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Office of the White House Press Secretary

THE WHITE HOUSE
FACT SHEET

FOREIGN BOYCOTT PRACTICES AND ANTI-DISCRIMINATION POLICY

The President is today announcing a number of actions 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.

HIGHLIGHTS OF THE PRESIDENT'S ANNOUNCEMENT:

(1) The President has signed a Directive to the Heads of All Departments and Agencies which states:

- (A) That the application of Executive Order 11478 and relevant statutes forbids 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. No agency may specify, in its job description circulars, that the host country has an exclusionary entrance policy or that a visa is required;
- (B) That Federal agencies are required to inform the State Department of visa rejections based on exclusionary policies; and
- (C) That the State Department will take appropriate action, through diplomatic channels, to attempt to gain entry for the affected individuals.

(2) The President has instructed the Secretary of Labor to issue an amendment to the 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:

- (A) 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; and
- (B) The Department of State will attempt, through diplomatic channels, to gain entry for those individuals.

(3) The 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.

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(4) The President has exercised his discretionary authority under the Export Administration Act to direct the Secretary of Commerce to amend the Act's regulations to:

- (A) 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
- (B) 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 to an export transaction from the U.S.

(5) The President has stated that his Administration will not tolerate discriminatory commercial banking practices or policies based upon the race or religious belief of any customer, stockholder, employee, officer or director of a bank and that such practices or policies are incompatible with the public service function of banking institutions in this country. The President supports a Banking Bulletin issued by the Comptroller of the Currency to that effect and has encouraged the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board to issue similar policy statements to the financial institutions within their jurisdictions.

(6) The Administration 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.

(7) In regard to the investment banking industry, the President has:

- (A) Commended 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;
- (B) Commended the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. (NASD) 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; and
- (C) Urged 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.

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(8) The Department of Justice has advised the President 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.

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