

FOR IMMEDIATE RELEASE

OCTOBER 7, 1976

Office of the White House Press Secretary
(Los Angeles, California)

THE WHITE HOUSE

MEMORANDUM FOR THE SECRETARY OF COMMERCE

Would you please assure that the Department of Commerce takes steps to permit the public inspection and copying of boycott-related reports to be filed in the future with the Department of Commerce. Only business proprietary information regarding such things as quantity and type of goods exported, the release of which could place reporting firms at a competitive disadvantage, should not be made available to the public.

During the past year, there has been a growing interest in and awareness of the impact of the Arab Boycott on American business. Disclosures of boycott-related reports will enable the American public to assess for itself the nature and impact of the Arab Boycott and to monitor the conduct of American companies.

I have concluded that this public disclosure will strengthen existing policy against the Arab Boycott of Israel without jeopardizing our vital interests in the Middle East. The action I am directing today should serve as a reaffirmation of our national policy of opposition to boycott actions against nations friendly to us.

GERALD R. FORD

#

Office of the White House Press Secretary
(Los Angeles, , California)

THE WHITE HOUSE

FACT SHEET

The President today directed the Secretary of Commerce to take appropriate steps to permit, prospectively, the public inspection and copying of boycott-related reports filed with the Department of Commerce. Only business proprietary information regarding such things as quantity and type of goods exported, the release of which could place reporting firms at a competitive disadvantage, will not be made publicly available.

During the past year there has been a growing interest in and awareness of the impact of the Arab boycott on American business. Disclosure of boycott-related reports will enable the American public to assess for itself the nature and impact of the Arab boycott and to monitor the conduct of American companies. The Department of Commerce will commence public disclosure of reports regarding boycott-related requests received by American companies on or after October 7, 1976.

Public disclosure of boycott reports will complement positive steps already taken by the Ford Administration to oppose the boycott and to insure that American citizens and firms will be fully protected from any discrimination on the basis of race, color, religion, national origin, or sex that might arise from foreign boycott practices. These steps have included the following:

1. In March, 1975, the President established a special White House task force under the direction of the Office of the White House Counsel to conduct a study and to make recommendations regarding actions which could be taken in connection with various aspects of the impact of foreign boycotts and related discrimination.
2. Effective October 1, 1975, the Department of Commerce made it mandatory rather than optional for United States firms to inform the Department whether or not they had complied with requests from foreign governments for information on boycott-related matters.
3. In November, 1975, President Ford announced the most far-reaching Executive Branch actions ever directed at foreign boycott practices. This action was the culmination of the study which the President had directed be undertaken earlier in the year. The President announced decisions and actions to insure that American citizens and firms will be fully protected from any discrimination on the basis of race, color, religion, national origin or sex that might arise from foreign boycott practices. The President further issued specific directives to implement his decisions.
 - (a) The President signed a Directive to the Heads of All Departments and Agencies which prohibited under Executive Order 11478 and relevant statutes, any Federal agency from taking into account in making selections for overseas assignments any exclusionary policies of a host country based upon race, color, religion, national origin, sex or age. Federal agencies were requested to inform the State Department of visa rejections based on exclusionary policies and the State Department would attempt through diplomatic channels to gain entry for those individuals.

(MORE)

- (b) The President instructed the Secretary of Labor to 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 would then attempt, through diplomatic channels, to gain entry for those individuals.
 - (c) The President proposed the Economic Coercion Act of 1975 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.
 - (d) The President directed the Secretary of Commerce to amend the Export Administration Act's regulations to:
 - (1) prohibit compliance with any boycott request which would discriminate against U.S. citizens or firms on the basis of race, color, religion, sex or national origin.
 - (2) extend the reporting requirements to any person or firm other than the exporter handling any phase of the export transaction (such as banks, insurers, shipping companies, and freight forwarders).
 - (e) The President stated that his Administration would 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 a banking institution in this country.
 - (f) The President supported legislation to amend the Equal Credit Opportunity Act, which covered 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. This legislation passed the Congress and was signed by President Ford on March 23, 1976.
 - (g) The President urged the Securities and Exchange Commission and the National Association of Securities Dealers to take whatever action necessary to insure that discriminatory exclusion in the investment banking industry was not tolerated and that non-discriminatory participation was maintained.
4. On December 1, 1975, the Secretary of Commerce ceased Commerce Department dissemination of information on trade opportunities containing boycott requests.
5. On January 16, 1976, the Department of Justice filed a civil antitrust suit against an American company charging it with implementing an agreement to refuse to deal with U.S. subcontractors blacklisted by certain Arab countries and to require U.S. subcontractors to refuse to deal with blacklisted persons or entities.

(MORE)

6. On April 29, 1976, the Secretary of Commerce directed that all charging letters issued for violations of the Export Administration Act regulations relating to the boycott be made public.

7. On October 4, 1976, President Ford signed the Tax Reform Act under a provision of which foreign source income attributable to certain boycott-related activity will lose the tax benefits of the foreign tax credit, the Domestic International Sales Corporations (DISCs), and the deferral of United States tax on foreign source income.

These actions have put an effective end to foreign discrimination against American firms or citizens on the basis of religion, national origin, race, color, or sex. Public disclosure of boycott reports will further strengthen existing policy against the Arab boycott of Israel without jeopardizing our vital interests in the Middle East.

#