of George Washington, will give "to bigotry no sanction." My Administration will not countenance the translation of any foreign prejudice into domestic discrimination against American citizens.

I have today signed a Directive to the Heads of All Departments and Agencies. It states:

(1) That the application of Executive Order 11478 and relevant statutes forbid any Federal agency, in making selections for overseas assignments, to take into account any exclusionary policies of a host country based upon race, color, religion, national origin, sex or age. Individuals must be considered and selected solely on the basis of merit factors. They must not be excluded at any stage of the selection process because their race, color, religion, national origin, sex or age does not conform to any formal or informal requirements set by a foreign nation. No agency may specify, in its job description circulars, that the host country has an exclusionary entrance policy or that a visa is required:

(2) That Federal agencies are required to inform the State Department of visa rejections based on exclusionary policies; and

(3) That the State Department will take appropriate action through diplomatic channels to attempt to gain entry for the affected individuals.

I have instructed the Secretary of Labor to issue an amendment to his Department's March 10, 1975, Secretary's Memorandum on the obligation of Federal contractors and subcontractors to refrain from discrimination on the basis of race, color, religion, national origin or sex when hiring for work to be performed in a foreign country or within the United States pursuant to a contract with a foreign government or company. This amendment will require Federal contractors and subcontractors, that have job applicants or present employees applying for overseas assignments, to inform the Department of State of any visa rejections based on the exclusionary policies of a host country. The Department of State will attempt, through diplomatic channels, to gain entry for those individuals.

My Administration will propose 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, national origin or sex. This would apply to any attempts, for instance, by a foreign business enterprise, whether governmentally or privately owned, to condition its contracts upon the exclusion of persons of a particular religion from the contractor's management or upon the contractor's refusal to deal with American companies owned or managed by persons of a particular religion.

I am exercising my discretionary authority under the Export Administration Act to direct the Secretary of Commerce to issue amended regulations to:

(1) 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; and

(2) require related service organizations that become involved in any boycott request to report such involvement directly to the Department of Commerce.

Related service organizations are defined to include banks, insurers, freight forwarders and shipping companies that become involved in any way in a boycott request related to an export transaction from the U. S.

Responding to an allegation of religious and ethnic discrimination in the commercial banking community, the Comptroller of the Currency issued a strong Banking Bulletin to its member National Banks on February 24, 1975. The Bulletin was prompted by an allegation that a national bank might have been offered large deposits and loans by an agent of a foreign investor, one of the conditions for which was that no member of the Jewish faith sit on the bank's board of directors or control any significant amount of the bank's outstanding stock. The Bulletin makes it clear that the Comptroller will not tolerate any practices or policies that are based upon considerations of the race, or religious belief of any customer, stockholder, officer or director of the bank and that any such practices or policies are "incompatible with the public service function of a banking institution in this country."

I am informing the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board that the Comptroller's Banking Bulletin reflects the policy of my Administration and I encourage them to issue similar policy statements to the financial institutions within their jurisdictions, urging those institutions to recognize that compliance with discriminatory conditions directed against any of their customers, stockholders, employees, officers or directors is incompatible with the public service function of American financial institutions.

I will support legislation to amend the Equal Credit Opportunity Act, which presently covers sex and marital status, to include prohibition against any creditor discriminating on the basis of race, color, religion, or national origin against any credit applicant in any aspect of a credit transaction.

I commend the U. S. investment banking community for resisting the pressure of certain foreign investment bankers to force the exclusion from financing syndicates of some investment banking firms on a discriminatory basis.

I commend the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., for initiating a program to monitor practices in the securities industry within their jurisdiction to determine whether such discriminatory practices have occurred or will occur. I urge the SEC and NASD to take whatever action they deem necessary to insure that discriminatory exclusion is not tolerated and that non-discriminatory participation is maintained.

In addition to the actions I am announcing with respect to possible discrimination against Americans on the basis of race, color, religion, national origin or sex, I feel that it is necessary to address the question of possible antitrust violations involving certain actions of U. S. businesses in relation to foreign boycotts. The Department of Justice advises me that the refusal of an American firm to deal with another American firm in order to comply with a restrictive trade practice by a foreign country raises serious questions under the U. S. antitrust laws. The Department is engaged in a detailed investigation of possible violations.

The community of nations often proclaims universal principles of human justice and equality. These principles embody our own highest national aspirations. The anti-discriminations measures I am announcing today are consistent with our efforts to promote peace and friendly, mutually beneficial relations with all nations, a goal to which we remain absolutely dedicated.

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