

ARAB BOYCOTT

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
MONOPOLIES AND COMMERCIAL LAW
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
NINETY-FOURTH CONGRESS
FIRST AND SECOND SESSIONS
ON
H.R. 5246, H.R. 12383, and H.R. 11488
ARAB BOYCOTT

JULY 9, 1975, AND APRIL 8, 1976

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ARAB BOYCOTT

WEDNESDAY, JULY 9, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:40 a.m. in room 2141, Rayburn House Office Building, Hon. Peter W. Rodino, Jr. [chairman] presiding.

Present: Representatives Rodino, Flowers, Sarbanes, Jordan, Mezvinsky, Mazzoli, Hughes, Hutchinson, McClory, Railsback, and Cohen.

Also present: Alan A. Ransom, James F. Falco, and Daniel L. Cohen, counsel; and Franklin G. Polk, associate counsel.

Chairman RODINO. The subcommittee will come to order, and I recognize the gentleman from Maryland, Mr. Sarbanes.

Mr. SARBANES. Mr. Chairman, I ask unanimous consent that the subcommittee permit this hearing to be covered in full or in part by television broadcast, radio broadcast, still photography, or by any of these methods of coverage, in accordance with committee rule 5.

Chairman RODINO. Is there objection? Without objection, it is so ordered.

The Subcommittee on Monopolies and Commercial Law turns its attention this morning to a serious and disturbing course of economic conduct—a pattern of discriminatory and anticompetitive practices that is potentially both violative of libertarian principles, and a threat to the free flow of interstate and foreign commerce.

The so-called “Arab Boycott” of Jewish businesses and businesses supportive of Israel has intensified in recent months.

Serious, and in some cases successful attempts have been made in the international banking community to discriminate against certain institutions or individuals solely on religious or ethnic grounds.

In this country, discrimination suits have been filed with the Equal Employment Opportunity Commission, and serious charges have been leveled by responsible groups that firms seeking contracts with Arab interests are simply refusing to do business with Israeli companies or even declining to hire Jews.

We have learned of boycotts and “blacklists”; indeed, a Senate committee, in conjunction with the State Department, has obtained and released a Saudi Arabian “blacklist” of 1,500 American businesses and individuals ineligible for consideration by Arab investment interests because of Jewish ties or support for Israel.

The Army Corps of Engineers has told a Senate subcommittee that the Army has in some cases bowed to Arab demands regarding the placing of Jews in Saudi Arabia.

As a consequence of these serious developments, our colleague on the Judiciary Committee, Elizabeth Holtzman, has introduced a bill that would amend the Federal Criminal Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors.

The Holtzman bill is a serious piece of legislation. It has been re-introduced several times since March, with cosponsors now numbering nearly 100, and I am delighted and proud to be a cosponsor with Miss Holtzman.

The legislation would impose serious criminal sanctions, including imprisonment, upon any business or individual acting on behalf of a business who coerces, or attempts to coerce, another person by economic means, where an object of that coercion is to cause discrimination against a third party because that third party is Jewish, has Jewish financial ties or is supportive of Israel.

The legislation would also impose criminal penalties on the person yielding to the coercion and provide a mechanism for private relief, including the authorization of treble damage actions in U.S. district courts.

Proposals to amend the Federal Criminal Code to create substantive, new Federal crimes matters to be weighed very carefully. The adequacy of existing prohibitions and remedies must be understood and measured.

In the context of the circumstances leading to the introduction of this legislation, in the context of the recently intensified Arab boycott, the subcommittee will wish to measure the wisdom of H.R. 5246 against the adequacy of existing Federal statutes—particularly in the areas of antitrust law and civil rights.

The Judiciary Committee has for many decades been in the vanguard of the struggle to assure and protect the economic and civil liberties of all our citizens. Whatever we decide with regard to H.R. 5246, the Subcommittee on Monopolies and Commercial Law will not take lightly discriminatory and anticompetitive practices.

The Committee on the Judiciary intends to inquire into the adequacy of existing law. It is essential that those agencies charged with the enforcement of the current statutes inform the Congress if new laws are necessary in order to reach this discrimination where it affects the commerce of the United States. If new laws are not required, we will wish to learn what enforcement actions are contemplated under existing authority.

We are delighted this morning to have our colleague on the full committee, Miss Holtzman, before us to present a statement on behalf of her legislation.

[Copies of H.R. 5246, H.R. 12383, and H.R. 11488 follow:]

94TH CONGRESS
1ST SESSION

H. R. 5246

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1975

Ms. HOLTZMAN (for herself and Mr. RODINO) introduced the following bill;
which was referred to the Committee on the Judiciary

A BILL

To amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title 18 of the United States Code is amended by in-
4 serting immediately after section 245 the following new
5 section:

6 “§ 246. Economic coercion based on religion, race, national
7 origin, sex, or certain other factors

8 “(a) It shall be unlawful for any business enterprise
9 or person acting on behalf of or in the interest of a business

1 enterprise to coerce by economic means, or to attempt to
2 coerce by economic means, another person, where an object
3 of such coercion is to cause such other person to fail to do
4 business with, to fail to employ, to subject to economic loss
5 or injury, or otherwise to discriminate against, any United
6 States person, or any foreign person with respect to its
7 activities in the United States, by reason of—

8 “(1) the religion, race, national origin, or sex of
9 such United States or foreign person, or of any officer,
10 director, employee, or creditor of, or any owner of any
11 interest in, such United States or foreign person; or

12 “(2) direct or indirect support for any foreign
13 government, or dealing with or in, any foreign country
14 by such United States or foreign person, or by any
15 officer, director, employee, or creditor of, or any owner
16 of any interest in, such United States or foreign person,
17 when such support or dealing is not in violation of the
18 laws of the United States.

19 “(b) It shall be unlawful for any person to fail to do
20 business with, to fail to employ, to subject to economic loss
21 or injury, or otherwise to discriminate against, any United
22 States person, or any foreign person with respect to its activi-
23 ties in the United States, by reason of, or in order to avoid,
24 being coerced in a manner which is unlawful under subsection
25 (a), or would be unlawful under subsection (a) except

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1 for the fact that the coercion is exerted by a foreign govern-
2 ment or by a business enterprise not subject to the jurisdiction
3 of the United States.

4 “(c) Whoever willfully violates subsection (a) shall be
5 fined not to exceed \$100,000, or imprisoned not to exceed
6 three years, or both if an individual, or fined not to exceed
7 \$1,000,000 if any person other than an individual.

8 “(d) Any person aggrieved by a violation of subsection
9 (a), in a civil action instituted in an appropriate United
10 States district court without regard to the amount in contro-
11 versy, may recover threefold actual damages, reasonable
12 attorney’s fees, and other litigation costs reasonably incurred,
13 and obtain other appropriate relief.

14 “(e) The Attorney General may institute an action in
15 rem or in personam, on behalf of the United States, in an
16 appropriate United States district court, to collect a civil
17 penalty against any person who violates subsection (a). The
18 penalty shall not exceed \$50,000 if imposed upon an indi-
19 vidual, or shall not exceed \$500,000 if imposed upon any
20 person other than an individual.

21 “(f) Whoever willfully violates subsection (b) shall be
22 fined not to exceed \$50,000 if an individual, or not to exceed
23 \$500,000 if any person other than an individual.

24 “(g) Any person aggrieved by a violation of subsection
25 (b), in a civil action instituted in an appropriate United

1 States district court without regard to the amount in contro-
2 versy, may recover damages and obtain other appropriate
3 relief.

4 “(h) For the purpose of this section—

5 “(1) the term ‘person’ includes an individual, cor-
6 poration, company, association, firm, partnership, trust,
7 society, joint stock company, fund, or any organized
8 group of persons whether incorporated or not;

9 “(2) the term ‘business enterprise’ means any per-
10 son, other than an individual, engaged in interstate
11 or foreign commerce—

12 “(A) whose purposes, functions, and activities,
13 taken as a whole, customarily are attributable to and
14 carried on by private enterprise for profit in this
15 country, even if such person is wholly owned by
16 a government and no part of its net earnings inures
17 to the benefit of any private shareholder or individ-
18 ual, or even if in some instances governments are
19 also engaged in the same or similar activity in the
20 United States; or

21 “(B) which represents the interests of a person
22 described in subsection (h) (2) (A) ;

23 “(3) the term ‘economic means’ means:

24 “(A) ceasing or refusing, or inducing any per-

1 son to cease or refuse, to do business with, to con-
2 tract with, or to employ; or

3 “(B) conditioning, or inducing any other
4 person to condition, doing business with, contract-
5 ing with, or employing;

6 “(4) the term ‘United States person’ means a
7 citizen or resident of the United States, or any person,
8 other than an individual, which is organized in one of
9 the United States, the Canal Zone, the District of
10 Columbia, the Commonwealth of Puerto Rico, the Vir-
11 gin Islands, or any possession or other territory of the
12 United States, or has its principal place of business in
13 the United States; and

14 “(5) the term ‘foreign person’ means any person
15 other than a United States person.”.

16 SEC. 2. The table of sections for chapter 13 of title 18
17 of the United States Code is amended by adding at the end
18 the following new item:

 “246. Economic coercion based on religion, race, national origin, sex, or
 certain other factors.”.

94TH CONGRESS
2D SESSION

H. R. 12383

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1976

Ms. HOLZMAN introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That title 18 of the United States Code is amended by
4 inserting immediately after section 245 the following new
5 section:

6 **“§ 246. Economic coercion based on religion, race, national**
7 **origin, sex, or certain other factors**

8 “(a) It shall be unlawful for any business enterprise
9 or person acting on behalf of or in the interest of a business
10 enterprise directly or indirectly to coerce by economic

1 means, or to attempt to coerce by economic means, another
2 person, where an object of such coercion is to cause such
3 other person to discriminate in employment or to subject to
4 economic loss or injury any United States person, or any
5 foreign person with respect to its activities in the United
6 States, by reason of—

7 “(1) the religion, race, national origin, or sex of
8 such United States or foreign person, or of any officer,
9 director, employee, or creditor of, or any owner of
10 any interest in, such United States or foreign person; or

11 “(2) direct or indirect support for any foreign gov-
12 ernment, or dealing with or in, any foreign country by
13 such United States, or foreign person, or by any officer,
14 director, employee, or creditor of, or any owner of any
15 interest in, such United States or foreign person, when
16 such support or dealing is not in violation of the laws of
17 the United States.

18 “(b) It shall be unlawful for any person to discriminate
19 in employment or to subject to economic loss or injury any
20 United States person, or any foreign person with respect to
21 its activities in the United States, by reason of, or in order to
22 avoid, being coerced in a manner which is unlawful under
23 subsection (a), or would be unlawful under subsection (a)
24 except for the fact that the coercion is exerted by a foreign

1 government or by a business enterprise not subject to the
2 jurisdiction of the United States.

3 “(c) Whoever willfully violates subsection (a) shall be
4 fined not to exceed \$100,000, or imprisoned not to exceed
5 three years, or both if an individual, or fined not to exceed
6 \$1,000,000 if any person other than an individual.

7 “(d) Any person aggrieved by a violation of subsection
8 (a), in a civil action instituted in an appropriate United
9 States district court without regard to the amount in con-
10 troversy, may recover threefold actual damages, reasonable
11 attorney’s fees, and other litigation costs reasonably in-
12 curred, and obtain other appropriate relief.

13 “(e) The Attorney General may institute an action in
14 rem or in personam, on behalf of the United States, in an
15 appropriate United States district court, to collect a civil
16 penalty against any person who violates subsection (a).
17 The penalty shall not exceed \$50,000 if imposed upon an
18 individual, or shall not exceed \$500,000 if imposed upon
19 any person other than an individual.

20 “(f) Whoever willfully violates subsection (b) shall
21 be fined not to exceed \$50,000 if an individual, or not to
22 exceed \$500,000 if any person other than an individual.

23 “(g) Any person aggrieved by a violation of subsection
24 (b), in a civil action instituted in an appropriate United

1 States district court without regard to the amount in con-
2 troversy, may recover damages and obtain other appropriate
3 relief.

4 “(h) For the purpose of this section—

5 “(1) the term ‘person’ includes an individual, cor-
6 poration, company, association, firm, partnership, trust,
7 society, joint stock company, fund, or any organized
8 group of persons whether incorporated or not;

9 “(2) the term ‘business enterprise’ means any per-
10 son, other than an individual, engaged in interstate or
11 foreign commerce—

12 “(A) whose purposes, functions, and activities,
13 taken as a whole, customarily are attributable to and
14 carried on by private enterprise for profit in this
15 country, even if such person is wholly owned by a
16 government and no part of its net earnings inures
17 to the benefit of any private shareholder or indi-
18 vidual, or even if in some instances governments are
19 also engaged in the same or similar activity in the
20 United States; or

21 “(B) which represents the interests of a person
22 described in subsection (h) (2) (A) ;

23 “(3) the term ‘coerce by economic means’ means—

24 “(A) ceasing or refusing, or inducing any per-

1 person to cease or refuse, to do business with, to con-
2 tract with, or to employ; or

3 “(B) conditioning, or inducing any other per-
4 son to condition, doing business with, contracting
5 with, or employing;

6 “(4) the term ‘discriminate in employment’ means
7 to fail or refuse to hire or to discharge any individual or
8 otherwise to discriminate against any individual with
9 respect to his compensation, terms, conditions, or privi-
10 leges of employment;

11 “(5) the term ‘subject to economic loss or injury’
12 means to refuse to enter into a commercial relationship,
13 to cancel, interrupt, or diminish a previously existing
14 commercial relationship, habit, pattern, or practice
15 whether or not subject to contract;

16 “(6) the term ‘United States person’ means a citizen
17 or resident of the United States, or any person, other
18 than an individual, which is organized in one of the
19 United States, the Canal Zone, the District of Columbia,
20 the Commonwealth of Puerto Rico, the Virgin Islands, or
21 any possession or other territory of the United States, or
22 has its principal place of business in the United States;
23 and

1 “(7) the term ‘foreign person’ means any person
2 other than a United States person.”.

3 **SEC. 2.** The table of sections for chapter 13 of title 18 of
4 the United States Code is amended by adding at the end
5 the following new item:

 “246. Economic coercion based on religion, race, national origin, sex, or
 certain other factors.”.

94TH CONGRESS
2D SESSION

H. R. 11488

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1976

Mr. HUTCHINSON introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To prohibit economic coercion based upon race, color, religion, national origin, or sex.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Economic Coercion Act
4 of 1976".

5 SEC. 2. It shall be unlawful for any business enterprise
6 or person acting on behalf of a business enterprise to coerce
7 by economic means, or to attempt to coerce by economic
8 means, another person, where an object of such coercion
9 is to cause such other person to fail to do business with, to
10 fail to employ, to subject to economic loss, or otherwise to
11 discriminate against, any United States person by reason

1 of the race, color, religion, national origin, or sex of such
2 person, or of any officer, director, employee, or creditor of,
3 or any owner of any interest in, such person:

4 SEC. 3. (a) Any person aggrieved by a violation of
5 section 2 may bring a civil action in an appropriate United
6 States district court, without regard to the amount in con-
7 troversy.

8 (b) Whenever the Attorney General has reason to
9 believe that any person or group of persons is engaged in a
10 pattern or practice of violation of section 2, he may bring a
11 civil action in an appropriate United States district court.

12 (c) In an action brought pursuant to subsection (a)
13 or (b), the court may grant such relief as it deems appropri-
14 ate, including injunctive relief and damages.

15 SEC. 4. For purpose of this Act:

16 (a) "Person" includes an individual, corporation, labor
17 organization, association, partnership, trust, or fund.

18 (b) "Business enterprise" means a person, other than
19 an individual, engaged in a business or industry affecting
20 interstate or foreign commerce. This term includes entities
21 owned or controlled by a government.

22 (c) "United States person" means a citizen or resident
23 of the United States, or any person other than an individual,
24 which is organized in one of the United States, the Canal
25 Zone, the District of Columbia, the Commonwealth of Puerto

1 Rico, the Virgin Islands, or any possession or other territory
2 of the United States, or has its principal place of business in
3 the United States.

4 (d) "Economic means" means ceasing or refusing to do
5 business with, to contract with, or to employ; or conditioning
6 doing business with, contracting with, or employing.

Chairman RODINO. In addition, of course, we are especially pleased to have three knowledgeable and distinguished Assistant Attorneys General—Tom Kauper, Stanley Pottinger, and Antonin Scalia—who will advise us of the Department's views on H.R. 5246 and will allow the subcommittee to better understand where existing remedies may be inadequate, or why untested new approaches at this time may be premature.

Because of the unique, foreign origin of much of the discriminatory behavior we are concerned with today, the subcommittee is aware of the particularly complex problems involved in applying the full measure of American law. We are aware, too, of the problems involving foreign policy, and other policies outside the concern of the Justice Department and beyond the scope of this committee's jurisdiction.

Nonetheless, we proceed in earnest this morning to consider legitimate legal remedies for a pattern of anti-libertarian discrimination that has no place in American life and should not be tolerated as the norm in the flow of interstate and foreign commerce.

I now recognize the gentleman from Michigan, Mr. Hutchinson, for any remarks he wishes to make.

Mr. HUTCHINSON. Thank you, Mr. Chairman.

Today we open hearings on H.R. 5246, a bill which deals with the problem of economic boycotts imposed for noneconomic motives. The bill would create new crimes, as well as new civil actions for both treble and single damages. As I understand its provisions, whenever A by economic means coerced B to discriminate against C for certain noneconomic reasons, the bill would make A subject to felony prosecution and B subject to misdemeanor prosecution even though B was coerced. Moreover, C could sue A for treble damages and B for single damages.

Although this legislation would establish a general principle, it is undoubtedly designed to remedy a current problem, the Arab boycott of Israel. In determining whether the bill adequately addresses this problem, the first question that must be raised is one of Federal jurisdiction, for generally it will be true that A is either a foreign government or a foreign business. In either case personal jurisdiction will be most difficult. In the former case, the bill appears to clash with the act of state doctrine which holds that foreign governments are not accountable in U.S. courts for their acts done on their own territory.

In view of the fact that A will generally be beyond the reach of Federal law, life for B will be difficult under the bill, for the rule that governs B—who is coerced—will not reach A who has instigated the boycott. Thus when B is given an offer it cannot refuse, it will not have the force of law supporting a contemplated refusal. B will not be able to threaten A with criminal prosecution as it could if both A and B were subject to Federal law.

Jurisdictionally, the bill requires that C, the victim, be a U.S. person or a foreign person discriminated against with respect to its activities in the United States. The subcommittee, in passing on this legislation, will have to determine how often this jurisdictional requirement is met in our experience with the Arab boycott. In other words, is the Federal criminal law the best way to resolve the problem, or is this more aptly characterized as a matter for diplomatic negotiations?

Today, under the Export Administration Act of 1969, persons who receive a request to boycott must report those requests to the Commerce Department. Now, under this bill, as I understand it, it will not be unlawful for B to discriminate against C, but it will only be unlawful if B discriminates against C by reason of, or in order to avoid being coerced.

Thus, the reporting requirements of current law, together with the bill if enacted, may raise serious problems with respect to the fifth amendment's privilege against self-incrimination. The subcommittee will have to explore that issue, and if there is a problem, it will have to decide whether the information or the bill better serves our national interest.

The Commerce Department has reported that in the vast majority of instances brought to their attention A has requested that B certify that the goods being shipped to A were free of Israeli connection in their manufacture or transportation. Is compliance with that certification request made criminal by the bill? The subcommittee should bear in mind that the United States has itself on occasion unilaterally boycotted goods from certain countries. Few of us would think it immoral or illegal for the United States to request that a cigar distributor in a foreign country certify that the cigars were not Cuban. What makes a similar request by an Arab country reprehensible?

These are a few of the questions that come to mind, Mr. Chairman, as we open these hearings, and I am sure the hearings will be enlightening to the members of the subcommittee because, truly, this is a most serious and important question coming before this subcommittee this year. I thank you, Mr. Chairman.

Chairman ROBINO. Thank you very much, and now we will hear from our first witness, the author of the bill and distinguished member of this committee, Elizabeth Holtzman.

TESTIMONY OF HON. ELIZABETH HOLTZMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. HOLTZMAN. Thank you, Mr. Chairman and members of the subcommittee I want first to thank you for the opportunity to be heard on this very important subject, and for your very wise decision to hold hearings on this very serious issue.

The issue, I want to point out, is not the Arab boycott of Israel. The issue is really the extent to which this country will permit foreign governments to coerce American businesses into practices that we consider to be improper in this country.

The focus of this bill—while it emerges from the present conflict between the Israelis and the Arabs—is really to protect all American citizens, regardless of race, sex, color, national origin, from discriminatory economic coercion. I think it is a very important principle and that is the reason that I have introduced this legislation.

Let me first speak to the provisions of the bill very briefly, Mr. Chairman, at this point, if I may, I would like to submit my testimony for the record as a whole and summarize certain portions of it.

Chairman ROBINO. Without objection, it will be inserted in the record at this point.

Ms. HOLTZMAN. Thank you.

STATEMENT OF HON. ELIZABETH HOLTZMAN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

INTRODUCTION

I am deeply grateful to the distinguished Chairman of the Judiciary Committee, Peter W. Rodino, Jr., for his wise leadership in holding hearings on the important subject of Arab-inspired discriminatory boycotts. I am honored that he joined with me in introducing H.R. 5246 and that a majority of this subcommittee has co-sponsored it as well.

In recent months we have heard many reports of Arab economic blackmail aimed at American firms which trade with Israel or are owned by or employ Jews. Arab nations and businesses have not only directly refused to deal with such firms, but they have sought to force other American firms to discriminate against them as well. That they attempt to coerce others in this country to adopt those practices is dangerous and intolerable.

The implications of such economic coercion are enormous, posing a great and increasing threat to our Nation. A small number of Arab companies can, through economic pressure, influence a much larger number of American companies to participate in discriminatory practices. Thus, a multiplier effect is created which could spread discrimination, throughout American business. And as their economic power grows, the Arabs are likely to have a much greater influence on American business than ever before, both through foreign trade and through increased investment in domestic corporations.

We cannot allow the Arabs to use naked economic blackmail to coerce Americans into engaging in religious discrimination, and we cannot allow any foreign power to dictate business practices in the United States.

PROVISIONS OF H.R. 5246

It is essential, then that Congress act quickly to protect Americans from foreign economic blackmail. H.R. 5246 will do so. It imposes stiff criminal and civil penalties on companies which use economic means to coerce others to discriminate against Americans, because of religion, race, sex, national origin or lawful support for or trade with another country.

The bill also penalizes any company that cooperates with or participates in an illegal boycott. This provision is particularly important, because it will furnish American firms with a legal basis for resisting discriminatory Arab economic pressure, and deny competitive advantage to any company which would yield to such pressure.

Thus, for example, it would be unlawful, under the bill, for an Arab bank to tell an American company—as a condition of dealing with that company—not to do business with another firm, because it is owned by Jews, or because it trades with the State of Israel. It would be unlawful, as well, for the American company to obey such a discriminatory command.

Although the bill was designed to meet the immediate threat posed by Arab oil blackmail, its scope is broader. It is intended to protect all Americans against secondary boycotts engaged in for purposes of religious, racial, or other discrimination.

In order to have a substantial deterrent effect, the bill imposes severe penalties, equal to those in the antitrust laws. Any company which instigates an illegal boycott would be subject to fines of up to \$1 million, and its officials subject to imprisonment for terms of up to 3 years and fines of up to \$100,000. A firm that participates in a boycott would be subject to fines of up to half a million dollars, and its officials to fines of up to \$50,000.

The Attorney General is also authorized to seek a civil penalty of up to \$500,000 against a firm initiating a discriminatory boycott. If the firm is not present in the United States, the Attorney General is empowered, in an appropriate proceeding to seize its assets in this country, including any funds owed to it by an American company, to satisfy the civil penalty.

Any person or company injured by an illegal boycott could bring action in Federal court for treble damages against a company instigating the boycott. In addition, an individual or company would have the right to sue to stop a boycott from going into effect, and to bring an action for damages against a company participating in a boycott.

Every effort has been made to draft a bill that protects all Americans from invidious economic coercion, but does not, in the process, infringe on rights of free expression. Eminent legal authorities have been consulted in the drafting of the bill to assure that it prohibits Arab economic blackmail and similar types of discriminatory economic coercion, but nothing else. Thus, the prohibition against instigating a boycott applies only to companies conducting business for a profit—not to individuals, labor unions, and nonprofit organizations. Second, the bill prohibits only secondary boycotts; that is, the pressuring of "neutrals" to refuse to do business with a third person for reasons of race, religion, sex, or trading with a foreign country.

DIMENSIONS OF THE PROBLEM

It has been the unique good fortune of America not to have to worry about foreign economic threats to our way of life. Now, for the first time in our 200 years, this independence may be slipping away because of the growing wealth of the oil producing nations.

It is staggering to realize the present and potential wealth of the OPEC nations. OPEC oil revenues in 1974 were estimated at \$105 billion. Of this amount, some \$55 billion is surplus, available for foreign investment. The remaining \$50 billion is used to purchase goods and services—in large part from the United States and other industrialized nations.

These sums provide the Arab nations with enormous leverage in the world economy—leverage which is only beginning to be felt because the great portion of the wealth has been acquired in the past two years. In the words of Assistant Secretary of the Treasury Gerald L. Paisy: "We must recognize that the increased economic power of the Arab oil exporting countries has substantially enhanced the potential effect of the boycott. Being boycotted by the Arab League is a much more serious situation for most American firms in 1975 than it was in 1955."

And I might add, it will be even more serious in 1980 when it is estimated that the Arabs may be importing \$200 billion a year in goods and services, and when they may have accumulated half a trillion dollars in investment capital—equal to the value of all the companies listed on the New York Stock Exchange.

How serious is the situation now? The full impact of the petrodollars is hard to gauge, but by viewing a few illustrations, we may get an idea of the size of the problem.

Under the Export Administration Act, exporters are required to report any requests they receive to engage in restrictive trade practices. From 1970 through 1974, exporters reported 44,709 transactions involving Arab requests for discriminatory trade practices against Israel. In only 14 of these transactions, .03% of the time, did an exporter say it would not comply with the discriminatory request. Indeed, last year, when exports to Arab League nations rose 80% to \$3.4 billion, *not one* exporter reported a refusal to comply with a discriminatory request.

Reports under the Export Administration Act represent only the slimmest tip of the iceberg, since the Commerce Department acknowledges that the vast majority of exporters either do not know of, or simply ignore, its requirements. Thus, while the Commerce Department estimates that 30,000 U.S. firms either do business abroad or have expressed an interest in doing so, no more than 60 firms have ever reported discrimination requests in any of the last five years. In addition, the Act does not apply to shipping companies, banks, and other financial institutions, all of which are subject to the Arab boycott.

The influence of Arab money on financial institutions is even harder to determine because no law requires the identification of all foreign investments in the U.S. According to one estimate, Arab nations have two to three billion dollars deposited in each of several major New York banks. The withdrawal or even the threatened withdrawal of those deposits, representing from 8% to 15% of a bank's assets, could cause great financial dislocation.

Arab wealth has, thus, grown to the point at which it can exert great influence on American business. The projected tenfold increase in this wealth in the future presents a truly frightening prospect and demands the immediate attention of the Congress.

DISCRIMINATORY PRACTICES USED

The chief means used by the Arabs to coerce American businesses is the Arab League boycott. A list of companies to be boycotted is produced by the League's

Boycott Office in Damascus, Syria, and each League member develops its own blacklist based on this master list.

Companies are blacklisted because they allegedly contribute to the military or economic strength of Israel. While the criteria for determining whether a company should be included on the list are not at all clear (nor are they rigorously followed), its scope is broad. A company may be blacklisted because of so-called "Zionist tendencies," which may mean that a prominent officer or shareholder supports the existence of the State of Israel or has donated to Jewish causes. Firms may be blacklisted because they are joint venture partners of other blacklisted firms, because they operate branches in Israel, or because they provide technical assistance to Israeli companies.

Arab governments and businesses are not supposed to contract with, sell to, buy from, or patronize blacklisted firms. Some examples :

An Arab company which is a leader or co-manager of an investment venture cannot contract with a blacklisted investor. Thus, the Kuwait International Investment Company withdrew from two lending syndicates when its co-manager, Merrill Lynch, Pierce, Fenner and Smith, refused to drop Lazard Freres as an underwriter. The Kuwaitis have successfully forced blacklisted underwriters out of several French lending syndicates.

Arab companies direct American banks not to pay exporters, unless the exporter certifies compliance with the boycott. Thus, in order to make payment under a Letter of Credit, the Bankers Trust Company required suppliers and exporters to declare that the company which produced the commodity supplied was not affiliated with a company on the blacklist, and that the supplier or exporter had no direct or indirect connection with Israel. In this way, American banks are made the enforcing agents of the Arab boycott.

Suppliers of goods to the Arabs are required to certify that the goods are not of Israeli origin, do not contain Israeli materials, and are not manufactured by companies on the blacklist.

Shippers are required to certify that the particular vessel used is not blacklisted, is not owned by an Israeli and will not call at an Israeli port.

Pressures can be direct—as when the Arab League Boycott Conference warned Volkswagen to stop dealing with Israel. (Volkswagen, to its credit, has not complied.)

Pressure can be subtle. In an unverified story, recounted in the New York financial community, an American corporation was seeking a loan from an American investment bank. Saudi Arabian money was involved. An officer of the American bank said that because some of the company's directors were associated with blacklisted firms, there might be some problem with the loan. Whether or not the company ultimately receives this loan, it will certainly have a good look at its Board of Directors and be more careful next time. And whether or not the story is accurate, it is likely to have an effect.

Some of the biggest American companies are involved. The Ford Motor Company is on the blacklist and its President is quoted as saying: "I would like to see Ford off the list." The Chase Manhattan Bank refused to open an Israeli branch, acknowledging that it feared economic retaliation by the Arabs. If Ford and Chase Manhattan can be intimidated, how can the average firm hope to resist Arab blacklist?

THE ANTITRUST LAWS ARE NOT AN EFFECTIVE ALTERNATIVE TO H.R. 5246

The anti-trust laws are broad and general. They do not, in so many words, outlaw primary or even secondary boycotts.¹ If they are to apply to discriminatory secondary boycotts, it can come about only through judicial interpretation.

There are, however, a number of serious legal problems with applying the anti-trust laws to discriminatory secondary boycotts. In fact, the Justice Department—in its testimony of March 3, 1975, before a House Foreign Affairs Subcommittee—expressed serious reservations about the applicability of the anti-trust laws to this problem.

Let me enumerate for you some of these legal stumbling blocks. The first and most serious one is the so-called "foreign compulsion" defense to an anti-trust prosecution. A company can avoid any liability by proving that its illegal anti-trust actions were coerced by a foreign government.

¹ Section 1 of the Sherman Act makes illegal "every contract, combination * * * or conspiracy in restraint of trade or commerce * * * with foreign nations."

In this regard, the recent case of *Interamerican Refining Corp. v. Texaco Maracaibo, Inc.*² is instructive. Here, a U.S. corporation brought a treble damage action against two other American corporations which refused to ship oil to it. The two American corporate defendants claimed that they were exempt from liability because they were coerced into a boycott by the Venezuelan Government. They claimed that the Venezuelan Government threatened not to sell them any more oil if they did business with the American plaintiff. The court held the defense of coercion was valid. Unless this case is overruled, it would seem to provide a ready defense to virtually all anti-trust prosecutions aimed at discriminatory secondary boycotts.

The "combination and conspiracy" requirement of the anti-trust laws is the second stumbling block. It may be difficult to cover some of the most serious offenses under this language. For example, let us take the situation where a company engaged in discriminatory boycotts in order to obtain economic benefits that would not be available otherwise. Suppose there is no actual agreement or contract to engage in that discrimination. Would this be covered under "contract and conspiracy" requirement? Perhaps not.

The third problem occurs with the defense of sovereign immunity. Business enterprises owned by or agents of foreign governments might claim that theirs were acts of the sovereign government and that they, therefore, were immune from prosecution. The fourth problem arises from the "material adverse effect" requirement. The Government would have to show that a boycott against businesses that trade with Israel would have a "material adverse effect" on commerce in the United States. But, if the particular goods could be sold either to Arab countries or to Israel, it might be very difficult to show any material harm to U.S. commerce from coercing a company to sell these same goods to one rather than the other.

The Justice Department also pointed out a final barrier to a successful anti-trust prosecution, the fact that the Arab-inspired boycotts are politically, *not* commercially, motivated. If actions in restraint of trade that have non-commercial purpose are legal, obviously any discriminatory secondary boycott would be legal.

Even if the courts in the final analysis construe Section 1 of the Sherman Anti-trust Act to cover discriminatory secondary boycotts, we would still be confronted with two problems. First, it is not clear the Justice Department will attempt to bring any prosecutions. Only a few months ago, it expressed doubts about the applicability of the anti-trust laws. In fact, its failure to utilize the anti-trust laws to protect U.S. businesses since 1946 speaks to the point rather eloquently.

A second and equally important hurdle is the fact that courts may be unlikely to impose stiff anti-trust penalties for discriminatory secondary boycotts. At the outset, for example, there may be judicial reluctance to impose treble damages where there is a substantial change in the interpretation of the law.

The provisions of H.R. 5246 avoid all of these problems and make it possible to impose stiff sanctions on discriminatory secondary boycotts. That is the purpose of the bill. Its mandate to the courts and the Justice Department is clear. The bill plainly rejects the foreign compulsion defense. The bill eliminates the problems with combination or conspiracy language. Section 246(b) makes it clear that efforts to engage in discriminatory conduct for the purpose of avoiding coercion are prohibited. The bill, of course, eliminates any possible need for a finding of commercial motivation.

H.R. 5246 deals effectively with the sovereign immunity defense. The Internal Revenue Service exerts jurisdiction by imposing a tax on business enterprises which are, in essence, agencies of foreign governments. (Section 392, Revenue Ruling 66-73.) While H.R. 5246 exempts nations themselves as defendants, it covers all business enterprises that are reachable for tax purposes—even if they are wholly owned by foreign governments.

Therefore, in view of the serious legal questions that will arise from an effort to apply the anti-trust laws to discriminatory secondary boycotts, it seems to me that the most effective way of dealing with the problem is simply and explicitly to outlaw it, in so many words.

Ms. HOLTZMAN. First, let me point to some of the provisions of the bill. The bill tracks in many respects the present antitrust laws. It imposes penalties virtually identical to those imposed under the antitrust

² (307 F. Supp. 1291 (D. Del. 1970)).

laws for efforts to use economic means to coerce third parties. The point is simply that if a business entity goes to a neutral company and says to that neutral company, "I will do business with you only if you refuse to do business with another company because its officers are Jewish; or because its officers are Polish; or because its officers are women," that effort to condition doing business on discriminatory actions is made illegal under this bill. The persons aggrieved by it have civil remedies as they do under the antitrust laws.

The company that is coerced also is subject to penalty. In other words, if company A goes to company B and says, "Don't do business with company C because it does business with Israel, or Japan, or France," and company B says, "OK, I won't do business with that third company"; then that third company would have remedy against company B, and company B would be liable for a fine.

The reason we imposed a penalty on the second company—and it was not an easy decision and the subcommittee will perhaps disagree with that point of view—is to give the second company a strong leg to stand on in its bargaining position with the first company. It can say, "If I comply, I will be subject to criminal penalties." And we thought, in view of the facts that I will discuss later about the extent of the economic pressure that has been put on American companies, that it may be very important to give American companies that leg to stand on.

Let me also state that the Attorney General would also be authorized to seek a civil penalty up to \$500,000 against a firm that initiates a discriminatory boycott.

There is one caveat here, and I think it's an important one. You may ask, what about an individual, a private person, a consumer, who objects to certain practices of a bank, or objects to our foreign policy with respect to certain countries and wants to picket a bank because the bank does business with a third company, or a foreign country, so forth and so on.

This bill specifically exempts any economic coercion that is undertaken by an individual. The bill specifically exempts any coercion that is undertaken by a not-for-profit corporation. The reason for the exemption is that the real danger is from businesses or foreign governments that are using their economic wealth to achieve particular ends, and using American businesses as their tools in this process.

Our concern was to protect legitimate free speech in this country, even when the exercise of such rights is accompanied by the use of economic means, including boycotts. So, we have tried very hard in this bill—and I hope we have succeeded—to protect individuals, consumer groups, environmental groups, or civil rights groups that wish to engage in picketing, boycotting, and the like. It is only when you get to economic coercion instigated by a business entity that the bill's prohibitions operate.

Let me also say with respect to business entities and the act of state doctrine, we have been very careful in this bill not to include foreign governments per se under its prohibition. But the tax laws of this country impose taxes on certain business entities that operate in this country. For tax purposes we exercise jurisdiction over foreign entities, even though they may be wholly owned instrumentalities of foreign governments. In essence they are doing a commercial type

of activity in this country, they are subject to our tax laws. In H.R. 5246 we track the language of the Internal Revenue Code in this respect, so that the foreign entity or the business enterprise is subject to the jurisdiction of this bill and the criminal laws of this country in a manner coincident with the taxing powers of this country and the Internal Revenue Code.

I think it is important to point this out. In this bill we have not gone beyond where the taxing powers of this country have gone before.

Let me also point out to you the extent of the problem that confronts us with respect to the Arab boycott right now. And as I said, the aim of the bill is to protect against all foreign economic pressures, whether it is from Arab nations or other countries. The OPEC nations received in revenue, in 1974, \$105 billion. By 1980, 5 years from now, it is estimated, that the Arabs will be importing \$200 billion a year in goods and services, and that they will have accumulated in capital for investment purposes half a trillion dollars. That is equivalent to the value of all the companies listed on the New York Stock Exchange.

This is an enormous amount of capital, an enormous amount of money. And if it is directed at American companies to coerce them into engaging discriminatory practices here in the United States and dictating the foreign countries with which they can trade, you can see its potential for becoming an enormous weapon.

Let me point out what the figures show under the Export Administration Act under which exporters, are required to report requests they receive to engage in restrictive trade practices. Let me say first that under the Export Administration Act certain institutions are not required to report. Banks are not required to report; shipping companies are not required to report; insurance companies are not required to report. From 1970 to 1974 exporters reported 44,709 transactions involving Arab requests for discriminatory trade practices against Israel. In only 14 of these transactions, 0.03 percent of the time, did an exporter say that it would not comply with the discriminatory request. Indeed last year, when exports to Arab nations rose 80 percent to \$3.4 billion, not one exporter reported a refusal to comply with a discriminatory request. And these reports under the Export Act reflect only the tip of the iceberg.

The influence of Arab money on financial institutions is even harder to determine because there is no law that requires the identification of all foreign investments in the United States. According to one estimate, Arab nations have \$2 to \$3 billion deposited in each of several major New York banks. The withdrawal, or even threatened withdrawal, of these deposits, representing from 8 to 15 percent of a bank's assets, could cause great financial dislocation.

Let me also mention the kinds of discriminatory practices that are used. The main method to coerce American businesses is the Arab League boycott. I must say that it's rather difficult to get an official list of all of the companies that have been boycotted, but from time to time portions of this list have been produced. I have a list obtained by a Senate committee. I would like to mention some of the companies that are on this boycott list:

Xerox Corp., Coca-Cola, CBS, Bulova Watch Co., American Motors, Ford Motor Co., Genesco, Gristede Bros., Motorola. Mutual Life Insurance Co. of New York, New England Mutual Life, Occidental Life

Insurance Co. of California, Owens of Illinois, Pratt & Whitney Machine Tools, Republic Steel, Random House, Reserve Mining, United Artists, Zenith Radio; these are a few. There are, according to some estimates, 1,500 American companies on the boycott list; I don't have a full list. I would be happy to submit to the committee the list obtained by the Senate, if the committee wishes it.

Chairman RODINO. I think it would be well if it were inserted in the record. If there is no objection, it is so ordered.

Ms. HOLTZMAN. Let me also indicate the kinds of activities that cause a company to be listed on the blacklist. You can be listed if you are a company which has "Zionist tendencies," whatever that means. That could include the fact that an officer of the company has made a contribution to Jewish causes or has publicly endorsed Jewish causes. Firms may be blacklisted if they are joint venture partners of other firms that have been blacklisted. They may be blacklisted if they operate branches in Israel. They may be blacklisted if they provide technical assistance to Israeli companies.

Arab governments are not supposed to contract with, sell to, buy from, or in any way patronize blacklisted firms.

Some examples: Arab companies direct American banks not to pay exporters unless exporters certify compliance with the boycott. Thus, in order to make payment under a letter of credit, the Bankers Trust Co. requires suppliers and exporters to declare that the company which produced the commodity supplied is not affiliated with a company on the blacklist. In this way American banks may be enforcing agents for the Arab boycott.

Mr. Chairman, I have copies of an irrevocable letter of credit on the Bankers Trust Co. stationery which, if the committee would like to see it, I would be happy to supply for the record.

Chairman RODINO. I think it would be well if that is also included in the record.

Ms. HOLTZMAN. Suppliers of goods to the Arab countries are required to certify that the goods are not of Israeli origin, do not contain Israeli materials, and are not manufactured by companies on the blacklist.

Shippers are required to certify that the particular vessel is not blacklisted, is not owned by an Israeli, and will not call on an Israeli port.

Pressure can be direct; it can also be subtle. In an unverified story told in the New York financial community, Saudi Arabian money was involved in a company's request for a bank loan. An officer of an American bank reportedly said that because some of the company's directors were associated with blacklisted firms, there might be some problem with the loan. Whether or not this company ultimately received this loan, it would certainly take a good look at its board of directors and be more careful the next time.

Some of the biggest American companies are obviously deeply concerned about this problem. The Ford Motor Co. is on the blacklist, and its president is quoted as saying, "I would like to see Ford off the list."

The Chase Manhattan Bank refused to open an Israeli branch, acknowledging that it feared economic reprisals by the Arabs. If Ford and Chase Manhattan can be intimidated, how can the average firm hope to resist such blackmail?

Mr. Chairman, some persons have stated that the need for a bill such as I have introduced is not evident because the antitrust laws provide an adequate remedy to protect against efforts at such blackmail in the form of a discriminatory secondary boycott. In my opinion—and I have stated so in my written testimony—there are serious legal questions that arise with respect to the use of the antitrust laws in such circumstances. I cite in my statement a particular case which I think is very instructive on this point. I would say that the legal doubts surrounding the operation of the antitrust laws, including the “foreign coercion” doctrine and the “sovereign immunity” doctrine make it difficult to use the antitrust laws as an effective remedy in these circumstances.

Therefore, I would strongly suggest to this subcommittee, with due reference to its wisdom in antitrust matters, to look very carefully at this legislation, because it seems to me that the potential impact on American citizens of the concentrated use of petrodollars in the form of economic coercion is enormous.

What we are trying to do in this bill, at least, is to protect Americans, to assure that nobody here is discriminated against because of race, national origin, religion, or sex, to assure that Americans have the right to trade with foreign countries if such trade is lawful. Free foreign commerce has been part of our tradition in this country, and I believe we should protect Americans who wish to engage in such free trade from serious economic reprisals.

Obviously the secondary boycott presents serious threats to the society that we have tried to preserve in this country, one that is free, free for commerce and free for persons regardless of their origin, religious background and race. I think the events of recent months have been disturbing in this respect and represent a serious threat. I hope the subcommittee will address itself to that problem.

Thank you, Mr. Chairman, for giving me the opportunity to testify.

Chairman ROXO. Thank you very much, Miss Holtzman. First of all, I again wish to compliment you for the very diligent effort you have made in order to prepare and present to the committee this legislation. It has been put together with care and with concern for the rights of individuals.

I have just a few questions, Miss Holtzman. Assuming just for a moment that existing antitrust and civil rights laws are in fact adequate to reach most of the conduct which is described by section 246 of the bill, would you still feel that the current statutes were inadequate without the severe criminal penalties that H.R. 5246 would impose?

Ms. HOLTZMAN. Well, the penalties of H.R. 5246 are identical to those imposed under the antitrust laws. It seems to me if that hypothetical were in fact true, this bill might not be as essential. But I am not sure that in fact is the case. As I said before—and my written testimony has a longer exposition of this problem—there are some serious legal obstacles which stand in the way of the applicability of the antitrust laws to this kind of discriminatory secondary boycott. In fact, as I understand it, the Justice Department, when it testified before the House Foreign Affairs Subcommittee in March, said it did not believe that the antitrust laws applied to these circumstances.

Second, the Equal Employment Opportunity Commission, you know, has a very substantial backlog; and I'm not sure it is any longer an effective tool to remedy employment discrimination problems.

Third, this bill does give an employee, who has been discriminated against as a result of such economic coercion, a right of action which is not found under the antitrust laws.

Chairman RODINO. How would you react to a suggestion that the bill which you presented might usefully include the prohibition of coercion aimed at discrimination of a person because he was Jewish, for example, or a business because it was owned by Jews, but not at coercion aimed at discrimination of a person because of direct or indirect support of a foreign government?

Ms. HOLTZMAN. Well, it seems to me—let me make sure I understand the question fully. You are asking what the point is of protecting people under subparagraph 2 on page 2?

Chairman RODINO. That is correct.

Ms. HOLTZMAN. Well, it seems to me there are problems that you are confronted with, as a result of the blackmail that we have seen. First is an effort to try to dictate the foreign commerce of American businesses. I think personally that that is intolerable. I think that if foreign commerce is legal under the laws of this country, then we ought to try to protect American businesses who take advantage of it, who wish to trade with various countries.

There is nothing, for example, to say that if these petrodollars succeed in an effort to stop trade with Israel, they might not be used to stop trade with other countries. We are not only talking about Arab enterprises here, or Arab petrodollars in that respect.

So, it seems to me that preserving the right of foreign commerce is something that is essential to my concern and central, it seems to me, to the concern of our Government which theoretically—under the commerce clause—is supposed to protect and enhance foreign trade and regulate foreign commerce.

Chairman RODINO. What about a situation of this sort: a black business, or any business, that refuses to deal with a firm because it sells the product of another firm in this country which has interests in South Africa. Wouldn't that conduct violate your bill; wouldn't that come within the provisions of your bill?

Ms. HOLTZMAN. Well, it all depends. This bill does not prohibit 1 to 1 relationships if not otherwise illegal. In other words, one business can go to another business and say, "I just don't want to deal with you, I don't like your policies, I don't like you."

But if the purpose is coercion, if the businessman is saying, "I don't want this business to deal with another country or to deal with another business, and I'm going to condition my business with you only on your conduct in other areas," that would be prohibited. It would be prohibited whether it's a black business concerned about South Africa or an Arab business concerned about Israel.

It seems to me that the second boycott, which is what this bill gets at, is a most serious problem because here you are talking about a multiplier effect. A particular business can pursue its own policies, but when it tries to coerce other businesses into adopting those same policies, you begin to have a multiplier effect and a more serious problem.

So, that would be the answer, I would think that such kinds of discriminatory boycotts, no matter how much we would agree with their objectives, if they are of secondary nature, would be improper.

Chairman RODINO. And of course, while there has been much refer-

ence to the bill as the "Arab Boycott Bill," this legislation actually reaches beyond the scope of merely an existing situation. There may be other forms of coercion that take place which could be used in a manner that certainly violates the tradition of this country to deal freely in commerce.

I'm delighted with the fact you have given this matter great thought, and I can attest to that because of many conversations and much dialog we have had. I know of much consultation on your part with eminent scholars, and with others who have deep concern with assuring that it doesn't go beyond the range of American law so as to assure the free exercise of commerce, as we understand it.

Ms. HOLTZMAN. Thank you very much, Mr. Chairman.

Chairman RODINO. Mr. McClory? We are operating under the 5-minute rule.

Mr. McCLORY. Thank you, Mr. Chairman.

Miss Holtzman, first of all I want to say quite frankly on my own behalf that this entire practice of boycotting American firms and businesses, for the reasons you have indicated is very reprehensible to me; and I support the concept of trying to defend our American companies and personnel against this discrimination.

I am concerned, on the other hand, with the manner in which we meet the problem. Now, for one thing, it strikes me that this blacklist was put together because of a state—I guess they call it a state of belligerence, a state of war between the Arab countries and Israel which, I believe, dates way back to 1946. I know that is one of the very sensitive subjects with respect to the negotiations to resolve the Mideast problem, to resolve that state of belligerence.

Now, in our own case, where we have been at war with other countries, or where countries have been at war and we sided with our allies, haven't we boycotted the trade with those countries that were involved? I mean, this reaction of the Arab countries is not unusual.

Ms. HOLTZMAN. I think you raise a very important point. The Arab countries are certainly free to conduct their business with whomever they choose. But when they force Americans to conduct their business as the Arabs want them to, that raises a very serious question, and that is what my bill is designed to prevent. It is intended to protect the right of Americans to conduct their business freely and not be dictated to in terms of the countries they can trade with, the countries they can support, the other businesses they can do business with, the employees they will hire, and the like.

What we have seen, and I don't think the whole story has been documented, are some serious instances of discrimination. The point is to try to protect Americans from having their businesses and employees used as pawns in a struggle that affects other countries.

Mr. McCLORY. Well, are they imposing restrictions and limitations that you would regard differently from those we impose on our own companies, our own personnel if there is a condition of war, of belligerence, let's say, between two countries, and we are siding with one?

Ms. HOLTZMAN. Well, I think we have the right to try to protect our businesses in such circumstances. Certainly, when we are at war we may refuse to allow American businesses to deal directly with the country with which we are at war. But, Mr. McClory, I don't think the United States is at war with any Arab country.

Mr. McCLORY. No, I am talking about historically. We have imposed similar embargoes, or boycotts of activities with countries with which we are at war.

Well, let me get to another point because this presents a little more difficulty, it seems to me. On page 2, paragraph B, down at the bottom of the page it says that "It shall be unlawful for any person to fail to do business with, or fail to employ", and so on, "in order to avoid being coerced."

Now, what I am wondering is how you prove a case like this, where the person fails to do business with someone in order to avoid being coerced. There is no business being done, they don't want to do business, they want to stay out of trouble; but they would be committing a crime under your bill, would they not?

Ms. HOLTZMAN. Let me give you an example which recently occurred where, I think, Saudi Arabia had entered into a contract with MIT for technological assistance. And then MIT said, "We reserve the right to hire the people we wish," and I think it was Saudi Arabia which said, "We don't want you to send any Jews here."

Under this bill it's true, if MIT said, "OK, to get your business, Saudi Arabia, we are going to fire all the Jews we originally hired in this project, or we will refuse to hire any Jews," that would be illegal under this bill, and in my judgment properly so. It seems to me that Americans in this country under the Civil Rights Act already have the right not to be discriminated against.

Mr. McCLORY. That would be coercion, and it would be unlawful to fail to do business by reason of being coerced. But what I am asking you is, how do you make it an offense to fail to do business in order to avoid? You have never been coerced, you just avoid the whole subject. It's not attempting to do business and then deciding not to because of the coercion, but you fail to do business in order to avoid being coerced. You just don't want to do any business with the Israelis, you want to do it with Japan, or somebody else. That would be a violation of the law, would it not?

Ms. HOLTZMAN. No. I think you would have to show that the motivation, the intention, was to avoid being coerced.

Mr. McCLORY. They don't want to get into that problem that exists in the Mid East, so they do it with Japan.

Ms. HOLTZMAN. That's no problem, that would not be illegal under this bill. But if somebody takes a certain action in order to do business without having entered into any agreement, and without having been specifically told, "fire so-and-so," but takes this action in preparation for doing such business, that is a violation.

Chairman ROBINO. The time of the gentleman from Illinois has expired. Mr. Flowers?

Mr. FLOWERS. Thank you, Mr. Chairman. I am going to give up my time at this point, I am not prepared to ask any questions.

Chairman ROBINO. Mr. Railsback?

Mr. RAILSBACK. Mr. Chairman, I am going to pass right now, too.

Chairman ROBINO. Mr. Sarbanes?

Mr. SARBANES. First, Mr. Chairman, I want to thank Miss Holtzman for some very effective testimony and more importantly, for addressing herself to what I think is an extremely serious problem. In fact, I think this bill, and the practices at which it is directed, go,

really, to some fundamental questions of what our society is all about, and what the purpose of economic activity is, if it is really to serve some other broader human purposes and doesn't have a purpose in and of itself, which I don't think it does.

On this embargo question that you were being asked about earlier, with respect to action the United States might have taken in a belligerency situation, as I understand it, in that situation there would be an embargo imposed across the board with respect to trading, and not the discriminatory use of a blacklist that makes it possible, through the application of this economic coercion, to provide competitive advantages and disadvantages amongst, or within, the economic system of the nation against which it is directed. Is that not the case?

Ms. HOLTZMAN. I think that's absolutely correct.

Mr. SARBANES. Now, I think this bill is carefully drafted. If company A wanted to deal with an Arab country, or an Arab business and was told that, "Well, we can't deal with you," or "We won't deal with you," you don't reach that relationship between that company and the Arab country alone, do you?

Ms. HOLTZMAN. No.

Mr. SARBANES. It's only when company A turns around—company A being an American company—

Ms. HOLTZMAN. Or a business instrumentality of—

Mr. SARBANES. Of the United States.

Ms. HOLTZMAN. Of an Arab country or foreign country.

Mr. SARBANES. And says to the company B that, "You are not going to deal with us until you do certain things." So, the company B, which is trying to be, let's assume, a supplier of some company in this country with nothing to do with a supplier into Arab countries, simply a supplier to that company, company B would then be pressured to change its practices simply to make a sale to company A. Company A in turn being concerned about its dealings with the Arab countries.

Ms. HOLTZMAN. Right.

Mr. SARBANES. You are reaching indirect pressure.

Ms. HOLTZMAN. Right. And for several reasons. The company, let's say, can refuse to deal for several reasons. Company A can refuse to deal with company B because it doesn't like the quality of their product.

Let's say company B wants to sell pencils to company A. Let's say company A is a company in Saudi Arabia which wants to import pencils. Company B can't compete just on the basis of the quality of its pencils, it can't say, "Well, we meet all the specifications." Company B cannot bid for the job, or will be excluded from competition, if a component part of its pencils is produced by a company that deals with Israel.

We are not prohibiting the Arab country from refusing to deal with the pencil company, or any other company. But, if it tries to dictate to that pencil company the third company with which it must deal, then we are talking about a multiplier, and then we are talking about the serious economic consequences of the discriminatory secondary boycott.

Mr. SARBANES. Even if the antitrust and the EEOC laws did reach to these activities—and, of course, I think your statement points out that there is some big question there—wouldn't the enactment of this legislation—well, let me back up a second.

The application of those laws would require court interpretation, judicial application. It would be the extension, or perceived to be the extension, into an area to which they have not as yet been applied without a congressional expression of opinion. So, even if they reached the enactment to this legislation, it would carry with it, I assume, the added benefit of a clear expression of congressional intent and objective with respect to this problem, to which I would hope that both the administrators of the laws and the interpreters of the laws would pay some attention.

Ms. HOLTZMAN. I think that is a very important point. The enactment of a specific kind of legislation such as this would be a clear mandate to the Justice Department with respect to how it is to operate and would set clear guidelines for the conduct of business in this country as well. I think it would be helpful in that respect.

Chairman RODINO. The time of the gentleman from Maryland has expired. Mr. Cohen?

Mr. COHEN. Thank you, Mr. Chairman.

Miss Holtzman, as I understand it, the bill is not designed to prohibit the primary boycott by Arab nations. Is that correct?

Ms. HOLTZMAN. That's correct.

Mr. COHEN. In other words, the Arab nations can say, "We don't like Israel, we are not going to do business with Israel or any other countries that are doing business with Israel." This doesn't reach that, does it?

Ms. HOLTZMAN. Right.

Mr. COHEN. As I understand the question raised by Mr. McClory, how about the situation where a company does not actually agree in a formal or informal way with the Arab policy, or with the Arab countries practicing this boycott? How do you go about proving that state of mind?

Ms. HOLTZMAN. Well, I think the burden would certainly be on the Government, as always, to prove that whatever discriminatory action this company took was in fact prompted by a desire to do business without economic coercion.

Mr. COHEN. It requires no overt act on the part of the American company other than a failure to hire, I assume, which would be in a negative sort of way an overt act.

Ms. HOLTZMAN. Well, it would have to be—

Mr. COHEN. How do we prove state of mind? How does the Justice Department go about proving the state of mind on the part of C, who with no formal agreement with the Arab nations, simply in order to obtain business, or do business with Arab nations, doesn't hire Jews in his company; how do you prove his state of mind?

Ms. HOLTZMAN. Well, if the company refuses to hire Jews in order to do business with an Arab country, you might already under the Civil Rights Act have a violation; and it seems to me you would have to prove a deliberate intention and a practice of discrimination. I think precedent exists.

Mr. COHEN. Let me go to the Civil Rights Act. In the 1964 Civil Rights Act there probably is an exception created that someone can lawfully discriminate where there is a bona fide occupational qualification that is reasonably necessary for the normal operation of a particular business enterprise.

The question is raised, does this exception justify refusal to hire Jewish applicants for jobs to be performed in Saudi Arabia on the basis that Saudi Arabia has a policy, that it won't issue visas to Jews?

Ms. HOLTZMAN. Well, presumably this issue is being litigated now before the EEOC. And that seems to me is at least one additional reason for an explicit statement with respect to what kind of discrimination is tolerable, and what kind is not.

Mr. COHEN. In a case where we have a coerced business enterprise failing to hire Jewish people, does the bill provide each and every Jewish person with a cause of action. Or, to be aggrieved, do you actually have to apply for employment and be refused?

Ms. HOLTZMAN. Well, the bill is silent, really, on this point. But I think the courts have set standards under the Civil Rights Act and other acts, as to who is an aggrieved person, who has suffered damage, and who is entitled then, to remedy. It seem to me if you have not applied, I don't know that you would have incurred damage.

Mr. COHEN. So, you think the implication or the import of that bill would be that you would have to apply and actually be refused in order to be an aggrieved person?

Ms. HOLTZMAN. Well, I would say that would be my initial impression, but I am sure there would be circumstances where that wouldn't be the case.

The important thing is, I think there are precedents that are now well established under the Civil Rights Act, and also under the anti-trust laws, as to who is an aggrieved person. I think those would be helpful in understanding the statute.

Mr. COHEN. In subsections (a) and (b) of H.R. 5246 you referred to the phrase "otherwise discriminate against"; would you help us determine exactly what you mean by that?

One of the criticisms this bill has drawn is that it is unduly vague when we are dealing with criminal statutes, that some of the language is too broad. And specific reference is made to "otherwise discriminate against." It is rather vague in its terminology.

Ms. HOLTZMAN. Well, if I might just refer you to section 1 of the Sherman Antitrust Act, it says, "Every contract, combination or conspiracy in constraint of trade is illegal." That's about as broad as you could get.

We tried to be actually as specific as we could, and to exclude kinds of activities that we thought were important, for example, activities by individuals, economic or otherwise. "Otherwise to discriminate" really means a coercion that is intended to produce a discriminatory result such as racial discrimination, religious discrimination, and the like.

Chairman RODINO. The time of the gentleman has expired. Miss Jordan?

Ms. JORDAN. Thank you, Mr. Chairman.

Thank you, Miss Holtzman, for your testimony this morning. I want to talk just a minute about the Commerce Department's fining four firms within the past couple of years for the failure of those firms to report the Arab boycott coercion that has been exercised against them. Do you feel that if stiffer penalties were imposed for failure to report instances of coercive action by some competing companies, or some companies with which a firm in this country would

do business, would that not be a more familiar concept within the law, and perhaps get at the problem you are trying to reach by this bill?

Ms. HOLTZMAN. Well, with all due respect, the reporting requirements are not sufficient, it seems to me. They are an important step in the sense of trying to gage the impact of the problem, how seriously the foreign economic blackmail has affected the patterns of behavior in the United States, and whether it has resulted in changing business practices in the United States.

But there is no remedy once this reporting requirement has been met. Let me give you some of the figures which have been reported. In 1970, 5,028—these are figures we obtained from the Department of Commerce—5,028 transactions were reported in which discriminatory requests were made. In 1971, 4,435; 1972, 23,617; 1973, 10,844; and 1974, 785.

As I stated before, out of these 44,000 transactions, the total number of transactions in which firms said they would resist the discriminatory request is 14. In only 14 instances, and none in the last year, did American firms report resisting the request for discriminatory trade practices.

So, we have had a lot of discriminating requests already reported, Representative Jordan, and it doesn't seem to have produced any assistance to American businesses in that respect.

Ms. JORDAN. Well, the Export Administration Act has been around for a while, the blacklisting of firms doing business with Israel has been around for some time, maybe for a quarter of a century. This is not new. Why now are we deciding to do something about it?

Ms. HOLTZMAN. Well, in part because in the last few years the Arab countries have accumulated an enormous amount of wealth. The Deputy Secretary of the Treasury—and I think I quote him in my written testimony—testified that 5 years ago doing business with Israel was economically more beneficial than doing business with the Arab countries, which had very few dollars to spend to buy American goods, to invest in American banks, or to invest in American businesses.

Now, however, with the many billions that the Arab countries have, and in 5 years with the estimated half trillion dollars they will have, they represent a much more considerable economic power than in the past. That's the reason that my concern has increased; and that is the reason this problem presents a greater threat than it did before.

Let me just point out to you, on page 3 of my statement, the Assistant Secretary of the Treasury testified, "We must recognize that the increased economic power of the Arab oil-exporting countries has substantially enhanced the potential effect of the boycott. Being boycotted by the Arab League is a much more serious situation for most American firms in 1975 than it was in 1955.

Ms. JORDAN. Is it troublesome to you at all, Representative Holtzman, that we are imposing criminal penalties for failure to do business to avoid coercion, that it is the lack of activity, the failure to act, which is going to trigger the criminal sanctions of this bill?

Ms. HOLTZMAN. You are raising an important point, but I don't think that the words used here, the failure to do business with, the failure to employ, are really passive concepts. What it would require, it seems to me, is a decision, almost a refusal, to do business with somebody else. If somebody comes to Ford Motor Co. and says, "I would

like to sell you certain parts," and Ford Motor Co. says, "Well, I'm not interested in buying those parts", but in reality the refusal is because the seller is on the blacklist and Ford wants Arab business. I think that is where you have a situation that is covered under the bill.

So, I don't think it gets to the circumstances where somebody has done nothing. A company has to be confronted with a certain circumstance and has to be in essence taking actions to achieve certain results.

Chairman RODINO. The time of the gentlelady has expired.

Ms. JORDAN. Thank you, Mr. Chairman.

Chairman RODINO. Mr. Mezvinsky?

Mr. MEZVINSKY. Thank you, Mr. Chairman.

I want to commend the gentlelady from New York, she actually has led the way on this issue and addressed herself to it, and obviously has thought through to a great extent the problem that it poses.

I might say also, the issue you address is morally repugnant to me as an individual, and probably is a very significant issue that this Congress has to face. The one issue that I think should be discussed a little more fully with the Justice Department is the question of criminal penalties. The Department witnesses who will follow you have testimony opposing the criminal penalties, saying that in their view various provisions for monetary and injunctive relief by the Attorney General is satisfactory.

Would you care to expand on that and address that? I gather this legislation, in your view, very clearly states that the criminal penalties are needed. Would you care to expand on that?

Ms. HOLTZMAN. The reason that I decided to impose criminal penalties was basically to model the penalties in this act on those in the anti-trust laws. It seems to me that the kind of problem we are talking about here, which is the massing of economic power to produce a specific result, is similar to the kind of problem that the antitrust laws address—not exactly the same, but similar.

So, I can't see any reason for having a different set of penalties. The conduct here, which is in essence to try to coerce people to engage in discriminatory practices, is a very disturbing one. We have criminal penalties now for various violations of the civil rights laws. It is possible that they don't reach to this instance. I don't think the criminal penalties in this bill are inconsistent with the criminal penalties we have imposed in similar kinds of circumstances.

Mr. MEZVINSKY. So, the focus actually is more in terms of antitrust, as far as the criminal penalties are concerned, rather than civil rights.

Ms. HOLTZMAN. We tried to make them identical to the antitrust penalties. If they are not, it's unintentional.

Mr. MEZVINSKY. Now, the other point that I want to discuss regards the Arab companies directing American banks not to pay exporters who haven't complied with the boycott. Is there any financial requirement, or reporting requirement of financial institutions that is similar?

Ms. HOLTZMAN. No.

Mr. MEZVINSKY. Should there be one, in your opinion?

Ms. HOLTZMAN. Well, I think this problem is serious enough so that there ought to be some kind of reporting feature in that respect, possibly as part of the Export Administration Act. I think that would be very helpful.

Mr. MEZVINSKY. Would you have any recommendations as to who they should report to?

Ms. HOLTZMAN. I think the financial institutions can report in exactly the same way as the exporting companies do right now, that is, to the Commerce Department.

Mr. MEZVINSKY. I want to thank you for the work you have done. Mr. Chairman, I have no further questions.

Chairman RODINO. Mr. Railsback?

Mr. RAILSBACK. I wonder, Miss Holtzman, if I can ask you, on page 2 your language at the top deals with an object of such coercion, and I wonder if that isn't a little bit too broad, or too general. It seems to me if this is to be similar in any respect to the Sherman Act sanctions that, although the Sherman Act language under section 1 is very, very general, as you correctly point out, there is a rule of reason applied—in other words, to constitute a restraint of trade, it must be an unreasonable restraint of trade; and I wonder if this bill isn't a little bit too general.

Ms. HOLTZMAN. Well, I would hope that any court interpreting this language would apply a rule of reason to it. If you were to use the language "the sole object of coercion is to achieve a discriminatory result," you may have some company saying, "Well, that is not the sole object of coercion, I was really accomplishing some other results." That's the only reason for having the broader wording.

Mr. RAILSBACK. The way it reads right now, I think that a company could have one or more legitimate business reasons for not wanting to do business with that firm, aside from this incidental purpose of discriminating. It seems to me that perhaps the language should be a little bit stronger, like "a principal purpose."

Ms. HOLTZMAN. Well, that may be a good suggestion. We are really trying, in this provision, to get precisely where the object of the economic activity really is discriminatory.

Mr. RAILSBACK. I want to also commend you for what I think is your sincere and legitimate concern and also say that I share that concern. I think maybe something has to be done.

Ms. HOLTZMAN. Thank you, Mr. Railsback.

Chairman RODINO. Mr. Mazzoli?

Mr. MAZZOLI. Thank you, Mr. Chairman. And, Miss Holtzman, thank you for your testimony.

I would just at this point indicate that while I am a cosponsor of the bill, I do have some difficulty with regard to the criminal penalties involved, and that may be resolved in further testimony and in the markup that lies ahead.

I would commend the gentlelady on her introduction of the bill, and her leadership on this area because it does pose a severe problem to this country.

I think it's reasonably clear, and your bill covers it directly, that the requirement that in order to trade with, for instance, an Arab country, that an American company has to agree not to hire Jewish people is repugnant, and that, of course, is covered directly.

Ms. HOLTZMAN. Absolutely.

Mr. MAZZOLI. Now, taking that to the next layer is where there might be some question, and I think previous questions today have hit on it. Carrying it to the other layer, the American company has also to agree, and if it fails to act against an American company that has

ties with the State of Israel, that is also prohibited by your bill. Is that correct?

Ms. HOLTZMAN. No. Basically, what this bill tries to get at is on a person who tries to coerce somebody else into engaging in discriminatory actions, such as refusing to do business with a particular foreign country.

Mr. MAZZOLI. Right.

Ms. HOLTZMAN. It also imposes a penalty on the person who agrees to do that. It also imposes a penalty on somebody who knows that coercion is going to be exerted, and takes steps to meet the standards that will be imposed, without having reached a specific agreement to do so. In other words, if you know that the blacklist includes a firm who has any directors, for example, who have made contributions to a Jewish cause, and you take some steps to eliminate such directors from your own brood in order to prepare yourself to get business of that Arab country, that would be illegal.

Mr. MAZZOLI. I thank the gentlelady. I appreciate her testimony.

Chairman RODINO. Mr. Hughes?

Mr. HUGHES. Thank you, Mr. Chairman, and I want to thank you also, Miss Holtzman, for your very fine statement, and I share your great concern. I think this looms as a tremendous problem now and in the years ahead.

I, likewise, am somewhat concerned by the criminal penalty aspect, and I wonder if you perhaps have given any thought to whether there might be a fifth amendment problem that might arise from the present Export Administration Act. We now require certain reporting, voluntary reporting, and I wonder whether or not we are going to raise some fifth amendment problems with that, if we are going to impose the kind of penalty we talk about in this particular act.

Ms. HOLTZMAN. I'm not sure that a fifth amendment question would arise, except possibly if you are required to report as to whether or not you have complied with the discriminatory request. I do not believe, however, that is required by the act. But reporting the receipt of such a request might not in any way involve a fifth amendment problem.

Let me just state with respect to the criminal penalties, I don't know that there is anything unusual about imposing a fine, a criminal fine on certain conduct which we all agree is improper and should not be undertaken. I think, as I said before, that is not something that is particularly unusual. I think that countries and companies that engage in such coercion ought to know that the act is not simply one that can be enjoined, but that is illegal as well, and that a criminal fine can be imposed.

Mr. HUGHES. Do you conceive there could be any changes required in the Export Administration Act as a result of the passage of this particular legislation?

Ms. HOLTZMAN. If there is a requirement to tell whether you have discriminated, that provision might have to be eliminated. I have not really studied that problem, so, I would reserve an answer, although I think the point you raised is a good one.

Mr. HUGHES. I just have one additional question. On page 6 of your statement, you suggest the contract conspiracy language of the Sherman Act is sufficient to cover acquiescence in discriminatory boycotts. Isn't it true that despite a labor exemption in the Sherman Act labor

loses its antitrust exemption when it coerces a company with which it has no labor contracts to bring pressure on a company with which the union has a contract. Isn't that directly analogous to the situation envisioned by you, which you suggest the Sherman Act cannot reach?

In other words, you suggest that the Sherman Act cannot reach certain aspects that you are referring to.

Ms. HOLTZMAN. I'm suggesting that it may be that it will not. The defense of foreign coercion, and the defense of foreign immunity may be available. Also, in some circumstances you may have to prove the requirement called the "material adverse effect requirement." And also, in some circumstances, the conspiracy language might prove a problem. For example, in a situation where there is no specific agreement between an American company and an Arab company to engage in discriminatory conduct against a third party, but the American company goes ahead and discriminates a question might arise as to whether that falls under the Sherman Antitrust Act.

I am not saying that a court might not interpret the Sherman Antitrust Act to cover this case, but I was just raising some of the legal stumbling blocks that might prove to be a problem.

Mr. HUGHES. You do agree that not just written agreements, but tacit agreements are also included.

Ms. HOLTZMAN. Certainly.

Mr. HUGHES. I want to thank you because I do believe that we have to provide some kind of legislation. I think you have taken the lead, and even though I am somewhat troubled by some of your bill's language, I believe that you are on the right track. I thank you very much for your testimony.

Ms. HOLTZMAN. Thank you.

Chairman RODINO. Thank you very much, Miss Holtzman.

Ms. HOLTZMAN. Thank you.

Chairman RODINO. The next witnesses are the Assistant Attorneys General, Mr. Tom Kauper, Mr. Stanley Pottinger, and Mr. Antonin Scalia.

I understand, Mr. Scalia, that you have a prepared statement?

Mr. SCALIA. That's right, Mr. Chairman.

Chairman RODINO. Do I understand that you will submit it for the record and just summarize your statement?

Mr. SCALIA. Yes, sir. I will summarize as much as I think can be summarized. I think there are portions that can be treated lightly.

Chairman RODINO. All right, then, you can go ahead, and we will admit the statement for the record in its entirety for the benefit of the committee.

TESTIMONY OF ANTONIN SCALIA, ASSISTANT ATTORNEY GENERAL; THOMAS E. KAUPER, ASSISTANT ATTORNEY GENERAL; AND J. STANLEY POTTINGER, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

Mr. SCALIA. Thank you, Mr. Chairman. The manner in which we intend to divide the work today is as follows: I will present the prepared statement, representing the Department's views on this legislation. With me, at the request of the committee are, on my right, Mr. Kauper, head of the Antitrust Division; and on my left, Mr. Pottinger, head of the Civil Rights Division. I presume that, after the prepared statement, questions concerning the Department's actions, or for that

matter the law, with respect to antitrust or civil rights matters, would be addressed principally to those Assistant Attorneys General.

Chairman RODINO. May I ask a question as to procedure, just so we have an understanding as to time as well. Undoubtedly the bells will ring immediately after 12 o'clock and there will be a quorum call; but it is my intention to come back here along with several other members of the committee, so that we may conclude your testimony this morning. We will probably go until 1:30, or so. Is that all right?

Mr. SCALIA. That's fine with me. Mr. Pottinger says he may have a problem with the Attorney General.

I think two of us will be able to stay until 1:30, and Mr. Pottinger almost until then.

Chairman RODINO. Fine. Please, proceed.

Mr. SCALIA. For purposes of the discussion before you today, there are two areas of activity in which the Justice Department is significantly concerned that have relevance: Application of the civil rights laws and application of the antitrust laws. I would like to begin by summarizing for you the content of those laws insofar as they bear upon these matters.

First of all, regarding the civil rights laws, I can summarize that portion of my statement by saying briefly that they prohibit any sort of racial, religious, sexual or national origin discrimination by the Federal Government; and they prohibit such discrimination by private individuals and private companies in employment, in housing, and in public accommodations; but they do not generally prohibit discrimination by private individuals, or private companies in the selection of contractors or in the treatment of customers.

I think as to the Federal antitrust laws a little more extensive description of the state of the law may be necessary. The only Federal antitrust statute having significant application is, as is indicated in Miss Holtzman's statement, the Sherman Act, which makes illegal any contract, combination or conspiracy in restraint of trade or commerce among the several States or with foreign nations. Judicial interpretation has read "restraint of trade" to mean "unreasonable restraint of trade," with reasonableness to be determined on the basis of common law principles and subsequent court elaboration. The Sherman Act is essentially the common law of antitrust, and where it goes and what it means is to be found less in the statute than in the court decisions.

The primary boycott of Israel by the Arab countries is not a matter which directly affects U.S. commerce or is cognizable under our antitrust laws. It is the secondary boycott we are here concerned with, that is, the boycott by the Arab countries of U.S. businesses which provide certain economic advantages to Israel. Let me discuss first what I might call the "core boycott," that is, the agreement among the Arab governments and companies themselves to refrain from dealing with certain U.S. companies.

An agreement between commercial firms doing business in the United States to boycott another firm in this country would constitute a traditional form of restraint of trade, and ordinarily would fall within the category of conduct illegal per se under the Sherman Act. There are, however, some special features about the present case. Perhaps most important is the distinctive purpose of the boycott, which is not the usual one of acquiring commercial advantage. The boycott is essentially a phenomenon of international politics, and that fact is

relevant in determining its "reasonableness" under the Sherman Act. Secondly, there is a question whether the impact upon U.S. trade of a boycott of this sort, which in effect requires an American company to choose between certain types of business relations with Israel or dealings with the Arab countries, is so certain or severe as to justify application of the per se rule of illegality applied domestically.

There are some special legal considerations raised by the governmental character and the nationality of the boycotting parties in the present case. In general, as a matter of international law and practice, a sovereign state cannot be made a defendant in the courts of another sovereign. This doctrine only applies with respect to the "public or political" acts of a state and not with respect to its "private or commercial" acts; but there is at least some question as to which category the Arab boycott occupies. Another principle of international law is the so-called act of state doctrine, which holds that our courts will not examine the validity of acts of a foreign sovereign performed within its own territory. If applied to the present problem, it would insulate from our antitrust laws many of the boycott activities undertaken by the Arab states themselves. Finally, the doctrine of foreign governmental compulsion provides that a defendant—whether a sovereign or a private individual or corporation—will not ordinarily be subject to sanction in one jurisdiction for acts performed in another jurisdiction under pain of sanction by the latter. Application of this principle could exclude from liability even nongovernmental Arab entities which participate in the boycott outside this country by direction of their own governments.

Now, none of the above-described distinguishing considerations makes it theoretically impossible to apply the Sherman Act to the "core boycott"—I am still talking only about the core boycott, that is the agreement among the Arab businesses and Arab governments themselves. Cumulatively, however, they create a substantial doubt that the courts would interpret that flexible statute, which is the Sherman Act, to require such application, at least unless there is evidence of major economic impact upon U.S. exports. It has, in any event, never been held that a foreign, politically motivated boycott of this sort violates the act.

Let me turn now from what I call the core boycott to other agreements affecting U.S. commerce which may accompany or flow from the "core boycott;" that is, agreements not just among the Arabs themselves, but with American companies. It will be difficult to find a Sherman Act violation in the mere unilateral decision of an American company to refrain from trading with Israel because it knows that such trade will result in loss of Arab business. Violation of the act requires a "contract, combination or conspiracy," and while unilateral refusal to deal may, in some circumstances, be persuasive evidence of concerted action, it is not itself a violation. More likely to contravene the Sherman Act is an agreement between an American company and an Arab company that the latter will give the former its business in exchange for a commitment by the former—by the American company—not to trade with Israel. Perhaps even more suspect would be an agreement by the American company not only to refrain from doing business with Israel, but to refrain from doing business with certain American companies as well.

Where there is an agreement that violates the act, it will not suffice as a defense that the agreement was entered into under the duress of threatened loss of business, or even in order to avoid becoming an object of the boycott.

I would next like to give a brief analysis of the bill because there are some aspects of it that did not come out in the earlier testimony. At the outset I would note that the Department is not able to support the bill.

H.R. 5246 would add to title 18 of the United States Code a new section, 246, which establishes two basic types of offenses; and I think it is important to keep the two separate. One is coercing or attempting to coerce another party by economic means—that is subsection 246 (a)—and the other, subsection 246 (b), is acquiescing in or taking certain action to avoid such coercion.

Subsection (a) would prohibit any business enterprise or person acting in the interest of a business enterprise from coercing or attempting to coerce by economic means any person in order to cause that person "to fail to do business with, to fail to employ, to subject to economic loss or injury, or otherwise to discriminate against, any U.S. person, or any foreign person with respect to its activities in the United States." Another element of the offense is that the discriminatory action sought to be coerced must be based upon one of two causes and again it is important to keep these distinct.

(1) The discriminatory action sought to be coerced must be based upon religion, race, national origin, or sex, our traditional prohibited discriminatory category.

(2) The second basis is direct or indirect support for any foreign government or dealing with or in any foreign country, when such support or dealing is not in violation of the laws of the United States. The definition of "business enterprise" in the bill would include certain businesses owned by foreign governments, but not the governments themselves.

The sanctions for violation of subsection (a) are set forth in subsections (c) through (e) and include criminal penalties—fine or imprisonment—with regard to willful violation, civil actions by aggrieved persons for treble damages and other relief; and actions—in personam or in rem—by the Attorney General to collect a civil penalty.

Subsection (b), which as I have said is not aimed at the person who applies the coercion, but at the person who yields to it or takes action to avoid it, in essence makes it unlawful to yield or to take such evasive action with respect to the same discriminatory categories I just described. In one respect—and I think this is important—subsection (b) goes beyond mere reinforcement of the prohibitions of subsection (a). It reaches in addition acquiescence in or avoidance of coercion which would not be unlawful under subsection (a) because it is exerted "by a foreign government or by a business enterprise not subject to the jurisdiction of the United States."

Under subsection (f), willful violation of subsection (b) may result in a fine, but not imprisonment. And a person aggrieved by violation of subsection (b) may bring a civil action for damages or other relief. There is no provision for civil enforcement of subsection (b) by the Attorney General.

Turning now to the substantive issues presented by the bill. The fundamental changes from current law which would be made by the proposed legislation are twofold.

First, the prohibitions against discrimination on the basis of race, religion, sex, or national origin which already exist with respect to certain areas of economic activity—notably employment—are extended into all fields of economic activity, where they are caused, or sought to be caused, by coercion. Second, an entirely new type of unlawful discrimination is created; namely, discrimination on the basis of a person's support for or dealing with a foreign country.

I believe there are substantial difficulties involved in the implementation of both of these changes—a matter which I will discuss presently. In principle, however, the first of them seems unobjectionable so long as it is restricted to the application of coercion, and by the first of them I am referring to extending to fields of economic activity beyond employment, housing and public accommodations, our traditional prohibitions against discrimination. As I say, that seems unobjectionable so long as it is restricted to the application of coercion. It is objectionable, however, when it is extended as subsection (b) would extend it, to the mere acquiescence in, or avoidance of such coercion. Let me explain. Even though we have decided to render unlawful by Federal law only discrimination in those areas of private economic activity which profoundly affect the welfare of our citizens, areas such as employment and housing, it is in theory consistent and not a drastic extension of Federal prohibition to prohibit coercion to discrimination in other economic areas. That is to say, even though we have decided not to render it illegal for a minority-owned company, for example, to deal only with minority contractors, we may, nevertheless, reasonably desire to prevent that company from coercing others into dealing only with minority contractors. The Department of Justice supports such a prohibition in principle.

When, however, the prohibition extends beyond the act of coercion and applies as well to the act of yielding to or avoiding such coercion—as subsection (b) provides—then it produces an entirely unreasonable result. It renders unlawful under coercion an act which would be perfectly legitimate where coercion did not exist. This arrangement stands the normal legal principle upon its head. In some situations, acts which would normally be unlawful may be legitimate if performed under duress; but I know of no instance in which coercion has the effect of criminalizing, rather than excusing, the activity in question. It is on its face absurd to suggest, for example, that a particular company may deal only with non-Jewish customers, so long as it does so out of its own uncoerced malevolence toward Jews, but will violate the law if it is driven to such action by threatened loss of business. I think, therefore, that subsection (b) of the present bill cannot be justified even in principle, much less in its practical operation.

The second of the major substantive changes made by the proposed legislation likewise seems defective in its very theory. It does not seem to me desirable to establish the principle that Americans may not apply indirect commercial pressures against foreign countries unless our Government has declared support of, or dealing with, such countries to be unlawful. It does not help the matter, in my view, to direct

the prohibition—as the present bill does—not against individual commercial pressure but only against such pressure by business enterprises.

Business enterprises are the primary instruments through which individuals' commercial activities are conducted in our modern society, ranging from small partnerships and incorporated grocery stores to major manufacturing companies owned by hundreds of thousands of our citizens. To prohibit individuals from commercial action through these instruments is to prohibit them from commercial action in its most effective form. Now, this may seem to many an acceptable and even tempting disposition in the context of the Arab boycott which now occupies our attention. But, place it in the context of Nazi Germany before World War II. Should Jewish-owned companies and small businesses have been prohibited from exerting economic pressure upon persons or corporations that had substantial business with that regime? Or place it within the context of Hungary shortly after the unsuccessful 1956 revolution. It seems to me, in principle, an intolerable interference with the freedom of American citizens, to prevent them from not merely expressing, but acting upon, their strong views on such matters with all legitimate means at their disposal.

Applying the principle of this legislation to current affairs would yield the following results, in addition to the evidently intended result of blunting the domestic effect of the Arab boycott: A church-owned business enterprise which refuses to deal with a particular wholesaler because the wholesaler sells products of a U.S. firm with substantial interests in South Africa would be in apparent violation of the law. A conservative magazine which refuses to accept advertising from a retailer which obtains most of its products from the Soviet Union's American trading company would be in apparent violation of the law. I am not supporting the desirability or undesirability of such commercial pressure; I am merely asserting that it is contrary to our traditions to have the Government make the judgment.

There is one other theoretical weakness of the bill which I believe deserves mention. The substance of most of its proscriptions against foreign coercion need not be defended on pragmatic grounds, but may be viewed as a rejection in principle of unwarranted meddling in our domestic affairs. That is to say, one may reasonably argue that, whatever the practical economic consequences, we should not permit foreign powers to cause American firms to refrain from doing business with other American firms. I do not have the same reaction, however, to attempts by foreign powers to cause American firms to refrain from doing business with other foreign powers, which is one of the acts effectively prevented by subsection (b) of the bill.

Under this provision, in order to obtain business with the Arab countries, an American firm cannot refrain from doing business even with government-owned Israeli firms operating in this country. I suppose it is a matter of degree, but to me, at least, this is not a categorically intolerable interference in our internal affairs. I would think it necessary, then, to consider the desirability of the prohibition not at the level of principle but through an assessment of its practical effects. It could be justified—leaving aside foreign policy ramifications—on the pragmatic ground that it will serve to “break the back” of the boycott which our Government is on record as opposing. I am unaware, however, of any hard evidence that it would do so. It is quite conceivable that, confronted with the absolute necessity of dealing with an

American supplier which is itself a major supplier of strategic materials to Israel, the Arab countries would not relax the boycott but simply cease trading with American firms and take their business elsewhere. It seems to me that these practical effects should at least be assessed and evaluated before the furthest extension of this legislation is accepted as desirable.

Let me now turn to a few practical effects of the bill. In describing the practical effects of the bill, I should first of all note that it makes no discernible change—except as to remedies—with respect to discrimination based upon race, religion, sex, or national origin in employment. Such discrimination, whether or not it is the result of coercion, is already unlawful. And the application of economic coercion to achieve such discrimination would also be unlawful.

As to those prohibitions of the bill relating to coercion—and acquiescence in coercion—to forms of discrimination other than discrimination in employment, the bill would have significant practical effects. I believe that the prohibitions of subsection (a) of the bill—and in particular paragraph (a) (1), which we support in principle, relating to discrimination on the basis of religion, race, national origin, or sex—would be workable. Proof of coercion would be difficult, but not impossible. Though in many cases it would be necessary to rely upon circumstantial evidence, at least with respect to the worst abuses express application of coercion may be established.

We oppose, however, some of the remedies provided for violation of paragraph (a) (1). Criminal and civil punishments are not generally provided for violations of our civil rights laws, and there seems no special need for them here. In our view, provision for compensatory and injunctive relief by the Attorney General and by private parties would be adequate here, as it is elsewhere, to achieve the purposes of the civil rights provisions. Secondly, we do not believe that the treble damage relief accorded by subsection (d) is appropriate.

Because coercion can be applied in such subtle fashion, it will be extraordinarily easy to establish a prima facie case of an (a) (1) violation. Moreover, unlike most civil rights actions under present law, private suits under this provision—under (a) (1)—are likely to arise in a highly commercial context, and to involve corporate plaintiffs rather than individuals. For these reasons, the possibility of vexatious litigation by disappointed bidders will be quite high, and it seems to me unwise to increase that possibility further by enabling the plaintiffs to brandish the additional threat of treble damages. We do not provide such relief, again, under existing civil rights laws.

What I have just said about the ease of establishing prima facie violation of subsection (a) (1) applies with double force to subsection (b). The fact that action was taken in order to avoid coercion which was never in fact applied is even more difficult to prove or disapprove than the application of coercion itself.

With respect to this subsection, the civil damage provision will predictably be a fertile source of vexatious litigation whose result may be de facto alteration of our substantive law to a much greater degree than the bill intends. That is, by tying application of its prohibition to economic coercion, subsection (b) displays an intent to leave unaffected voluntary discrimination in matters other than employment, housing, and public accommodations. A minority-owned manu-

facturing company, for example, is supposedly to be able to continue to favor minority contractors. But, realistically, will that option of such favoritism still be secure when it exposes a company to private suits by disappointed bidders alleging—as may almost always plausibly be alleged—that the favoritism was only being applied in order to satisfy the company's minority customers? This unintended practical effect is an additional reason for our opposition to subsection (b).

In sum, the Department supports in principle, and sees no insurmountable practical obstacles to, the substantive change made by paragraph (a) (1) of this legislation, which would prohibit coercion to discrimination on the basis of religion, race, national origin, or sex. We oppose in principle that portion of paragraph (a) (2) which would make it unlawful for American citizens to exert economic pressures through business enterprises, in a manner not contrary to the anti-trust laws, in order to induce refusal to support or deal with any foreign country.

To impose the latter type of prohibition only upon foreign citizens or businesses, though not upon our own, is a step which will obviously involve serious international repercussions and it may simply be infeasible if American citizens acting in sympathy with a foreign government are not subject to similar prohibitions. We oppose in principle subsection (b) of the bill, which seeks to criminalize otherwise legitimate action if it is done in response to coercion. Finally, we do not believe that criminal and civil penalties and treble damage actions should be among the remedies which the bill provides.

I may note that the single substantive provision of the bill which we support, we support not as a response to the Arab boycott. The prohibition of coercion to discrimination on the ground of religion, race, national origin, or sex seems to us a sound addition to domestic civil rights law, Arab boycott or not. It would have the effect, however, of providing a clear remedy against some of the most obvious practices alleged to have resulted from the boycott, whereby various firms have supposedly been pressured to discriminate among their suppliers, customers, or even officers, on the basis of religion. It will not reach such pressure exerted by Arab governments themselves, but I know of no way to achieve that result except at the inordinate cost of a provision like subsection (b).

With respect to a broader legislative response directed to non-civil-rights aspects of the boycott, it seems to us too early to form a sound judgment. Before that can be arrived at, one must have some clear conception not only of the adverse effects we wish to address, but also of the effectiveness of current legislation—and of diplomacy—in dealing with them. The Arab boycott has only emerged as an issue of prime national concern within recent months. Our law enforcement agencies have moved to meet it, but the effectiveness of those moves cannot be gaged at once. As you will learn from Mr. Kauper, for example, the Antitrust Division is actively investigating alleged violations of the Sherman Act; but the results of those investigations are not yet known. We have not even discussed today other legal tools currently available to the Federal Government. The Federal banking agencies, for example, have considerable control over the practices of lending institutions; the Federal Communications Commission over the telecommunications industry; the Security and Exchange Commission over

the financial market. In the light of an overall assessment of the effectiveness of present measures, and a thorough examination of all legislation currently available for taking additional steps, it may be seen that a response more simple and less intrusive than the present bill can be devised to meet the existing needs in those areas other than civil rights violations. For example, it occurs to one immediately that mere light of publicity might be sufficient to prevent the major abuses.

Because of the problems of principle and application discussed above, the Department is not able to support this legislation. We are willing and indeed eager to work with the Congress in assessing the consequences of the boycott, the adequacy of our present legislation to deal with it, and additional legislative approaches which may be productive. Until that process is complete, however, as we do not now believe it is, we cannot support a measure as restrictive and potentially troublesome as H.R. 5246.

Thank you, Mr. Chairman.

Chairman RODINO. Thank you very much, Mr. Scalia. As I understand it, at the present time neither Mr. Pottinger nor Mr. Kauper will have comments, but will be prepared to answer questions. Is that correct?

Mr. SCALIA. Yes, sir.

Chairman RODINO. First, thank you very much, Mr. Scalia, for your statement. I appreciate the question that this legislation poses. However, I am sure all of us must initially agree that the discrimination problem is a serious one, and while you in your prepared statement on page 23 state that the Arab boycott has only emerged initially as a prime national concern in recent months, nonetheless, the fact of the matter is that the Arab boycott has existed long before. Is that not a fact?

Mr. SCALIA. Yes, sir. I think it has emerged recently as a prime national concern probably because of the rather recent appearance of petrodollars. I think it is that development on the international scene which has recently rendered the Arab boycott much more threatening than it initially was.

Chairman RODINO. All right, with that in mind, let me also note that the President in early February of this year issued a very strong public denunciation of the boycott. I quote:

There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds. There should be no doubt about the position of this Administration and the United States that such discrimination is totally contrary to the American tradition, and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country. Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States.

Now, that statement was in February, and we are now in July. I ask you—recognizing that you people are in the enforcement department of the Government and are aware of the fact that this has emerged as an issue of great national concern—what if anything really has been done by this administration by way of investigation of these allegations of discrimination; and at what point are you in your inquiry if there has been any investigation.

Mr. SCALIA. Mr. Chairman, Mr. Kauper will answer most of the enforcement questions with regard to the Department of Justice. But, generally, the Presidential statement related to discrimination in banking matters. There was a letter which the Comptroller of the Currency sent to all banking institutions, making it very clear that such discrimination would not be tolerated. Beyond that, the various agencies charged with enforcement of the various provisions of Federal law have been devoting their attention to this matter. Lastly, the White House has in active progress just the kind of an inquiry that you are conducting here. The matter is by no means inactive or closed; but there is immediate attention now being given to it.

I would like Mr. Kauper to address those aspects of enforcement responsibility which belong to the Department of Justice.

Chairman RODINO. Well, let me add to that, Mr. Kauper, since you are going to answer that, and this is in your particular bailiwick, given the circumstances that do exist—and I don't know how far the investigation has gone—would the Antitrust Division recommend bringing criminal action, or seeking an indictment under the criminal penalty provision of the Sherman Act?

Mr. KAUPER. Well, let me try to pull all that together, Mr. Chairman, your first question as to what we are doing, and second, I would have to indicate to you that I don't know that we are prepared to make any judgment as to whether criminal indictment is appropriate; the investigation is ongoing. But, let me take the first part of it, and Mr. Pottinger will have to comment as to any activity by the Civil Rights Division.

We have begun, and we began quite some time ago an investigation of what I suppose, if we view it as a single subject, would be called the Arab boycott, but as a practical matter, and as you would recognize, it is in fact an investigation of a large number of somewhat different activities. As a part of that investigation we have conducted a number of interviews here and abroad; and obviously we are relying to some extent on cooperation with other Government agencies.

Now, in connection with that investigation, we have issued a number of civil investigative demands. I am, as I think you know, Mr. Chairman, because of the nature of that statute, unable to identify firms to whom these demands were sent, or to summarize at the moment what information we have learned from those documents. But I think it is fair to say that the investigation—without commenting on what we have learned through those documents—has been receiving a good deal of attention and is certainly to be viewed as very much ongoing.

We are not at a point yet to be able to answer the second question which you have put; namely, whether we are prepared to recommend judicial action; you put it specifically in terms of indictments. There is also, of course, the possibility of civil action.

But I think the important point to recognize is that the matter has been ongoing to the point that in our parlance, at least, it is a formal investigation. And in that sense, I think, while we can't comment on the specific outcome, it is at least an ongoing matter.

Now, I think there are some questions which it poses, which I suppose to a degree we can comment on. I would simply make one point at this stage because I think it is sometimes a little easy to make assumptions from general statements that are reported. Certainly, in

investigating a number of incidents, we have had a number brought to our attention by the Congress, by various interested organizations, and by other Government agencies. One of the things I think everybody has to keep in mind is whether in fact the American firms who purport to use various pledges, are in fact adhering to them. That complicates any investigation, I think, from our point of view.

I hope, Mr. Chairman, that that summarizes essentially what we are doing. I am somewhat constrained because of the nature—

Chairman RODINO. Well, I do recognize, Mr. Kauper, that you are proceeding this morning under some constraint, and I recognize that there is some justification at this stage for the limited type of your response. I understand that.

Can you at least give us some idea, though, of how long your inquiry may take? Can you at least project the duration of any investigation? When might you arrive at some conclusions?

Mr. KAUPER. Well, I can't give you a specific time. I think what we are finding, and what I tried to indicate in the earlier part of the answer, is that it is a little hard to characterize it as a single investigation. I think what is going to be clear, as we investigate specific incidents is that we will discover that they require more investigation or that we in fact have a violation. So, I really cannot say there is an investigation that is going to end at a certain point. If we find conduct that we think justifies suit, we will presumably file in connection with particular incidents, which may mean other parts of the investigation will continue.

Chairman RODINO. Well, I can appreciate that, too, and I didn't mean, again, to put you on any spot. Is it fair to assume that you are at least conducting this investigation with an eye toward bringing action under section 1 of the Sherman Act?

Mr. KAUPER. Any action we would bring would be under section 1; yes.

Chairman RODINO. Thank you very much. My time has expired. Mr. Hutchinson?

Mr. HUTCHINSON. I want to apologize for not being present at the time of most of the testimony. It was necessary for me to attend another committee meeting. In view of the fact I have very lately come in, and have not had the benefit of the discussion, I had perhaps better not ask any questions.

Chairman RODINO. Thank you very much. Mr. Flowers?

Mr. FLOWERS. Thank you, Mr. Chairman.

Mr. SCALIA, I think in your statement you stated very well that there is a serious problem, and you recognize it as such, and Miss Holtzman certainly made a very clear case; and I think any person who is aware of the present problem would share that concern. But yet, you say you do not support this particular bill. Well, my obvious question then is, what type of legislative proposal would the Department support, if any?

Mr. SCALIA. I am not prepared at this time to present a legislative proposal on behalf of the Department or the administration. As I indicated, the entire matter is under study at the White House.

I did indicate that we would support that portion of the legislation which would prevent coercion of any form to traditionally prohibited discrimination in any kind of activity.

Mr. FLOWERS. Do you think, then, that this legislation, or any new legislation would be necessary in order to get into this field of activity, or could it be covered by present law?

Mr. SCALIA. No; I think that right now coercion, even though it is blatant and invidious religious or racial discrimination in fields other than employment, housing, and public accommodations would generally be lawful; that is why the Department thinks the provision of (a)(1) is sensible and is needed.

Mr. FLOWERS. You know, it almost seems to me that if the problem is recognized to the extent that people here today have stated it, and I think most of us realize it, you almost have to show us that the present laws are adequate to take care of the situation. You have to make an affirmative showing in order to obviate the necessity of the new legislation or something similar to this bill, something partaking some of the provisions of this bill, and the time limit on that is here today upon us.

Mr. SCALIA. I have acknowledged my conviction that the present law is inadequate with respect to (a)(1)—that is, with respect to the civil rights aspects of the problem. And even with the adoption of something like (a)(1) it would be inadequate, as I indicated in my testimony, when discrimination is applied by a foreign country itself, because we have no jurisdiction over such an entity. That is why (b) was put in the bill. There, I believe that the most significant remedy which could be applied is diplomatic pressure, rather than the enactment of legislation which, in order to prevent the Arabs from doing something, unduly constrains our citizens from taking legitimate action.

Mr. FLOWERS. Let me ask you this, then, Mr. Scalia—

Mr. SCALIA. That is all speaking to the civil rights aspects. But the bill is two-headed, and the problem is two-headed. There are certain actions which the Arab countries are taking which are offensive to us, and those that are most profoundly offensive are so because they violate our normal rules against discrimination because of race, color, religion, and so forth. Then there is another aspect to the boycott, whereby the Arab countries are not discriminating against Jews, but simply discriminating against companies that they feel are assisting an enemy of theirs. That is an entirely different question, and I do not concede the inadequacy of current laws to deal with problems arising from that. All I suggest is that it is necessary for you, ladies and gentlemen, to consider the whole problem, to consider the adequacy of present laws before you leap into something that seems to me to be unduly repressive.

Mr. FLOWERS. One final question, and you may not be in a position to comment. Do you have any knowledge of any diplomatic initiatives and their success, or nonsuccess, in this field?

Mr. SCALIA. No, sir. I would have to let the State Department speak to that. I am aware that the State Department is concerned about it. What specific steps they have taken, I cannot address.

Mr. FLOWERS. Thank you.

Chairman RODINO. Mr. Railsback?

Mr. RAILSBACK. Thank you, Mr. Chairman.

Mr. KAUPER, this bill, it seems to me, makes discriminatory action illegal per se, and would provide penalty provisions without any

requirement of proof of damage or adverse impact. Is there anything similar right now under the Federal antitrust laws?

Mr. KAUPER. I have been listening to the discussion here this morning, and it is clear there is a little different theme going back and forth. Congresswoman Holtzman described these provisions as anti-trust remedies; the testimony here addresses a civil rights bill, and therefore I am not quite sure which set of analogies we are using. Certainly, the concept that you prohibit discrimination without proof of some kind of economic injury from that discrimination is, I would suppose, a civil rights kind of concept. The antitrust law is, supposedly, worried about conduct which damages competition, or causes direct and substantial economic injury.

Now, it is true, however, that while we generally talk under the Sherman Act of unreasonable restraints of trade, there are certain categories of restraints which have been deemed to be so unjustifiable as to warrant application of a per se rule. So, the question is a little hard to answer. Certainly on a matter of price fixing, for example, we do not need to put on proof of economic harm. But the reason is sufficient experience with that sort of activity: We simply know that it causes economic harm and hardship. We don't need that sort of proof because we can generally assume that is the effect of it.

So, in general, I think, in response to your question, that to prohibit discrimination as such, without any kind of proof of injury, draws its precedent much more from the Civil Rights Act, which does not have the same kinds of penalties, than from the antitrust laws.

Mr. RAILSBACK. Thank you. Let me now address this to any of you. On February 24 of this year, the Controller of the Currency circulated a notice to the presidents of all the national banks in the United States that discrimination against Jewish interests was unacceptable. In this notice Mr. Jim Smith stated that discrimination based on religious affiliation or racial heritage is incompatible with the public service function of a banking institution in this country.

By what authority did he make that statement, if you know?

Mr. SCALIA. I do not know, sir. It is not reflected in that statement, as I recall. The general authority of the Controller is based on his ability under the law to prevent any unsound, or unsafe banking practice. I suppose that he is making the determination that this is an unsound banking practice within the meaning of that phrase. But that is just my speculation. I have no knowledge of what he based the notice upon.

Mr. RAILSBACK. Could you provide that for us? Could you find out and provide that for us?

Mr. SCALIA. I will be happy to ask him to provide it.

Mr. RAILSBACK. I think that would be very helpful.

As I understand your testimony, you favor the bill to the extent of (a) (1) coverage. You are opposed to the criminal penalties, trouble damages, and also part (b) —

Mr. SCALIA. The civil penalties as well.

Mr. RAILSBACK. The civil penalties.

Mr. SCALIA. Right.

Mr. RAILSBACK. In your judgment, is that part that you support absolutely essential to help our Government deal with the problems that you recognize in your statement?

Mr. SCALIA. As I indicated in my statement, the fundamental reason for our support of that provision is a civil rights reason and not an Arab boycott reason. I don't know whether I would call it essential. Frankly, it is just a matter of principle that coercion of this sort should not be allowed, whether it has significant effect or minimal effect. If activity of this sort seems to be a real problem, I think it should be proscribed.

Mr. RAILSBACK. I would like to call, then, on Mr. Kauper, who is our antitrust specialist. Let me ask you that same question. Would this be a helpful tool, that part that Mr. Scalia indicates that you support? Would that be a very important tool in trying to rectify what all of you have seen as an evident abuse?

Mr. KAUPER. Well, I am not sure you are asking the question of the right person. I do view it as a civil rights provision. I think the principle which is being applied is a civil rights one. Now, if your question to me is, would the antitrust laws of the United States take care of everything covered by that provision—

Mr. RAILSBACK. Yes.

Mr. KAUPER. The answer is no. But, as to the civil rights purpose, Mr. Pottinger is your man.

Mr. RAILSBACK. Thank you, you are being very helpful. Thank you.

Chairman RODINO. Ms. Jordan?

Ms. JORDAN. Mr. Chairman, under our agreement, I yield to you.

Chairman RODINO. Thank you very much. I take this time because I know, Mr. Pottinger is under some constraint, and will be leaving shortly, is that correct?

Mr. POTTINGER. I am just checking to see if that is the case. Senator Abourezk has asked for a 1 o'clock meeting with the Attorney General which I am supposed to attend; that is the only constraint I have.

Chairman RODINO. Well, let me put these questions to you because they relate to your particular bailiwick.

Colonel Durham and Colonel Bennett from the Army Corps of Engineers, in their appearance before the Senate subcommittee, presented testimony to the effect that the Army had—I am using my own terminology—bowed to a Saudi Arabian demand regarding the placement of Jews in that country. Was the Justice Department aware of that practice by the Army, and what actions if any are contemplated?

Mr. POTTINGER. We are aware of the allegations. We are also inquiring into the specific facts as to what policies, what contracts, and at what times and places they may have occurred because the policy is clear. It is clear that this practice would violate the President's own directives, both by official Executive order to Federal agencies, and also by his most recent public statement from Hollywood, Fla.

Chairman RODINO. And what actions are contemplated?

Mr. POTTINGER. The actions contemplated are a little complicated. There are several awkward tools that we have available. The courts are one, but that does not make sense against a Federal agency. We believe that, because of the President's own directive, action should be taken by the Defense Department to make sure that the policies are corrected. We assume that, with any assistance that might be given to the Defense Department to identify improper practices, that the Defense Department itself would correct them. We have no reason to believe there is a need for the Justice Department to tell them to do

what the President has already directed. And, frankly, I believe the Secretary of Defense would also agree with this.

Chairman RODINO. Well, of course, Mr. Pottinger, I recognize the Executive order, the President's directive and I feel that the conduct is in violation of the Constitution, and action should be taken in that regard. I mean, we know that the practice existed, at least through testimony which was pretty convincing, and there has been no contraversion of that testimony.

I would like to know what, if anything, has been done, or if anything is going to be done.

Mr. POTTINGER. Well, as I said, the Defense Department itself has equal standing and dignity within the Federal executive branch to follow the laws that are applied to it. It is our understanding that they are aware of these practices, and they are taking steps to correct them in light of the Executive order, as much as they would be if we sent them a formal letter, in addition to our informal one, to make them do so.

Chairman RODINO. Are you suggesting to me, Mr. Pottinger, that if the Defense Department continues the practice, that no action is contemplated?

Mr. POTTINGER. No. I am suggesting that the Defense Department will not continue the practice. I see no reason that they will or should, and they have not suggested that they will or should. The President of the United States has made it clear that they should not.

Chairman RODINO. And is the Department following their actions to insure that this is the case?

Mr. POTTINGER. Well, that is the point I am trying to address. To the extent that we can be of assistance in interpreting the Executive order, which I do not think needs interpretation, it is clear on its face—

Chairman RODINO. I think so too.

Mr. POTTINGER. Or to the extent that we could in any other way assist them, and I do not think they need that, we are ready to do so. I hope that it is not necessary for us to find ourselves in a confrontation with the Defense Department. If that happened, yes, I believe the law is clear. I believe that once the facts are understood, the law applies to them clearly. And I also happen to believe that they are correcting, indeed, I hope they have already corrected that practice.

If they do not, I assume that the appropriate step would be for the Attorney General to raise it with the Secretary of Defense. If there were still a problem, there is no question that the person to make the decision about a conflict of interpretation would be the President. I don't think he would hesitate for one moment to do so.

Chairman RODINO. Well, what is your view, Mr. Pottinger, of a situation where a private company that regularly recruits employees refuses to recruit Jews because the particular job in question is to be performed in a country which won't issue visas to Jews. Is such a discriminatory practice a violation of title VII?

Mr. POTTINGER. Yes, I think, on the face of it, it clearly is. It is unique in the sense that a sovereign instruction, which was the condition upon which the visa was denied, can be argued to be a bona fide business condition, a reason why the company can't do business. I

expect this issue to be raised in the courts. Then it would fall to certain sorts of rules about where the burden of proof rests would probably determine how the courts would resolve the issue. This defense that is possible on the face of title VII; that is to say, a Texas company doing business in oilfields in Saudi Arabia—as a hypothetical—wishes to send employees there as part of a contract, states to the employees whom it recruits, “You must obtain your own visa as a condition of employment.” And since the visa is in fact a condition of employment, the company will argue that it is a legitimate business condition. However, knowing as it does that the denial is strictly a matter of religious preference by the host country, a fostering of this practice by the hiring company would violate title VII.

For that reason we are now engaging in the following efforts to answer that dilemma: First, we expect litigation to arise shortly. I should add, by the way, that the Justice Department does not have authority to bring litigation. Frankly, we would like to have that authority, but we don’t. We are not reticent about it, we just don’t have it. But nevertheless, private parties are planning litigation in this field, probably, in Texas and in other areas where there are companies engaging in this practice.

Second, it might be possible, then, for the Justice Department to take a position on an amicus basis that would assist the court in resolving the conflict of principles identified.

Third, it may also be possible—but I do not wish to outline it because I am unable to in specific steps—but it may be possible for the State Department to assist us—and we are in contact with them—in terms of having the host country understand that in engaging in this kind of pressure, they are putting one of our own contractors in a possible conflict of law, namely in violation of one of their own country’s laws; and through that effort, through the host country, we may be able to obtain a modification of the policy that would be suitable to the litigants as well as the United States.

That is our objective, and that is what we are now pursuing.

Chairman ROXNO. Thank you very much, Mr. Pottinger. Ms. Jordan?

Ms. JORDAN. Thank you, Mr. Chairman. Mr. Scalia, you have said now about three times in your testimony that you feel (a) (1) of this bill is noble, is consistent with our usual and accepted principles of civil rights, and applaud it; and yet, you conclude by saying you don’t support the bill. And you also conclude by saying no treble damages, no criminal penalties.

Now, how do you reconcile your support of it and lack of support of it in the same breath?

Mr. SCALIA. I guess it is a question of whether the glass is half empty or half full. In this case, since it seemed to me that the provision we supported was a relatively small portion of the entire legislation, it would be misleading to come before you and say we accept the bill when more than two-thirds of it we do not support. If you are happier putting it the other way, you may do so, but the way I phrased it seems to be a franker expression of the Department’s position. The bulk of the bill we oppose.

As to the second point, the remedy: It seems to me there are two different questions, whether you support the substance of what the

law seems to achieve, and whether you support the type of penalty that the law provides in order to achieve that substance. This is essentially a civil rights provision we are talking about. In other areas of civil rights laws, we do not provide this kind of penalty. There is even less reason to apply it here than there normally is because in the area of discrimination covered by the bill there is almost always economic injury, so that you can be assured that compensatory damages will be a realistic sanction. In many other areas of civil rights violations, there is no monetary damage that can be shown, or monetary damage so minor that its assessment is no real deterrent. Here compensatory damages will be a better remedy than they normally are elsewhere in civil rights laws. Furthermore, the injunctive provision would be effective; and finally the publicity resulting from the bringing of a suit is a significant deterrent to a business in this kind of matter. That is the reason for our opposition to the particular remedies suggested.

Ms. JORDAN. Mr. Pottinger, did you want to comment on that?

Mr. POTTINGER. No. I thought there might have been a semantic problem; that is, by saying "no penalties," we meant no remedies at all. In fact, that is not what is meant. As Mr. Scalia just said, we are talking about traditional remedies; injunctive relief, and money damages where they can be shown, but not punitive damages and not criminal damages.

Ms. JORDAN. All right. Now, Mr. Scalia, in talking about your lack of support altogether, without equivocation of the second part, the (b) part of this legislation, it appeared from your testimony that you were unwilling to impose any kind of penalty for a person acting out of fear, or loss of profit, if the business refuses to engage in certain enterprise because he equates this coercion as being of profit, and defines it that way.

It would appear from your testimony that you are saying, if the only fear is loss of profit, that is not sufficient justification for the imposition of any criminal penalty. Were you saying that, or not?

Mr. SCALIA. I guess I did not make the point clear, perhaps because I read it too fast. My point was this: If the act itself is not unlawful, it seems to me irrational to make it unlawful to do the same act under coercion. Our normal law is just the opposite. Sometimes acts which would be unlawful when not performed under duress will be lawful under duress. But this bill would make unlawful a type of discrimination which, without duress, is lawful.

For example if a company says, "We don't want any Jews on our board of directors," or "We will not enter into contracts with Jewish-owned companies," that is perfectly lawful. Yet, we are going to make it unlawful if that same action is taken not because the company itself has so much ill will, but only because somebody else is coercing it to do so. That simply doesn't make any sense.

Now, if we want to adopt a national policy saying that discrimination in areas other than employment, housing and public accommodations is unlawful, then subsection (b) would make some sense. But, to do one without doing the other is not, to my mind, rational.

Ms. JORDAN. Mr. Scalia, I'm sorry that I just cannot agree with the way you rationalize this question because if the coercion is wrong, if it is a wrongful act, if it is made illegal, then it would appear that pen-

alties ought to be imposed and levied against the person who indulges in that wrongful act.

Mr. SCALIA. I agree, but you are talking about subsection (a) now; you have switched back to subsection (a). I do not oppose that. We are talking now about imposing penalties not upon the application of coercion, but upon the person who succumbs to the coercion.

Ms. JORDAN. All right. Is it wrong, then, for me to succumb to coercion because I am going to lose dollars and cents; is that wrong?

Mr. SCALIA. It seems to me it is not wrong for you to allow somebody to coerce you to cross the street, assuming your walking across the street is not unlawful. It just seems to me it is unfair to say that it is lawful for you to walk across the street, but if somebody makes you walk across the street it is against the law—on your part, not only on the part of the person who is twisting your arm. That does not seem to me to be a very rational system of justice.

Mr. SARBANES. Would the gentlelady yield to me?

Ms. JORDAN. I will yield.

Mr. SARBANES. Is only the briber the wrongful party, or is the bribee also a wrongful party?

Mr. SCALIA. Both of them.

Mr. SARBANES. I thought so, under our laws; isn't that correct?

Mr. SCALIA. Yes, that is right.

Chairman RODINO. Mr. Cohen?

Mr. COHEN. Thank you, Mr. Chairman.

Mr. Pottinger, with the situation raised by Chairman Rodino about the Army Corps of Engineers and the overseas private investment corporations, is the Federal Government subject to liability to suits by private citizens for those acts, if they are, in fact, true?

Mr. POTTINGER. I'm not sure. I would have to answer that and supplement the record. I don't think so, but I'm not sure.

Mr. COHEN. Would the defense of sovereign immunity be available to the U.S. Government?

Mr. POTTINGER. It seems always to be available. In some cases even when it doesn't make sense, it's available. But I am unable at this time to give you a technically correct answer.

Mr. COHEN. The other question I would have, which I want to ask you to respond to at a later time is whether or not the notion of economic duress would also be available to the Government to assert as a defense.

Mr. POTTINGER. Well, under antitrust law, which is Mr. Kauper's area of concern, I don't believe it has been; I don't know of any case where it has been. It's for that reason I didn't answer the question earlier—I think I wasn't asked the question—whether legislation along the lines of the principle of section (a) would be helpful from a civil rights point of view. I don't have trouble answering that. The answer is, yes, it would be helpful because I do believe, from the civil rights viewpoint, that we do lack jurisdiction to deal with the factual allegations that have been raised in this area.

As Mr. Scalia has said, there is no objection to that kind of a principle to deal with the problem.

Mr. COHEN. But certainly you would find it unconscionable for the Federal Government or its agencies, in essence, to violate the Civil Rights Act under the notion of economic duress.

Mr. POTTINGER. Yes, I would find that objectionable. I don't think that kind of defense would arise in the civil rights area.

Mr. COHEN. And if the Congress were to express congressional intent to find that sort of activity on the part of private enterprise unconscionable, wouldn't it follow that this defense of economic duress should not be available?

Mr. POTTINGER. Well, as a general rule, the answer is yes. One has to recognize title VII does provide for bona fide business necessity as a general exemption to otherwise prohibited activity, and that may include behavior which we sometimes call "under duress." I want to leave that one qualification in my answer, if I may.

Mr. COHEN. Turning to page 10 of your statement, Mr. Scalia, you said that where there is an agreement to violate the act, it will not suffice as a defense that the agreement was entered into under duress of a threatened loss of business, or even to avoid becoming object of a boycott.

Does that square with the case of *Inter-American Refining Corp. v. Texaco*; are you familiar with that case?

Mr. SCALIA. Yes. I would rather let Mr. Kauper answer, since that is right in his bailiwick. I stand by the statement.

Mr. KAUPER. Let me distinguish, if I might. I think as a matter of domestic law the fact that a firm joins, let us say, a conspiracy because it is under threat of loss of profit, or where a distributor conducts himself in a certain way because he is under threat of cut-off and thus in a sense under duress, is not normally a defense to his being charged.

Now, when you move to international areas, then you begin to be in an area which is a little more complicated because we are now talking about such matters as governmental compulsion as a form of duress, and the willingness of our courts under the act of state doctrine to examine the validity of those governmental acts. So, I think in the international area the answer has to be somewhat more complicated because of the nature of the sovereignty, really.

Mr. COHEN. Let me ask you this question. I understand that you seem to be unanimous in this opinion, that existing legislation will not reach the secondary boycott practices by the Arab nations. Is that correct?

Mr. KAUPER. I think we have to be a little careful here. We are talking about a wide variety of practices, and a wide variety of facts. The question was put to me, Would the antitrust laws cover what even subsection (a) of this bill does? I think the answer to that is, no.

But there may be some forms of secondary boycott that it will reach.

Mr. COHEN. This would not cover subsection (a), and it is certainly not going to cover subsection (b).

Mr. KAUPER. That's correct.

Mr. COHEN. And you would be in agreement that, as a matter of policy, we should not restrain a private citizen from engaging in this sort of discrimination if they act out of economic consideration. As a matter of policy you oppose that notion?

Mr. KAUPER. Well, now, let me—I think you are asking me the same question that has been put to Mr. Scalia, and I'm not quite sure.

But, if we take only the antitrust laws as an example, the basic concept is that if two parties enter into an agreement which restrains

trade, they have both violated the law. Therefore it is a question of whether duress is available as a defense. As I understand subsection (b) of this statute, it basically makes it an offense for an individual to acquiesce because there is duress applied. Now that, it seems to me, is a different concept. It is not saying if you engage in this conduct in any way you have violated the law, but the question would be, is duress a defense? It is singling out the fact of coercion as the very grounds of illegality. I see a rather clear distinction between the two.

Mr. COHEN. In other words, if there is an agreement to engage in discriminatory conduct, you would find that objectionable. But what we are talking about is if there is no formal agreement, that we simply know that the Arab nations as a matter of policy are opposed to hiring or doing business in any way with those firms and companies that hire Jews.

Now, we know that has been their stated policy for the last 20 or 30 years. So, I, in recognizing that policy, refuse to hire, for example, Jewish people. You would find no difficulty with that? That should not be prohibited?

Essentially, it seems to me, I am asking you to give me your view as a private citizen, not as a Justice Department official.

Mr. KAUFER. But you are asking me a civil rights question.

Mr. COHEN. Well, let me ask you as a Justice Department official.

Mr. KAUFER. Well, I think as a general proposition, certainly, you can make the argument that one ought not to be subject to discrimination on the grounds of one's religion. But in terms of whether or not we should be worrying about that as an antitrust matter, which is my most immediate concern, that distinction imposes a somewhat different set of issues.

Now, I take it that the question you were raising is, shouldn't it be as much an offense for a firm to discriminate—regardless of whether it is acting under duress. I think that's the question you are asking.

Mr. COHEN. Mr. Chairman, if I could just make one point, I realize my time is up.

I think you made the statement earlier that you find it inconsistent to render unlawful under coercion an act which is perfectly legitimate where coercion does not exist, to stand it on its head, in essence. But is it lawful for a firm to refuse to hire or employ Jewish people simply because of what you call free malevolence, or uncoerced malevolence; is that permissible?

Mr. SCALIA. No, indeed. I think I indicated in my testimony that subsection (b) would be superfluous when you are talking about employment, because existing civil rights laws would already cover that.

Mr. COHEN. So, you really would not be opposed to subsection (b) if it were confined to employment purposes.

Mr. SCALIA. No; of course not. Where it is coercion to unlawful discrimination, I have no problem with subsection (b). But subsection (b) renders unlawful acquiescence in coercion to an act that is not unlawful—to something that is not discrimination. You have been referring to it as discrimination, with the connotation that it is unlawful. But much of what subsection (b) would prohibit acquiescing in is not unlawful, and that is where I part company with the bill.

Chairman ROYNO. With that, Mr. Mazzoli?

Mr. MAZZOLI. Thank you, Mr. Chairman.

I would like to follow up just 1 second because this began with Ms. Jordan and Mr. Cohen, and is interesting, and that is the aspect of the subsection (b).

Now, Mr. Scalia, you indicated that the presence of duress seems to render illegal something which is otherwise legal. I want to direct you to line 20 of page 2 which says, "To fail to employ," and you mentioned in your testimony that employment is one of the classical remedies, and classical evidences of the civil rights discriminations and violations, and therefore if the company which is under duress, acting because of coercion leveled against it, does fail to employ a Jew—if we are talking about this Saudi Arabian situation—is that not a violation, or would that not—

Mr. SCALIA. That is a violation of current law, and the coercion to that will also be a violation of current law.

Mr. MAZZOLI. So, again clarifying, you are not so much against (b)—and I got that impression generally listening to you—as much as (b) to the extent of these classical evidences of discrimination, employment, housing, and public service, that it is superfluous.

Mr. SCALIA. That is right.

Mr. MAZZOLI. It is not necessary, and the fact that there is a present remedy on the books which will reach that situation.

Mr. SCALIA. Right, and as to areas beyond employment, housing, and public accommodations—let's say favoring somebody in contracting because he is an Italian and you are an Italian—or whatever, that is not unlawful. It does not seem to me to be sensible to render the doing of it unlawful only when you are coerced into doing it, even though, if you did it voluntarily, it would be fine.

I am not asserting that duress should justify what is otherwise unlawful. I am just saying that duress should not render unlawful what is otherwise lawful.

Mr. MAZZOLI. And you feel therefore that most of what is described in section (b) is itself legal, and that it becomes illegal if you are doing it in response to duress, or coercion of the middle company.

Mr. SCALIA. That is correct.

Mr. MAZZOLI. And it is your judgment, then, if we get to the clearly historical evidence of discrimination, if those were included in there, then there would be no difficulty with section (b).

Mr. SCALIA. Except that it is superfluous.

Mr. MAZZOLI. Now, let me go back to (a) (2), which is what you indicated you partially agreed with, and partially disagreed with, basically.

Mr. SCALIA. (a) (1) I agreed with, (a) (2) I disagreed with.

Mr. MAZZOLI. Disagreed with? I have the word "partly" written down in my marginal notes. I thought you said to the extent that this would prevent—

Mr. SCALIA. I suppose you could express it that way. My reason for objecting to it is, that it seems to me that it interferes with the freedoms of American citizens too much. If American citizens want to exert economic pressures upon a company to refuse to do business with another country because it is Nazi Germany, or whatever, they ought to be able to do so.

Mr. MAZZOLI. I agree with you, and I therefore would ask you, do you believe that the effect of (a) (2) would be to prohibit a church,

for instance, asking its parishoners not to deal with a company which has South African ties, or to deal with a company—

Mr. SCALIA. I think that is clearly right, and I think Miss Holtzman indicated the same, so long as the purpose is to induce the company to stop doing business with South Africa. I think that clearly would be the effect of (a) (2).

Mr. MAZZOLI. Thank you very much, Mr. Scalia. I have no further questions.

Chairman RODINO. Mr. Hughes?

Mr. HUGHES. Thank you, Mr. Chairman. Mr. Scalia, I just have a couple questions. As I understand it, you have first of all a basic belief that in principle we should not be utilizing sanctions against persons coerced, you have some basic feeling that we shouldn't be doing that under any circumstances.

Mr. SCALIA. Yes. Not where the act that he is performing is an act he can validly perform when not under coercion.

Mr. HUGHES. I want to know, you know, what you conceive to be the ultimate purpose of the Export Administration Act, what goes where we are trying to achieve by requiring firms to report instances of economic boycott.

Mr. SCALIA. I think one of the purposes was amply demonstrated in the testimony that preceded ours, in which Miss Holtzman gave some facts and figures about how often coercion was applied, how many companies yielded to it, and so forth. I think that is relevant data for the Congress and for the executive branch to have at hand in order to know what the effect of foreign action is, and whether legislation might be needed. I think that is the basic purpose of it. It is an information device so we can see if we have a problem.

Mr. HUGHES. You think it was informational, and not some indication of public policy that that form of economic blackmail is to be discouraged?

Mr. SCALIA. I think we have clearly on the record our public policy, in statutes and Presidential statements, against the Arab boycott. As an indication of national policy, the reporting requirement of the Commerce Department seems insignificant beside those statutes and the Presidential declaration. I do not think that was the purpose of it. I think the purpose of it was to enable us to get a grasp on what the situation is, so that we can know if further action is needed.

Mr. HUGHES. But at what stage do you conceive that economic blackmail, or economic boycott becomes so disruptive to our economic-political-social system that legislation would be required?

Do you feel, for instance, the Saudis, as they did back during the economic boycott, directed not to supply oil, directed firms not to supply oil to the Mediterranean Fleet, do you feel that at that point perhaps we should apply some degree of sanctions to American firms that for economic reasons decide to go along?

Mr. SCALIA. Mr. Hughes, I am not asserting that the non-civil rights aspects of the boycott can never rise to such a level that I would be willing to do something about them. All I am asserting is that at that point you are not dealing at the level of principle, you are not saying, "We can't stand it because it's just intolerable." At that point, it seems to me, you have to weigh the practical effects, the good and the bad.

You have to inquire, for example, if it is going to hurt us more than it is going to hurt the Arabs who are engaging in this practice to impose certain types of economic sanctions against the boycott. I by no means mean to say that we do not have a problem that has to be investigated, and the best way to resolve it carefully considered.

Mr. HUGHES. Well, I'm trying to find out the best way of how we are going to address the problem because obviously it is a problem that has become of immense concern in this country. You freely admit that we don't have the proper tools right now to deal with the problem, and I don't care whether we call it civil rights legislation, anti-trust legislation, or whether we just adopt legislation that makes penal sanctions to achieve public policy ends.

It just seems to me that we are going to have a more and more serious problem as petrodollars come into the country, and the question is how we address it.

Mr. SCALIA. I don't really admit that we do not have the tools right now, I just don't know. I admit that we do not have the tools right now in the civil rights area to prevent coercion to certain types of discrimination which are not unlawful when done in an uncoerced fashion, and I agree that one should not allow someone to impose such coercion.

But, as to the economic aspects of the Arab boycott, the noncivil rights aspect, I am not certain that existing statutes do not provide available means of remedying the major problems. I do not know of my own knowledge that they are inadequate. That is exactly one of the things that has to be inquired into by this committee.

Mr. HUGHES. I think one of the difficulties I have with your testimony is what you apparently have determined what the word "coerce" means. I would differentiate between coercion when somebody holds a gun to your head, and a coercion when you make a value judgment on the basis of whether you are going to lose dollars; and therein, I think, lies one of the basic problems I have with your approach. And even though, perhaps, if we may be dealing with an instance that where you do it voluntarily it may not violate the law, we are dealing in a combination, a combination of achieving, perhaps, undesirable, illegal ends in restraint of trade.

The question is whether the kind of coercion we are talking about is not the kind of coercion we should be avoiding by some type of legislation, when a multinational sits back and makes a value judgment as to, "How much am I going to lose? If I comply with the blackmail, I lose nothing because I don't violate the law. So, why not go along and restrain further."

That's where we are now, at the present time; isn't that so? An American firm just has to report these instances of economic blackmail, but the officer sits back and says, "Well, it doesn't violate the law, so what do I have to lose?"

Isn't that the posture we are in right now?

Mr. SCALIA. It may well be that some action in order to prevent this is necessary. I was just addressing myself to the means proposed by this legislation, which is to render the act of acquiescence unlawful. If other means are necessary, I think other means can be found. I mentioned mere publicity, for example, as something that would be very effective. But it does not seem to me that the means represented

by subsection (b) is a very sensible one in terms of normal legal principles.

Chairman RODINO. The time of the gentleman has expired. Before I recognize Mr. Sarbanes, just so I'm not confused, when Mr. Mazzoli addressed a question to you, Mr. Scalia, and he referred to a church organization taking action against say, a country like South Africa because of its apartheid policy—

Mr. SCALIA. Yes, sir, it has to be a business enterprise, I was going to correct myself.

Chairman RODINO. Well, not alone that, but if the church organization were to do it purely because it felt a sense of indignity because of the treatment of a race, or because of humanitarian motivation, that is quite different from doing it out of a sense of coercion because if one is coerced there is some economic benefit derived as a result of that coercion.

Mr. SCALIA. Well, I think that is correct. I thought I had indicated in my answer that one of the elements of proof that is necessary is that the refusal to do business was in order to get them to change their actions, and to stop dealing with South Africa. I think in many situations that is what is intended.

Chairman RODINO. Well, the thing is that the bill only gets at coercion, and doesn't get the other situation where a church organization—to put it in focus—acts out of humanitarian motivation; that's the entire difference.

Mr. SCALIA. That is true, sir. And an even greater defect in the answer which I gave was that I took the question in the context of my testimony, where I was talking about a church-owned business enterprise. The bill of course does not apply to any kind of coercion by nonbusiness enterprises, or by individuals. So, if the church were taking the action not through one of its business enterprises, there would be no problem.

Chairman RODINO. Mr. Sarbanes?

Mr. SARBANES. Thank you, Mr. Chairman.

I must say, I am somewhat perturbed by the testimony on page 16, which brings up the example of Nazi Germany, or Hungary as sort of an analogous example, I guess, to lead us to the conclusion that we ought not to apply the sanctions contained in this legislation with respect to discrimination. I don't follow that point, to be quite frank with you.

Mr. SCALIA. Let me tell you the assumption on which I made the point. It is sometimes very tempting to take action within the context of a particular factual situation which seems very wise action then. But, in order to decide whether or not it is a desirable permanent law, you have to consider how it works in other factual situations. And what I tried to pick here was one that was the closest to an opposite of the present fact situation that I could think of.

The point I was making is that if this law existed prior to World War II, a Jewish-owned store would not have been able to exert any economic pressure upon his suppliers to refuse to do business with Nazi Germany. That is in fact the effect this legislation would have. And in deciding whether that would be desirable permanent legislation, one has to consider how it would apply in other situations, not just in respect to the Arab boycott.

Mr. SARBANES. Well, that is an interesting point, and obviously, where it ought to lead us is to write a standard—if in fact your analysis is correct—to write a standard into the bill with respect to the nature of the society of the country with which we are dealing.

In other words, you can quite easily take care of the problem which seems to perturb you with in effect grounding the application of the statute to the nature of the society, and then we wouldn't have any problem. If Germany didn't practice discrimination within its own society and in fact countervailed principles which we thought were very important as human principles, then the law would apply if anyone sought to exercise discriminatory pressure. But, when you run into a society that is in direct contravention with the fundamental principles that we hold to, and that we are seeking to extend through this legislation, then it wouldn't apply.

Mr. SCALIA. With all respect, Mr. Sarbanes, it doesn't seem to me that a statutory standard that refers to "any country that does not hold to the fundamental principles that we hold to" would not be terribly precise.

It seems to me that we cannot do any better than the statutory standard which Miss Holtzman drew up; that is, making an exception with regard to any country that the Congress has made it unlawful to deal with. I think that is the only clear standard you could establish. And yet, there may be many Americans that do not agree with the line that the Congress has drawn. For example, before World War II, many Americans felt we should be taking further action against Nazi Germany than what we were taking. The Jewish community at that time was unable to get legislation of that type passed, but nevertheless, the Jewish community should have been able to boycott companies assisting Germany if they wished. I would be loath to deprive Americans of that kind of a freedom.

Mr. SARBANES. Well, I think there is somewhere in here where you said things are being stood on their head, and I think that's exactly what's happening with respect to this argument. It seems to me beyond logic to drag in Nazi Germany in order to discredit this approach. Now, if that is the problem, then the answer is to develop distinctions that would deal differently with a Nazi Germany situation, and not to retreat from trying to deal with this problem, which is the approach you wish to have taken.

Mr. SCALIA. I just cannot suggest any other distinction except the one which the legislation now contains, which is inadequate because it requires that the majority of the people agree with you about that country. Some people ought to be able to act, not just because the majority agrees with them, but on their own convictions.

Mr. SARBANES. Regardless of what that reflects with respect to discriminatory sentiment?

Mr. SCALIA. No, certainly not.

Mr. SARBANES. You certainly wouldn't assert that, would you?

Mr. SCALIA. No.

Mr. SARBANES. I mean, you would not carry the protection of the minority's right to act to the point of sanctioning any discriminatory action which they wish to take because obviously we are operating under the principle that the majority can preclude that standard; do we not?

Mr. SCALIA. Yes, certainly.

Mr. SARBANES. Now, with respect to this coercion point, I see the point you are trying to make, but it seems to me one can quite as plausibly argue that you would like to maintain a certain area of private voluntary action. If someone does it of his own volition, that's one thing; but if he gets into a situation in which he is being coerced, and he accedes to that coercion, that the accession to the coercion itself ought to be punished. That's essentially, I think, an enforcing mechanism, isn't it?

You have two problems. First of all, even if you try to get to the voluntary thing, that's difficult as a matter of proof, that's awfully hard to act on, even if you didn't want to leave that amount of private freedom of action, even then if you wanted to go to the difficult problem of proof, and everything because it's a one-on-one proposition.

But when you get into this other situation, even if he could do it privately and not be punished, he enters into a situation in which he is being coerced, has in fact a relationship with another party and duress is being applied; it seems to me not so topsy-turvy that that should be punished, especially as a way of enforcing the matter, and especially when you are dealing in an area where the question of competitive disadvantage and competitive disadvantage becomes so very important in terms of profitmaking.

Mr. SCALIA. Well, it strikes me that way, Mr. Sarbanes. I can understand that others may not see it the way I do. It may well be that non-lawyers do not generally consider it as much an anomaly as those who are used to coercion as a defense, rather than coercion as an invalidating factor. I do not want to focus on that issue to the exclusion of other problems with subsection (b), probably the most dominant of which is the enormous difficulty of enforcement, and the accompanying encouragement of vexatious litigation.

The possibility of proving or of disproving that a person took certain action in order to avoid coercion which might have been applied, but which was in fact never applied, is enormous. It seems to me a lawsuit would always lie, and yet a prosecution would always have a very slim chance of being successful.

Mr. SARBANES. Now, you said earlier in response to questions that some part of this bill was superfluous. If I am not stating the answer correctly, I hope you will remedy that. It was superfluous because existing law made it possible to proceed against such practices.

Mr. SCALIA. Right.

Mr. SARBANES. Now, I would like to ask the Department, and the representatives that are here, which of the practices that Miss Holtzman has expressed concern about, that are contained in her statement, and the practices that are the genesis of this legislation, has the Department moved against?

Mr. SCALIA. Mr. Kauper has already spoken to those portions which involve the antitrust laws. Those portions that involve the civil rights laws and private businesses are for the most part not the responsibility of the Department, but rather the Equal Employment Opportunity Commission. That was what I specifically referred to when I said that some portions are superfluous. Those portions which prevent religious discrimination in employment or which would make unlawful acquiescence in coercion to religious discrimination in employment are

superfluous because such coercion and such acquiescence are already contrary to law.

Mr. SARBANES. Has the Equal Employment Opportunity Commission acted on such cases?

Mr. SCALIA. I am sorry that Mr. Pottinger just left because that is the area that he is—

Mr. SARBANES. You don't think he left because he saw the question coming, do you?

Mr. SCALIA. No, I don't think so.

Mr. SARBANES. I don't think so, that was a facetious remark, Mr. Chairman, I ought to make that point.

Mr. SCALIA. In fact, he spoke to me before he left and indicated that he did want to get into the record the fact that there has been a meeting of an equal employment coordinating group which includes representatives of Justice, EEOC, and other agencies, to address themselves specifically to that problem.

I cannot be more specific about actions taken by EEOC; perhaps he could have been. But the point is that is the Equal Employment Opportunity Commission's enforcement area.

Chairman RODINO. Mr. Cohen, counsel?

Mr. DANIEL COHEN. Thank you, Mr. Chairman.

Mr. Scalia, just very briefly I want to outline my understanding of your limited support for 246(a). As I understand it, you do have limited support for prohibition of economic coercion in order to cause another person to discriminate against a third person because of that third person's race, religion, national origin, and so on.

But you would not favor the imposition of criminal penalties for any violation?

Mr. SCALIA. That is correct.

Mr. DANIEL COHEN. And no treble damage actions, or suits for civil penalties by the Attorney General?

Mr. SCALIA. That is correct.

Mr. DANIEL COHEN. So, even if 246(a) were to become a substantive new Federal prohibition, even if we were to act along the lines of (a)(1), you would favor enforcement only through actions for monetary damages, or civil relief.

Mr. SCALIA. Or injunction, which is the normal means of enforcing civil rights laws. And I think that means, as I have indicated earlier, would be even more effective here than it is in other areas of the civil rights laws because here you are always going to have an economic-type situation, and there is always going to be some monetary damage, which is not the case in other areas.

Mr. DANIEL COHEN. Monetary damage, or injunctive relief.

Mr. SCALIA. Correct. And the publicity attendant to the suit, which is the worst thing for the company involved.

Mr. DANIEL COHEN. All right. So that I understand it, if a business enterprise were to use economic means to coerce another business enterprise, where an object of the coercion was to cause the person coerced to discriminate against company x because company x is owned by Jews, you would make that a violation, but not if the object of the coercion was discrimination of company x because company x indirectly supported Israel?

Mr. SCALIA. Correct.

Mr. DANIEL COHEN. Your support would no go that far?

Mr. SCALIA. That is right.

Mr. DANIEL COHEN. And in no case, then, would you want to subject the coerced party to criminal penalties, or even wish to reach his conduct at all?

Mr. SCALIA. That is correct, unless his conduct without the coercion would be unlawful.

Mr. DANIEL COHEN. And that's because your position is that the one actually coerced in discriminating is not really involved in a violation of the law, the discrimination itself?

Mr. SCALIA. The coercion should not cause what is otherwise lawful to be unlawful.

Mr. DANIEL COHEN. Let me ask the critical question. Perhaps there has to be a distinction—which you don't seem to be making—between the discriminatory practice in the civil rights context and the anti-trust context. Taking a look at your position in the anticompetitive context—maybe Mr. Kauper will wish to respond—it does seem to me that there might be a situation where action in and of itself might not be anticompetitive, but when you get into the position of that action being taken as a result of coercion, or in order to avoid coercion, you are dealing with those kinds of combinations that evolving case law talks about in terms of acting in concert, and is in fact the kind of thing the antitrust laws are intended to prohibit?

Mr. KAUPER. Let me see if I get what I think your question is. I think what you are suggesting is that the fact of coercion may in and of itself in some factual setting give rise to an inference of agreement within the antitrust laws, or at least the kinds of evils the antitrust laws—

Mr. DANIEL COHEN. That's exactly right, and I raise that to follow Mr. Scalia's argument that it stands the legal principle on its head to name something that isn't unlawful in the absence of coercion, unlawful when you have coercion. It seems to me when you change "unlawful" to "anticompetitive" it makes it clearer.

Mr. KAUPER. I think I understand what your question is, and I think probably one would have to concede that there are circumstances in which, from a refusal to deal—if that's what you want to call it for our purposes here—that you may infer from the fact that the company then agrees to whatever the stated condition is, that there was an agreement.

However, it doesn't seem to me you can make such a blanket proposition. As I think you know, there may be circumstances where that may be true, and circumstances where that may not be true. And what this does, it seems to me, is to say, if there is coercion, then the act becomes—and I must say, in many ways, I dislike that word.

Mr. DANIEL COHEN. Coercion?

Mr. KAUPER. Yes, I'm not totally clear what in the abstract it means. Now, the bill, to the extent it talks about economic means, tries to define it in terms of refusal to deal, and so on. Now, in the normal anti-trust concept, if for example an Arab contractor firm went to a given firm and says it would like you to bid, but you have to impose enumerated conditions on your subcontractors, and the bidder was in fact a very small contractor while the subcontractor was General Motors, I would find it a little difficult to say there was coercion.

Now, if you take it in the very simple definition here, which is in terms simply of a refusal to do business, no matter what the size of the company, then it seems to me what you are suggesting is that we ought to generalize from the fact of a refusal with a stated condition, presumably, to say that now becomes the equivalent of an agreement. And it is, therefore, presumably like an antitrust agreement and it ought to be condemned because the action is no longer unilateral. I think that is the argument you are making.

I think it is simply an overgeneralization.

Mr. DANIEL COHEN. An overgeneralization, Mr. Kauper, in that you would probably, of course, have to look at it under the factual circumstances in which it arose; you would have to tie it on an ad hoc basis to the case which you are litigating. It does seem to me though that there is some evolving case law; at least, that is my understanding.

Mr. KAUPER. Yes. I think what you are saying is, and in fairness I would have to recognize, that in antitrust terms an act which is unilateral may be lawful, or may become unlawful because it is no longer unilateral.

Mr. DANIEL COHEN. Which is the exactly opposite of the point that Mr. Scalia was making in terms of the civil rights issue. That's all.

Mr. KAUPER. Yes. But it is not simply the fact that it is unilateral and then, hence, something carries it beyond being unilateral. I think Mr. Sarbanes was making much the same point. But it is the fact that it rises to the level of actually becoming a participant in the wrong, that's basically the idea of the antitrust law.

I think the statutory standard here falls considerably short of that, as a generalization. Now, I don't know whether I made that point clear, but I think that is the point you are making.

Ms. JORDAN. Staff, would you yield to me for just a moment?

Mr. DANIEL COHEN. Certainly, Ms. Jordan.

Ms. JORDAN. I think we are really focusing on what I see as a very central problem, and my fondness for the word "coercion" has diminished as this discussion has moved forward.

It would appear to me, then, that if we could substitute the word "agreement" for "coercion," that much of the argument and objection which has been raised to this particular bill would fail.

Mr. KAUPER. Let me address that for a moment because I think if you go back to Miss Holtzman's statement, it has attached to the end a statement about antitrust. One of the points that she makes, and I think to a degree validly, is that in a number of these issues there would be a question today as to whether there was an "agreement" within the meaning of the antitrust laws.

Now, if you were to define that in terms of agreement—I am now trying to put myself in the picture of those who want this particular provision, and want it to be meaningful—you may walk right back into that same difficulty.

So, there are obvious problems here. The antitrust laws, if we use those as a concept, do consider whether something is unilateral, or something is other than unilateral, and does it rise to the level of agreement.

Now, as I understood what was trying to be done with this bill, it tried to get away from some of the difficulties of having used the word "agreement," and I don't mean that simply to be compounding difficulties, but I understood that was part of the intention here.

Now, maybe a middle position is, indeed, to say agreement.

Mr. SCALIA. I agree with that. I think the word "coercion" was not unintentional. I am sure that it was not meant to imply the necessity of a concert of action. Subsection (b) would apply even if the company never had any contact with the Arab company—for example, let's say—but an American company which, knowing that if it does business with Israel, it will not be able to get business with the Arabs, without ever contacting the Arabs simply refuses to do business with Israel. Such unilateral action would be in violation of the bill, and I think that was what was intended.

So, I agree with you, the problems would be eliminated by substituting the word "agreement," but I don't think that the sponsors of the bill are unaware of that. I think they meant it to say what it says.

Chairman RODINO. We are going to have to leave when the next bell rings, and we will probably have only a couple of questions which we'll have time for. I just would like to ask one pointed question. Recognizing that you have stated an investigation is going on—and we are not inquiring into the specifics—but let me pose this question: Has the Justice Department, recognizing that there may be violations here, and in order to enforce the law, must take some action, has it at this time been in consultation with the State Department in conjunction with any possible enforcement of Federal law?

Mr. SCALIA. I can state that to my knowledge the Department has been consulting at the White House with the State Department, with the Department of Commerce and other interested agencies, in assisting the President's analysis of this problem, and his determination of what action is appropriate. In that form there has been consultation among the Justice Department, Commerce, and State in particular.

Chairman RODINO. Has there been a recommendation of any sort from the State Department?

Mr. KAUPER. Let me put this in terms of the specifics of investigation. The answer, I think, as to the latter, has there been a recommendation of suit, for example, no.

We have received information from the State Department. Two of the civil investigative demands issued are a result of information received through the State Department. We have not discussed with them in detail any particular investigation.

I don't think we are in any discussion with the State Department about the prosecution posture of those investigations. They are a valuable source of information. The State Department is simply talking about international transactions, and they have supplied such information to us, Mr. Chairman.

Chairman RODINO. Mr. Polk?

Mr. POLK. Thank you, Mr. Chairman.

Mr. Scalia, if the bill were enacted in its present form, would companies have fifth amendment defenses to the reporting requirement under the Export Administration Act?

Mr. SCALIA. I suppose it depends upon how close to incriminating "tend to incriminate" comes. If it would suffice merely to admit that you have been asked to refrain from doing business with certain companies, I believe the reporting requirement mandates such a response at present by American companies; they must, under law, advise the Commerce Department whether there has been such a request of them.

As I understand it, however, the reporting form, it does not now require companies to indicate what action they took in response to that request. Obviously, if they were required to indicate that they acceded to the request, you would have a fifth amendment problem if the current bill were in effect.

Mr. POLK. Doesn't the fifth amendment apply to significant elements of the offense, as well as the entire offense?

Mr. SCALIA. That is why I say, it depends on how "tendy" tend to incriminate has to be. I think a good argument could be made that merely indicating you were contacted with respect to a possible violation would be sufficient to justify your withholding the information.

Mr. POLK. As you pointed out under 246(b) coercion is certainly essential to the offense.

Mr. SCALIA. That is correct.

Mr. POLK. And the attempts that the Arabs are making to coerce companies, which have to be reported to the Commerce Department, are certainly significant to any prosecution.

Mr. SCALIA. I think that is right. It may well be that you cannot have it both ways—both to make it unlawful and to require the companies to tell you about it, at least where individuals are involved. You could eliminate the problem by eliminating criminal penalties against individuals.

Mr. POLK. I have one other question I would like to ask you about the one substantive provision that you support. I think a hypothetical may best demonstrate it.

Suppose a company in the South that has black employees says to their black employees, "Unless you vote in the next election for the white candidates, and vote against the black candidates, we are going to fire you."

I would like you to go through this bill and see if that action by the company is made illegal. Do you think it would be?

Mr. SCALIA. No, I don't think so, offhand. Very quickly, let me confirm it. You are not coercing him to fail to do business, or fail to employ.

Mr. POLK. It would be "otherwise," it would be "otherwise to discriminate against."

Mr. SCALIA. Do you think he is discriminating against a U.S. person by refusing to vote for such person?

Mr. POLK. In other words, does the mens rea, as it were, apply to the coercer—the company—or does it apply to the one who was coerced. Who really has to have the discriminatory intent under the language of the bill?

Chairman RODINO. You are going to have to answer that in 30 seconds, Mr. Scalia, or submit it for the record; either one.

Mr. SCALIA. I read the bill as requiring mens rea only on the part of the person who applies the coercion, as far as (a) (1) is concerned.

Mr. POLK. So that the phrase "otherwise discriminate against," which the coerced person is doing, does not have any basis for the discrimination—it is open ended—and could apply to—

Mr. SCALIA. I think that is right.

Mr. POLK [continuing]. Voting or anything else, and doesn't need to be economic.

Mr. SCALIA. I think that is right.

Mr. POLK. Thank you.

Chairman RODINO. We want to thank you very much for coming before this committee, and we reserve the right to submit to you some questions in writing. Thank you very much for coming before this committee and giving us the benefit of your views.

[The prepared statement of Antonin Scalia is as follows:]

STATEMENT OF ANTONIN SCALIA, ASSISTANT ATTORNEY GENERAL, OFFICE OF LEGAL COUNSEL

Mr. Chairman and members of the subcommittee, at your request, there are before you today three Assistant Attorneys General. Mr. Kauper, head of the Antitrust Division, and Mr. Pottinger, head of the Civil Rights Division, are in charge of implementing those laws within the Justice Department's enforcement responsibility which bear upon the problem which prompts H.R. 5246—that is, Arab sanctions against individuals and companies thought to be associated, in various ways, with the State of Israel. I presume that most of your questions concerning the actions which the Department has taken or proposes to take with respect to these matters will be directed to Mr. Kauper or to Mr. Pottinger. My function in this joint enterprise is to present the Department's views on the bill you have before you. And as a necessary preliminary to that task, I must sketch briefly the current state of civil rights and antitrust law pertinent to these matters.

CIVIL RIGHTS LAWS

For purposes of this discussion, civil rights problems which may result from what may loosely be called the "Arab boycott" can be divided into three categories: discrimination in employment, discrimination in the selection of suppliers or contractors, and discrimination in the treatment of customers.

Discrimination in employment.—The Federal Government is prohibited from discriminating in employment on the basis of race, religion or sex by the Constitution itself. In furtherance of this constitutional principle, Executive Order 11478 explicitly prohibits discrimination in the employment practices of Federal agencies and charges the Civil Service Commission with responsibility for enforcement of the prohibition. In 1972, discrimination in employment practices of Federal agencies was made unlawful by statute through the addition of § 717 to Title VII of the Civil Rights Act of 1964. Enforcement of § 717 rests with each agency, with respect to its own employees, with oversight responsibility in the Civil Service Commission. It should be noted that both Executive Order 11478 and § 717 of Title II specify that they are not applicable to "aliens employed outside the limits of the United States." The implication of this is that they do apply to United States citizens employed throughout the world.

With respect to discrimination in employment by private companies and individuals, Title VII of the 1964 Civil Rights Act, as amended, prohibits a broad range of "unlawful employment practices" by any private employer "engaged in an industry affecting commerce who has fifteen or more employees." The prohibited practices include refusal to hire an individual, or any discrimination regarding the terms or conditions of his employment, based on race, color, religion, sex, or national origin. Once again the statute contains an exemption "with respect to the employment of aliens outside any State," which implies that it is applicable to the employment of United States citizens by covered employers anywhere in the world. Prior to March 1974, the Department of Justice had civil enforcement responsibility with respect to this legislation, but it is now lodged in the Equal Employment Opportunity Commission.

In addition to Title VII, there are special restrictions upon discrimination in the employment practices of persons who hold contracts with the Federal Government or perform federally assisted construction. Executive Order 11246 forbids such employers to discriminate on the basis of race, color, religion, sex, or national origin. Responsibility for securing compliance with the Executive order belongs to the various contracting agencies, subject to the overall authority of the Secretary of Labor. Sanctions include the bringing of lawsuits by the Department of Justice, upon referral by the agency, to enforce the nondiscrimination requirements. It should be noted that the order permits the Secretary of Labor to exempt classes of contracts which involve "work * * * to be * * * performed outside the United States and no recruitment of workers within the limits of the

United States." The clear implication is that, in general, contracts to be performed abroad are covered.

While Title VII and Executive Order 11246 contain the principal Federal restrictions upon discrimination in private employment, some agencies have issued regulations, based upon their particular statutes, concerning employment practices of federally regulated or assisted entities. See, for example, the regulation of the Federal Communications Commission, 47 C.F.R. § 21.307.

Discrimination in selection of contractors.—Title VII and the Executive order discussed above relate only to "employment." They do not prohibit discrimination in the selection of suppliers or subcontractors; nor does any other generally applicable Federal statute or Executive order.¹ With respect to the procurement practices of Federal agencies, the Constitution would presumably prohibit any discrimination, even as between contractors, on the basis of race, color, religion or national origin. With respect to the contracting practices of private firms, however, the Federal civil rights laws impose no constraints which would be applicable to the present situation.

Discrimination in the treatment of customers.—There are no generally applicable Federal civil rights laws which prohibit discriminatory refusal to deal with a particular customer.² The closest approach to a broad Federal proscription is Title VI of the 1964 Civil Rights Act, which prohibits the recipients of Federal grants from discriminating against the intended beneficiaries of federally assisted programs on the ground of race, color or national origin—for example, such discrimination by private hospitals which receive Federal money. Some civil rights statutes do impose restrictions, unconnected with the receipt of Federal money, upon particular areas of commerce—for example, Title II of the 1964 Civil Rights Act, relating to public accommodations, and Title VIII of the 1968 Civil Rights Act, relating to housing. There are, however, numerous State laws which impose more general restrictions.

To summarize: The matter of employment discrimination on the part of private individuals or companies is the subject of a broad Federal statute and also of an Executive order with wide application. Responsibility for overseeing enforcement of these laws rests with agencies other than the Department of Justice. With limited exceptions, none of which have significant application to the present problem, Federal civil rights laws do not prohibit private discrimination in the selection of contractors or the treatment of customers.

FEDERAL ANTITRUST LAWS

The only Federal antitrust statute having significant application to the subject we are discussing in the Sherman Act, which makes illegal "every contract, combination * * * or conspiracy in restraint of trade or commerce among the several States, or with foreign nations." Judicial interpretation has read "restraint of trade" to mean "unreasonable restraint of trade," with reasonableness to be determined on the basis of common law principles and subsequent court elaboration.

The primary boycott of Israel by the Arab countries is not a matter which directly affects United States commerce or is cognizable under our antitrust laws. It is the secondary boycott we are here concerned with, that is, the boycott by the Arab countries of the United States businesses which provide certain economic advantages to Israel. Let me discuss first what I might call the "core boycott"—namely, the agreement among the Arab nations and (let us assume) independent Arab businesses to refrain from dealing with certain United States companies.

An agreement between commercial firms doing business in the United States to boycott another firm in this country would constitute a traditional form of restraint of trade, and ordinarily would fall within the category of conduct illegal per se under the Sherman Act. There are, however, some special features about the present case. Perhaps most important is the distinctive purpose of the boycott, which is not the usual one of acquiring commercial advantage. The boycott is essentially a phenomenon of international politics, and that fact is relevant in determining its "reasonableness" under the Sherman Act. Second, there is a question whether the impact upon United States trade of a boycott of this sort, which in effect requires an American company to choose between certain types of busi-

¹ 42 U.S.C. 1981 has been held by the Supreme Court to prohibit racial discrimination in private employment, *Johnson v. Railway Express Agency, Inc.*, 43 Law Week 4623 (May 19, 1975), and is logically extendible to racial discrimination in other areas of contract. See, e.g., *McCrary v. Runyon*, No. 73-2348, 4th Cir. (Apr. 15, 1975) (private school).

² See footnote 1, *supra*.

ness relations with Israel or dealings with the Arab countries, is so certain or severe as to justify application of the per se rule of illegality applied domestically.

There are some special legal considerations raised by the governmental character and the nationality of the boycotting parties. In general, as a matter of international law and practice, a sovereign state cannot be made a defendant in the courts of another sovereign. This doctrine only applies with respect to the "public or political" acts of a state and not with respect to its "private or commercial" acts; but there is at least some question as to which category the Arab boycott occupies. Another principle of international law is the so-called "act of state doctrine," which holds that our courts will not examine the validity of acts of a foreign sovereign performed within its own territory. If applied to the present problem, it would insulate from our antitrust laws many of the boycott activities undertaken by the Arab states themselves. Finally, the doctrine of foreign governmental compulsion provides that a defendant (whether a sovereign or a private individual or corporation) will not ordinarily be subject to sanction in one jurisdiction for acts performed in another jurisdiction under pain of sanction by the latter. Application of this principle could exclude from liability even non-governmental Arab entities which participate in the boycott outside this country by direction of their own governments.

None of the above-described distinguishing considerations make it theoretically impossible to apply the Sherman Act to the "core boycott" in the present case. Cumulatively, however, they create substantial doubt that the courts would interpret that flexible statute to require such application—at least absent evidence of major economic impact upon United States exports. It has, in any event, never been held that a foreign, politically motivated boycott of this sort violates the Act.

Let me turn now from the "core boycott"—that is, the agreement among the Arab Governments and companies themselves—to other agreements affecting U.S. commerce which may accompany or flow from the "core boycott." It will be difficult to find a Sherman Act violation in the mere unilateral decision of an American company to refrain from trading with Israel because it knows that such trade will result in loss of Arab business. Violation of the Act requires a "contract, combination or conspiracy," and while unilateral refusal to deal may in some circumstances be persuasive evidence of concerted action, it is not itself a violation. More likely to contravene the Sherman Act is an agreement between an American company and an Arab company that the latter will give the former its business in exchange for a commitment by the former not to trade with Israel. Perhaps, more suspect would be an agreement by the American company not only to refrain from doing business with Israel but to refrain from doing business with certain American companies as well. Where there is an agreement that violates the Act, it will not suffice as a defense that the agreement was entered into under the duress of threatened loss of business, or even in order to avoid becoming an object of the boycott.

ANALYSIS OF H. R. 5246

Turning now to the bill which is the subject of this hearing, I wish to note at the outset that our Department is not able to support it. Before discussing the reasons for this position, I will describe the provisions of the bill.

Description of the bill

H. R. 5246 would add to Title 18 of the United States Code a new section, § 246, which establishes two basic types of offenses—coercing or attempting to coerce another party by economic means (§ 246(a)), and acquiescing in or taking certain action to avoid such coercion (§ 246(b)).

Subsection (a).—This provision would prohibit any "business enterprise or person acting on behalf of or in the interest of a business enterprise" from coercing, or attempting to coerce, by economic means any "person" in order to cause that person "to fail to do business with, to fail to employ, to subject to economic loss or injury, or otherwise to discriminate against, any United States person, or any foreign person with respect to its activities in the United States." Another element of the offense is that the discriminatory action sought to be coerced must be based upon (1) the "religion, race, national origin, or sex" of the victim or of an officer, director, employee, creditor or owner of the victim, or (2) "direct or indirect support for any foreign government, or dealing with or in, any foreign country * * * [by the victim or any of its officers, employees, etc.], when such support or dealing is not in violation of the laws of the United States." The definition of "business enterprise" would include certain businesses owned by foreign governments, but not the governments themselves.

The sanctions for violation of subsection (a) are set forth in subsections (c)-(e) and include criminal penalties (fine or imprisonment) with regard to willful violation, civil actions by aggrieved persons for treble damages and other relief, and actions (in personam or in rem) by the Attorney General to collect a civil penalty.

Subsection (b).—This provision is aimed not at the coercer, but at the immediate object of the coercion. In essence, it makes it unlawful for any person to yield to the coercion proscribed by subsection (a), or to take similar discriminatory action in order to prevent such coercion from ever being applied. In one respect subsection (b) goes beyond mere reinforcement of the prohibitions of subsection (a). It reaches in addition acquiescence in or avoidance of coercion which would not be unlawful under subsection (a) because exerted "by a foreign government or by a business enterprise not subject to the jurisdiction of the United States."

Under subsection (f), willful violation of subsection (b) may result in a fine (but not imprisonment). Also, a person aggrieved by a violation of subsection (b) may bring a civil action for damages or other relief. There is no provision for civil enforcement of subsection (b) by the Attorney General.

Substantive issues presented by the bill

Fundamental changes from current law which would be made by this proposed legislation are twofold: First, the prohibitions against discrimination on the basis of race, religion, sex or national origin, which already exist with respect to certain areas of economic activity (notably employment), are extended into all fields of economic activity, where they are caused, or sought to be caused, by coercion. Second, an entirely new type of unlawful discrimination is created, namely, discrimination on the basis of a person's support for or dealing with a foreign country.

I believe there are substantial difficulties involved in the implementation of both of these changes—a matter which I will discuss presently. In principle, however, the first of them seems unobjectionable so long as it is restricted to the application of coercion; and objectionable when it is extended (as subsection (b) extends it) to the mere acquiescence in or avoidance of such coercion. To explain: Even though we have decided to render unlawful by Federal law only discrimination in those areas of private economic activity which most profoundly affect the welfare of our individual citizens (namely, employment, housing and public accommodations), it is in theory consistent, and not a drastic extension of Federal prohibitions, to prohibit coercion to discrimination in other economic areas. That is to say, even though we have decided not to render it illegal for a minority-owned company, for example, to deal only with minority contractors, we may reasonably desire to prevent that company from coercing others into dealing only with minority contractors. The Department of Justice supports such a prohibition in principle.

When, however, the prohibition extends beyond the act of coercion, and applies as well to the act of yielding to or avoiding such coercion, it produces an entirely unreasonable result. It renders unlawful under coercion an act which would be perfectly legitimate where coercion did not exist. This arrangement stands the normal legal principle upon its head. In some situations, acts which would normally be unlawful may be legitimate if performed under duress; but I know of no instance in which coercion has the effect of criminalizing, rather than excusing, the activity in question. It is on its face absurd to suggest, for example, that a particular company may deal only with non-Jewish customers, so long as it does so out of its own uncoerced malevolence towards Jews; but will violate the law if it is driven to such action by threatened loss of business. I think, therefore, that subsection (b) of the present bill cannot be justified even in principle, much less in its practical operation.

The second of the major substantive changes made by the proposed legislation likewise seems defective in its very theory. It does not seem to me desirable to establish the principle that Americans may not apply indirect commercial pressures against foreign countries unless our Government has declared support of, or dealing with, such countries to be unlawful. It does not help the matter, in my view, to direct the prohibition—as the present bill does—not against individual commercial pressure but only against such pressure by "business enterprises."

"Business enterprises" are, after all, the primary instruments through which individuals' commercial activities are conducted in our modern society—ranging from small partnerships and incorporated grocery stores to major manufacturing

companies owned by hundreds of thousands of our citizens. To prohibit individuals from commercial action through these instruments is to prohibit them from commercial action in its most effective form. Now this may seem to many an acceptable and even tempting disposition in the context of the Arab boycott which now occupies our attention. But place it in the context of Nazi Germany before World War II. Should Jewish-owned companies and small businesses have been prohibited from exerting economic pressure upon persons or corporations that had substantial business with that regime? Or place it within the context of Hungary shortly after the unsuccessful 1956 revolution. It seems to me in principle an intolerable interference with the freedom of American citizens, to prevent them from not merely expressing, but acting upon, their strong views on such matters with all legitimate means at their disposal. Applying the principle of this legislation to current affairs would yield the following results, in addition to the evidently intended result of blunting the domestic effect of the Arab boycott: A church-owned business enterprise which refuses to deal with a particular wholesaler because the wholesaler sells products of a United States firm with substantial interests in South Africa would be in apparent violation of the law. A conservative magazine which refuses to accept advertising from a retailer which obtains most of its products from the Soviet Union's American trading company would be in apparent violation of the law. I am not supporting the desirability or undesirability of such commercial pressure; I am merely asserting that it is contrary to our traditions to have the Government make the judgment.

There is one other theoretical weakness of the bill which I believe deserves mention. The substance of most of its proscriptions against foreign coercion need not be defended on pragmatic grounds, but may be viewed as a rejection in principle of unwarranted meddling in our domestic affairs. That is to say, one may reasonably argue that, whatever the practical economic consequences, we should not permit foreign powers to cause American firms to refrain from doing business with other American firms. I do not have the same reaction, however, to attempts by foreign powers to cause American firms to refrain from doing business with other foreign powers—which is one of the acts effectively prevented by subsection (b) of the bill. Under this provision, in order to obtain business with the Arab countries, an American firm cannot refrain from doing business even with Government-owned Israeli firms operating in this country. I suppose it is a matter of degree, but to me, at least, this is not a categorically intolerable interference in our internal affairs. I would think it necessary, then, to consider the desirability of the prohibition not at the level of principle but through an assessment of its practical effects. It could be justified (leaving aside foreign policy ramifications) on the pragmatic ground that it will serve to "break the back" of the boycott which our Government is on record as opposing. I am unaware, however, of any hard evidence that it would do so. It is quite conceivable that, confronted with the absolute necessity of dealing with an American supplier which is itself a major supplier of strategic materials to Israel, the Arab countries would not relax the boycott but simply cease trading with American firms and take their business elsewhere. It seems to me that these practical effects should at least be assessed and evaluated before the furthest extension of this legislation is accepted as desirable.

Practical effects of the bill

In describing the practical effects of the bill, I should first of all note that it makes no discernible change (except as to remedies) with respect to discrimination (based upon race, religion, sex or national origin) in employment. Such discrimination, whether or not it is the result of coercion, is already unlawful under Title VII. And the application of economic coercion to achieve such discrimination would appear to be unlawful under section 707 of that Title, which empowers the Equal Employment Opportunity Commission to bring a civil action "whenever . . . [it] has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights secured by . . . [Title VII]."

As to those prohibitions of the bill relating to coercion (and acquiescence in coercion) to forms of discrimination other than discrimination in employment, the bill would have significant practical effects. I believe that the prohibitions of subsection (a) of the bill (and in particular paragraph (a)(1), which we support in principle, relating to discrimination on the basis of religion, race, national origin or sex) would be workable. Proof of coercion would be difficult but not impossible. Though in many cases it would be necessary to rely upon circumstantial evidence, at least with respect to the worst abuses express application of coercion may be established.

We oppose, however, some of the remedies provided for violation of subsection (a) (1). Criminal penalties are not generally provided for violations of our civil rights laws, and there seems no special need for them here. In our view, provision for monetary and injunctive relief by the Attorney General and by private parties would be adequate to achieve the purposes of the law. Secondly, we do not believe that the treble damage relief accorded by subsection (d) is appropriate. Because coercion can be applied in such subtle fashions, it will be extraordinarily easy to establish a prima facie case of an (a) (1) violation. Moreover, unlike most civil rights actions under present law, private suits under this provision are likely to arise in a highly commercial context and to involve corporate plaintiffs rather than individuals. For these reasons, the possibility of vexatious litigation by disappointed bidders will be quite high, and it seems to me unwise to increase it further by enabling the plaintiffs to brandish the additional threat of treble damages. We do not provide such relief under existing civil rights laws.

What I have just said about the ease of establishing "prima facie" violation of subsection (a) (1) applies with double force to subsection (b). The fact that action was taken in order to "avoid" coercion which was never in fact applied is even more difficult to prove or disprove than the application of coercion itself. With respect to this subsection, the civil damage provision will predictably be a fertile source of vexatious litigation whose result may be de facto alteration of our substantive law to a much greater degree than the bill intends. By tying application of its prohibition to economic coercion, subsection (b) displays an intent to leave unaffected voluntary discrimination in matters other than employment, housing and public accommodations. A minority-owned manufacturing company, for example, is to be able to continue to favor minority contractors. But realistically, will the option of such favoritism still be secure when it exposes a company to private suits by disappointed bidders alleging (as may plausibly be alleged) that the favoritism was only being applied in order to satisfy the company's minority customers? This unintended practical effect is an additional reason for our opposition to subsection (b).

CONCLUSION

In sum, the Department supports in principle, and sees no insurmountable practical obstacles to, the substantive change made by paragraph (a) (1) of this legislation, which would prohibit coercion to discrimination on the basis of religion, race, national origin, or sex. We oppose in principle that portion of paragraph (a) (2) which would make it unlawful for American citizens to exert economic pressures through "business enterprises," in a manner not contrary to the antitrust laws, in order to induce refusal to support or deal with any foreign country. To impose the latter type of prohibition only upon foreign citizens or businessesees, though not upon our own, is a step which will obviously involve serious international repercussions and it may simply be infeasible if American citizens acting in sympathy with a foreign government are not subject to similar prohibitions. We oppose in principle subsection (b) of the bill, which seeks to criminalize otherwise legitimate action if it is done in response to coercion. Finally, we do not believe that criminal sanctions and treble damage actions should be among the remedies which the bill provides.

I may note that the single substantive provision of the bill which we support, we support not as a response to the Arab boycott: The prohibition of coercion to discrimination on the grounds of religion, race, national origin or sex seems to us a sound addition to domestic civil rights law, Arab boycott or no. It would have the effect, however, of providing a clear remedy against some of the most obvious practices alleged to have resulted from the boycott, whereby various firms have supposedly been pressured to discriminate among their suppliers, customers or even officers, on the basis of religion. It will not reach such pressure exerted by Arab governments themselves, but I know of no way to achieve that result except at the inordinate cost of a provision like subsection (b).

With respect to a broader legislative response directed to non-civil rights aspects of the boycott, it seems to us too early to form a sound judgment. Before that can be arrived at, one must have some clear conception not only of the adverse effects we wish to address, but also of the effectiveness of current legislation—and of diplomacy—in dealing with them. The Arab boycott has only emerged as an issue of prime national concern within recent months. Our law enforcement agencies have moved to meet it, but the effectiveness of those moves cannot be gauged at once. As you will learn from Mr. Kauper, for example,

the Antitrust Division is actively investigating alleged violations of the Sherman Act; but the results of those investigations are not yet known. We have not even discussed today other legal tools currently available to the Federal Government. The Federal banking agencies, for example, have considerable control over the practices of lending institutions; the Federal Communications Commission over the telecommunications industry; the Securities and Exchange Commission over the financing market. In the light of an overall assessment of the effectiveness of present measures, and a thorough examination of all legislation currently available for taking additional steps, it may be seen that a response more simple and less intrusive than the present bill can be devised to meet the existing needs. For example, it occurs to me immediately that the mere light of publicity might be sufficient to prevent the major abuses.

Because of the problems of principle and of application discussed above, the Department is not able to support this legislation. We are willing and indeed eager to work with the Congress in assessing the consequences of the boycott, the adequacy of our present legislation to deal with it, and additional legislative approaches which may be productive. Until that process is complete, however, as we do not now believe it is, we cannot support a measure as restrictive and potentially troublesome as H.R. 5246.

Chairman RODINO. The meeting of the subcommittee is adjourned, subject to the call of the Chair.

[Whereupon, at 12:50 p.m., the subcommittee adjourned, subject to the call of the Chair.]

ARAB BOYCOTT

THURSDAY, APRIL 8, 1976

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 2141 Rayburn House Office Building, Hon. William J. Hughes presiding. Present: Representatives Hughes, Hutchinson, McClory, and Cohen. Also present: Representative Holtzman.

Staff present: Earl C. Dudley, Jr., general counsel; Daniel L. Cohen, counsel; and Franklin G. Polk, associate counsel.

Mr. HUGHES. The Subcommittee on Monopolies and Commercial Law turns its attention again this morning to a serious and disturbing course of economic conduct.

H.R. 12383, the Holtzman bill, and H.R. 11488, the administration bill, represent different legislative responses to the so-called Arab boycott of Jewish businesses and businesses supportive of Israel.

In July of last year we heard extensive testimony from three Assistant Attorneys General regarding the antitrust and civil rights ramifications of the Arab boycott as it then existed.

Since our July hearing, in January 1976, in fact, the Justice Department itself has brought suit under the Sherman Act against a corporation in San Francisco engaging in the boycott. Also in January the administration proposed its own legislative vehicle, H.R. 11488.

The subcommittee has noted other developments taking place since July. Pressure from stockholders in various firms across the country including the filing of shareholder suits has resulted in some banks and other corporations taking a public position against the boycott.

Yet just this past weekend the Arab League reviewed and reaffirmed its blacklist policy.

We are, therefore, still very much concerned about whether amendments to the Criminal Code, such as those proposals before us, are an appropriate congressional response. And we are still anxious to explore the adequacy of existing civil rights and antitrust remedies.

We are pleased, therefore, to have with us for discussion of these issues this morning a representative of the Anti-Defamation League and Mr. Nathan Lewin.

Mr. Lewin is a partner in the Washington firm of Miller, Cassidy, Larroca & Lewin, has taught at the Harvard Law School, and is now adjunct professor of law at Georgetown University.

Our first witness is Mr. David Brody, of the Anti-Defamation League. Mr. Brody, it is good to have you with us.

I recognize Mr. Hutchinson at this time.

Mr. HUTCHINSON. Yes, I welcome the resumption of these hearings which commenced last July.

Since that time, on November 20, 1975, the President has issued his comprehensive response to the problems posed by the Arab boycott.

The President has signed a directive requiring all Federal agencies in making selections for overseas assignments to do so solely on the basis of merit and without regard to any exclusionary policy of the host country based upon race, color, religion, national origin, sex, or age.

In a similar vein, the President implemented his opposition to the Arab boycott by imposing a ban on such discrimination by either Federal contractors or subcontractors.

He also exercised his discretionary authority under the Export Administration Act to direct the Secretary of Commerce to prohibit U.S. exporters from answering or complying with any boycott requests that would cause discrimination against U.S. citizens or firms on such basis.

And finally he has requested that the Congress enact legislation which would prohibit the application of economic coercion for the purpose of discriminating on the basis of race, color, religion, national origin, or sex.

Mr. Hughes, I request that the complete text of the President's statement on November 20, 1975, be included in the record at this point.

Mr. Hughes, I have introduced the legislation which the President has requested, H.R. 11488, and I am pleased that you have seen fit to include that bill as a subject for today's hearings.

Mr. HUGHES. Without objection, the President's statement will be included in full.

[The prepared text of the Presidential statement follows:]

STATEMENT OF 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 protector 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 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. 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 anti-trust 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.

Mr. HUGHES. It is good to see you, Mr. Brody, and your statement, which was given to us, will appear in the record in full.

[The prepared statement of Mr. Brody follows:]

STATEMENT OF DAVID A. BRODY FOR THE ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH

The Anti-Defamation League of B'nai B'rith appreciates, Mr. Chairman, your invitation to appear before this Subcommittee to present our views on the legislation presently before it to deal with foreign boycott practices, and on the dangers inherent in the situations which have prompted the introduction of these measures.

Our organization has been dedicated for some 63 years to the preservation of our American constitutional principles and traditions. We support Congressman Holtzman's bill H.R. 12383 because we feel that it is necessary for the defense of these principles and to halt a continuing subversion of American public policy.

At the outset, let me make clear that we do not oppose Arab-American trade and commerce. Indeed, we favor it as a means of helping the American economy. Such trade is especially crucial because of the vast accumulation of petrodollars by the Arabs and the need, therefore, to balance our international payments.

What we do oppose is the use of economic power to force American firms to make private business decisions based upon, and designed to further, the aims and objectives of foreign powers. That these aims have as a substantial component a vicious anti-Semitism only makes such coercion all the more reprehensible.

The Arab boycott must be seen as multi-dimensional—the prohibitions against American contractors or subcontractors doing business with Israel are intertwined with overt and covert religious discrimination in various forms against American Jews.

And, one of the most obnoxious aspects of the boycott is that which requires one American firm to police the boycott by refusing to deal with subcontractors—other American firms—who trade with Israel.

H.R. 12383 would go far toward eliminating these grave violations of American principles and policy.

The Arab boycott's genesis and history are noteworthy of mention:

The Arab League, since 1945, even before the creation of the State of Israel, has carried on a worldwide economic, military, political and psychological campaign aimed initially at preventing the advent of the State of Israel and since 1948 aimed at destroying that nation. The cornerstone of the Arab League's efforts aimed at the economic strangulation of Israel is the imposition of a worldwide boycott and system of restrictive trade practices directed against all Americans—Jewish and non-Jewish—who trade with and/or otherwise support the Jewish state.

At first, the Arab League merely sought to prevent its own nations from importing Israeli goods. But in 1970, it broadened its boycott to include third persons by blacklisting ships transporting goods or people to the State of Israel. Another step backward was taken in 1955 with the organization of the central boycott office in Damascus. Formal regulations were adopted and each member state organized its own local boycott office with its own boycott regulations. Today, there are variations in the local regulations and in the interpretation of the boycott rules by the member states. Some of the decisions of these nations are, to say the least, capricious and some are absurd.

The Arab boycott regulations apply to all individuals and companies that trade with or otherwise support Israel. As part of the Arab League's restrictive trade practices and boycott, any firm or individual on the blacklist of the Arab League is prohibited from doing business with or in any nation of the Arab world. Further, any firm or individual which itself does business with such blacklisted firm or individual may be barred from doing business with or in any Arab nation.

Arab boycott restrictions also often apply to companies which have Jewish directors or other Jewish connections, or which are "Zionist-controlled". Fortune Magazine has commented that the "sweeping, convenient, and highly dubious" terms give the Arabs "freedom to blacklist almost at will" and American firms, wishing to do business with the Arab world have responded to the capricious and arbitrary nature of the boycott by eliminating their Jewish directors or at least removing their names from their letterheads.

While the effectiveness of the Arab boycott may have been, in the past, somewhat questionable, it certainly is a factor now. It is a factor because of the recent huge increase in the money available to Arab governments to enforce their political, economic and religious predilections. Every year that goes by without the cracking of the OPEC cartel by the industrial countries will swell that petrodollar surplus to even more incredible levels.

The restrictive trade practices and boycott of the Arab League practiced within the United States are so pervasive as to adversely affect thousands of firms and individuals in this country. Senator Ribicoff recently stated (Congressional Record, March 15, 1976): "The best estimates are that today as many as 3,000 American companies are boycotting 2,000 firms that have been blacklisted by the boycott."

The Director of the Memphis office of the Department of Commerce has announced that Arab boycott requests of Memphis-area companies have become so voluminous recently that the Department has scheduled a special seminar for exporters and others there this month.

And, significantly, the New York Times, on April 4, 1976 reported that a 20-country Arab group, meeting in Alexandria for a 10-day conference, formally removed from the boycott list 43 companies that had stopped doing business with Israel. It had earlier been reported that the conference had considered the applications of some 80 foreign firms to be removed from the office's blacklist. These firms, said the Christian Science Monitor on March 25, had "submitted documents proving they had ceased trading in Israel".

The Arab boycott, its mischievous blacklist and its by-product of coercion, are obviously alive and well, and living in our midst.

It is explicit United States policy under existing law to oppose boycotts of friendly nations. This policy is stated in the Export Administration Act. Unfortunately, the Act merely encourages and requests American business firms not to comply with boycott restrictions. There is no penalty if an American business does comply. H.R. 12383 would fill this void by imposing penalties.

The statutory scheme of H.R. 12383 would do the following: In simple terms, as applied to the Arab boycott, it would make it unlawful for a business enterprise to coerce, by economic means, a U.S. company to cause it to discriminate against Jews in its business dealings or to refrain from doing business with companies doing business with Israel. It would also make it unlawful for any company to yield to such coercive demands.

The reach of the Administration bill, H.R. 11483, is limited to discriminatory boycott requests and it does not deal with the boycott of Israel. Moreover, it only penalizes the coercer, and not the person who goes along with the discriminatory demands.

H.R. 12383 would not only make it unlawful to coerce another into compliance with a boycott request, but would make it unlawful to give in to such economic pressure. We believe that to be effective, a law must provide penalties for both types of conduct. The coercee is, in fact, a key figure in the usual type of boy-

cott-tainted transaction—where the American contractor or subcontractor is required, if he wants to do business in the Arab world, to certify that he is not on the Arab blacklist or that he will act consistently with Arab boycott regulations. Sanctions against the coerced are necessary particularly where the American firm is directly being coerced not by another American firm but by a foreign government, which would be immune to United States jurisdiction.

This provision is most important because it would enable the intended objects of coercion to stand up against the boycott. Indeed, various banks and exporting firms have told the ADL that they would welcome legislation enabling them to ignore the boycott. For example, two companies which ADL publicly cited in March as having submitted to Arab boycott restrictions have, as of this past Tuesday, April 5th, issued statements in support of federal legislation prohibiting this practice. These are two major corporations, both with large business transactions in the Arab world—General Mills, Inc. and The Pillsbury Company.

In conclusion, what is needed now is strong and effective legislation prohibiting the coercion of American business into participation in the Arab boycott. The Anti-Defamation League believes the Holtzman bill (H.R. 12383) would accomplish that objective.

TESTIMONY OF DAVID A. BRODY, DIRECTOR, ANTI-DEFAMATION LEAGUE, WASHINGTON OFFICE, B'NAI B'RITH

Mr. Brody. Thank you, Mr. Chairman. My name is David A. Brody, and I am director of the Washington office of the Anti-Defamation League of B'nai B'rith. We appreciate, Mr. Chairman, your invitation to appear before this subcommittee to present our views on the legislation before it, designed to curb foreign boycott practices. As you have indicated, I have a prepared statement which with your permission I would like to insert into the record and then proceed with a brief summary of it.

Before proceeding I want personally to thank Miss Holtzman for her tireless and resourceful efforts which went into the drafting of H.R. 12383. Although he is absent this morning, I want also to thank the chairman of the subcommittee, Mr. Rodino, for being a principal sponsor of the bill along with some 90 House Members including Congressman Cohen who is here this morning and a number of other members of the subcommittee.

What we oppose is the use of economic power to force American firms to make private business decisions based upon, and designed to further, the aims and objectives of foreign powers. That anti-Semitism may at times be a substantial component of these objectives only makes such coercion all the more reprehensible.

One of the most obnoxious aspects of the boycott is that which requires one American firm to police the boycott by refusing to deal with other American firms which trade with Israel. As a Washington Post editorial recently stated:

That Arab League states conduct their own trade boycott against Israel is their business—that Arab states should expect to enlist American firms to support the Arab boycott is, however, very different. The issue is that simple.

H.R. 12383 addresses itself to this issue. It would prevent American business from being used by the Arab countries to enforce their boycott against Israel.

That editorial incidentally also commented approvingly on the Justice Department action in filing a civil antitrust suit against the Bechtel Corp. for participating in the Arab boycott against Israel.

The Arab boycott regulations apply to all individuals and companies that trade with or otherwise support Israel. As part of the Arab

League's restrictive trade practices and boycott, any firm or individual on the blacklist of the Arab League is prohibited from doing business with any nation of the Arab world. Arab boycott restriction often also apply to companies which have Jewish directors or Jewish "connections" or are "Zionist controlled."

Fortune magazine has noted that these "sweeping, convenient, and highly dubious" terms give the Arabs "freedom to blacklist almost at will," and American firms, wishing to do business with the Arab world, have responded to the capricious and arbitrary nature of the boycott by eliminating their Jewish directors or at least removing their names from their letterheads.

Whatever the effectiveness of the Arab boycott may have been in the past, it certainly is a factor now. It is a factor because of the recent huge increase in the money available to Arab governments to enforce their political, economic, and religious predilections.

The restrictive trade practices and boycott of the Arab League practiced within the United States are so pervasive as to adversely affect thousands of firms and individuals in this country.

Senator Ribicoff recently stated—Congressional Record, Mar. 15, 1976, p. S3377—that "the best estimates are that today as many as 3,000 American companies are boycotting 2,000 firms that have been black-listed by the boycott."

The Director of the Memphis office of the Department of Commerce has just announced that the boycott requests of Memphis area companies have become so voluminous that the Department has scheduled a special seminar for exporters and others there this month.

And only the other day the New York Times reported that a 20-country Arab group, meeting in Alexandria for a 10-day conference, formally removed from the boycott list 43 companies that had stopped doing business with Israel. It had earlier been reported that the conference had considered the applications of some 80 foreign firms to be removed from the office's blacklist. These firms, said the Christian Science Monitor, had "submitted documents proving that they had ceased trading in Israel."

As these recent actions indicate and as you, Mr. Chairman, stated at the outset, the Arab boycott is obviously alive and well and living in our midst.

It is explicit U.S. policy under existing U.S. law to oppose boycotts of friendly nations. This policy is stated in the Export Administration Act. But there is no penalty if an American business complies with the boycott requests.

H.R. 12383 would fill this void by imposing necessary penalties. In simple terms as applied to the Arab boycott, H.R. 12383 would make it unlawful for a business enterprise to coerce by economic means a U.S. company to cause it to discriminate against Jews in its business dealings or to refrain from doing business with companies doing business with Israel. It would also make it unlawful for any company to yield to such coercive demands.

The reach of the administration bill, H.R. 11488, is limited to discriminatory boycott requests: it does not deal with the boycott of Israel. Moreover, it only penalizes the coercer and not the person who goes along with the discriminatory demand.

H.R. 12383 would not only make it unlawful to coerce another into compliance with a boycott request, but would make it unlawful to give in to such economic pressure. We believe that to be effective, a law must provide penalties for both types of conduct.

The coercee is, in fact, a key figure in the usual type of boycott-tainted transaction, where the American contractor or subcontractor is required, if he wants to do business with the Arab world, to certify that he is not on the Arab blacklist or that he will act consistently with Arab boycott regulations.

Sanctions against the coercee are necessary particularly where the American firm is being coerced not by another American firm but by a foreign government, which would not be subject to U.S. jurisdiction.

This provision is most important because it would enable the intended objects of coercion to stand up against the boycott. Indeed, various banks and exporting firms have told the ADL that they would welcome legislation enabling them to ignore the boycott. For example, two companies which ADL publicly cited in March as having submitted to Arab boycott restrictions have, as of this past Tuesday, April 5, issued statements in support of Federal legislation prohibiting the practice. These are two major corporations both with large business transactions in the Arab world: General Mills, Inc., and the Pillsbury Co.

And with your permission, at this point, I would like to enter into the record copies of the statements issued by these two companies.

Mr. HUGHES. Without objection, it will be so received.

[The information referred to follows:]

Re for further information.

From: General Mills.

To: Glenn Gaff, Public Relations.

New York, NY, April 5. . . The Anti-Defamation League of B'nai B'rith and General Mills, Inc., today issued the following statement:

Officials of the Anti-Defamation League of B'nai B'rith and General Mills, Inc., met Friday in New York and clarified the General Mills policy with respect to overseas trade. They noted that General Mills has been a long-time proponent of free trade, selling and/or licensing products in both Israel and Arab nations.

Seymour Graubard, National Chairman of the Anti-Defamation League of B'nai B'rith, stated his conclusion that General Mills has been acting responsibly and in good faith in its trading practices with Israel. General Mills and the Anti-Defamation League of B'nai B'rith agreed however that there is a pressing need to enact federal legislation which would prohibit all foreign imposed trade restrictions. E. Robert Kinney, President of General Mills, said that General Mills has promised to reinforce its efforts to secure the passage of this legislation now before Congress.

In a letter to ADL, Mr. Kinney said, "General Mills is pledged to the following:

"(1) To initiate and reinforce our support of legislation now before Congress which will eliminate the restrictive certifications now permitted by law.

"(2) Continue direct negotiations with Arab buyers in an effort to eliminate completely any certification requirements now imposed. It should be noted that in the past sixty days, we have made substantial progress in this area."

Mr. Kinney expressed appreciation for the League's findings, adding, "We deplore any practices or policies which restrict or impact negatively on international commerce. We believe strongly in free trade among nations and we urge all Americans to join in seeking speedy legislative enactment of measures which will achieve this goal."

THE PILLSBURY COMPANY STATEMENT

The Pillsbury Company has been a constant advocate and supporter of free trade among all nations and has offered its products for many years for sale and export to any country with which U.S. laws do not prohibit trade. It regards as deplorable trade restrictions based upon political or other such considerations. Pillsbury representatives met last week in New York with representatives of the Anti-Defamation League of B'nai B'rith to assure full understanding of Pillsbury's foreign trade policy and its effect on Israel.

Pillsbury's policy with respect to trade with all countries friendly to the U.S. is as follows:

(1) Pillsbury endorses removing certificates of trade restrictions or other restrictive requirements in connection with U.S. exports to any of these countries. Pillsbury will support responsible legislation and any other action to obtain elimination of any such requirement.

(2) Pillsbury has sought and will continue to seek business with Israel and every other country friendly to the U.S. whenever mutually advantageous business opportunities become available.

ADL RESPONSE TO THE PILLSBURY STATEMENT

Seymour Graubard, National Chairman of the Anti-Defamation League of B'nai B'rith, welcomed today's statement of The Pillsbury Company, saying: "We are pleased that The Pillsbury Company has reaffirmed its opposition to any boycott of Israel and has taken the forward step of supporting legislative efforts to remove boycott certificates and otherwise strengthen U.S. laws to bar restrictive impositions on U.S. free trade. We believe Congress will welcome support for bills now pending for this purpose from a major business corporation such as The Pillsbury Company. We of course deplore and reject as misguided any boycott against Pillsbury and its products."

Mr. BRODY. In conclusion, what is needed now is strong and effective legislation prohibiting the coercion of American business into participation in the Arab boycott. The Anti-Defamation League believes the Holtzman bill, H.R. 12383, would accomplish that objective.

Thank you.

Mr. HUGHES. Thank you, Mr. Brody.

I have just a couple of questions for you. What do you conceive the role of the State Department to be in this whole area dealing with this type of legislation?

Mr. BRODY. Well, I think the State Department probably plays the principal role in this whole area. And when I refer to the State Department, I am not referring merely to the State Department today, but I would refer to the State Department since the enactment of the 1965 amendment to the Export Administration Act.

At that time, both State and Commerce opposed what ultimately became the 1965 amendment to the Export Administration Act. The Commerce Department, at that time, went before the Senate after the House passed the amendment and then Secretary Connor testified along the following lines. He said he would rather not have any legislation because it would harass the American businessman, but if the Senate in its good judgment felt that legislation was necessary, then he would go along with the House passed amendment, which, as I have indicated is the hortatory type of legislation. It merely urges and requests the American businessman not to engage in a boycott of friendly nations which the Export Administration Act declares to be national policy. But it lacks teeth. There are no penalties for compliance with the boycott requests.

Mr. HUGHES. More specifically, how do you view the role of the State Department in the Executive decisionmaking aspects as it applies to foreign policy, and obviously there are foreign policy considerations.

Mr. BRODY. Yes.

Well, I will go back again in history. The State Department has been opposed to any legislation designed to curb the boycott. It has felt that the issue will go away when peace is achieved in the Middle East. And the State Department spokesmen have said that we are now engaged in delicate negotiations and let us not do anything to disturb those negotiations.

But the State Department was saying the same thing back in 1965 and 1967 when there were no such delicate negotiations going on and I am sure you all have read reports with respect to the *Bechtel* case where the State Department according to press reports was urging the Justice Department not to file the antitrust suit against Bechtel and as the Washington Post editorial which I quoted from before, which, at this point I would like to insert in the record, the Post said that we find it undeniable that Justice was right to go ahead and file the suit.

[The information referred to follows:]

[From the Washington Post, Jan. 26, 1976]

THE BOYCOTT ISSUE

A major battle of principle and policy has been joined by the Justice Department's civil suit charging the San Francisco-based Bechtel Corporation with supporting the Arab boycott of Israel. Justice's contention is that the huge heavy-construction firm, by refusing to deal with blacklisted subcontractors and by requiring subcontractors in general to refuse to deal with blacklisted companies, is in violation of American antitrust law. The State Department tried unsuccessfully to block the suit, privately but urgently protesting that even its filing risked alienating the diplomatic favor of, in particular, Saudi Arabia. Saudi Arabia is at once the bulwark of the boycott and a country whose cooperation is considered vital to American diplomacy, not to speak of American oil supplies. In the Treasury and Commerce Departments, moreover, and in the business constituencies they represent, fear was and is rampant that the suit will cost American companies billions of dollars worth of potential business throughout the Arab world.

We find it undeniable, nonetheless, that Justice was right to go ahead and file the suit. Nothing in the antitrust law reserves its application to situations which don't make foreign waves. In the Export Administration Act of 1960, moreover, it was declared to be "the policy of the United States to oppose restrictive trade practices fostered or imposed by foreign countries against other countries friendly to the United States." Whether Bechtel is in fact guilty of anti-trust violations, we leave, of course, to the courts. But it is noteworthy that Bechtel responded to the suit not by denying the charges but by contending—evidently in reference to certain procedures of the Commerce Department—that "federal regulations and printed forms and statements . . . have expressly stated that compliance with (the boycott) is not illegal under American law." The corporation added that its Arab business is conducted "in areas and in ways compatible with U.S. foreign policy . . . als."

We sense here the development, within the U.S. government and within the larger political community, of another of those difficult issues that have made the conduct of American public life so bitter in recent years. The difference in this case lies in the fact that the challenge to the administration's economic habit and foreign policy comes from its own Justice Department, supported, to be sure, by a probable majority in Congress.

This puts a special burden on the State Department—a burden so far inadequately appreciated. For the Department's emphasis has been to complain that Justice and Congress were complicating the making of foreign policy. What the Department should be doing, however, is telling the United States' Arab friends that a deepening longterm relationship is only possible on the basis of mutual

respect. That Arab league states conduct their own trade boycott against Israel is their business—regrettable to Americans but something that the United States, which has conducted its own politically motivated boycotts, is in a poor position to protest. That Arab states should expect to enlist American firms to support the Arab boycott is, however, very different. The issue is that simple.

The court proceeding is likely to be long and drawn out. This may provide the time and the extra pressure needed for the boycott issue to be worked out on a political basis between the United States and the various Arab governments. We hope so. The suit, if so used by American diplomats, could help Arab officials understand that they cannot properly expect to entangle American businesses in their fight with Israel. And it could bring an end to a situation—American participation in the boycott—which is a standing reproof to the values of the United States.

Mr. BRODY. In other words, I think the State Department has been opposed to any kind of legislation in this area. It would prefer to deal with the problem through diplomatic initiatives, quiet diplomacy, and persuasion.

But I think that the history of the last 10 years has demonstrated quite conclusively that quiet diplomacy and persuasion have failed because the boycott is not only with us today, it has become more significant than in prior years.

And therefore, I think that the time has come to deal with the problem through legislation.

Mr. HUGHES. Would it be fair to say that the State Department in your judgment does have some role to play, since obviously there are foreign policy considerations. But, that there are a variety of considerations in these discriminatory practices.

Mr. BRODY. Yes; I would share that view.

Mr. HUGHES. Aside from the obvious effect that the boycott has on Israel, what do you see as the side effects—insofar as their own history is concerned, putting aside the various types of discriminatory practices being foreign to our way of government. What side effects do you conceive to be the net result of the practice of discriminatory practices to which you have made reference?

Mr. BRODY. Well, it introduces into this country a new phenomenon, enabling a foreign country to dictate to businesses whom they may deal with and with whom they may not.

I think that it also does violence to the principle of free enterprise to which we all subscribe as a fundamental tenet. Now, we have had situations where the United States has tried to go into Canada and Argentina and tell wholly owned American subsidiaries not to do business with Cuba, not to sell automobiles to Cuba and both Canada and Argentina have told us that these are domestic, Canadian or Argentinian domestic corporations and they are to follow the policies of Canada and Argentina.

If Canada and Argentina can tell us that we have no business going into those countries and telling wholly owned subsidiaries of American corporations what they may do and what they may not do, it seems to me that in this year of the 200th anniversary of our country's founding that we ought to be prepared to stand up for American principles and values.

Mr. HUGHES. Thank you Mr. Brody. I think that I will recognize at this time my distinguished colleague from Michigan, ranking minority member, Mr. Hutchinson.

Mr. HUTCHINSON. Thank you. Mr. Brody in looking at your prepared statement, here on page 3 at the bottom of page 3 of your prepared

statement you say that the best estimates are that today as many as 3,000 American companies are boycotting 2,000 firms that have been blacklisted by the boycott and then you infer—and I am just estimating that, if the difference is correct, that the 2,000 firms are all American firms. Are they?

Mr. BRODY. Yes.

Mr. HUTCHINSON. That is what I would assume but it didn't say so. And I just wanted to ask.

Mr. BRODY. Yes, we are talking about the impact of the boycott on American business.

Mr. HUTCHINSON. I think, Mr. Brody, that I would certainly agree with your statement. Nobody wants, we cannot tolerate foreign governments or foreign companies dictating to our own American enterprise as to how it should operate or with whom it should deal or anything of this sort.

The problem with the Holtzman bill, in my opinion, is, and I would be glad to have you respond to me, the problem is that we seem to be punishing the victim.

Here is the American firm, what we want to do is to protect that American firm against these boycotts, to do what is necessary to protect this firm as far as we can against these boycotts, this boycott. And still, the tools that we provide in the Holtzman bill appear to me to be punishing that victim for being coerced.

You know, coercion, if you are actually coerced, then you are no longer a free agent.

Mr. BRODY. Well, I am not sure that I would describe him as a victim. I would rather describe him as a participant in the boycott.

Now, when an Arab country or a business in an Arab country comes to an American firm and says, "we will give you this contract provided that you do not deal with companies 'C' and 'D' because they do business with Israel." And the American company goes along with that request, he goes along because he feels that there is some economic benefit by participating and so he participates because he finds that it is profitable for him to do so. And, therefore, I would hardly consider him to be a victim. And the way to stop this is to make it unlawful for both the coercer and the coerced to participate in the boycott operation.

For example, there has been a great deal of discussion in the press as you know with respect to foreign payoffs. But let us turn from foreign payoffs to domestic payoffs. If we feel that contracts should be awarded on the basis of the qualifications of the bidder, price and other relevant factors, then if we want to prevent payoffs or kickbacks which influence the award of contracts on the basis of factors other than qualifications, then we have to proceed both against the payer and the payee.

Mr. HUTCHINSON. Well, but you stated here in your remarks as I recall that you agreed that we did not want to prohibit or prevent dealing with Arab countries because we did need to do that from a balance of payments standpoint.

Under the situation, we are suggesting that, what I call the victim and what you call the participant, could avoid all that simply by saying well, I simply will not deal with you on those terms and so you don't get the business with the Arab countries. OK, well,

we figure that that is their loss, although, at the same time, because of our peculiar dependency on them, so far as oil and petroleum is concerned we have that economic problem of balance of payment.

And, so, that seems to me to be the real problem, and I don't see, I don't really understand the answer. I don't know if I really know the answer.

Mr. BRODY. I would just have one or two additional comments Mr. Hutchinson. One: If we enacted this legislation then the American businessman could say to the Arab firm, the law prohibits me from engaging in this type of practice and every American businessman would stand in the same position.

Secondly, we cannot assume that prohibiting compliance with boycott requests would mean the loss of all Arab business. Arab businesses and Arab countries are engaged in business with the United States not because they love us but because they find it economically profitable, economically desirable to trade with us. Thus they may find that our technology, our know-how may be superior, our prices may be superior, or our delivery systems may be superior and therefore those are the principal reasons why they trade with us. So, for example, there are American companies that do business both with Israel and the Arab countries—and the reason why these Arab countries do business with these American companies is that they feel they are getting the quality product and the quality service at a reasonable price, which is what they want.

Mr. HUTCHINSON. Well, what I understand you are telling me now is that there are some American firms that also deal with Israel and the Arabs. And the Arabs are so desirous of having that product and so on, that they forget the boycott in those instances.

Mr. BRODY. That is precisely it, Mr. Hutchinson.

Mr. HUTCHINSON. I thank you very much, Mr. Brody.

Mr. BRODY. I might just add one thing to one of the comments you made at the outset with respect to use by the administration of its discretionary authority under the Export Administration Act to ban discriminatory boycott requests. Now, back in 1965 when the amendment to the Export Administration Act was enacted, the House Banking and Currency Committee, in its report on the bill emphasized that the enactment of the anti-boycott amendment would "furnish the administration with clear legal authority to protect American business firms from competitive pressures to become involved in foreign trade conspiracies against countries friendly to the United States."

Enactment of the amendment, the committee added, would provide the President with authority to use his powers under the act to prohibit or curtail exports, to protect American business firms from competitive pressures, to respond to foreign inquiries in implementation of a boycott "[and] to protect American firms from competitive pressures to join in such a boycott."

But, unfortunately, over 11 years now, both under Democratic and the Republican administrations, the Commerce Department has failed to exercise this authority and has consequently nullified the intent of Congress and, in effect, fostered noncompliance with the antiboycott provision of the act, because exporters familiar with this, feel that they can, with impunity, comply with boycott requests.

Mr. HUGHES. Thank you.

Mr. HUTCHINSON. You are suggesting perhaps, that the Justice Department would do a better job than the Commerce Department, if we give the Justice Department the jurisdiction?

Mr. BRODY. I will say this once again. The history of the enforcement of this very mild provision of the 1965 act demonstrates that there has been until the last 9 months or so, absolutely no enforcement.

And that policy was consistent with what I described earlier as the negative attitude of the Commerce Department in opposing the enactment of any legislation. Indeed, you Mr. Hutchinson, would be particularly interested, because your former colleague, William Widnall, the then ranking minority member of the House Banking Committee, introduced an amendment on the floor of the House which would have banned compliance with boycott requests, but the House at that time in its wisdom or lack of wisdom this hortatory and precatory legislation.

Mr. HUGHES. I recognize the colleague here from Illinois, Mr. McClory.

Mr. McCLORY. Thank you, Mr. Chairman.

First of all I want to indicate very affirmatively that I deplore the Arab boycott and the blacklisting that they have become involved in and I feel confident that it is going to be self-defeating, just as I feel the OPEC cartel is going to crack up here a lot sooner than many of the prognosticators are indicating.

In your statement you quote from Senator Ribicoff, indicating the present 3,000 American firms that are boycotting the other 2,000 American firms that are blacklisted by the boycott.

And I ask is that not already a violation of the Sherman antitrust law, with respect to the secondary boycotts?

Mr. BRODY. It may be. Of course, you have to show a conspiracy in restraint of trade, and it may very well be that many of these cases are violations of the Sherman Act.

Mr. McCLORY. To that extent, then, the Holtzman bill would be redundant or would reiterate what is already the law, maybe spell out more clearly, but anyway—

Mr. BRODY. Not necessarily.

Mr. McCLORY [continuing]. Create another offense for something that is already an offense.

Mr. BRODY. Not necessarily because we may have unilateral action on the part of companies who will refrain from doing business with companies that do business with Israel in order to avoid the possible loss of Arab business.

Furthermore, there has been only one case brought to date under the antitrust laws and that is the recent *Bechtel* case where you have one firm with a number of subsidiaries which participate in the boycott. What Ms. Holtzman's bill would do is make it a whole lot easier to proceed against a company which participated in the boycott.

Mr. McCLORY. It would make it a lot easier but there may be already a remedy with respect to it and in some—

Mr. BRODY. But this would be much simpler. You don't have the problem in proving the kind of conspiracy in restraint of trade that you normally have to in an antitrust suit and I know I need not tell you. Mr. McClory, how difficult it is and how time consuming a major antitrust prosecution is.

Mr. McCLORY. That's right, we are trying to improve the remedies and improve the procedure for facilitating antitrust enforcement.

But let me ask you this because one of the dangers in new legislation is that we have some unintended result and especially when it comes to questions of discrimination and when we had Mr. Scalia from the Attorney General's office he indicated that subsection (b) sounded well, in the abstract. But he felt it was too broad in its application and its ramifications.

For example, he suggested that it would subject minority contractors to suit by disappointed bidders who claimed that a minority contractor who chose to do business with a minority subcontractor was being economically coerced by the threat of the loss of business of minority customers.

Would you want to comment on that?

Mr. BRODY. Well, with respect to almost every piece of legislation that is enacted there are always unintended consequences but in the case you have posed, I vaguely recall Mr. Scalia's testimony.

Mr. McCLORY. Do you have the page number? I do not have it. Here is the problem: It gets to the question of whether or not in trying to promote the business with minority contractors, which is what we want to do, it is almost a national policy to try to encourage doing business with minority contractors to encourage their greater involvement and the problem arises through—

Mr. BRODY. But that does not arise as the result of a boycott practice but as a result of the processes of the economy—

Mr. McCLORY. It arises, does it not, out of failing to do business with someone which results in discrimination. And I am reminded that Mr. Scalia made this statement of which we talked on page 21 of his formal statement.

Mr. BRODY. I would think that if this constitutes discrimination in the award of contracts, that even without the enactment of any legislation, the company that is not awarded the contract because of discrimination by the Federal Government, could have the award set aside.

Mr. McCLORY. Well, discrimination in contracting is permitted today, is it not?

Mr. BRODY. Not discrimination by the Federal Government, we are talking about the award of contract by the Federal Government.

Mr. McCLORY. No, it is not, they do not always have to receive the lower bid. You can contract out and if you want to discriminate in favor of minority contractors, which we do all the time, there is nothing that you can do that is a part of a national policy.

But of the intended results, unintended results of this bill we might have the result of saying, well, that is against the law that we have the majority identified contract.

Mr. BRODY. Well, you don't have the coercion present that is required under this bill.

Mr. McCLORY. In part (b), you see, it really is not charging something positive, there, but it sort of invokes a negativism. If you avoid doing business as the result of discrimination.

Mr. BRODY. In order to avoid coercion.

Mr. McCLORY. Well, avoid doing an act, I guess, avoid doing all kinds of things that are regarded in paragraph (a) as "resulting in coercion." Well, anyway, it really indicates a complication that results from trying to achieve a result, I am sure we would desire.

Mr. BRODY. I am sure that that problem can be met, if there is a problem, with certain amendatory language. But this is a bill which deals with a major problem of vast significance to the American economy and the American people.

And, if amendatory mandatory language is necessary to take care of this problem which you raise, I think it can be done rather easily, but you do not have the element of coercion in the case cited by Mr. Scalia.

Mr. McCLORY. How do you think that you would determine what is going on in a person's mind as a result of company action when they have failed to do business with someone?

Mr. BRODY. It is always a matter of proof.

Mr. McCLORY. You mean speculation?

Mr. BRODY. Not necessarily.

For example, the law today prohibits discrimination in employment and you take a look at all of the evidence to determine whether or not the employer or the labor union has been engaged in a discriminatory employment practice. Now, it may very well be that here you have a company which has previously done business with Israel or has previously done business with a company that has done business with Israel and then it decides that it had better curtail doing business with these companies because it is desirous of getting some of this Arab business.

Now, if you look at that set of facts, I think you will have no problem in concluding that the company involved decided to do no more business with these companies in order to avoid the loss of business with the Arab companies.

If, on the other hand, you find a company that has never done business with Israel and for a variety of reasons which it could introduce in evidence, then I think it would be fair to conclude that that company had not refrained from doing business with Israel in order to avoid the loss of Arab business.

Mr. McCLORY. Well, I thank you for your answers and your statement and I want to yield back the balance of my time because I, so that our distinguished colleague from the State of Maine, Congressman Cohen, can continue in the questioning. He is one of our most respected members.

Mr. HUGHES. At this time I would recognize our most distinguished colleague from Maine.

Mr. COHEN. I thank the Chairman for recognizing me.

My son's 7th grade is in the audience today. That is why all the various accolades are coming down.

Mr. BRODY. I would like to join in the chairman's comments, Mr. Cohen.

Mr. COHEN. Not only the principles of the Anti-Defamation League, but the fundamental principles of this country cannot in any way condone what the Arab countries continue to do. As you know the original bill was one of my progeny and, of course, I am sure you recognize this that you have the obligation to correct whatever deficiencies that can be observed in its design.

I think that from the last hearings that we had on this matter you realized that I was concerned not about the principle but about the matter of proof, which I was thinking that in order to avoid being coerced by the Arab countries. I think you have just directed yourself to that. I think that it is a rather simple distinction that you draw in terms of Justice Department prosecuting based upon a past history, when the one company that has never done business with Israel before, Israeli companies, as to whether that would be the element of proof.

But as a former prosecutor, I know that that is an area of difficulty of proof to show where someone has acted in order to avoid being coerced at some future time. It really is a matter of proof as I say, a problem not of principle with me.

I would like you to answer a question, which is, perhaps not entirely fair, it is going to be based upon Mr. Lewin's testimony which is to follow you, but I assume that you have had an opportunity to read Mr. Lewin's article in the New Republic and I assume also that you have had an opportunity to read his testimony to follow and I—the reason that I ask you this question is that it is really for Mr. Lewin's benefit, because I probably will not be here when he testifies.

But let us suppose that an Arab country told the U.S. firm that it did not want an Israeli policy in which its trade passed shipments that it had ordered from a U.S. firm. All right, in the New Republic article of Mr. Lewis, he said that the bill does not, of course, prevent any Arab country from keeping any Israeli products outside of its borders.

Mr. Lewin is talking about, not a direct boycott, but a secondary boycott, so it is not designed for keeping the Arab countries from keeping Israeli products outside its borders.

But on page 5 of Mr. Lewin's testimony, he indicates that the bill imposes sanctions on a U.S. firm that drops commercial dealings with firms located in Israel in order to do business with Arab countries.

It seems to me that there is somewhat of a contradiction.

I am asking you so that Mr. Lewin will have a chance to prepare for that when he testifies.

Mr. BRODY. If you like to, you can answer it now.

Mr. COHEN. In other words, to go back to the situation, the Arab country tells the U.S. firm that it does not want any Israeli parts that it has ordered from an Israeli firm. Would that be prohibited under this bill.

Mr. LEWIN. Congressman, I think that the bill would not prohibit, certainly, the Arab country from keeping the product out. Nor would I think that it would prohibit the American company from excluding the part in the product and it would ultimately go to the Arab country. It would ultimately go, so, I don't think as I read the bill that I have seen, from analysis of it, as I have stated in the New Republic, and I think that portion of my testimony that you are referring to really relates to the fact that the bill was designed to prevent an American concern with regard to parts that will, not necessarily with regard to the ingredients of the products that are going to the Arab countries and the Arab countries are keeping out of its borders, but in various other ways for dealing with what are really American concerns which have associations or plants in Israel. That is really the secondary boycott aspect that the bill directs its attention to. I think that that is what it is designed to reach.

It still does not say that American concerns would be violating the law by saying that the Arab country demanding that no Israeli products be included into products shipped by the American company may be complied with.

I would think that that is, from my reading in the area, that that is a very minute problem portion and I do not think that there is any great concern in that the bill does not reach that. I think the Arab countries are free as Israel is free to say that look, products that come into Arab countries may be regulated various ways. And Arab concerns may deal with a foreign country and say look, we may have certain demands and they are in relation to certain products and we impose these upon you.

Mr. BRODY. I would add this. We ban the importation of products that are made in Cuba and to prevent the circumventing or frustrating of our boycott of Cuba, we may stop the importation of Cuban products coming into the United States by way of a third country.

What we do not do is ask an exporter in that third country whether or not any of the goods that he is shipping to us has any Cuban ingredients.

Mr. COHEN. One final point, let me go back to your statement Mr. Brody, if a company has a past history concerned about whether or not we are "grandfathering" in a past policy of discrimination, with this bill, in your testimony if a country has a past history of not dealing with Israelis, not hiring Jews, and we pass this bill and they continue that policy and the motivation changes from they don't want to incur the wrath of the Arab countries, would they be "grandfathered in" as such, in terms of the Justice Department not being able to prosecute?

Mr. BRODY. With respect to not hiring Jews, that would be unlawful today.

Mr. COHEN. Let us assume that it is an Arab country.

Mr. BRODY. Yes, I say that if a company has not in the past done business with Israel for a variety of reasons unrelated to the Arab boycott, unrelated to its fear of losing Arab business and then—

Mr. COHEN. And let us assume that that has been the past policy but now they shift and we don't want to—

Mr. BRODY. Now, if you can go ahead and demonstrate by credible evidence that there has been a shift and that but for the threat of the loss of Arab business that it would now do business with that company, then of course, the company would be violating the law. But you would have to develop credible evidence.

Mr. COHEN. Perhaps Mr. Lewin could even elaborate in terms of proof when he testifies why and when you would go about doing this. Thank you very much.

Mr. HUGHES. Mr. Lewin, thank you. We will give you an opportunity to make your opening statement very shortly.

At this time the Chair recognizes Ms. Holtzman, who is the prime sponsor of H.R. 12383.

Ms. HOLTZMAN. Thank you very much Mr. Chairman. I appreciate very much your recognizing me. I don't know if I can follow the most distinguished gentleman from Maine, after being extremely thoughtful—

Mr. HUGHES. You will have to get those remarks in very fast because most of the audience is leaving.

I might say that obviously Ms. Holtzman is a leader in this area and is to be commended for her work on this legislation.

Ms. HOLTZMAN. Thank you and I would also like to thank the chairman of the committee for agreeing to hold these hearings.

I just wanted to ask you, Mr. Brody, in terms of clarifying the record with respect to the questions that Mr. McClory asked, I believe that what he was referring to I think a drafting problem with the bill. And I would appreciate his perception and concern in this respect but I would like to ask you if it is not true that the sections have been drafted in H.R. 12383 there so that the coercee, under section (b) has to be engaged in affirmative conduct and the language in the section 12, H.R. 12383 states "that it shall be unlawful for any persons to discriminate in employment or to subject to economic loss or injury in the United States any person.

Mr. BRODY. That is right.

Ms. HOLTZMAN. I also wanted to ask you about the problems raised with respect to the coverage of the present antitrust laws whether they do address this area of boycotting discrimination, and even though the *Bechtel* case has been brought, is it not your understanding that under the present antitrust laws that there may be a variety of defenses available to companies who participate or go along with your boycott?

For example, the defense of a sovereign community, the defense of foreign compulsion, the defense of the objective is not economic but political and that there may be some of the other problems that you have pointed out.

Mr. BRODY. Is that correct?

Ms. HOLTZMAN. Yes, is that correct?

Mr. BRODY. That is correct. I understand from some antitrust experts however that some of these objections may not be well taken.

Ms. HOLTZMAN. Thank you.

Chairman RODINO. Mr. McClory.

Mr. McCLORY. Will the gentlelady yield?

I have before me now the revised draft but I just wanted to ask the gentlelady if these are the positive or affirmative acts to which she makes reference in subparagraph (4) of the paragraph b.

It says, the term "discriminate in employment" means to fail or refuse to hire or to discharge and in paragraph 5 it says the term "subject to economic loss or injury" means to refuse to enter into a commercial relationship. Are these the affirmative acts to which you have made reference?

Ms. HOLTZMAN. Well, the definition of the term "to discriminate in employment," Mr. McClory, I believe comes from the existing Civil Rights Act with respect to employment, so that we are not using any different terminology from any that is not already in existence. In respect to the term "economic loss or injury" we are not talking about passive conduct in any respect, if it refers to the act of canceling, interrupting, diminishing. And it also talks about refusing to enter into as opposed to failing.

I don't seem to require, my understanding of the bill, at least, would be that we are not going to penalize somebody that is passive.

Mr. McCLORY. I thank the gentlelady for answering.

Mr. HUGHES. I have one question before staff asks a couple of questions.

Going back to our initial colloquy, I am concerned about the broader public policy considerations. Obviously, the discrimination that I am talking about which is vented toward Israel now is just one aspect. It is abhorrent. It is abhorrent to our way of life, to our basic principles of fair play and the free enterprise system. But is there not a broader issue? Do any nations have the economic power to force economically, the companies of a country to do something or to not do something? Are we not really giving them the potential really to influence the foreign policy considerations in this country?

Does it not put us in a place of reacting often to those policies and making it very difficult for us to have some cohesive form of foreign policy?

Mr. BRODY. Yes, I agree with you wholeheartedly.

Mr. HUGHES. Well, I mean, Israel today and the next week it is not supplying fuel to Mediterranean fleet because there is something that they are upset about.

Mr. BRODY. That is right. I was using Israel as an example because that is the most current and significant problem today that I can see of one foreign country's companies coming into this country and saying to American businessmen not to do business with another foreign country. Instead of having American business remain neutral in disputes between foreign countries, we would find that one foreign country is enlisting the aid of American business to help it in its struggle with another foreign country.

Mr. HUGHES. It seems to me that the Export Administration Act has failed and the antitrust laws have failed and both in this direction. I am greatly concerned myself about the broad public policy considerations which go much beyond this posture.

The difficulties that we now see here with regard to Israel make me just not think as I see it that the present reporting does anything really to assist us in approaching the overall problem.

Mr. BRODY. I share your conviction in that regard. You will recall that it was not until October of this year, of last year, rather, that the Commerce Department for the first time required exporters to indicate on the reporting forms whether they intended to comply with the boycott.

Prior to that time, it was not compulsory for the exporter to report whether he intended to comply. And when the spokesman for the Justice Department, Mr. Scalia, was here, last July, he said that publicity would be the proper antidote to the boycott problem and would be preferable to legislation as a method of dealing with the people. But as you know, the Commerce Department has clothed the boycott reports with a cloak of confidentiality and has, in fact, provided for exporters who comply with the boycott a sanctuary from public criticism. And it seems to me that there is no reason why the Government should shield companies that comply with the boycott.

Mr. HUGHES. Thank you.

Ms. Holtzman.

Ms. HOLTZMAN. Thank you Mr. Chairman. I had about a minute remaining in my last questioning and I just wanted to ask Mr. Brody

if he can enlighten the subcommittee with respect to the effects that the boycott has had, not so much on the issue of the American businesses trading or not trading with Israel, but on discrimination against Jews in this country.

Perhaps you could comment?

Mr. BRODY. It has had an effect. We have filed a number of cases with the Equal Employment Opportunity Commission charging certain companies with discriminating against American Jews. We have found some companies discriminating against other American firms because they were Jewish owned. We have found the use of such code words such as "Zionist controlled," the use of such words which clearly are intended to mean Jewish. So, it has plainly had an impact on American Jews and, indeed the Wall Street Journal, just about a year ago last month said that it was often difficult to make a sharp dichotomy between the Arab boycott directed against Israel and the Arab boycott directed against American Jews. Frequently the two are intertwined.

Ms. HOLTZMAN. Thank you, Mr. Chairman.

Mr. HUGHES. Counsel would like to ask questions.

Mr. DANIEL COHEN. As you know, the administration bill does not include the administration or imposition of criminal penalties. And, as you know, the Holtzman bill does do that.

Ought the question of whether or not we include criminal penalties be a focus for the subcommittee? If we were to determine that the legislation was needed so as to establish known legal consequences that would outweigh any benefits that the firms engaging in the boycott feel would accrue, do you think we have to go the route of criminal penalties?

Mr. BRODY. At the very least you have to have severe civil penalties if not criminal penalties. Because you have just got to make it unprofitable for a company to comply with the boycott request.

Mr. DANIEL COHEN. If the United States is successful in the Bechtel suit, should we expect a series of treble damage actions, and if so, wouldn't that be another step in the direction of meaningful action short of criminal penalties?

Mr. BRODY. Well that clearly would.

Mr. DANIEL COHEN. Would you expect a rash of private criminal actions if the Bechtel suit is successful?

Mr. BRODY. I don't know whether I would use the term rash but there might be some.

Mr. DANIEL COHEN. Thank you, Mr. Chairman.

Mr. HUGHES. Thank you, Mr. Brody. We have made a part of the record your entire statement.

Thank you very much.

Mr. Lewin, It is good to have you with us this morning. As indicated at the outset, you are a partner in the Washington firm of Miller, Cassidy, Larroca & Lewin. You are a former professor at Harvard Law School, have served as Deputy Assistant Attorney General in the Civil Rights Division of the Department of Justice and have served as assistant to the Solicitor General.

We are pleased to have you with us this morning.

TESTIMONY OF NATHAN LEWIN (MILLER, CASSIDY, LARROCA & LEWIN, WASHINGTON, D.C.), ADJUNCT PROFESSOR OF LAW, GEORGETOWN UNIVERSITY

Mr. LEWIN. Mr. Chairman, I must say that in your list of the Government service it is not including one position that is really relevant this morning, particularly in view of your first questions of Mr. Brody. That is that I did spend a year between 1967 and 1968 in the Department of State as a Deputy Administrator of the Bureau of Consular Affairs. And in that regard I did become familiar with how the Department of State works and really what foreign policy implications or aspects of foreign policy consideration enter into some matters that affect local law.

And maybe even before I go to my first questions, since it was your first question of Mr. Brody, maybe I ought to just direct my attention to that question preliminarily.

Mr. HUGHES. You can proceed in any way you see fit. Your full statement, without objection, shall be made a part of the record.

[The prepared statement of Mr. Lewin follows:]

STATEMENT OF NATHAN LEWIN, ADJUNCT PROFESSOR OF LAW, GEORGETOWN UNIVERSITY

During hearings conducted in July of last year, this Subcommittee heard testimony concerning H.R. 5246—a predecessor to H.R. 12383—which had been introduced by Representative Holtzman to counteract the kind of "foreign economic blackmail" manifested by the Arab boycott of the nation of Israel and of those firms that are suspected of assisting Israel's economy. As a Washington lawyer who has long had a substantial interest in civil rights—having served as Deputy Assistant Attorney General in the Civil Rights Division of the Department of Justice in 1968 and early 1969 and previously as Assistant to the Solicitor General—as a sometime law professor who teaches and writes in the general field—the year at Georgetown Law School and last year as a Visiting Professor at the Harvard Law School (where my subjects have been Individual Rights and Liberties)—and as a concerned American who is also active in Jewish community affairs, I was deeply troubled by the testimony given before this Subcommittee last July 9 by representatives of the Department of Justice and by the apparent hesitation to enact into law a bill that is, I think, consistent with, and demanded by, national policies. As a result, I wrote an article published in *The New Republic* (where I serve as a Contributing Editor) criticizing the reasoning and approach of the Administration with respect to H.R. 5246. A copy of that article is attached to my prepared statement, and I will not repeat at this time what I said then. I would note only that the situation today is little different from what it was nine months ago except that the failure to move then means that the larger part of a year has elapsed during which the Arab boycott has been permitted to do its insidious work on American business concerns without meaningful deterrents provided by our law.

The introduction of H.R. 11488—which I view as a totally unsatisfactory substitute for the strong remedial measures in the original proposed legislation—demonstrates that the Administration stands by the unfortunate position it took here last July. And the three major publicly noticed incidents that have occurred since last July with reference to American policy vis-a-vis the Arab boycott—then-Secretary Morton's about face, when confronted with a contempt citation, on the disclosure to Congress of information received from census reports and the filing of a civil antitrust action on January 16 by the Justice Department against one company that is alleged to have engaged in the most flagrant discriminating acts pursuant to long-standing agreements with Arab League Countries—are, I think, fly-speck concessions to the tide of public opinion that has engulfed the Executive Branch's foot-dragging in this area.

I favor prompt enactment of a bill along the lines of H.R. 12383 because the time is overdue for the federal government to establish a meaningful deterrent to acquiescence in and cooperation with the Arab boycott. Let me emphasize what

I am trying to say here today—the key to an effective resolution of the domestic consequences of the Arab boycott is to enact a law that achieves the objective of deterring all forms of active or passive participation in the foreign boycott. If there is no law on the books compelling businessmen to weigh considerations other than profits, it is a necessary and proper part of our economic system that they will seek constantly to maximize profits. Those implementing the Arab boycott rely on this single-minded incentive; they communicate to our business concerns—both with a velvet glove, and, if necessary, with a bared iron fist—that profits will bear a direct relationship to the vigor of their trade with Israel or with those who deal with Israel. The way to counteract this evil is not—as the Administration suggests with its substitute legislation—to punish those who engage in “coercion.” The principal actors—the “coercers”—are usually outside the reach of our jurisdiction, and punishment is not, in any event, the ultimate goal. The better way to deal with the situation is to give American businesses a counter-incentive. Obviously, the federal government is not in a position to provide much of a carrot; we cannot replace the lost profits of those who may lose business if they refuse to comply with a present or feared Arab boycott request. The other alternative is to wield a stick equally applicable to all American businesses which are in competition—to say to all businesses that if any one of them is caught cooperating with or acquiescing in the Arab boycott, that firm and its principals will suffer severe consequences such as criminal sanctions and heavy civil penalties.

If one approaches this problem not by analyzing the language and consequences of a particular bill but by defining the objective and then deciding how that objective is best achieved, I firmly believe that one is driven to the conclusion that H.R. 12383 is the best of the presently available proposals in reaching the desired goal. Imagine yourself as the chief operating officer of an American company that has done some business with firms which have plants in Israel. Imagine further that you see the possibility of a large contract in an Arab country, but fear that your secondary Israeli dealings will subject you to disqualification under the uncertain guidelines imposed by the Damascus-based Central Office for the Boycott of Israel. Sanctions under federal law against a “coercer”—such as are proposed by the Administration bill—are totally useless in such a situation. Even if the representatives of the Arab country or concern do make a demand that you cease doing business with the Israeli related concerns—or, more flagrantly, that you fire your Jewish professionals—that demand will probably never be subject to the jurisdiction of this country.

What you would need in such a hypothetical situation is a spine-stiffener—an effective deterrent that, you know, would apply not only to you but to any of your competitors that acceded to such a demand. If you are told—as H.R. 12383 tells you—that the consequences of dropping your commercial dealings with firms located in Israel in order to do business with Arab countries may be a huge criminal fine and treble-damage liability, you will probably be able to resist the temptation. If you are told, in addition, that the business cannot be picked up on these terms by any American competitor the incentive to be law-abiding is virtually overwhelming.

Viewed in this way, the original bill put before you, with its minor recent amendments, does precisely what it ought to do. It exerts the same restraining influence on the drive for profits that are achieved by the criminal provisions of the federal antitrust laws. Price-fixing and other *per se* restraints of trade are made criminal so that all businessmen know that neither they nor their competitors will be able to increase their profits by engaging in this kind of business activity. The cost of detection and prosecution becomes too great to be worth the chance of added revenue.

The kind of enforcement we have now is, by contrast, toothless. Is the Bechtel Corporation deferred from continuing its allegedly active cooperation with the Arab boycott by the civil suit for an injunction that was brought against it by the Department of Justice? My guess would be that the lawyers' fees to defend the suit are just a very minute fraction of the profits realized by Bechtel as a result of its deliberate choice to go along with the implied or express Arab demands. Only if Bechtel and all its competitors are put on notice that this business judgment carries with it legal consequences that unequivocally outweigh its benefits will there be substantial enough grounds, to a pragmatist, to turn away the Arab request.

This brings me to a relatively minor quarrel I have with H.R. 12383 and with its predecessor. (5) I believe it substantially misstates what is actually happening to speak of the demands of the Arab boycott as "economic coercion" and it unfortunately characterizes businesses which passively or adversely acquiesce in the boycott as hapless victims of "coercion." Those operating the boycott are promising to provide money by authorizing business relations with a particular firm or to withhold money by placing a firm on the boycott list and thereafter boycotting those who deal with a listed firm. A financial benefit is being promised and its withdrawal is being threatened; the definition in the proposed Section 240(h)(3)(A) makes that clear. Now, if I were to say to any member of this Subcommittee that I will do business with your brother or your sister if you vote for this bill and I will refrain from doing business with your relatives if you vote against it, no one in his right mind would say that I am trying to coerce you.

I might, however, properly be accused of offering to bribe you in violation of the bribery sections of the Criminal Code. Why is it so readily assumed that American businesses seeking to do business with those who abide by the Arab boycott are doing so under duress? They are, in effect, taking the bribe offered by the Arab country or firm—the profits of a business relationship—as part of a bargain under which they drop their Israeli ties. I suggest, therefore, that wherever the word "coerce" appears in H.R. 12383, the word "induce" or "persuade" or "bribe" be substituted. Assistant Attorney General Scalia told you in July of last year that it would be unconscionable to subject to criminal sanctions those businesses who cut their ties to Israeli-related concerns because they are "coerced" by the Arab boycott if there is no obligation under the law for them to continue with these relationships in the absence of the "coercion" exerted upon them. Would he apply the same reasoning if, rather than coercion, the bill dealt with bribery? In the absence of a bribe, you are free to vote legislation up or down, and in the absence of Arab bribery or "economic inducement" a firm may be entirely free to do or not to do business with Israeli-related concerns. But if the firm accedes to the inducement of a promise of financial reward, its otherwise untainted act may become unlawful.

I have outlined above my basic reasons for believing that this legislation hits the nail more closely on its head than any other bill now under active consideration by the Congress. The need for corrective legislation of some kind is urgent—particularly in a time when each day's headline shouts some new expansion of the economic power of the countries subscribing to the Arab boycott. I hope its active consideration is no longer delayed.

[From the New Republic, Sept. 6, 1975]

SUBMITTING TO BLACKMAIL—JUSTICE FOR THE ARAB BOYCOTT

(By Nathan Lewin)

Three assistant attorneys general marched up to a meeting of a House Judiciary subcommittee on July 9 to express the Ford administration's opposition to a proposed law introduced by Representative Elizabeth Holtzman of New York, which would make it a federal crime for an American business concern to participate actively or passively in the Arab boycott. It was a distinguished delegation. Chief spokesman was Antonin Scalia, formerly a professor of law and then chief counsel to the Administrative Conference of the United States, who was one of the very last Nixon appointees as assistant attorney general in the office of legal counsel. The second member was Thomas Kauper—one-time Supreme Court law clerk, thereafter a law professor and, for the past several years, an effective and respected assistant attorney general in charge of Justice's antitrust division. The third member was J. Stanley Pottinger, who came into the Nixon administration early and did a creditable job as HEW's director for civil rights before becoming assistant attorney general for the civil rights division. Although an aggressive civil rights program was not a priority goal for the White House during his time in office, Pottinger has managed to produce a respectable record of enforcement. On July 9, the group's performance was distinguished only by the obtuseness of the legal reasoning it put forth and the offensiveness of the historical parallels it invoked.

The best place to begin an appraisal of the Justice Department's appearance is with an understanding of the legislation it opposed. It was directed, as Rep. Holtzman explained on July 9, at "many reports of Arab economic blackmail aimed at American firms which trade with Israel or are owned by or employ Jews.

Arab nations and businesses have not only directly refused to deal with such firms, but they have sought to force other American firms to discriminate against them as well."

The Holtzman bill deals only with "secondary boycotts"—a term familiar to labor lawyers. A long time ago labor unions discovered that they often could bring powerful pressure on employers if they picketed a key customer of the employer rather than the employer's own operation. Although owners of a supermarket, for example, have no personal interest in who wins a wage dispute between a dairy and its employees, a picket line at the market that sells the dairy's products may be much more effective in compelling the employer to raise his wages than a similar line at the dairy's bottling plant. The supermarket owners would probably become concerned over their own potential loss of customers and would, accordingly, pressure the dairy to raise its wages. This kind of economic pressure on a neutral designed to force him to assist one side in an economic dispute has been viewed as unfair and illegal under our own labor laws since 1947.

Applied to international commerce the "secondary boycott" strategy produces the following paradigmatic scenario: A boycott of Israeli products or service by the Central Bank of Libya would have little or no impact. So the Central Bank, like the dairymen's union in the wage dispute, determines to squeeze Israeli concerns by making demands of American neutrals who deal with Israel. It informs exporters to Libya, for example, that if they want to use Libyan banking facilities for letters of credit, they will have to certify that they "have no direct or indirect connection with Israel"—which means that they have no "Zionist tendencies," provide no technical assistance for Israeli concerns, and are not affiliated with businesses on the Arab Boycott List (which uses singularly inexact criteria of inclusion and exclusion). The more important and powerful the neutral, the tighter is the squeeze on Israel. And if a respected and wealthy banking concern, such as Bankers Trust Company, can be induced to participate in the arrangements, the likelihood of enlisting powerful neutrals is substantially increased.

The Holtzman bill deals directly and simply with the problem. It makes it a federal crime, punishable by imprisonment up to three years and a fine up to \$100,000 (or up to one million dollars for a corporation), for a firm to be the instigator of such a scheme—i.e., in the position of the Libyan bank or its agents. It also makes it a crime—punishable only by a fine (up to \$50,000 for individuals and up to \$500,000 for corporations) for a neutral business to go along with such a program—i.e., to do what the American exporter or Bankers Trust Company does. And finally it authorizes anyone hurt by such an arrangement—such as a Jewish employee or a firm cut off by a neutral because of its Israeli ties—to sue for triple damages from the instigator or single damages from any other participant.

Not everyone on the House subcommittee understood that the Holtzman bill is aimed only at secondary boycotts. In an opening statement, Representative Edward Hutchinson of Michigan, probably the subcommittee's most conservative member, listed his own concerns, among which was the similarity of what the Holtzman bill forbids to the demand by the United States that no cigars of Cuban manufacture enter this country. "What," he asked, "makes a similar request by an Arab country [presumably barring goods manufactured in Israel] reprehensible?" And Representative Robert McClory of Illinois indicated similar confusion during the hearing when he asked how Arab policy differed from American wartime embargoes or boycotts.

The bill does not, of course, prevent any Arab country from keeping Israeli products outside its borders. Such exclusion, if implemented jointly by several Arab countries, is a "primary" or "core" boycott—a means of political persuasion that finds precedent in international relations, even though economists frown at its use. In fact, as Rep. Holtzman recognized, one of the most serious practical problems in this entire area is that the governmental policies of a foreign nation are beyond the reach of our criminal law. This is true both because the perpetrators are outside American jurisdiction and because official government conduct is viewed as an "Act of State" that our courts cannot evaluate for either civil or criminal purposes.

Rep. Hutchinson accurately observed, in his opening statement, that the instigator of the boycott would usually be "either a foreign government or a foreign business," and that "in either case personal jurisdiction would be most difficult." The party who could most easily be reached by American courts would be the neutral business that has been enlisted, through economic leverage, as a partici-

part in the scheme. Unfortunately Rep. Holtzman's bill describes this leverage as "coercion" and defines the instigator as one who "coerces by economic means." The term "coercion" was picked up by the Department of Justice contingent—whose legally sophisticated members surely recognized that it is unlike any other form of "coercion" known to the law—which used it as the basis for one frontal assault on the proposed legislation.

To the extent that the Holtzman bill prohibits a foreign company from causing or "coercing" dismissals of Jews or members of other religions by American firms, it covers acts that are already barred by the employment discrimination provisions of the federal civil rights laws. Assistant Attorney General Scalia first noted, on behalf of the administration, that it had no difficulty "in principle" in agreeing that the same kind of prohibition against religious discrimination could be applied to a firm's decision whether to do business with some other concern. In other words, the administration would agree "in principle" with a law forbidding an agent of an Arab company to "coerce" an American firm not to do business with a Jewish-owned company, as well as with a law prohibiting such discrimination if it originated with the American firm. "When, however," said Mr. Scalia, "the prohibition extends beyond the act of coercion, and applies as well to the act of yielding to, or avoiding such coercion . . . then it produces an entirely unreasonable result. It renders unlawful under coercion an act which would be perfectly legitimate where coercion did not exist. This arrangement stands the normal legal principle on its head."

What Mr. Scalia "stood on its head" was the concept of "coercion," which is known quantity in the antitrust and civil rights areas—whose experts were then sitting beside him. In no case reported to date has acquiescence in the demands of the Arab boycott been secured at gunpoint; terrorists are still unknown in this field of endeavor. "Coercion" in this context amounts to nothing beyond the promise of more profit, or the threat of less. At one time, monopolists and other antitrust violators tried to persuade the courts that they were "forced" to engage in anticompetitive practices by the need to generate profit. That line of defense—with an exceedingly narrow exception, in particular situations, for a company that will imminently go out of business—has now been solidly rejected. Defendants in employment discrimination cases brought under the civil rights laws have also claimed that they rejected black employees because they were forced to do so by the union, or by customer demand, and that they should not now be ordered to rehire such employees or give them proper seniority because it would cause serious financial harm. None of these defenses was accepted by the Justice Department, and the courts have rejected them all. There is a well recognized rule that "economic duress" is simply not a defense to a criminal prosecution: its assertion means only that abiding by the law is costly.

Representative Barbara Jordan glanced at this distinction when she asked Scalia, "Is it wrong, then, for me to succumb to coercion because I am going to lose dollars and cents, is that wrong?" The reply was an end run: "It seems to me it's not wrong for you to allow somebody to coerce you across the street, assuming your walking across the street is not unlawful. It just seems to me it's unfair to say it's lawful for you to walk across the street, but if somebody makes you walk across the street it's against the law, on your part, not on the person who is twisting your arm. That doesn't seem to me to be a very rational system of justice."

Once it is clear that the "coercion" is just a matter of more or less dollars to the business that claims to be "coerced," the props fall from under Scalia's subsidiary argument that you can't "rationally" be guilty of a crime if you are "coerced" into doing something that you are free to do if not "coerced." Jurors and legislators are free to vote their consciences; if they accept money for their votes or yield to economic "duress," they commit crimes. An American company may decide, for reasons of its own, not to do business with a firm that has "Zionist tendencies" or that does business with Israel. But when it does so to generate profit or prevent loss of business in response to a specific demand from another concern, it is in the area of commercial bribery.

Holtzman's bill recognizes the only realistic way to overcome the lure of added profits is to make compliance with the demand, if detected and prosecuted, more costly than rejection. It achieves this result by threatening the neutral participant with criminal prosecution that carries no imprisonment but imposes a heavy fine. Holtzman explained that the criminal penalty provision was inserted "to allow the second company to have a strong leg to stand on in its bargaining position with the first company. It can say, 'If I comply, I will be subject to criminal penalties.'" She explained that in view of "the economic pressure

that has been put on American companies, . . . it may be very important to give American companies that leg to stand on." And, one might add, if the company doesn't want the balance afforded by that "leg," it must still take account of the costs of a criminal conviction.

The Justice Department's second objection to the Holtzman bill concerned the fact, in Mr. Scalia's words, that "an entirely new type of unlawful discrimination is created, namely, discrimination on the basis of a person's support for or dealing with a foreign country." In addition to prohibiting secondary boycotts aimed at promoting racial or religious discrimination in employment or other business relations, the bill prohibits economic pressure aimed at harming anyone "by reason of direct or indirect support for any foreign government, or dealing with or in, any foreign country . . . when such support or dealing is not in violation of the laws of the United States." This, said Scalia, "establishes the principle that Americans may not apply indirect commercial pressures against foreign countries unless our government has declared support of, or dealing with, such countries to be unlawful." How, he asked, would this affect a church-owned business enterprise that refuses to deal with a wholesaler who sells products of a manufacturer who has substantial interests in South Africa? In another analogy that Scalia now admits offended "some of my Jewish friends (and virtually all of my Jewish enemies) . . . in their moral rather than their logical faculties," he compared the boycott of Israel today with that of Nazi Germany before World War II. "Should Jewish-owned companies and small businesses have been prohibited from exerting economic pressure upon persons or corporations that had substantial business in that regime?"

As one who counts himself among Scalia's Jewish friends (since our days together at law school), I find the analogy offensive to my logical "faculties" as well as to less rational instincts. There is, we must admit in fairness, some danger that an inartfully drafted law or an overbroad judge's reading of a carefully drawn one could interfere with the right Scalia is trying to protect—the freedom of American citizens, acting on strong personal views regarding the policy of a foreign government, to take economic measures to affect that policy. But that sweeping freedom is simply not involved in the Holtzman bill.

An initial distinction is that the "support or dealing" provision of the Holtzman bill relates only to the *third* party in the boycott situation. The Libyan Bank, to return to my earlier illustration, may not "coerce" Bankers Trust Company to cause Bankers Trust to discriminate against a particular exporter because that exporter has business interests in, or does business with, Israel. If a law such as the Holtzman bill had been on the books in pre-World War II times, it could only have prohibited "economic pressure" on neutral companies that dealt with Germany. Jewish-owned companies and small businesses would not have been prohibited from exerting pressure directly on those who dealt with Germany, even if they could not boycott a department store to force it to discontinue stocking the goods of a company that dealt with Germany.

This leads into a second major logical and practical distinction that Scalia overlooked. The Arab boycott scenario invariably involves powerful business entities pressuring those who are less powerful; that is probably the reason for Rep. Holtzman's unfortunate choice of the term "coercion" as descriptive of what the instigator of the boycott does. When the Central Bank of Libya and Bankers Trust Company confront a relatively small exporter and tell him that he may continue to do business with either or both only if he ceases doing business with Israel or fires his Jewish employees, the exporter faces an extraordinarily difficult practical choice. This was not true of the intermediate parties in any similar secondary boycott of firms affiliated with Nazi Germany. There were no large foreign or domestic interests that could exert economic leverage, and the immediate object of the boycott by "Jewish-owned companies and small businesses" might have found it well worth its while to continue to deal with firms affiliated with Nazi Germany and give up the boycotting suppliers. And the same might well be true of a wholesaler that is boycotted by the church-owned business enterprise because it sells the goods of a firm affiliated with South Africa. It may choose to give up the church's business rather than that of the South African supplier.

The difference, which the Justice Department ignored, is between authentic grass-roots efforts with American citizen initiative and those efforts set in motion by foreign governments utilizing powerful economic interests to secure compliance. If Elizabeth Holtzman's bill does not now adequately draw that line, minor amendments to its language can probably do the job.

A third distinction that the conglomerate of assistant attorneys general failed to recognize grows out of the language of the bill. Even its challenged "support or dealing" clause is keyed to "support for any foreign government" in the abstract. Opposition to South Africa's *apartheid* policy, to Nazi Germany's anti-Semitism, or to the Soviet Union's restrictions on emigration are not blanket condemnations of a foreign government. Conversely those who have boycotted businesses dealing with countries practicing particularly distasteful policies are not seeking an end to support for the foreign government, but only the termination of a particular policy. A court reading this language will probably distinguish between the Arab boycott—which views Israel's existence, *per se*, as an evil that should be eradicated by choking the country's economy—and a boycott directed at particular "political, social or economic acts, views or purpose." The latter language appears in a law protecting the immediate area around foreign embassies in the District of Columbia from picketing, and demonstrates that Congress is able to distinguish between opposition at large and disagreement with particular actions or policies.

A final distinction is both practical and moral. Representative Paul Sarbanes of Maryland—another of Scalia's law school classmates and a non-Jewish friend—challenged Scalia during the July 9 hearing, insisting that it was "beyond logic to drag in Nazi Germany in order to discredit this approach." He saw a common-sense difference, which may not be beyond the skill of legislative draftsmen, between a boycott directed toward a country whose practices violate fundamental human rights and a boycott of a friendly democracy. No matter how the lawyers slice it and how much they argue that statutory language might be extended to cover extreme situations, enforcement of the criminal law ultimately depends very much on the good sense of prosecutors. If the Holtzman bill were enacted in its present form, it would not be the only piece of federal legislation that might be read, by a sweeping interpretation of its terms, to cover conduct that the Congress did not intend to prohibit. A "rule of reason" would, one hopes, be applied in enforcement of this law by federal prosecutors (as it is in enforcement of the antitrust laws), and if the prosecutors fail, the judges can be counted on to make the difference.

Representative Holtzman's office seems stung, but not daunted, by the vigor of the administration's opposition. Her bill, they insist, is still alive and kicking, and additional hearings may be held when Congress comes back after Labor Day. Whether the dubious legal reasoning provided by the Justice Department cadre is the administration's true motive for opposing the legislation deserves more thorough inquiry. Assistant Attorney General Scalia may have revealed the real reason—that the State Department would prefer to leave this issue as an element in international negotiation—when he candidly said to the House subcommittee, "I myself believe that the most significant remedy which could be applied is by diplomatic pressures, rather than through the enactment of legislation, in order to prevent the Arabs from doing something that unduly constrains our citizens from taking legitimate action where they wish to do so."

Mr. LEWIN. I would like to at least summarize that statement but first let me address myself really to your question relating to the role of the State Department in this area. I see this problem as being one in which it should be the Congress duty to see to it on these matters which are primarily, I think, of domestic implication. I think all the members of the committee who have addressed themselves to this issue have really begun by stating that they think it is wrong and improper for foreign governments and their agents to be dictating to American business what determinations American businesses ought to be making, that therefore it really ought to be the obligation of the Congress to see to it that the State Department does not utilize this aspect of local, really, intrinsically, American commercial interests as a tool of some kind of foreign policy. In my experience that 1 year in the State Department I was in really a parallel area. I was in charge, really, in the matter of visas, for example, to the United States of foreign nationals and other related questions, passports, and visas. I saw time and again how the application and use of the Immigration and Nationality Act was in some way being used to effectuate some sort of foreign

policy objectives, in that the Department of State, let us say the desk officer for a particular country would think it useful with regard to relations with that country to be able to deny a visa or grant a visa only on certain conditions to people who were citizens of that foreign country in order to achieve some foreign policy objective. The real concern here is that in the absence of any strong domestic law that would indicate that the kind of contact that the Arab boycott engages in is unlawful under our law, the way is open, really for precisely these pressures to be exerted upon American businesses on an ad hoc basis. And for that to be left to, ultimately, to negotiation through foreign policy, through the usual techniques of foreign policy, now, I submit that that is wrong.

Whether an American business should be subject to the pressures of an American boycott, should not be part of an overall Middle East settlement.

That is really not the question. You have got lots of local small businesses that are affected by these substantial foreign pressures and they ought not to be told that whether those pressures are exerted will be in the hands of the Department of State.

So, what the role of the State Department is, I think that, with respect to the subject of this legislation, it really should be Congress job that it is seen to that the State Department has no role, that it is not able to say well, we have allowed this type of pressure to continue and therefore they are thrown into the pot with regard to some elaborate foreign negotiation.

I am in my prepared statement directed to the domestic, legal consequences of this legislation and of how it is drafted.

And really, I guess my interest in this particular legislation was prompted by the testimony that this subcommittee heard last July on H.R. 5246 which was the predecessor to the present slightly amended version in which Representative Holtzman had introduced to counteract the kind of foreign economic blackmail manifested by the Arab boycott of the nation of Israel and of those firms that were suspected of assisting Israel's economy in some direct or indirect way.

As a Washington lawyer who has long had a substantial interest in civil rights, having served as an assistant to the Attorney General in the Civil Rights Division in the Department of Justice in 1968 and early 1969 and previously as Assistant to the Solicitor General as a sometime law professor who teaches and writes in the general field, my subject has been individual rights and liberties both in Harvard and as a professor at Georgetown. And, as a concerned American, active in Jewish community affairs, I am troubled by the testimony given by witnesses before this subcommittee last July 9, representatives of the Department of Justice and by the apparent hesitation to enact into law a bill that is, I think, consistent with, and demanded by, national policies.

As a result, I wrote an article published in the New Republic where I serve as a contributing editor. Congressman Cohen referred to that article previously and I suppose that it will be in the record together with that statement, criticizing the reasoning and approach of the administration with respect to H.R. 5246.

A copy of that article is attached to my prepared statement. I will not repeat at this time what I said then. I will note only that the

situation today is little different from what it was 9 months ago except that the failure to move then means that the larger part of a year has elapsed during which the Arab boycott has been permitted to do its insidious work on American business concerns without meaningful deterrents proficed by our law.

The introducing of H.R. 11488 by Congressman Hutchinson, which I view as a totally unsatisfactory substitute for the strong remedial measures in the original proposed legislation, demonstrates that the administration stands by the unfortunate position it took here last July.

And the three major publicly noticed incidents having occurred since last July in reference to American policy vis-a-vis the Arab boycott, then Secretary Morton's about face, when confronted with a contempt citation, on the disclosure to Congress of information received from census reports and the filing of a civil antitrust action on January 16 by the Justice Department against Bechtel Co. that is alleged to have engaged in the most flagrant discriminating acts pursuant to long-standing agreements with Arab League countries and the Presidential statement of October, are I think, fly-speck considerations, concessions to the public opinion that has engulfed the executive branch's foot-dragging in the area.

I favor prompt enactment of a bill along the lines of H.R. 12383 because the time is overdue for the Federal Government to establish a meaningful deterrent to acquiescence in and cooperation with the Arab boycott.

Let me emphasize that I am trying to say that the key to an effective resolution of the domestic consequences of the Arab boycott is the enactment of a law that achieves the objective of deterring all forms of active or passive participation in the foreign boycott.

If there is no law on the books compelling businessmen to weigh considerations other than profits, it is a necessary and proper part of our economic system that they will seek constantly to maximize profits.

Those implementing the Arab boycott today rely on this single-minded incentive; they communicate to our business concerns both with a velvet glove, and if necessary with a bared iron fist, that profits will bear a direct relationship to the vigor of their trade with Israel or with those who deal with Israel.

The way to counteract this evil is not, as the administration suggests with its substitute legislation, to punish those who engage in "coercion." The principal actors, the "coercers" are usually outside the reach of our jurisdiction, and punishment is not, in any event, the ultimate goal.

The better way to deal with the situation is to give American businesses a counterincentive. Obviously, if we were able, the Federal Government is not in a position to provide much of a carrot; we cannot replace the lost profits of those who may lose business if they refuse to comply with the boycott request.

The other alternative is to wield a stick equally applicable to all American businesses which are in competition to say to all businesses that if any one of them is caught cooperating with or acquiescing in the Arab boycott, that firm and its principals will suffer severe consequences such as criminal sanctions and heavy penalties.

If one approaches this problem not by analyzing the language and consequences of a particular bill but by defining the objective and then

deciding how that objective is best achieved, I firmly believe that one is driven to the conclusion that H.R. 12383 is the best of the presently available proposals in reaching the desired goal.

Imagine yourself as the chief operating officer of an American company that has done some business with firms which have plants in Israel.

Imagine further that you have seen the possibility of a large contract in an Arab country, but fear that your secondary Israeli dealings will subject you to disqualification under the uncertain guidelines imposed by the Damascus based Central Office for the Boycott of Israel.

Sanctions under Federal law against a "coercer" such as are proposed by the administration bill are totally useless in such a situation. Even if the representatives of the Arab country or concern do make a demand that you cease doing business with the Israeli related concerns or more flagrantly, that you fire your Jewish professionals that demand will probably never be subject to the jurisdiction of this country.

What you would need in such a hypothetical situation is a spine stiffener, an effective deterrent that, you knew, would apply not only to you but to any of your competitors that acceded to such a demand. If you are told as H.R. 12383 tells you that the consequences of dropping your commercial dealings with firms located in Israel in order to do business with Arab countries may be a huge criminal fine and treble damage liability, you will probably be able to resist the temptation.

If you are told, in addition, that the business cannot be picked up at these terms by any American competitor the incentive to be law-abiding is virtually overwhelming.

Viewed in this way, the original bill put before you, with its minor recent amendments, does precisely what it ought to do. It exerts the same restraining influence on the drive for profits that are achieved by the criminal provision of the Federal antitrust laws.

Take as example price fixing and other per se restraints of trade and these are made criminal so that all businessmen know that neither they nor their competitors will be able to increase their profits by engaging in this kind of business activity. The cost of detection and prosecution becomes too great to be worth the chance of added revenue.

The kind of enforcement we have now is, by contrast, toothless. Is the Bechtel Corp. deterred from continuing its allegedly active cooperation with the Arab boycott by the civil suit for an injunction that was brought against it by the Department of Justice? My guess would be that the lawyers' fees to defend the suit are just a very minute fraction of the profits realized by Bechtel as a result of its deliberate choice to go along with the implied or expressed Arab demands.

And, at this point, I would like to refer to a question asked by staff. Mr. Brody. I think it is also true that the prospect of treble damage liability of civil actions is not much of a deterrent. Because if it were, there would be no reason and no necessity for the criminal provisions of the Sherman Antitrust Act. There are treble damages provided there as well, and obviously, Congress believed that that was not a sufficient deterrent. And treble damage actions require not only imaginative and effective lawyers, but substantial litigation and substantial proof of damages.

The courts that I am in, with my familiarity with antitrust cases, and I have had some that I have been handling in private practice, the courts certainly have come to the point where they are insisting on very specific proof of actual damages.

That means that a particular firm would have to show that it would have realized a particular profit in specific dollars and cents in order to give a treble damage award in a subsequent suit brought against a company that engages in this kind of discrimination.

Only if Bechtel and all its competitors are put on notice that this business judgment carries with it legal consequences that unequivocally outweigh its benefits will there be substantial enough grounds to a pragmatist to turn away the Arab request.

This brings me to a relatively minor quarrel I have with H.R. 12383 and with its predecessor which I think is related to Congressman Hutchinson's questioning of Mr. Brody. I believe it substantially misstates what is actually happening to speak of the demands of the Arab boycott as economic coercion and it unfortunately characterizes businesses which passively or actively acquiesce in the boycott as hapless victims of coercion.

Those operating the boycott are promising to provide money by authorizing business relations with a particular firm or to withhold money by placing a firm on the boycott list and thereafter boycotting those who deal with a listed firm.

A financial benefit is being promised and its withdrawal is being threatened; the definition in the proposed section 246(h) (3) (A) makes that clear.

Now, if I were to say to any member of this subcommittee that I will do business with your brother or your sister if you vote for this bill and I will refrain from doing business with your relatives if you vote against it, no one in his right mind would say that I am trying to coerce you. I might, however, properly be accused of offering to bribe you in violation of the bribery sections of the Criminal Code.

Why is it so readily assumed that American businesses seeking to do business with those who abide by the Arab boycott are doing so under duress?

They are, in effect, taking the bribe offered by the Arab country or the firm the profits of a business relationship as part of a bargain under which they drop their Israeli ties. I suggest, therefore, that wherever the word "coerce" appears in H.R. 12383, the word "induce" or "persuade" or "bribe" be substituted.

Assistant Attorney General Scalia told you in July of last year that it would be unconscionable to subject to criminal sanction those businesses who cut their ties to Israeli-related concerns because they are "coerced" by the Arab boycott if there is no obligation under the law for them to continue with these relations in the absence of the "coercion" exerted upon them.

Would he apply the same reasoning if, rather than coercion, the bill dealt with bribery? In the absence of a bribe, you are free to vote legislation up or down, and in the absence of Arab bribery or "economic inducement" a firm may be entirely free to do or not to do business with Israeli-related concerns.

But if the firm accedes to the inducement of a promise of financial reward, its otherwise untainted act may become unlawful.

I have outlined my basic reasons for believing that this legislation hits the nail more closely on its head than any other bill now under active consideration by the Congress.

The need for corrective legislation of some kind is urgent, particularly at a time when each day's headline shouts some new expansion of the economic power of the countries subscribing to the Arab boycott. I hope its active consideration is no longer delayed.

Mr. Chairman, that concludes my prepared remarks. There were several questions, I guess one question in particular, that Mr. Cohen addressed or the question that I addressed myself to which I could turn to now that had to do with the matter of proof in a case.

Mr. HUGHES. Why don't you respond to that now so that will be a part of the record?

Mr. LEWIN. As I see the problem of proof, and, again, to not go through a catalog of my own sordid past history, but I was a prosecutor at one time as well, and there are many cases, criminal and civil, in which lawyers, prosecutors, and private attorneys prove intent—let us say of a business concern or an individual from internal documents—from statements, from a variety of sources, which I think are entirely available here, as easily as they are in any criminal antitrust action. Does a business refuse to do business or engage in commercial transaction with company X because company X has some tie to Israel, because they have a plan with Israel. Well, its internal documents may show that that is a factor and those internal documents can be made available by grand jury subpoena, by informal request, the Department of Justice has civil investigative demand potential, there is all kinds of investigative proof that can be made available, and I think they would be made available, and I think that they would be made available to the "grandfather" situation that Mr. Cohen postulated, whether it is a firm that has had a long standing policy prior to the enactment of such a bill can obtain an immunity by reason of the enactment of such a bill, because it has always done this and is not changing its policy and suddenly cutting off Israeli concerns, I think the answer to that is no.

If one sees from its old documents or testimony regarding the initiation of this policy that has initiated this policy precisely because at that time the Arab boycott made a demand and at that time, maybe that demand may not have been prohibited by Federal law, I think that that company can be reached today just as I suppose any company can be reached that may have engaged in anticompetitive practices prohibited by the Sherman Act, or by amendments to the Sherman Act, even if he began those practices before the Sherman Act was enacted.

I don't think it was a defense back in 1898 when the Sherman Act was enacted at first that the companies that had delved in monopolistic practices had done so for a long time. You could simply go back to the origins and show and say well, we now see what it is that you have done and why you have done it and you have possibly done it for anticompetitive reasons or for reasons prohibited by the act and we are going to proceed against you and it is for that reason that I think that the problems of proof in this area are in no way different from that in so many other areas under Federal law and can be easily dealt with.

Mr. HUGHES. Mr. Brody, I think, Mr. Lewin, also addressed himself to that when he indicated, as is often the case, we claim intent from the circumstances' effect then and it often gives us a better indication of what people or firms intended than an expressed intent.

In substance, what you are saying is that which Mr. Brody also said when he related his own testimony to Mr. Cohen's question.

Thank you very much.

I recognize Mr. Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Chairman.

In one of your remarks, as I recall your statement, you suggested that acquiescence in a boycott should be an offense. You are talking about something other than a passive acquiescence are you not? You certainly would not make it a crime—inaction—would you?

Mr. LEWIN. No. What I am saying, and I think that the bill directs itself to that, I think Representative Holtzman previously referred to that, is that it speaks of inaction that has consequences. In other words, the refusal to do something, on that ground, that is inaction in a certain way, it is just as much inaction as concerted boycotts are under the Sherman Act.

A group of companies decided that they will not deal with a certain supplier. They are not acting, they are firmly refusing to deal. If their internal documents show that the reason that they refused to deal is that they have all gotten together in a horizontal conspiracy to refuse to do so, well, that inaction or that acquiescence by others at the request of one, becomes a violation, yes, so I certainly don't mean that certainly no person with no business consequences, a private party who simply acquiesces or says simply I agree with what the boycott is doing, commits no crime.

But if he then, as a result of that acquiescence, fails to take action or refuses to take action which has business consequences, on that ground, then I think that he is subject to the law.

Mr. HUTCHINSON. Of course the prosecutor would continue to have the burden all the way through proving that the business involved acted or failed to act of this, because of these threatening consequences.

Mr. LEWIN. Absolutely.

Mr. HUTCHINSON. Quite a burden.

Mr. LEWIN. Not only a burden, it is beyond a reasonable doubt burden, if it is a criminal case.

Mr. HUTCHINSON. Absolutely.

Mr. LEWIN. And I know of, having been a prosecutor myself, that there are cases where prosecutors think that there has been guilty intent but they cannot prove it in court beyond a reasonable doubt, then they cannot bring the case.

Mr. HUTCHINSON. Do you really anticipate the fact that there would be very many cases actually brought?

Mr. LEWIN. No, I think not. I really think not. I think that is what I tried to communicate this morning, that the important thing is that there be a law on the books that would really be a deterrent, in this area more than, I think in the normal criminal area, we are really talking about groups of people who, I think that they have some reason to, some specific thing that they could point to and they would want to keep their conduct in compliance with the law and particularly, as I have tried to say, if they know that their competitors are in an identical position. Every business concern that knows that not only would it

be subject to a criminal sanction, but its competition would be subject to a criminal sanction would I think line up and abide by the law, so I think that there would be very few criminal prosecutions.

That is, I think, why the bill would work.

Mr. HUTCHINSON. At page 5 of your prepared statement at the bottom of the page, I read, "if you were told—as H.R. 12383 tells you—that the consequences of dropping your commercial dealings with firms located in Israel in order to do business with Arab countries may be a huge criminal fine and treble-damage liability," we are not concerned in our dealings with firms located in Israel, we are concerned with firms located in the United States.

Mr. LEWIN. What I meant by that language—and maybe it is not precise enough—I meant the firm that may have a branch in Israel, for, as I understand the Arab boycott list a concern that is American that says, "Look, we are going to open up an Israel office," goes immediately on the Arab boycott list. It is an American concern that thinks that we ought to have an Israel office in order that we do business with Israel though it is an American concern, now this operates secondarily on a firm that wants to do business with such a firm.

In other words, firm A says I have to cut my ties with firm B because it has a branch located in Israel. And that is what I meant by firms located in Israel. I did not mean firms that are Israeli. I mean a firm that locates a branch in Israel.

Mr. HUTCHINSON. Thank you.

Mr. HUGHES. Thank you very much, Mr. Lewin. Staff has a couple of questions and I have a question, too. You have touched upon it just briefly, but I would think, from my own business dealings, that most firms would welcome the kinds of action this committee is considering because today it is the Israel problem but tomorrow it is something else. Most recognize that when you subject yourself to that kind of blackmail problem that it continues in a different form.

It is a very economic power in the hands of a few. I would think that most firms would regard this as being extremely dangerous because of the fact that they could select and pick and choose and although they would feel compelled to comply they see others not complying and therefore they find themselves in an unwilling participant's position.

Would you agree with that?

Mr. LEWIN. Yes, I definitely think so.

The firms, business concerns, would be unhappy if one simply just views it as a matter of commercial judgments in the United States, the possibility that this year there is this kind of pressure and then next year there is another.

I think that that is really our own laws, which are so geared to promoting freedom of competition in every way and keeping what we think is all kinds of irrelevant factors out of a competitive marketplace. It is really basic, it appears to me; it is really based on that philosophy that business ought to be conducted free of extraneous influences and free of ties to international politics and that is done to protect precisely the interests that you have expressed.

Mr. HUGHES. We have not had testimony from industry generally, but I would not be surprised if they would welcome, first of all, these types of sanctions so that as a matter of public policy it is determined that everybody will be treated equally under the law.

Yes, I would love to hear what they would say on the subject. I would like to hear from General Foods and corporations and suppliers in regard to this type of situation.

Thank you.

The Chair recognizes counsel, Mr. Cohen?

Mr. DANIEL COHEN. Let me ask you to focus just for a second on existing law. As a general statement, what are your feelings about the adequacy of civil rights law and existing antitrust law, totally apart from any of the proposed legislation before us.

Mr. LEWIN. I think that they are totally inadequate to deal with this problem for at least two separate reasons. One is, and this is what I think is a defect that goes to both existing law and to the proposal and to the President's statement of November 20, 1975, that really what they relate to is religious discrimination, discrimination on the basis of sex, national origin, race, and religion. And I know that Mr. Brody and the Anti-Defamation League would be very active under the religious discrimination dealing with those cases where there has been active discrimination that can be shown against Jews on the basis of their religion.

But I think that the greater evil is really what the additional subsections of this bill refer to which is specifically discriminations based on, dealing with firms because they have commercial relations with Israel and that is just not reached at all, not by the existing statutes.

Mr. DANIEL COHEN. The Department of Justice says that there ought to be a distinction under our law between discrimination against Jewish owned businesses, and discrimination because of the fact that someone is Jewish, and discrimination because of the fact that someone is supportive of Israel.

Should that be a valid distinction.

Mr. LEWIN. Well, obviously one can state that distinction. But the question, as a matter of national policy, that distinction really does not make sense. And I submit to you that it really does not make sense that for reasons that have been somewhat touched upon today we feel as a matter of simple business policy in the United States that we don't want to have foreign governments controlling what our American business concerns do and with whom they deal. That is a totally different problem than saying foreign governments are not wanted if they force discrimination on the basis of religion on our business concerns or sex discrimination or racial discrimination. Those are different problems. One is that a foreign government says that in order to carry out our foreign policy objectives we are insisting that you not do certain kinds of business and another one is a foreign government saying that we want you to discriminate on the basis of religion or sex. What the initial bill does is that it goes beyond simple discrimination on the basis of sex and national origin and says that the other kind of discrimination is the kind that is contrary to national policy and should not be committed.

And let me say that in that area it is not simply a matter of civil rights. For that reason it is a matter of commercial practices and that is why the analogy in various respects to the antitrust law is important.

I said that there is the one aspect and that there are two differences. The other distinction is that there is how effective the remedies are.

And it appears to me that if you are going to draft a statute that is going to have a real deterrent effect—and that is really what this statute ought to do—it ought to not be interested in punishing people.

We are not talking about standard criminal activity, but simply in lining everybody up with a strong enough deterrent. I think what you have to do is that you have to draft a statute that has a criminal penalty.

Mr. DANIEL COHEN. Well, as you know, the existing antitrust laws, particularly the Sherman Act, contain precisely those penalties that you talk about, both in terms of stiff damage relief and injunctive relief, and also criminal penalties. Are there secondary boycott situations that you could construct that would not be covered by the Sherman Act? Are there secondary boycott situations such as those being engaged in by those participating in the boycott that you feel are not reachable under section 1 of the Sherman Act?

Mr. LEWIN. Yes; I think that there are. There are various problems. One is, to me, although I certainly wish that the Department of Justice does well in the Bechtel suit. I know that there is a long line of decisions which have said that political as opposed to commercial objectives are not covered by the antitrust laws.

In other words, where there are concerted boycotts or other kinds of activities that are geared to not achieving commercial ends but political ends, then that is simply not covered. So I simply, as a lawyer, have substantial doubts about the possibility of success.

On the other hand and in addition to that, if one looks at the Bechtel complaint, the Department was very careful to put into the Bechtel complaint the various subsidiary corporations to Bechtel that were co-conspirators.

It is well established under the antitrust laws that unilateral conduct by a single corporation is not a violation of the Sherman Act, which speaks about a conspiracy.

And the old question of intracorporate conspiracies is presented by the Bechtel complaints which names Bechtel and the wholly owned subsidiary corporations with Bechtel which it has allegedly conspired with. I think that the grey area that was gone through until the Bechtel complaint was filed indicates that no antitrust lawyer is confident that this is an open and shut case.

And Bechtel has thought it worthwhile, certainly, to fight it.

And, so, to me, the possibility of winning a civil case where there is no request other than a conjunctive request is problematical, and I say that I think it becomes more problematical than when one talks about the possibility of that treble damage liability remedy and certainly virtually impossible when there is talk about applying the criminal sanctions of the Sherman Act which applies so broadly in such general terms to unreasonable restraints of trade.

Mr. DANIEL COHEN. Take a very simple hypothetical situation in which three parties are involved, and one company is coercing another company to discriminate against the third company, and the only complaint of activity with regard to the second company is that this company yields to the coercion.

On that rather skimpy fact situation, without putting meat on the bones, is that kind of yielding to coercion in your judgment, acting in combination under the antitrust laws?

Mr. LEWIN. Unfortunately, the words that you use are the words that I have difficulty using in this context.

Mr. DANIEL COHEN. Yielding to coercion?

Mr. Lewin. Yielding to coercion. If company A says to company B that I will be doing substantial business with you if, and only if, you cease doing business with company C there might very well be a viable antitrust claim based on the fact that there is an agreement to do business together between A and B on the condition that neither or both of them will do business with company C might violate the antitrust laws and when he gets through—

Mr. DANIEL COHEN. Is that the violation, or is that here just a matter of proof of the agreement?

Mr. LEWIN. Well, if here the two speak together and B says I mean, there have been antitrust cases that one party who was in a conspiracy says that I was under duress and the other company applied economic leverage and they promised the threats in many ways and I think that ordinarily duress is not accepted in that sense as being legitimate duress which is a satisfactory defense in a suit of that kind.

In the commercial area, certainly with criminal cases, economic duress, in that sense saying that well that you are going to lose money is not accepted as a defense, so in that context I do not know. Well, of course it would be a matter of proof whether or not there is a conspiracy.

But the mere fact that he says A told me that he would do business with me only if I did that, would not amount to duress the antitrust lawyers would recognize.

Mr. DUDLEY. Mr. Lewin, following up along that line, the Supreme Court in 1968 in an *Albrecht* case, in that case, it seems to me, decided a set of facts that is quite relevant here because as I recall the facts in that *Albrecht* case there was a combination found by the court between a person who agreed to take over a business that was cancelled. It was a newspaper distributors situation there, if you recall, because the newspaper distributor had exceeded the maximum price set by the newspaper, the newspaper had cancelled his distributorship and gone to another distributor who agreed to hold the maximum price. The violation was found in the maximum retail price, but the combination was found in the agreement, the subsequent entry between the new distributor and the newspaper.

Would this not be adequate to give you a finding of combination in the kind of situation you are talking about in the boycott, where you have not felt coercion, but inducement?

Would you not, cannot here you find under existing Sherman Act standards the kind of combination very easily in that situation?

Mr. LEWIN. Well, as I recollect, I was trying to recollect the *Albrecht* case as you spoke. Was that the case where the Supreme Court rejected the impairment defense? No, I have confused that and I just don't recall the *Albrecht* case. But it strikes me that there may be situations where that is right where the economic inducement would be sufficient to give you a Sherman Act violation. Whether the Department

of Justice would be prepared to proceed against those here who raised those unwilling participant defenses, I don't know.

In other words, you may be right in saying that on that theory there might be some possibility of a private treble damage based on two parties willingly going over one.

Mr. DUDLEY. The point being that the Albrecht suit was a private suit not brought by the Department of Justice. And the remedial scheme under the proposed legislation, particularly in light of the criminal penalties, in both criminal and civil situations, said that the treble damages would be provided for in this bill. And the question is do you have an adequate treble damage vehicle now in which private parties can file complaint?

Mr. LEWIN. Well, my thinking is that it is a very certain treble damage situation using the Sherman Act to apply to these kinds of facts. I think there would be every incentive until the law would make clear through years of litigation, there would be every incentive on the part of the courts to say well maybe this Sherman Act would not apply.

Well, the problem is that this is a pressing problem and it cannot wait until the treble damage actions are litigated through the courts and the ultimate matter may be resolved in the Supreme Court 3 or 4 years from now if the theory that you propose is right, that is the best set of acts that could turn out: that 5 years from now the Supreme Court could say that in a suit of that kind that you have a claim, a treble damage claim, based on two companies going along and one being somewhat compelled to do so by promises or inducements and the other one providing the inducements.

I think Congress out to act in this area with regard to this concern and not wait for the Sherman Act to be construed favorably.

And let me say that it certainly appears to me that the Supreme Court, the tendency of the Supreme Court is to construe the Sherman Act narrowly. There was a time I suppose it was years ago that the plaintiffs were regularly winning antitrust cases in the Supreme Court. That is just no longer true.

And I am not confident that anything predictable would ultimately happen if the issue as you present it were brought up to the Supreme Court.

Mr. HUGHES. Before I recognize the minority counsel, does my colleague from Michigan have anything to say?

Mr. HUTCHINSON. No.

Mr. POLK. Mr. Lewin, in response to the series of questions by Mr. Hutchinson I think that you have indicated that although there would be problems with the bill, as it was drafted, that the fundamental purpose of the bill was to provide insurance, to provide some backbone to the offer, where it would make it possible to refuse the offer.

I was wondering if you view the recent colloquy with counsel that is it not true that the offeree has an excuse with which to refuse the offer? Cannot the offeree say today that I cannot comply with your Arab boycott request because it may be a violation of the antitrust laws, this may subject me to both criminal and civil sanctions.

Mr. LEWIN. But you are in an area I think where if you took a poll of private antitrust bar, you would find a majority, probably or substantially more than that, that this is probably not due to the antitrust laws.

It takes an ingenious theory and likely prospect of success and a favorable judge in the Court of Appeals and in the Supreme Court to say that you have got a viable antitrust claim there.

I think that by and large a concern faced with the alternative of possible antitrust liabilities—and mind you the great public attention that was drawn on the Bechtel suit when it was finally filed and the reports of the delay until it was finally filed because of internal administration as a question of whether it was desirably filed indicates to me that if I was the person in the corporation that the likelihood any antitrust action would be filed against me on the basis of this activity and never being seen to a conclusion are very, very, very remote, and when you balance that on the one hand against the immediate prospects of immediate good in an American deal on the one hand; why should I worry about that? Why not let my lawyers worry about that in suits. And here I have got the contract in my pocket. It is not a real deterrent.

Mr. POLK. Does that answer not tend to refute the answer that you gave to Mr. Hutchinson? You know that it doesn't matter that there are difficulties under the bill of prosecution, that what is really needed in this is an excuse for the offeree to get—

Mr. LEWIN. No, sir; I have represented in my private practice a good number of individuals who were accused of white collar crimes. In fact, one of the courses that I offered at Harvard was the defense of white collar crime.

There is a big gulf being a defendant in a civil suit where there are attorneys to represent you and the prospect of criminal liability, precisely to individuals in the position of corporate presidents and policy-makers.

When you can say that what you are doing is going to put you in the position where an indictment can be filed against you in court and a criminal case may be filed against you and it will be in the news and you will be charged by the U.S. attorney and an indictment returned by the grand jury well, they will stay as far away from that as they can.

On the other hand, when your lawyers say to you well, someone can sue you and it will cost a lot of money to defend you and in 3 or 4 years there may be a judgment against you but on the other hand you here have a very substantial contract, I think that there is a big gulf between those two.

And I think that if you want an effective deterrent you have got to say that this kind of conduct is not merely the kind of thing people can sue for but is the kind of thing that you can prosecute for.

Look at comparable areas. The Food and Drug Act, for example is almost a criminal liability, someone who is responsible for the distribution of products in the food area of some kind that exceed tolerances of some kind, that have certain kinds of adulterated ingredients, can be subject to criminal sanctions.

The Congress has felt and I think that experience has borne out that that makes businessmen far more careful than simply saying that you can sue and even recover treble damages if the pie that you buy has got too much glass in it or has too much pesticide.

If you are just able to be sued and a corporation liable for damages, the president is going to be far less careful.

Mr. POLK. Well, is not the problem that even under the current antitrust laws the problem of proof?

Especially if Senator Ribicoff is correct in his view that there are thousands of this type of situations, it seems to me that as a matter of chance more than one case, more than just the *Bechtel* case would have come under the violation of the antitrust laws. And it seems to me that the absence of prosecution by the Department is not so much owing to fact that there are not antitrust violations, it is that is very difficult to prove.

MR. LEWIN. Well, I think that the area of corporate crimes or business crimes that it is not that hard to prove because there are internal memos, recordings of conversations.

It is incredible how often the things that are ending up as violations of law are reflected in black and white in internal corporate memos.

I think if a corporation decides that it, in order to get an Arab contract is going to not do business with a certain concern, there is ordinarily going to be correspondence, a memo that says that we cannot afford to do this because of such and such.

I think that the reasons that the suits have not been brought is that it is a novel legal theory. I mean that the Department of Justice was very candid in saying that in their testimony up here I think that Mr. Scalia told the subcommittee that there were all kinds of difficulties in terms of reaching this kind of conduct with the antitrust lawyers and then ultimately the *Bechtel* case emerged.

But one just has to look at the complaints to see that the Department was very careful to cover all types of cases so that something would emerge maybe from that lawsuit but it is not an open and shut case, that if they simply had a document that would show that *Bechtel* did it for this purpose, then it would have to get a consent judgment out of the complaint.

MR. POLK. But don't you think under it all—and I can see why the Department would not allude to this—but that there is an undercurrent of State Department pressure not to bring these suits and that it is not the fact that the law is there or that there are these violations there, it is the fact that there are other reasons why the law is not enforced.

MR. LEWIN. I think that there is definitely State Department pressure and one of the problems, as I think I really stated earlier with the absence of the law, is that it opens the enforcement of this kind of area by Government to State Department pressures and State Department is trying to see in this area as in the visa area that the parameters of the law are broad enough that they can be used for various foreign policy purposes. And that ought not to be done.

On the other hand, relying on the private bar and the private lawsuits I think has been discovered to be inadequate and insufficient. I mean that you go back to the civil rights areas, to questions of school desegregation, questions of employment discrimination.

When Congress enacted the Civil Rights Act of 1964, it put in the authority of the Department of Justice to enforce civil rights laws precisely because given the costs of counsel and of the difficulties of bringing lawsuits, well, you cannot really expect private parties to act as private attorneys general and bring suits to enforce the law.

You have to work out an area where Government is going to do this and that is another area which I have not covered in my prepared statement and I think that it is important and there are various States that have wrestled with this problem and tried to enact local laws.

You know, New York has enacted a law geared to this legislation but the real problem is that so long as Congress stands back and allows the State to enact laws, that it really is an unfair discrimination among States.

There is concern that since New York enacted its law that it has caused the Arab States to do business with concerns in New Jersey or Michigan or some other State because they don't have a law and that is unfair really, to have spotted enforcement all over the country.

This is an area that either has national policy that says you ought not to allow participation of any kind with the Arab boycott or all States are the same.

Mr. POLK. I would like to ask you one final question about how the bill works. In your New Republic article you indicated that the bill does not prevent any Arab country from keeping Israeli products from outside its borders.

I was wondering and I guess you were alluding to what so many people call the core boycott which I believe that here the boycott is enforced by asking for a certificate that the goods that are being shipped to Arab countries are not from Israeli origin. I was wondering about how the bill distinguishes between that kind of a certification request and the other more heinous examples that we have recounted today. Would not compliance with that simple certification request subject to economic loss certain American companies or firms of Israel?

Mr. LEWIN. Well, the bill, it seems to me in the respect that it really only deals with secondary boycotts, I think does not, because if you really look at the bill, and parse it down closely, what it says is that you may not refuse to discriminate in employment or subject to any economic loss or injury the United States persons in order to avoid being coerced in a matter which is unlawful in section A.

What that means really in that court boycott case is that a firm that says look we will not buy a product to put into this product that is being shipped to an Arab country that is made in Israel.

It does not really come in under B because B only deals with someone who says I will not buy a product from company A located in the United States because it has a plant in Israel, not the goods itself. Goods made in Israel are not covered. I think that is what Congressman Hutchinson pointed out to me in an earlier question too. When you are dealing with a direct product made in Israel, in other words my statement made on page 5 of my statement, dropping the commercial dealings with firms located in Israel, and I tried to correct him about what I had said there, really, to indicate that I had intended it more narrowly, really goes to that question because any company in the United States is free under this act to drop commercial dealings directly with Israel, certainly with regard to a product that is shipped to an Arab country and to say to that Arab country that I have not put into this product goods from company A.

Mr. POLK. I was confused by your original statement.

Mr. HUGHES. The gentelady from New York.

Ms. HOLTZMAN. Isn't the best answer to the present law that it will force private individuals to protect themselves against the economic

consequences of the boycott, that no private actions have been reported?

Mr. LEWIN. I think that may very well be the best answer.

Ms. HOLTZMAN. And the boycott has been going on for some time and there is a claim that almost 2,000 men and companies have been subjected to the effects of this boycott. Second, with respect to whether or not companies can expect to be deterred by the present law, don't you think that it would be a question in the mind of virtually every company whether or not the State Department or the antitrust or the Justice Department will have the upper hand with respect to enforcing the antitrust laws in this respect that the one year the State Department may win out and then the year after that the Justice Department may win out and then the year after that the prosecution of antitrust actions may win out.

Mr. LEWIN. Not only in one year, Representative Holtzman. But there have been reports that there are reports not even filed. One may win in one case and then win out in another.

Ms. HOLTZMAN. And isn't another problem with respect to the deterrence the present Sherman Act affords the fact that there is enormous doubt of whether the Sherman Act will cover the situation, the fact that the Justice Department testified before this very subcommittee that it would not cover it, does that not mean that any particular company mainly making an economic decision whether to go along with the boycott has to say what are my competitors going to do under this circumstance.

There is not assurance for any one company that the competitor will make the decision given the vagueness and the ambiguity of the coverage of the Sherman Act. Isn't that correct?

Mr. LEWIN. Precisely.

Ms. HOLTZMAN. And finally there is nothing in the present law that protects any member of the board of directors, a partner in the firm, from being fired as a result of economic pressure as the result of religious discrimination, sex discrimination, racial discrimination and the like. Is that correct?

Mr. LEWIN. I am afraid that I did not follow the sentencing of that last one.

Ms. HOLTZMAN. There is nothing that prevents anyone who is a member of the board of directors of the company or a partner of a company who is an employee—from being fired on the basis of—

Mr. LEWIN. Oh, yes, yes, that is correct.

Ms. HOLTZMAN. There is no protection for such a person from racial or sex discrimination at this time.

Mr. HUGHES. Thank you very much, Mr. Lewin. We appreciate your testimony.

The subcommittee stands in recess.

[Whereupon, at 11:55 a.m., the subcommittee recessed to reconvene, subject to the call of the Chair.]

[The following information was submitted for the record:]

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الشركات والمؤسسات في الولايات المتحدة الأمريكية
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○ BELLWOOD SHOE MAKERS.			لالاحذية
○ BELMONT LABORATORIES INC.	Philadelphia — Pennsylvania.		
○ BELVEDER PRODUCTS INC.	125 Columbia Ave. Belvedere — Illinois. 350 — 5Th. Ave., N. Y. C.		صناعة الملابس الرجالية
○ BENNETT CORP.			
○ BERLAND SHOE CO.			
○ ALLEN STORES.			
○ EI — C.			ماركة
○ DELTRITE.			ماركة
○ BLUE RIDGE SHOE CO.	Los Angeles — California.		
○ BLUSH — ON.			ماركة
○ B. M. C. SHOE CO.			توزيع الاحذية

الاسم	العنوان	الإنشاس	مخفف
<ul style="list-style-type: none"> ○ B'NAI B'RITH ○ B'NAI B'RITH HILLEL FOUNDATION. ○ B'NAI B'RITH REHOVOTH LODGE. ○ B'NAI B'RITH WOMEN ○ BOMYTE CO. ○ BOSTON. ○ BOSTON BRITISH PROPERTIES LTD. ○ BOTANY BRANDS INC. ○ BOWMY TELLER CO. 	<p>وسائر فروعها المبدئية والمنشآت التالية :</p> <p>1 - مدينة Haselord بولاية New Jersey.</p> <p>2 - مدينة Denver. بولاية Colorado.</p> <p>3 - مدينة St. Louis. بولاية Missouri.</p> <p>4 - مدينة Philadelphia. بولاية (بنسلفانيا)</p> <p>5 - مدينة Freehold. بولاية (نيوجرسي)</p> <p>6 - مدينة Paterson. بولاية (نيوجرسي)</p> <p>7 - مدينة Los Angeles. بولاية (كاليفورنيا)</p> <p>8 - مدينة (سان فرانسيسكو) بولاية (كاليفورنيا)</p> <p>9 - مدينة (شيكاغو) بولاية (إلينوي)</p> <p>10 - مدينة ديترويت .</p> <p>11 - مدينة Milwaukee. بولاية Wisconsin.</p> <p>12 - مدينة Jackson. بولاية (ميسيسيبي)</p> <p>13 - مدينة Memphis. بولاية Tennessee.</p> <p>14 - مدينة Knoxville. بولاية Tennessee.</p> <p>1407 - Broadway, N. Y. C.</p> <p>350 - 5Th. Ave. N. Y. C.</p> <p>وفروعها في المدن والولايات التالية :</p> <p>- New York, N. Y.</p> <p>- Chicago, Illinois.</p> <p>- Cleveland, Ohio.</p> <p>- Boston, Massachusetts.</p> <p>- Philadelphia, Pennsylvania.</p> <p>- Palm Beach, Florida.</p>	<p>منظمة</p> <p>مركبة</p> <p>صناعة الملابس الرجالية</p>	

الاسم	العنوان	الاختصاص	ملاحظات
• BRAGER & CO.	<p>— Manhasset, Long Island. — White Plains, New York. — Short Hills, New Jersey. — Oak Brook, Illinois. — Jenkintown, Pennsylvania. — Wynnewood, Pennsylvania.</p> <p>وفروعها الخدمية في الولايات المتحدة الأمريكية</p> <p>1 — Los Angeles Calif. 291 S. La Crenca Blvd. Beverly Hills. 2 — Chicago, Ill. 1321 Bell Savings Bldg. 78 West Morris Street. 3 — Pittsburgh, Pa 410 Berger Bldg. Pittsburgh 19.Pa. 4 — Philadelphia, Pa. 601 Lewis Tower Bldg. 225 South 157th Street. 5 — Miami Flo. 407 Lincoln Road.</p>	التلبينت التجارية	
• BRETZ MINING CO.		علامة	
• BRITE — GARD.		علامة	
• BROADCASTING COMMUNICATIONS & ELECTRONICS PROCESSING DIVISION.	501 North Lucile Street Indianapolis, Indiana.	تسرع المراملات الاناعية والعمليات الإلكترونية	
• BRONCO.		علامة	
• BROW BEAUTIFUL.		علامة	
• BROWN — VINTERS CO. INC.			
• BRUNO SCHEIDT INC.	16 — 22 Hudson St. (Room 410) New York 13, N. Y.	علامة	
• BRUSH — ON EYE SHADOW.		علامة	
• BUILDING FRAMES INC.	464 — Hillside Ave. Hillside N. S.	علامة	
• BULLDOG.		علامة	
• BUSINESS PRODUCTS & SYSTEMS DIVISION.	Rochester, New York 14603.	علامة	
• BUTTER — NUT.		علامة	
• BUTTER — NUT FOODS CO.		توزيع القهوة والشاي	
• BYEPS A. M. INC.	420 7th. Ave. Pittsburgh Pa. Embree State Building New York 1, N. Y.		
• BATANY FRANDS INC.			

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

التاسم	المقوس	الاخصاص	ملاحظات
<ul style="list-style-type: none"> ● BEGED — OR ● BELSFORD CONSTRUCTION CO. INC. ● BECKER RYAN & CO. ● BERIDAN HOUSE INC. ● BERMACO INC. 	<p>528 7Th. Ave. New York</p> <p>140 7th Avenue, New York 11. N. Y. U. S. A.</p>		
<ul style="list-style-type: none"> ● BESTFORM COBBERY LTD. ● BI-FLEX INTERNATIONAL INC. 	<p>38 — 81 47 Ave. Long Island City, New York.</p> <p>11 East 36Th St. N. Y. 16 N. Y.</p>	<p>اميل الطباعة والنشر استيراد المنتجات الاسرائيلية انتاج الملابس الداخلية السيدات الرجال وبعض الاكسسوارات التسائية كالأحذية والساعات</p>	
<ul style="list-style-type: none"> ● BISCOFF CHEMICAL CORP. ● BLAIR HOUSE FABRICS ● BOLT BELANK NEWMAN INC. ● B. & O. CASH STORE ● BOMBER SPRING HERRING CO. INC. ● BONAFIDE MILLS. INC. ● BOTANY INDUSTRIES INC. ● BOTANY MILLS. INC. ● POTANY RETAIL STORES DIVISION. ● BRANT YARNS INC. ● BROAD STREETS INC. ● BOYAR KENZLER INVESTMENT CO. INC. ● BRAGER & CO. 	<p>Ivoryton Connecticut</p> <p>56 — Moulton St. Cambridge Massachusetts, U. S. A.</p> <p>Lanahan, South Carolina U.S.A.</p> <p>Pasaden, N. I.</p> <p>1412 — Broadway.</p> <p>8447 — Wilshire Blvd. Beverly Hills — Calif.</p> <p>88 Wall, St. New York.</p> <p>وغيرها في واشنطن وعنوانه : 1218, 1678, St. N. W. Washington D. C.</p>	<p>في مدينة ولاية Connecticut</p> <p>مصنع القماش</p>	
<ul style="list-style-type: none"> ● BROAD STREET'S CHICAGO. ● BROAD STREET'S ST. LOUIS. ● BROOKLYN APARTMENTS INC. ● B. R. BAKER CO. ● BYLAN OLDENSOBLE ● 1616 BUILDING CORP. ● BULOVA FOUNDATION. 	<p>مدبرة سافكا باسم : HARRY BRAGER & CO.</p> <p>Toledo — Ohio. 883 Wilshire Blvd Beverly Hills Los Angeles — California. Winnit — Minn.</p>	<p>وكالة بيع</p> <p>في نيويورك</p> <p>المنتجات التجارية</p> <p>انتاج السيارات</p> <p>مشروع السكن مؤسسة خيرية من شركة Belove الساعات</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
• BULOVA WATCH CO. (C)		انتاج الساعات	
• CAL AM INC.	888 Fenton Avenue, San Francisco 12, California, U.S.A.	انتاج بضائع جلدية وآلات الكتفب وأدوات طبية	
• CALIBRO INC.		القفارات	
• CALONYMPIC GLOVE CO. INC.	كاليفورنيا	بيع معدات الوقتية للصناعية	
• CAPTINA OPERATING CO.		تقوم بإدارة محطة توليد الطاقة	
• CARMEL WINE CO. INC.	58 Fifth Ave. N. Y. 17, N. Y.		
• CARDEFF GYPSUM CO.	تورت دودج ولاية نيويورك		
• CARROLLWOOD APARTMENTS, INC.			
• CARROLL WOOD CONSTRUCTION CO. INC.			
• CARROLLWOOD RENTAL HOMES INC.			
• CE. DE CANDY INC.	829 Newark Avenue, Elizabeth, New Jersey.	انتاج السكر والطوبقات	
• CENTRAL APPALACHIAN COAL CO.		تقوم بالأعمال الكهربائية واستخراج الفحم	
• CENTRAL COAL CO.		تقوم باستخراج الفحم	
• CENTRAL ELECTRONICS, INC.	النيوي	تصنع معدات الراديو	
• CENTRAL OHIO COAL CO.		تقوم باستخراج الفحم	
• CENTRAL ARMS INC.	3 - 5 Federal Street, St. Albans, Vermont.	الإسلحة	
• CENTRAL OPERATING CO.		تقوم بإدارة محطة توليد الطاقة	
• CENTRAL PAPER COMPANY.			
• THE CENTRAL QUEENS SAVING & LOAN ASSOCIATION.	86 - 21 Broadway Elmhurst, New York 11373.		
• C. G. ELECTRONICS.	212 Durham Ave. Metuchen, New Jersey.	صناعات الإلكترونيات الصغيرة والساعات تقنيات السمع	
• CHANDLER EVANS CORP.			
• CHARLES CENTER PARKING, INC.			
• CHARLESMONT PARK, INC.			
• CHARLES WOLF & SONS.	388 Fifth Ave. N. Y. 36 N. Y.	تجارة المنسج	
• CHIEMSTRAND CORP.			

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شركات ومصنعات في الولايات المتحدة الأمريكية

الإسم	المقر	الإختصاص	ملاحظات
<ul style="list-style-type: none"> ● CHEMSTRAND OVERSEAS. ● CITADEL LIFE INSURANCE CO. ● GLACIER SAND & GRAVEL CO. ● CLAYTON HALL INC. ● CLINTON MILTON J. FISHER. ● COLONIAL CREST, INC. ● COLT INDUSTRIES INC. 	<p>في ولاية بورنوبوكو 444 Madison Ave. N. Y. C.</p>	التعبئة على الحياة	
<ul style="list-style-type: none"> ● FAIRBANKS WHITNEY CORP. ● COLT'S PATENT FIREARMS CO. INC. ● COMPAIN OCCIDENTAL MEXICANA S. A. ● COMPASS AGENCIES INC. 	Chicago — Illinois.	إنتاج بملل تكرير مياه البحر	
<ul style="list-style-type: none"> ● CONCRETE PIPE CO. OF OHIO. ● CONSOLIDATED MOLDED PRODUCTS CORP. ● CONSOLIDATED LAUNDRIES. 	327 — South La Salle St. Chicago — U. S. A.	إنتاج الفخمت ودورات المياه	
<ul style="list-style-type: none"> ● CONSOLIDATED FREES CO. 	كينيلاند — لوهايو	المصلاحة	
<ul style="list-style-type: none"> ● CONSTRUCTION AGGREGATES CORP. ● CONSTRUCTION AGGREGATE DEVELOPMENT. 	Hasting, Mich.		
<ul style="list-style-type: none"> ● CONTINENTAL IMPORT & EXPORT CORP. ● CONTINENTAL MADE INC. 	120 S. La Salle St. (Room 1140) Chicago 2111.	بناء الموانئ وأعمال التنظيف تحت الماء	
<ul style="list-style-type: none"> ● CONTINENTAL ORE CORP. 	جوليفيا — كنجستون	استيراد وتصدير	
<ul style="list-style-type: none"> ● CONSUMERS PAINT FACTORY INC. ● CORROPLAST INC. ● COSMOPOLITAN MANUFACTURING GREAT DAME BLDG. 	N. Y. C. — N. Y. 1407 — Broadway, New York 18 — N. Y. U. S. A. 500 B'way, A New York 38, N. Y.	تجارت ومستوردون للكماليات الهندسية والتقنيات الهندسية بما في ذلك المنزيعم	
	5300 West 57th Avenue Gory — Indiana.		
	712 Beacon St. 30 Stan 15 Mass.	صناعة المصطك للرجل والتمسك	

الإسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● COCA COLA BOTTLING OF NEW ENGLAND. ● COCA COLA BOTTLING CO. OF OHIO. 	<p>400 Soldiers Field Road Boston — Massachusetts 02134.</p> <p>786 Twin Rivers Drive Street — Washington 98122.</p>		
<ul style="list-style-type: none"> ● COCA COLA BOTTLING CO. OF WISCONSIN. ● THE COCA COLA CO. 	424 E. Capitol Drive Milwaukee — Wisconsin 5321. 100 West. 10th Street Wilmington — Delaware U. S. A.		
<ul style="list-style-type: none"> ● COCA — COLA EXPORT CORP. COCA COLA INTER AMERICAN CORP. ● COCA COLA INTERNATIONAL CORP. ● COKE. ● COLDSPOT. ● COLORSILK PERMANENT HAIRS. ● COLT'S INC. FIRE ARMS DIVISION. 	<p>515 Madison Ave. New York N. Y.</p> <p>100 W. 10th Street Wilmington — Delaware.</p>	<p>مركبة</p> <p>علامة تجارية</p> <p>مركبة</p>	
<ul style="list-style-type: none"> ● COLUMBIA AQUARIUM INC. ● COMET. ● COMMUNICATION SYSTEMS DIVISION. ● CONCORDANT CO. LTD. ● CONLECO. ● CONNECTICUT GENERAL LIFE INSURANCE CO. ● CONNECTICUT MUTUAL LIFE INSURANCE CO. ● CONSTANCE SPARY. ● CONSUL. ● CONVERSE RUBBER CO. 	<p>Huyahope Avenue, Hartford Connecticut — West Hartford, Connecticut.</p>	<p>الاسلحة النارية</p>	
<ul style="list-style-type: none"> ● CORMORANT. ● CORTICELLI REAL ESTATE CORP. ● CORTINA. 	<p>Hartford, Connecticut 06115.</p> <p>140 — Garden Street Hartford, Connecticut.</p> <p>392 — Pearl Street, Malden Massachusetts.</p> <p>ولها ترمان : ١ — في كاليفورنيا 284 Harbor Way South San Francisco California. ٢ — في ولاية الينوي 2000 Mannheims Metrose Park — Illinois.</p> <p>1407 Broadway — N. Y. C.</p>	<p>مركبة</p> <p>صيدلة الجلود للتأمين</p> <p>التأمين</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ CORWEI. ○ COUNCIL OF FEDERATION AND WELFARE FUNDS — OIFWF. ○ COVER GIRL SHOE CO. ○ CROSBY VALVE & GAGE INC. ○ CURTIS INDUSTRIES. 	315 Park Avenue, South — New York, New York 10010.	<ul style="list-style-type: none"> مباركة منظمة 	
<ul style="list-style-type: none"> ○ COUNCIL OF JEWISH FEDERATION AN WELFARE. ○ COLT INDUSTRIES INC. ○ CALFOS LTD. ○ CONGRESS FOR JEWISH CULTURE. ○ CATALYTIC CONSTRUCTION CO. INC. ○ COMPUTER DIRECTION FUND INC. ○ CLUB MEDITERRANEAN INTERNATIONAL INC. ○ COLUMBIA BROADCASTING SYSTEM INC. ○ COLUMBIA RECORDS. ○ COLUMBIA BROADCASTING SUSTEM. ○ CAT'S FPW RUBBER CO. INC. ○ CURTIS NOLL CORP. 	43 — Kunderick & Depot Street Wentham, Massachusetts.	<ul style="list-style-type: none"> بيع الاحذية 	
<ul style="list-style-type: none"> ○ OHIO FORGE & MACHINE. ○ CUYAHOGA CONF. ○ CUYAHOGA LIME CO. ○ CYCLONE. 	515 Park Avenue 5 th — New York.	<ul style="list-style-type: none"> سيك الممانن كالهولاز رخديد الصلب وصنع المكان والمعدات التجارية والصناعية 	
<ul style="list-style-type: none"> ○ DAYCO CORPORATION. 	5 / West 52 St. New York 10019	<ul style="list-style-type: none"> قيمت المشورة والخبرة للتلفزيون الاسرائيلي 	
<ul style="list-style-type: none"> ○ DBL. ○ DEARBORN FORM EQUIPMENT. 	799 4Th Avenue New York. 51. West 52Nd Street — New York 10019. Baltimore, Maryland.	<ul style="list-style-type: none"> بيع الاسطوانات 	
<ul style="list-style-type: none"> (D) 	3815 St. Clair Avenue Cleveland Ohio 44114.	<ul style="list-style-type: none"> شركة قفصية 	
<ul style="list-style-type: none"> ○ DAYCO CORPORATION. 	كليفاند	<ul style="list-style-type: none"> مباركة 	
<ul style="list-style-type: none"> (مدرجة سابقا تحت اسم : DAYTON RUBBER CO.) 	Ohio — New York.	<ul style="list-style-type: none"> مباركة مباركة 	

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UNITED STATES OF AMERICA

الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	المقر	المنتجات	ملاحظات
● LOFT & COMPANY.	40, Wall Street, New York 5, N. Y. U. S. A.	حقل الاستثمارات والخدمات المالية والأعمال المصرفية	
● DOMINION SHOE CO. ● DONNER — HANNA COKE CORP. ● DONOVAN. ● DOUGLAS SHOE CO. ● DAIPER — SIL CREME. ● DAN HOTEL CORP. N. Y.	Buffalo, N. Y. 120 East 50Th. N. Y.	مركبة بيع الأحذية مركبة إدارة مجموعة من للضاحك الضخمة في البراتيل منتجات الصلب	
● DWYER — BARKER ELECTRONICS CORP. ● DYNATECH PLASTICS CORP. ● DUNCAN FOODS CO. ● DADELAND SHOPPING CENTER INC. ● DALLA ORIGINAL. ● DANE ENTERPRISES INC. ● DAROFF H. & SONS INC.	7400 North West 13Th Ave. Miami — Florida. Houston / Texas. 200 Fifth Ave. N. Y. 2300 Walnut St. Philadelphia 3 Pa. وصلتها في : — Dublin. — Parkside. — Pennsburg. — Philadelphia. — Pennsilvallea. 254 — Filthava, New York 1 — N. Y.	مكتب مبيعات إنتاج ملابس الرجال	
● D. DAROFF & SONS INC.	وصلتها في : — Dublin. — Parkside. — Pennsburg. — Philadelphia. — Pennsilvallea. 254 — Filthava, New York 1 — N. Y.		
● DAVINCI RECORDS. ● DAVIS OSCAR CO. INC. ● DAV'S LABORATORIES INC.	بفرسون — نيوجورسي 4800 South Richard Ave. Chicago 32. Ill.	إنتاج وتجارة الغنمايينت المركبة والمواد الكيماوية التي تستعمل أكثرها في تغذية الحيوانات الأملية إنتاج المطبخ	
● DAYCO CORP. ● DEERFIELD RENTAL HOMES INC. ● DENTAL MANUFACTURING OF AMERICA. (AMERICAN DENTAL MANUFACTURING. ● PENNSILVANIA. ● DERBY SPORTSWEAR INC.	Ohio — New York. Commercial Trust Bldg — Philadelphia. 1333 — Broadway, New York City.	صناعة أدوات ولوازم طب الأسنان إنتاج الملابس الرياضية للأطفال	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ DESOTO CHEMICAL SHOOTING INC. ○ DEVELOPMENT CORP. FOR ISRAEL ○ DIAMOND DISTRIBUTORS INC. ● DOUGLAS FUND INC. ○ DIRECT JEWELRY CO. ○ DIVERSIFIED BUILDERS INC. ● DOME CHEMICALS INC. ○ DOME INTERNATIONAL ○ DRUID VALLEY APARTMENTS, INC. ○ D. S. GORDON. ● DUMONT EMERSON CORP. 	<p>215 Park Ave. South New York 589 Fifth Ave. N. Y. 17. N. Y.</p> <p>في برامونت</p> <p>مدينة نيويورك في مدينة Elkhart بولاية انديانا</p> <p>801 West 181 St. Street New York 33 N. Y. U. S. A.</p> <p>في نيويورك</p>	<p>ضمان السفنات التي تصدرها اسرائيل استيراد وتوزيع الملابس الصناعي والاحجار الكريمة</p> <p>تعمل في القمهدات المالية</p> <p>اعمال الوكالة والاستيراد</p>	
(E)			
<ul style="list-style-type: none"> ○ EAGLE SHIPPING CO. INC. ○ EAGLE SIGNAL ● EAST POINT, INC. ○ E. C. PUBLICATIONS. ○ THE ECUADORIAN FRUIT IMP. CORP. ○ EDMONDSON VILLAGE, INC. ○ E. W. BLISS COMPANY. ○ EXTRON TRADING CORP. ○ ETERNA "27" CYCLE OF BEAUTY. ○ EVAN PICONE INC. ○ EVAN PICONE, INC. ● EVELETH TACOMITE CO. ○ EXPORT PROCUREMENT CORP. ● EAGLE INC. 	<p>29 — Broadway, New York N. Y. 10006 U. S. A.</p> <p>Baltimore — Maryland.</p> <p>Baltimore — Maryland.</p> <p>1375 — Raff Road S. W. Canton, Ohio.</p> <p>Treatment.</p> <p>1407 — Broadway N. Y. C. 7020 Kennedy Blvd North Bergen, New — Jersey. Duluth — Minnesota.</p> <p>99 — Park Avenue, New York 16 N. Y.</p> <p>800 N. E. Second Avenue Miami, Florida U. S. A.</p>	<p>اعمال الوكالة</p> <p>انتاج اجهزة السيارات البرور واجهزة توقيت صناعية</p> <p>تملك مخازن تجارية في بلفيور</p> <p>استيراد الفواكه</p> <p>تملك مخازن تجارية في بلفيور</p> <p>مركبة</p> <p>اعمال الوكالة البحرية</p>	

تقسيم	اتصاف	الانتماء	ملاحظات
<ul style="list-style-type: none"> • E. C. BAUM & ASSOCIATES. • E. J. KORVETTE. (التي اسمها الرسمي كما يلي : SPARTANS INDUSTRIES INC. (مخرجة بأحرفين S - E) • EAGLE SHIPPING INC. • EASTERN SHOE MANUF. • ECCO. • ECONOLINE. • EDUCATION DIVISION. • ELECTRIC EQUIPMENT CO. وتعرف بالإسمين التاليين : — NOBRY EQUIPMENT. — NOBRY ELECTRIC CORP. • ELECTRO FKASHCOTE. • ELECTRO PAINTLOK. • ELECTRO ZINC BOND. • ELECTRONIC COMPONENTS AND DEVICES. • ELECTRONIC COMPONENTS AND DEVICES DIVISION. • EISENBERG & CO. U. S. A. AGENCY INC. • ELECTRO CHEMICAL ENG. CO. • ELECTRO — OPTICAL SYSTEMS INC. • ELECTRA SPARK INC. • ELEGENCIA. • ELEM OF ISRAEL. • ELLIOT IMPORT CORP. • ELLIOT KNIWEAR CORP. • ELLIS REALTY CO. INC. • EMANUEL BLUMENFRUCHT AND SON. • EMERSON, INC. • EMERSON INDUSTRIAL PRODUCTS CORP. • EMERSON RADIO EXPORT CO. INC. 	<p>510. N. Dearborn Chicago — Illinois.</p> <p>وعنوانها (الإدارة العامة) 1180 Avenue of The Americas New York, 10036.</p> <p>2066 Talleyrand Avenue Jacksonville, Florida U. S. A.</p> <p>600 Madison Avenue New York N. Y. 10022.</p> <p>63 Curlew Street Rochester — N. Y.</p> <p>415 South Fifth Street Harrison, New Jersey. 1351 Roosevelt Avenue Indianapolis — Indiana. N. Y. — New York.</p> <p>في ليو — بنسلفانيا Pasadena, California.</p> <p>512 Seventh Avenue, New York 18, N. Y. — U. S. A. 41 — West 72nd St. New York, N. Y. N. Y. C. N. Y. 105 Madison Ave. N. Y. 18 N. Y.</p> <p>36 West 47th St. N. Y. 36 N. Y.</p> <p>في نيويورك في نيويورك في كاليفورنيا</p>	<p>الوكالة البحرية</p> <p>صنع الاحذية</p> <p>مركبة</p> <p>مركبة</p> <p>تجارة المعدات الكهربائية ومكان الديزل والموتورات</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p> <p>الاجهزة والاجزاء الالكترونية</p> <p>فرع الاجزاء المكتملة والاجهزة الإلكترونية</p> <p>استيراد وتصدير</p> <p>الملابس</p> <p>صناعة القفازات</p> <p>تجارة الجبة للقفازات والالبسة</p> <p>تجارة الملبس</p>	

UNITED STATES OF AMERICA

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
EMERSON RADIO & PHONO- GRAPH CO. ● ELECTRONIC COMPO- NENTS AND DEVICES. ● ELECTRONIC FILMS INC. ● ELECTRONIC — OPTICAL SYSTEMS INC. ● ELECTRUNITE ● ELLIOT PUBLISHING CO. INC. ● ELTRA CORPORATION. ● EMERSON RADIO INTER- NATIONAL CORP. (مدرجة سابقاً تحت اسم : (EMERSON RADIO EX- PORT CORP. ● EMU — 4. ● ENAMELITE ● ENCYCLOPAEDIA JUDAICA RESEARCH FOUNDATION. ● ENDURO. ● ENGLISH AMERICAN TAILORING CO. ● ENTUSUL ● ENGELHARD MINERALS & 'CHEMICALS CORPO- RATION. 1 — ENGELHARD INDUS- TRIES INTERNATIONAL LTD. 2 — PRECIOUS METALS TRADING CO. LTD. 3 — ENGELHARD INDUS- TRIES LTD. 4 — ENGELHARD INDUS- TRIES A / S. 5 — ENGELHARD INDUS- TRIES S. P. A. 6 — ENGELHARD INDUS- TRIES PTY LTD. 7 — ENGELHARD INDUS- TRIES, G. M. B. H. 8 — ENGELHARD INDUS- TRIES S. A.	8Th. Ave. N. Y. C., N. Y. Front And Coopes Street Camden, New Jersey. Burlington Massachusetts. Pasadena, Calif. 680. 5Th. Ave. New York N. Y. 10022.	إنتاج أجهزة الراديو والتلغراف الأجهزة والأجزاء الإلكترونية ملوكة ملوكة مجهد إلكتروني مؤسسة خيرية صهيونية بيع الملابس الرجالية ملوكة	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
9 -- COMPANIA DE INVERSIONES Y DISTRIBUIDORA S. A. 10 -- SOCIEDAD SURAMERICANA DE METALES PRECIOSOS S. A. 11 -- COMPANIA MINERVA SANTA FE. 12 -- BLASS ANTENNA ELECTRONICS CORP. • ELOX DIVISION.	1830 Stepinson Highway Troy Michigan 48064 وكذلك علامتها التجارية ELOX NO WEAR.		
• EUCLID ORION. -- NEW YORK INC. • ELCO CORP.	Maryland Rd. Near Computer Willow Grove Pa. 19080. Fort Washington Pennsylvania -- 19034. 2200 Par Place, El Segundo California 90245. Park Hamington Pennsylvania	إنتاج الموصلات الكهربائية والإلكترونية	
• ENGINEERING AND RESEARCH CENTER • ELCO PACIFIC.			
• ELCO HUNTINGTON CORP. INDUSTRIAL • ELCO DISTRIBUTOR DIVISION. • ELCO OPTISONICS DIVISION. • EMKOL EXPORT.	Willow Grove, Pennsylvania 19090. Montgomery -- Vite Pennsylvania 18938. 441 -- Whitehall St. New York 4 -- N. Y. N. Y. C. N. Y.		
• EMPIRE BRUSHES INC. • EMPIRE PENCIL CO. واسمها أيضا : HASSENFELD BROTHERS PENCIL CO.		إنتاج الفرش إنتاج أقلام الرصاص	
• EMPIRE RAINWEAR CORP. • EMPIRE STAMP GALLERIES.	25 West 26Th St. New York 10. N. Y.	صناعة معاطف المطر	
• EMPIRE TWINE & YARN CO. INC. • ERNST BESCHOFF CO. INC.	70 Thomas St. New York 13. N. Y. Ivoryton Connecticut.	إنتاج سروج البريد وكلاء مصنع ومقلم القطن والصبغ والحرير والحرير	
		في مدينة يولاية	

الاسم	العنوان	الاختصاص	ملاحظات
(F)			
● FAIRBANKS WHITNEY CORP. هاتيا باسم :	Chicago — Illinois.	انتاج معمل تكرير مياه البحر	
● COLT INDUSTRIES INC.			
● FAIRBANKS MORSE & COMPANY.	3601 Kansas Ave. Kansas City — Kansas.	التصدير	
● FAIRBANKS MORSE CO.	Chicago — Illinois.		
● FAIRBANKS MORSE & COMPANY.	Fair Lawn, New Jersey, U. S. A.	التصدير	
● FAME — COR — CORP.			
● FAMOUS RAINCOAT CO. INC.	29 Walker St., New York 13 N. Y.	صناعة المعاطف المطرية والجلودين والبلاستيك	
● FAIRBANKS MORSE INTERNATIONAL PUMP DIVISION	Glen Rock, New Jersey U.S.A.		
● COLT INDUSTRIES INC.			
● FAIRBANKS MORSE POWER SYSTEM DIVISION.	701 — Lawton Avenue Beloit — Wisconsin.	محركات السديزل وآلات الضغط والنفيز والكهرباء مختلف أنواع المصنعات	
● FAIRBANKS MORSE PUMP DIVISION.	3601 — Kansas Avenue Kansas City — Kansas.	صناعة الموازين العادية والميكانيكية والكهربائية والالكترونية	
● FAIRBANKS MORSE WEIGHING SYSTEM DIVISION.	19 — 01 Jersey St. Johnsbury Vermont east Maine Illinois.	ماركسة ماركسة	
● FAIRLANE.			
● FALCONS.			
● FAMOUS AUTHORS LTD.			
● FANTA.			
● FARROW TESE.			
● FARM PIPE LINES INC.			
● FEUCHTWANGER CORP.			
● FIDELITY SERVICE CORP.			
● FILTERED RESIN PRODUCTS INC.			
● FLAMING FOAM I.D.			
● FLEET MAINTENANCE INC. (ILL)			
● FORD BACON & DAVIS.			
● FORUM REALTY CO.			
● FOSTER GRANT INC.			
		في كلورادو	
	Baxley.		
	2 — Broadway, New York 8 — N. Y.		
	350 Fifth Avenue New York.		
		صناعة منتجات البلاستيك	
● FOOTHILL ELECTRIC CORPORATION ELECTRICAL CONTRACTING.			

الاسم	العنوان	الاختصاص	ملاحظات
FRANKLIN REAL ESTATE CO.		هاتف عقارات ليدج	
FREDRICK M. COTTLE & CO.	55 East Washington St. Chicago 2.	تجارة الماس	
FREEDMAN INDUSTRIES INC.	111 Columbus Ave. Tuckahoe, N. Y.		
FREEMAN HELPERN ASSOCIATES.	250 — Madison Street, New York U. S. A.	تجارة الماس	
FULLCUT MANUFACTURER INC.	580 Fifth Ave. New York 26, N. Y.	بنظية	
FEDERATION OF JEWISH PHILANTHROPIES OF NEW YORK.		مركبة	
FEMICOR.		مركبة	
FERRONORD.		مركبة	
FIAMMA.		مركبة	
FIDELITY MUTUAL LIFE INSURANCE CO.	The Parkway And Fairmount Avenue, Philadelphia, Pennsylvania 19101.	للدين	
FINGERTIP TANS.		مركبة	
FLAGG BROS.			
FAGG — UTICA CO.		مركبة	
FLEETWOOD.		مركبة	
FLEETWOOD COFFEE CO.		توزيع الشاي والقهوة	
FLURIDE — VITAMIN.		مركبة	
FOMOCO.		مركبة	
(مدرجة أيضا بالقسم البريطاني)			
FORD.		مركبة	
FORD AUTHORIZED LEASING SYSTEM.		تاجر السيارات	
FORD "D".		مركبة	
FORD LEASING DEVELOPMENT CO.	2000 Rotunda Drive Dearborn — Michigan.		
FORD MOTOR CO.	P. O. Box 800 Wren — Michigan 48098.		
FORD MOTOR CREDIT CO.	2000 Rotunda Drive Dearborn — Michigan.		
	وايها (١٢٧) فرما في (١٧) ولاية امريكية وفي جزر بورنورينكو Dearborn, Michigan.		
FORD MOTOR CREDIT CO. INTERNATIONAL.		مركبة	
F — 100 PICK UP.			
FORD PRODUCTS CO.	Dearborn — Michigan.	تاجر السيارات	
FORD RENT -A- CAR SYSTEM.		مركبة	
FORD TRACTORS.		مركبة	
FORDSON.		مركبة	
(مدرجة أيضا بالقسم البريطاني)			

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الشركات والإؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
● FOREIGN TRADE EXCHANGE.	518 S. Ervey St. Merchandise — Mart Bldg. Dallas — Texas.		
● THE FOREST CITY MATERIAL CO.	Cleveland — Ohio U. S. A.		
● FORMIT ROGERS.			
● FORTUNE SHOE CO.			
● FAIRBANKS MORSE "INTERNATIONAL PUMP" DIVISION COLT INDUSTRIES INC.	Glen Rock New Jersey U. S. A.		
● FRANKFORT DISTILLERS CO.	375 — Park Avenue New York 10022.		
● FAIRBANKS MORSE POWER SYSTEMS DIVISION.	1801 State Highway No. 208.		
● FAIRLAW NEW JERSEY.			
● FAIRBANKS MORSE PUMP AND ELECTRIC.	3601 Kansas Avenue Kansas City — Kansas 66 — 110 وهذا القسم يكتب للبيع في العنوان التالي : Grainic Place — Mooneshl New Jersey. 175 Room Road Rear — Glenrock New Jersey.		
● FAIRBANKS MORSE INTERNATIONAL PUMP. اعتماد العنوان المين ائنه عنواننا ناتى لشركة الكندية التالية :			
● FAIRBANKS MORSE CANADA LTD.	منوتها في أمريكا 223 Broadway New York.		جميعها تابعة منظمة
● FARAND LABOR ZIONIST ORDER.			تعمل في حقول الاستثمارات
● FIDUCIA INC.	51 Chambers St. New York.		
● FINANCIAL INSTITUTIONS GROWTH FUND.			
● FORD LIFE INSURANCE CO.			
● FORD INTERNATIONAL CAPITAL CORP.			
● FORD MAVERICK			مركبة سيارات
● FOUR ROSES DISTILLING CO. LTD.			
● FRANK BROS FENNFENSTEIN.	New York		مخازن بيع الألبسة
● FRANKFORT DISTILLERS CO.	375 — Park Avenue New York 10022.		المشروبات الترويحية
● FRESCA.			مركبة
● FROMM & SICHEL INC.			

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● FUND AMERICAN (مدرجة أيضا بقسم الشركات مجهزة الخشبية) (G) ● GALVITE ● GENERAL CHEMICAL & ADHESIVE CO. ● GENERAL THREAD MILLS INC. ● GENERAL TIRE INTER- NATIONAL CO. ● GENERAL WINE AND SPIRITS CO. ● GENESCO EXPORT CO. ● GENESCO INC. ● GEORGE D. ROFFER & CO. ● GALAXIE 500 -7- LITRE. ● GALIS MANUFACTURING COMPANY OF FAIRMONT. ● GUIDE — LINED. ● GALAXY HOMER. ● GAMEWELL CO. INC. ● GENERAL SHOE CORP. ● GENERAL TIRE & RUBBER CO. ● GEORGE M. BLAKE ● GEORGE CARPENTER & CO. INC. ● GEORGE EHRET CO. INC. ● GILPIN CONSTRUCTION CO. LTD. ● GLAZIER CORP. ● GLENCO. ● GLICKMAN CORP. 	<p>1487 — Broadway, N. Y. C.</p> <p>975 — Park Avenue, New York 10022.</p> <p>وعنوانها الرئيسي : 111 — 77th. Ave. N. Nashville Tennessee 37202. ولها عنوان آخر : 730 Fifth Ave. New York N. Y. 10018.</p> <p>Nashville, Tenn.</p> <p>Akron, Ohio.</p> <p>401. N. Ogden Ave., Chicago, 22, Illinois — U. S. A.</p> <p>11 West 42nd St., N. Y. 36</p> <p>في ولاية نيوجيرسي 212 Durban Ave. Metuchen, New Jersey. Glickman Building 501 — Fifth Avenue & 42nd Street New York 17 — N. Y. — U. S. A.</p>	<p>ماركة</p> <p>المشروبات الروحية</p> <p>التصدير كلية أنواع الآيسة الجافة والأحذية</p> <p>صنع الأدوات الكهربائية المختلطة ماركة</p> <p>ماركة للمحركات صنع أدوات الإشارة والأنوار البوليس والعريف إنتاج الآحذية إنتاج الطائرات المقاتل</p> <p>صناعة الطائرات المنفردة والسماعات الكبلى. صنع</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● GLENOIT MILLS INC. N. Y. ● GENERAL WINE AND SPIRIT CO. ● GLOBAL TOURS. ● GREAT UNIVERSAL STORES INC. ● GOLDEN BEAR OIL CO. ● GESCO MANUFACTURING. ● GIDDING — JENNY INC. 	<p>ومصنعها في : مدينة ناربورو ولاية كروينا الشمالية . 375 — Park Avenue New York 10022.</p> <p>وفرعها الموجودين في : — Cincinnati — Ohio. — Dayton — Ohio. 101 — 5Th. Avenue (3Ed Floor New York — N. Y. 10003.)</p> <p>Berlin — New Hampshire.</p>	الاحذية	
<ul style="list-style-type: none"> ● GILBERTON COMPANY INCORPORATION. ● GILBERTON WORLD WIDE PUBLICATIONS INC. ● GLACIER SAND AND GRAVEL CO. ● GLOBAL TOURS. ● GRANITE STATE RUBBER CO. ● GRAPHIC SYSTEMS DIVISION. ● GREAT UNIVERSAL STORES INC. ● GORELLE BAGS INC. ● GOTHAM KNITTING MILLS INC. ● GOTHAM KNT TOGS. INC. ● GRANCO PRODUCTS INC. ● GREEN LEAF TEXTILES CORP. ● GRESCA CO. INC. 	<p>14 East 32Nd. St. New York 16 N. Y.</p> <p>1407 — Broadway New York City</p> <p>1407 — Broadway New York 18 — N. Y.</p> <p>في ماريلاند 225 — 27 Fourth Ave. New York 3 N. Y.</p> <p>111 Eighth Ave. N. Y. 11 N. Y.</p> <p>180 / Broadale. Bronx New York U. S. A.</p> <p>1239 Broadway N. Y. L</p> <p>212 Dirham Ave. Metuchen. New Jersey.</p>	<p>استيراد وتوزيع الحقائب ملابس الريفلة النسائية</p> <p>منتجات القطن والحرير الصناعي</p> <p>الشوكولاته والحلويات والزيتون والسمك المعلب وتعليب الفواكه والفصريات</p>	
<ul style="list-style-type: none"> ● GRUSTEDE BROS INC. ● GRUNER & CO. ● GULTON INDUSTRIES INC. ● GYPSUM CARRIER INC. 		<p>تجارة المحافظة الواقية من الطر صناعة الطائرات الصنيرة والساعات ثقيلي السمع</p>	

الاسم	العنوان	الاختصاص	ملاحظات
(H)			
○ H. C. BOHACK & CO. INC.	Metropolitan & Flushing Avenue 3 New York. N. Y.	تقوم بالإشراف على سلسلة من مخازن المتكولات	
○ H. GREEN & CO.			
○ H. & M. WILSON OPERATION	Codony — California.		
منظمة النساء الصهيونيات :			
○ HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA INC.	65 East 52Nd St. New York N.Y.	منظمة نسائية	
○ HARODITE FINISHING CO.	66 — South Street, Taunton Massachusetts.		
○ HARLEY IMPORTS INC.			
○ HARRIS & FRANK SOUTHERN.	California.		
○ HARROP CERAMIC SERVICE CO.	35 East Gay St. Columbus 15, Ohio.	بنو الاوران ومصانع البراميل	
○ HUNTINGTON CREEK CORP.			
○ HUDSON PULP & PAPE CORP.	N. Y. C. N. Y. ومصانعها في : — Pine Bluff — Arkansas. — Augusta — Maine. — Carteret — New Jersey. — Wehsburg — W. Virginia.	تنتج الورق	
○ HOUSE WORSTED TEX INC.			
○ HY. SPECTORMAN	246 — 22 57th Drive Donglaston 82 N. Y.	تجارة المواد الاسرائيلية بمنتجات البلاستيك التقليدية التجارية	
○ HARRY BRAGER & CO. : واسمها الصحيح BRAGER & CO.	80 Wall St. New York. : وفرعها في واشنطن وعنوانه : 1218, 16Th St. N. Y. Washington D. C.		
○ HARRY WINSTON INC.	718 Fifth Ave. N. Y.	استيراد قطع الاحجار الكريمة وخدشها للمس	
○ HARVILLE CORPORATION.	1410 — Broadway — New York 18 — N. Y.	تنتج اقلام الرصاص	
○ HASSENFELD BROTHERS PENCIL CO. : واسمها ايضا EMPIRE PENCIL CO.			
○ HENGEMAN — HARRIS CO.	30 Rockefeller Plaza. New York 20. N. Y.	مقاولون عمودون لبنية	
○ HELENA ROSENSTEIN.		تنتج مستحضرات التجميل	

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شركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
○ HELENE CURTIS INTERNATIONAL S. A.	Chicago 39, Illinois. 4401 W. North Avenue.	إنتاج أدوات ومواد تجبيل ومطور	
● HENNINGER BREWERY INTERNATIONAL CORP.	(New York).	إنتاج السبيلات	
● HENRY J.			
● HENRY ROSE STORES INC.			
● HERBERT MARNOK & SON.	2153 -- 78th St. Brooklyn 14 New York.	الإعمال التجارية ومنها تجارة زيوت ومشتقات الكهيميات تجارة	
● HERMAN HOLLANDER INC.	N. Y. C. N. Y.		
○ HELENE CURTIS INDUSTRIES.			
● H. M. GRAUER	15 West 47th St. N. Y. 36.	تجارة الملابس	
○ HOLY LAND MARBLE GRANITE INC.	250 West 57th N. Y. 19.	إنتاج الرخام والخرانيت	
● HOMART DEVELOPMENT CO.			
○ HOMAN SERVICES INC.			
○ THE HOME INSURANCE CO.	1511 K. Street N. W. Washington, D. C.	شركة تأمين	
● HORNELL BEERS INC.			
● HORNELL BREWING CO. INC.			
● H. S. CAPLIN.			
○ HARRY WINSTON MINERALS OF ARIZONA INC.	ومصنعها الموجود في ولاية أريزونا تحت عنوان : West Pecos Road Chandler -- Arizona.		
● HARTZ MOUNTAIN PET FOODS INC.			
○ HARTZ MOUNTAIN PRODUCTS CORP.	50 Cooper Square New York City.	تخصص في الخلية الطيور والدواجن والحيوانات الصغيرة	
○ HAWAII -- KAI COMMUNITY SERVICES CO.			
○ HEFLIN TOE.			
○ HELINONE.			
○ HENRI BENDEL INC.	New York City.	مركبة	
○ HERRINGBONE.		مركبة	
○ HERTZ COMMERCIAL LEASING CORP.	Delaware.		
● HERTZ CORP.	640 -- Madison Ave. New York, N. Y.		
○ HERTZ EQUIPMENT RENTAL CORP.			

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STATES OF AMERICA

الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
HERTZ INTERNATIONAL .TD. والتي تعرف رسمياً باسم : HERTZ AMERICAN EX- PRESS INTERNATIONAL HERTZ LEASE PLAN INC. HERTZ REALTY CORP. HERTZ SYSTEM INC. HERTZ VEHICLE MANAGE- MENT CALIFORNIA CORP. HERTZ VEHICLE MANAGE- MENT CORP HERTZ VEHICLE MANAGE- MENT NEW YORK CORP. THE HICKORY PUBLISH- ING CO. HILL SAMUEL INC. HILLWOOD SHOE CO. HOLIDAY — WISE. HOME INSTRUMENTS DIVISION. .HOUSE OF SEAGRAM INC. ● HUGGINS YOUNG COFFEE CO. ● HUGGINS YOUNG GOUB- MET MOCHA JA. ● HUGGINS YOUNG SUPREME. ● HUMBOLDT MINING CO. ● HUNTYER — WILSON DIS- TILLING CO. INC. ● HOLLEY CARBURETOR CO. وكذلك فرعها التالية اسمياً : BOWLING GREEN MANU- FACTURING CO. BOWLING GREEN KEN- TUCKY. ● HOUDRY PROCESS AND CHEMICAL CO. ● HERANT ENGINEERING DIVISION. (1) ● L MILLER & SONS INC.	660 — Madison Ave. New York N. Y. Delaware. 310 North Avenue N. W. Atlanta, Georgia 30313. 600 North Shearman Drive Indianapolis — Indiana. 11955 Easte Mine Mile Road Warren Michigan 48088. 1520 Walnut St. Philadelphia. 1 — Dubco. 2 — Dubco. 33 — Lv. 3 — Adache Room. 7123 Canoga Avenue, Canoga Park, California. New York City.	بيع الاحذية فرع الأدوات المنزلية (راديو تلفزيون الخ ...) توزيع الشاي والقهوة ماركة ماركة ماركات تجارية	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● ISRAEL FUND DIS-TRIBUTORS INC. ○ INCH — MARKED. ● INDEPENDENCE ACCEP-TANCE CORP. ● INDUSTRIAL COMPUTERS DIVISION. ● INFOMATION SYSTEMS DIVISION. ● INGENIERIA Y. CONSTRU-CIONES KAISER S. A. ● INLAND CREDIT CORP. ● INNES. ● INSTANT PATENT LEATHER. ● INTERNATIONAL DENTAL PRODUCTS INC. ● IN — TER — LINE. ● INTERSTATE SHOE CO. ● (I.C.O.A.) ISRAEL CORP. OF AMERICA. ● IMPERIAL EXPORT. c IMPORTED BRANDS INC. ● IMPORT FROM ISRAEL. ● IMPORTED GLASS CO. ● INDIANA FRANKLIN REALTY, INC. ● INDIANA & MICHIGAN ELECTRIC CO. ● INDUSTRIAL FINANCE CORP. ● INLAND WALL PAPER. ● INSTRUMENT SYSTEM CORP. ● INTERCONTINENTAL IM-PORTERS INC. ● INTERCONTINENTAL TRAN-SPORTATION CO. INC. ● INTERNATIONAL LATEX CORP. ● INTERNATIONAL PAPER CO. 	<p>Philadelphia, Pa.</p> <p>3900 Monte Road — Palm Beach Gardens, Florida. Rochester, New York 14063.</p> <p>11, West 42Nd. Street New York N. Y.</p> <p>Los Angeles — California.</p> <p>Richmond Hill 18, L. I. N. Y.</p> <p>18 East 41 St. N. Y. 17.</p> <p>44 — Whitehall St. New York N. Y.</p> <p>42 West 22Nd. St. New York 10 N. Y.</p> <p>2634 Broadway N. Y. 25 N. Y.</p> <p>121 Laurence Ave. Brooklyn New York.</p> <p>9840, Dexter Blvd Inc. Detroit — 6, Mich — U. S. A.</p> <p>في نيويورك</p> <p>New York.</p> <p>220 East 42Nd St. N. Y. 17 N. Y.</p>	<p>ملوكية</p> <p>لجهازه الكهرونية</p> <p>لااحطية ملوكية</p> <p>ملوكية</p> <p>لستيراد وتصدير</p> <p>لستيراد وتوزيع المشروبات الروحية لستيراد وتصدير وتفصيل شركات لستيراد الاواني الزجاجية تملك عقارات نفيسة</p> <p>تقوم بالاعمال الكهروية</p> <p>المواد الطبية والكيموية</p> <p>صناعة الورق</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
● INTERNATIONAL PIPE & CERAMICS CORP. السليق THE LOCK JOINT PIPE CO.	East Orange, New Jersey.	إنتاج قلابيب المياه	
● INTEROCEAN ADVERTISING CORP.	نيويورك		
● INTEROCEAN RADIO CORP.	في الينوي - وغير عابطة		
● ISAAC J. SHALOM & CO. INC.	411 Fifth Ave. N. Y. C.	إنتاج القناديل وأغطية السراير والمخدرات المصنوعة من الكتان	
● ISADORE ASH	1024 - 1026 - Forbes St. Pittsburgh 18 - Pa. U. S. A.	مصرف	
● ISRAEL AMERICAN INDUSTRIAL DEVELOPMENT BANK LTD.		بنزول	
● ISRAEL AMERICAN OIL CO.	New York.	الملاحه البصرية (أعمال التحنن) الأعمال التجارية	
● ISRAEL AMERICAN SHIPPING COMPANY.	1005 Filbert St. Philadelphia P. A.		
● ISRAEL ART CRAFT IMPORTING CO. INC.	327 Fourth Ave. N. Y.	تجارة الاستيراد وتعميل المنتجات	
● ISRAEL COIN DISTRIBUTOR CORP.	55 West 42 St. New York 36 N. Y. - U. S. A.	إنتاج حليصويات وسككتر	
● ISRAEL CREATIONS INC.	511 West 20Th. St. New York 10011.		
● ISRAEL ASSORTED COMMODITIES.	34 Wall St. N. Y.		
● ISRAEL FUND DISTRIBUTORS INC.			
● INTERNATIONAL PACKERS LTD.			
● INEYCLOPEDIA JUDAICA INC.	1801 - Gilbert St. Philadelphia 50 Pa. - U. S. A.		
● ISRAEL DESIGNS.	- 408 Madison Avenue N. Y. 17 N. Y.	تميل على نيويك المشاريع الصناعية والزراعية في اسرائيل والمساعدة فيها	
● ISRAEL ECONOMIC CORP. كانت تعرف سابقا باسم : PALESTINE ECONOMIC CORP.	- 18 East 41 St. New York 17 N. Y.		
● ISRAEL GLOVES INC.	18 West 37Th. St. New York 18 - N. Y. U. S. A.		
● ISRAEL IMPORT COMPANY	1385 N. North Branch Street Chicago 22, Illinois White Hall 3 - 1365.	استيراد التمشوع بقواعها	
● ISRAEL INVESTORS CORP.	بمخينة نيويورك	استثمار الاموال في المشاريع الاسرائيلية	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
○ ISRAEL NUMISMATIC SERVICE.	115 West 90Th St. N. Y. 1 N. Y.	تصيرة الطوابع والعملة القديمة	
○ ISRAEL PURCHASING SERVICES INC.	17 East 71 St. N. Y. 21 N. Y.	الاعمال التجارية	
○ ISRAEL PHILATELIC AGENCY IN AMERICA INC.	115 West 99Th St. N. Y. 1 N. Y.	تصيرة الطوابع والعملة الأجنبية	
○ ISRAEL RAZOR BLADE CO.	33 West 48Th St. New York City.	استيراد وتوزيع ماكينة	
○ ISRAEL RELIGIOUS ART INC.	43 West 61 St. New York.	الاستيراد والتوزيع وتخليد الشركات	
○ ISRAEL WINE LTD.	299 Madison Ave. New York — 17 — N. Y.		
○ INTIMATE CRYSTALLINE SPRAY MIST.		مركبة	
○ INVIMCO.			
○ INVESTORS OVERSEAS SERVICES	Panama City.		
○ ISRAEL ALABAMA WIRE CORP. LTD.			
○ ISRAEL AMERICAN DIVERSIFIED FUND INC.	54 Wall Street New York N. Y. 10005.	استثمار	
○ ISRAEL EDUCATION FUND OF THE UNITED JEWISH APPEAL.			
○ ISRAEL FUNDS MANAGEMENT CORP.	54 Wall Street New York N. Y.		
○ ISRAEL MIAMI GROUP (DAN HOTEL CHAIN).	1 — Lincoln Road Miami Florida.	جمعية للاستثمار	
○ ISRAEL SECURITIES CORP.	17 — E. 71St. Street N. Y. C.		
(J)			
○ JABLO PLASTICS INDUSTRIES LTD.			
○ J. A. JOHNSTON CO.			
○ J. M. COOK & CO.	● World Trade Center Houston. Texas. U. S. A.	وكالات ملاحه	
○ J. M. WOOD MANUF CO. INC.			
○ THE JOSEPH MEYERHOFF CORPORATION.			
○ JOSEPH SAVION.	30 West 47 St. (Room 707) New York.	تجارة الملابس الاسرائيلي	
○ JULIUS KLEIN PUBLIC RELATIONS.	نيكلسون		
○ JUNIORIT INC.	1407 — Broadway New York 18 — N. Y.	صنع الملابس	
○ JAQUES TOREZNER & CO.	2 West 46 St. N. Y. C. N. Y.	صناعة المنس	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● JACQUITH CARBIDE DIE CORP. ● JEFFERSON TRAVIS INC. ● JERRY SILVERMAN INC. ● JERY MARES INC. 	32 Ross St. Brooklyn N.Y.	صناعة هياكل التلفزيون	
<ul style="list-style-type: none"> ● JESSOP STEEL CO. INC. 	Green St. West Washington Washington Pa. Washington Country U. S. A.	صناعة الملابس القبلية	
<ul style="list-style-type: none"> ● J. GERBER & CO. ● JOSEPH E. SEAGRAM & SONS INC. ● J. LEVINE RELIGIOUS SUPPLIES INC. 	855. 6Th. Ave. New York U.S.A. 275 Park Avenue. New York City. U. S. A. 73 Norfolk St. N. Y.	التاج الأفران الكهربائية والصفائح والسكين لصناعة قطع الخشب	
<ul style="list-style-type: none"> ● JORDAN MANUFACTURING CORP. ● JOSAM TAILORS INC. ● JOSEPH BANCROFT AND SONS CO. (BANCO CO.) ● JEWISH WAR VETERANS OF THE U. S. A. TWU. ● J. K. COOK CO. 	1410 Broadway New York 18. ل بنسلفانيا 1430 Broadway New York N.Y.	لحارة الكتب الدينية أعمال الركة	
<ul style="list-style-type: none"> ● JANBRA INC. ● J. M. COOK CO. ● JEWISH WELFARE FUND. ● JARMAN RETAIL CO. ● JARMAN SHOE CO. ● JERYL LIGHTING PRODUCTS CO. ● JEWISH WAR VETERANS OF THE U. S. A. JWV. ● JOHN HARDY SHOE STORES. ● JOHNSTON & MURPHY SHOE CO. ● JOINE DISTRIBUTION COMMITTEE ● JOLIE MADAME. ● JUDEA ART IMPORTERS INC. ● JULIUS KESLER DISTILLERY CO. LTD. 	New Hampshire Avenue N. W. Washington. World Trade Center Houston Texas. Chicago — U. S. A. New Hampshire Avenue N. W. Washington. D. C. 21 Orchard Street New York N. Y. 10002	صناعة الخيوط المبرونة باسم (بان لون)	
<ul style="list-style-type: none"> ● K. HETTLERMAN & SON. 	(K)	جمعية ركلة صهيونية مركلة	

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للشركات والمؤسسات في الولايات المتحدة الأمريكية

الإسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ K. & S. METAL SUPPLY INC. ○ KLUGER ASSOCIATES INC. ● KLUTZNICK ENTERPRISES ● KOOK H. & CO. INC. 	<p>253 West. 59 St. New York 19. N. Y.</p> <p>1 - East Wacker Drive Chicago -- Illinois.</p> <p>في نيويورك</p>	<p>بييمات</p> <p>مبادرة لسهوم</p> <p>وسندات</p> <p>تعمل في الامتلاك</p> <p>والعقارات</p> <p>اعمال: لوساطة (السيمة) لشركت القلمين</p>	
<ul style="list-style-type: none"> ● KORDAY FASHIONS INC. 	1407 - Broadway New York City.		
<ul style="list-style-type: none"> ● KORDEEN MANUFACTURING CO. INC. ● KRAUS BROTHERS & CO. INC. ● KAISER ENGINEERS INTERNATIONAL. 	<p>1420 South Penn. Square Philadelphia 2. U. S. A.</p> <p>Kaiser Center 300 - Lakeside Drive Oakland 12. California U. S. A.</p>	<p>تعمل في التمهدات ولها مصنع في نيويورك</p> <p>تجارة الخمر والكحول بالجملة</p> <p>انتاج سيارات</p>	
<ul style="list-style-type: none"> 1 - KAISER ENGINEERING OF CALIFORNIA. 1 - KAISER ENGINEERS OF OAKLAND ● KAISER FRAZER. 	California.		
<ul style="list-style-type: none"> والتي تعرف باسم : KAISER INDUSTRIES CORP. ● KAISER JEEP CORP. 			
<ul style="list-style-type: none"> والتي تعرف سابقا باسم : WILLYS OVERLAND CORP. ● KAISER AIRCRAFT & ELECTRONICS DIVISION. ● KAISER ALUMINUM & CHEMICAL CORP. ● KAISER BAUXITE CO. ● KAISER BROADCASTING DIVISION. ● KAISER CENTER INC. ● KAISER COMMUNITY HOMES. ● KAISER ELECTRONICS INC. ● KAISER ENGINEERS DIVISION. ● KAISER ENGINEERS INTERNATIONAL DIVISION. ● KAISER FOUNDATION HOSPITALS. ● KAISER FOUNDATION HEALTH PLAN INC. 			
			<p>انتاج السيارات</p> <p>انتاج السيارات</p>

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الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> • KAISER FOUNDATION HEALTH PLAN, INC. • KAISER FOUNDATION MEDICAL CARE PROGRAM. • KAISER FOUNDATION SCHOOL OF NURSING. • KAISER GYPSUM CO. INC. • KAISER HAWAII — KAI DEVELOPMENT CO. • KAISER MANUFACTURING CORP. • KAISEA SAND GRAVEL & DIVISION. • KAISER SERVICES. • KAISER STEEL CORP. • KANAHA VALLEY POWER CO. • KAUFMAN BROS. • KENILWORTH PARK, INC. • KENINGTON REALTY CO. INC. • KENNEBY CABOT & CO. • KENNEBEC PULP & PAPER DIVISION. • KENNEDY GALLERIES INC. • KENTUCKY POWER CO. • KEYSTONE CONTROLS CORP. • KINGSPORT UTILITIES INC. • KAISER AEROSPACE & ELECTRONICS CORP. 	<p>Washington D. C.</p> <p>460 Wilshire Blvd. Beverly Hills, Calif.</p> <p>13 East 54 St. New York.</p> <p>Newark, New Jersey.</p> <p>وعنوان مركزها الرئيسي : Kaiser Center — 300 Lakeside Drive Oakland, California 94604 ومصنعها الموجودة في : — San Leandro. مدينة كاليفورنيا. — Palo Alto. مدينة كاليفورنيا. — Glendale. مدينة كاليفورنيا.</p>	<p>تقوم بالامال الكهربائية</p> <p>تملك بنىات للسكن في واشنطن</p> <p>بيع وشراء الاوراق المالية (السندات الأجنبية)</p> <p>رسوم لوحات القرن 18 ونجارة الخشب المحفور للزينة الكهربائية</p> <p>تقوم بالامال</p> <p>صناعة الاجهزة والمعدات الالكترونية</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الإسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● KAISER ALUMINIUM. ● KAISER ALUMINUM & CHEMICAL SALES INC. ● KAISER ALUMINIUM INTERNATIONAL CORPORATION. ● KAISER ALUMINIUM INTERNATIONAL INC. ● KAISER CEMENT & CRYPTUM CORP. ● KAISER CHEMICALS INTERNATIONAL. ● KAISER COMPANY — ENGINEERING AND CONSTRUCTION. ● KAISER COMPANY INC. ENGINEERING AND CONSTRUCTION. ● KAISER — COX CORP. ● KAISER ELECTRONICS INC. ● KAISER ENGENHARIA. E. CONSTRUCOES LIMITADA. ● KAISER ENGINEERS AND CONSTRUCTION INC. ● KAISER ENGINEERS FEDERAL INC. ● KAISER ENGINEERS INC. ENGINEERING AND CONSTRUCTION. IN MICHIGAN. ● KAISER ENGINEERS INTERNATIONAL CORP. ● KAISER ENGINEERS INTERNATIONAL INC. ● KAISER ENGINEERS OVERSEAS CORP. ● KAISER FOUNDATION HEALTH PLAN OF OREGON. ● KAISER INTERNATIONAL LTD. ● KAISER INTERNATIONAL LTD. 	<p>(مصنع للأجهزة الإلكترونية) — Phoenix مدينة أريزونا. ولاية (مصنع للزرس ومجرباتها المستعملة في الطائرات والصواريخ)</p> <p>Kaiser Center — 300 Lakeside Drive, Oakland, California 94604.</p> <p>U. S. A.</p>	<p>الصناعة الإسمنت ومنتجات الجبس</p>	

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مصرف والمؤسسات في امريكا المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● KAISER JEEP INDUSTRIES CORP. ● KAISER JEEP SALES CORPORATION. ● KAISER ALUMINUM TECHNICAL SERVICES INC. ● KELITA SPORTSWEAR CO. ● KENMORE. ● KINGS COUNTRY LAFAYETTE TRUST CO. 	200 Montague St. Brooklyn, N. Y.	انتاج وتوزيع ملابس الريفية للنساء مركبة مصرف	
<p>سابقاً تعرف باسم : LAFAYETTE NATIONAL BANK.</p> <ul style="list-style-type: none"> ● KAISER ALUMINUM. ● KAISER CHEMICALS INTERNATIONAL. ● KENDALL REFINING CO. ● KAISER STEEL CORP. 	P. O. Box 217 Fontana, California 92335.	مصنع	
<ul style="list-style-type: none"> ● KINGSBOLD MILLS. ● KLEVEN SHOE CO. INC. ● ENOMARK (ESQUIRE) INC. ● KNOPF BOOEL. 	132 — 20 Merick Blvd Spring-Held Gardens N. Y. مكتب التحرير : 427 Madison Ave. New York. مكتب المبيعات : 33 W. 60 St. New York.	دار النشر	
(L)			
<ul style="list-style-type: none"> ● LAWRENCE SCHACHT. ● LEARNING MATERIALS INC. ● LEATHER PALM. ● LEFF FOUNDATION. 	200 — E 57th. Street New York City New York N. Y.	مكتب تسويق	
<ul style="list-style-type: none"> ● THE LEMBERG FOUNDATION. ● LEUMI SECURITIES COMP. 	350 — Fifth Avenue New York City. 400 Madison Avenue N. Y. C.	مركبة	
<ul style="list-style-type: none"> ● L. GRIFF & BROS. ● LA DOLCE. ● LADY ESQUIRE. ● LAZARD FRENCH. 	60 Broad Street New York & New York. 44 Wall Street. New York N. Y.	تعمل في مسوق الترويجية بيع الملابس للرجال مركبة مركبة توزيع إصدارات المال والتعامل في الأسهم	

الاسم	العضون	الاختصاص	ملاحظات
● LANSAN MFG. CO. ● LEEDS MUSIC CORPORATION. ● LEE FILTER CORP.	322 W. 68th St. N. Y. 38 N. Y. 191 Telenadge Road N.J. U.S.A.	نشر القوت الموسيقية صنع مصلى الزيت والهيسواء والبنزين المحركت	
● LEIDESDORF FOUNDATION INC. ● LEMAYNE LTD.	199 East 42nd Street. 85 Mt. Amliter St. San Francisco — California.	استيراد وتصدير	
● LEON ISRAEL & BROTHERS ● LEONARD CONSTRUCTION CO. INC. ● LEUMI FINANCIAL CORP.	160 California St. San Francisco. شيكاغو — ولاية إلينوى 80 — Wall Street — New York N. Y.	استيراد القنجت الاسرائيلية الاموال المبنية	
● LEWIS PRODUCTS CO. ● L. FEEBLEMAN & CO. ● LABOR ZIONIST ORGANIZATION. ● LITWIN CORP.	520 Williams Wichita Kansas U. S. A.	جمعية تابعة منظمة لبنية شركة مصلى الزيت الاسرائيلية	
● LEXIM. ● LIBERIA MINING CORP. LTD. ● LIBERTY INDUSTRIAL PARK CORP. ● LILY MILLS CO. ● LINCOLN CONTINENTAL ● LINCOLN — MERCURY DEALER LEASING ASSOCIATION. ● LIPSCUTZ & GUTWIRTH CO.	55 Motor Avenue Farmingdale. L. I. New York. Motor Avenue Farmingdale. New York. 305 — Broadway N. Y. C. 1270. 6th Avenue (Room 2701) N. Y. C.	تصرف على النجم الاراضي مركبة قتلح السيارت	
● LOCORE. ● LOFT CANDY CORP. ● LOVE PAT. ● LEWIT YARN CO.	Long Island City N. Y. 11101. 1170. Broadway, New York 1. N. Y. — U. S. A.	مركبة انتاج مختلف الحاويات مركبة	
● LEYLAND MOTORS (U. S. A.) ● L. H. LINCOLN CORP. ● LICENSING DIVISION & BOTANY PRODUCTS CORP.	San Francisco — Calif.	تقوم ببناء القارول في كاليفورنيا	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ LIFETIME FOAM PRODUCTS INC. ○ LOCHWOOD APARTMENTS INC. ○ LOCK JOINT AMERICA INC. ○ LOCK JOINT PIPE CO. (SHERMAN CONCRETE PIPE CO.) ○ LOEWENGLANT & CO. LTD. ○ THE LOCK JOINT PIPE CO. وتعرفه الآن باسم : INTERNATIONAL PIPE & CERAMIC. ○ LONDON STAR DIAMOND CO. (NEW YORK) INC. ○ LORCA INC. ○ LORR & BISHOP INC. ○ LORL & TAYLOR CO. 	<p style="text-align: center;">في برونوكو</p> <p>443 Park Ave. So. New York 16 — N. Y. U. S. A. East Orange New Jersey.</p> <p>135 West 50th Street New York City. New York 10020, 15th Floor 1384 Broadway — New York 18 — N. Y.</p> <p>في ساكرامنتو ومطازنها النسخة في المسكن الأمريكية القارية :</p> <p>— New York. — Manhattan. — Westchester. — Millburn. — West Hartford. — Eain— Cynwyd. — Garden City. — Washington. — Chevy — Chase — Jolkshtown.</p> <p style="text-align: center;">مدينة نيويورك</p> <p>250, Fifth Avenue, New York 1 — N. Y. U. S. A.</p>	<p>تفاج تجميع المياه .</p> <p>التمهيدات العامة</p> <p>صناعة وتكرير النفط والدهانات والمواد الكهربية</p>	
<p style="text-align: center;">(M)</p> <ul style="list-style-type: none"> ○ MADEIRA KNITS LTD. ○ MAGNETIC PRODUCTS DIVISION. ○ MAJESTIC SPECIALITIES CO. ○ MACCO CORP. ○ MACCO REALTY COMPANY. 	<p>6800 East 30th Street Indianapolis — Indiana.</p> <p>7844 E. Roosevelt Blvd Clear Water St. Paramount Calif.</p> <p>في پارامونت</p>	<p>تفاج وتوزيع ملابس الرياضة للنساء المنتجات المنطابسية</p> <p>تفاج وتوزيع ملابس الرياضة للنساء</p>	

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الشركات والإؤسسات في الولايات المتحدة الأمريكية

الاسم	العضون	الخصائص	ملاحظات
<ul style="list-style-type: none"> ○ MACHINERY TRADING CORP. ○ MOTOROLA COMMUNICATIONS ELECTRONICS INC. ○ MOTOROLA INC. ○ MOTOROLA OVERSEAS CORP. ○ MOTOR WAYS INC. ○ MULTICUT. ○ MURRAY HILL LODGE. ○ MURPHY RETAIL CO. ○ MUSTANG. ○ MUTUAL LEE INSURANCE CO. OF NEW YORK. ○ MUSHER FOUNDATION. 	<p>4545 W. Augusta Blu Chicago 51 Illinois.</p> <p>(N. Y.)</p> <p>1740 Broadway New York N.Y.</p> <p>250 West 57th Street New York.</p>	<p>ماركة</p> <p>ماركة</p> <p>الإعمال التجارية كحجرة الأدوية ووكالة تسجيل المسجلات الفاخرة وحقوق الامتياز</p>	
<ul style="list-style-type: none"> ○ MCKINTOSH HEMPHILL CO. ○ MARITIME OVERSEAS CORP. ○ MARQUETTE TOOL MANUFACTURING CO. INC. ○ MARTIN INTERNATIONAL ○ MARTIN WOLMAN & CO. ○ MARMARA PETROLEUM CORP. ○ MASSACHUSETTS MUTUAL LIFE INSURANCE CO. ○ MATHIQUE LTD. ○ MATE STYLE INC. ○ MAYFAIR TRADING CO. ○ MEDITERRANEAN AGENCIES. ○ MEDITERRANEAN INC. 	<p>ولاية ديلاوير</p> <p>511 - Fifth Avenue - New York.</p> <p>ولاية أليوني</p> <p>30 W. 36th St. New York 18 N. Y.</p> <p>1205 Stage Street - Spring Field Mass. - U. S. A. وتفرعها في واشنطن وعنوانه : 777 - 14th & H. Street N. Y. Washington D. C.</p> <p>22. West 32nd St. New York. I. N. Y.</p> <p>381 Park Ave. South. New York 18 - N. Y.</p>	<p>حملة الاسم</p> <p>تجارة التسويج</p> <p>التبرول</p> <p>التأمين</p> <p>ملاحة</p>	

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الاسم	الضمان	الاختصاص	ملاحظات
HERIT — CHAPMENT & SCOTT INC.	250. 5TH. Ave. New York	قوام الهندسة المعمارية	
MERK ROSS & CO.	167 First St. San Francisco California	استيراد التمبليس والتشطيب الفنية والفرف من اسرائيل	
METALOCK REPAIR SERVICE			
METROPOLIS BREWERY OF JERSEY INC.	1024 Lambert St. Trenton New Jersey.	صناعة وتعبئة المشروبات الروحية	
METROPOLITAN SAVINGS & LOAN ASSOCIATION.			
M. FIRESTONE CO. INC.	22 W. 45TH St. N. Y. 26 N. Y.	تجارة المصنوع	
M. HAUSMAN & SONS INC.			
MILES CALIFORNIA CO.	Los Angeles.	بمدينة كاليفورنيا	
MILES CHEMICALS CO.	Elkhart.	بمدينة ولاية انديانا	
MILES INTERNATIONAL	Elkhart.	بمدينة ولاية انديانا	
MILES LABORATORIES INC.	Elkhart.	في مدينة ولاية انديانا	صناعة المواد الكيميائية والميدلانية بتوامها
MILES LABORATORIES PALM AMERICAN INC.	Elkhart.	في مدينة ولاية انديانا	
MILES PRODUCTS.	Elkhart.	بولاية انديانا	
		ولها فرعان ايضا : 1 - في مدينة Zoeland. 2 - في مدينة Clifton. في نيويورك بولاية ميشيغان	
MILTENBERG & SAMTON INC.	— 10 East 40th Street New York 18, N. Y. — 15 Meers St. New York 4 N. Y.	استيراد وتصدير	
MILTON J. FISHER.			
MINUS MIDWEST INC.	Chicago — Illinois.	تتاج الايبسة	
MIRKUS PUBLICATIONS INC.	118. West 30th. St. N. Y. 1, N. Y.	تسيرة الطوابع والعملة الأجنبية	
MIRKUS STAMP AND COIN CO.	Philadelphia — P. A.		
M. LAWENSTEIN & SON INC.	1420 Broadway, New York 18, N. Y.	تتاج الايبسة	
M. L. ROTSCHELD CO.	Chicago.		
MOLOR DEE TEXTILE CORP.	Delaware.	التسويق	
MONARCH FIRE INSURANCE CO.			

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
○ MONARCH WINE CO. LTD.	4500 Second Avenue Brooklyn 32 - N. Y. U. S. A.	إمبال الكوكلة	
○ MONSANTO CHEMICAL COMPANY.	800 No Lindbergh Rd. Cov. Oliva. St. Rd. 1700 - 24 50 204 St.	مصنعة الكيماويات الصنعية والعضوية والبلاستيك	
○ MONSANTO EXPORT CO. INC.	في سانت لويس		
○ MONSANTO INTERNATI- ONAL FINANCE COMPANY.	في سانت لويس		
○ MONSANTO RESEARCH CORP.			
○ MOORE & THOMPSON PAPER CO.			
○ MORGENSTEIN INC.	500 Fifth Ave. New York 19 N. Y.	استيراد الخس	
○ MAJOR BLOUSE CO.			
○ MALLERNEE'S NEW YORK			
○ MANNEQUIN SHOE CO.		مخزن لبيع الأحذية	
○ MANSO.			
○ MARYLAND CLUB.		ماركة	
○ MAZON.		ماركة	
○ MC. GREGOR DONIGER INC.	666 Fifth Avenue New York 19 - N. Y.		
○ MECHANICAL MIRROR WORKS OF NEW YORK.	681. Edgecombe Avenue. New York N. Y.		
○ MERCURY & MERCURY S. S.		ماركة	
○ METAL LUMBER.		ماركة	
○ METEOR.		ماركة	
○ METROPOLITAN COUNCIL	New York.		
○ MEYER BROTHERS PAR- KING SYSTEMS INC.			
○ MIRCO - SYSTEMS INC.			
○ MINUTE MADE.		ماركة	
○ MINERALS & CHEMICALS.			
○ MINERALS & CHEMICALS FILLIPP CORP.		بالتيمور	
○ MINUTE MAID GROVES CORP.	Orlando - Florida.	إنتاج وتعليب شراب التفاح والبرتقال	
○ MISSILE AND SURFACE RADAR DIVISION.			
○ MISSOURI ROGERS CORP.	Joplin, Mo.		
○ MOCHA. JAVA.		ماركة	
○ MODERN ORTHO PEDIC.			
○ MONSIEUR BALMAIN.		ماركة	
○ "MOONDROPS" MOISTU- RIZING BATH OIL.		ماركة	

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الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● MOON DROPS MOISTURE LIPSTICE. ● MANHATTAN SHIRT CO. ● MIAMI OXYGEN SERVICES INC. 	<p>Time And Life Building 1271 Avenue of The Americas — New York, N. Y. 10020.</p> <p>7610 N. Y. 23Rd Avenue.</p> <p>ا - المكتب التنفيذي : 1271 Avenue of The Americas New York, N. Y.</p> <p>ب - المكتب الإداري : 207 River Street Paterson New Jersey.</p> <p>ج - مكتب بيع الملابس الرجالية : للشركة موضوع البحث (مستة) : مكاتب موزعة بالمدن التالية : 1- 1271 Avenue of The Americas New York, N. Y. 2- Merchandise Mart Atlanta, Georgia. 3- Merchandise Mart Chicago, Illinois. 4- Merchandise Mart Dallas, Texas. 5- California Mart Los Angeles, California. 6- 821 Market Street San Francisco, California.</p> <p>د - مكتب بيع الملابس النسائية : 1- 1407 Broadway New York N. Y. 2- Merchandise Mart Chicago, Illinois. 3- California Mart Los Angeles, California. 4- 821 Market Street San Francisco, California.</p> <p>مراكز مصانع الشركة موضوع البحث : للشركة موضوع البحث عشرة مصانع في المدن التالية : 1- Americus, Georgia. 2- Ashburn, Georgia. 3- Charleston Heights, South Carolina. 4- Guayama, Puerto Rico. 5- Jasper, Georgia. 6- Lexington, North Carolina.</p>		

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● MIAMI FLOP 'DA. ○ MACCO PRODUCTS CO. ○ MOTOROLA AUTOM OTIVE PRODUCTS INC. ○ MINFRALS & CHEMICALS DIVISION. ○ MINERALS & CHEMICALS PHILIPP CO. 	<p>7- Kingston, New York. 8- Middletown, New York. 9- Salisbury, Maryland. 10- Scranton, Pennsylvania. مراكز توزيع البضائع : الشركة موضوع البحث تالشميرالتر للتوزيع في المدن التالية : 1- Paterson, New Jersey. 2- South San Francisco, California. 3- Winnsboro, South Carolina. 7900 18Th Avenue N. Y. Largo Florida.</p>		
(N)			
<ul style="list-style-type: none"> ○ NITRO INDUSTRIES CORP. ○ NORTH POINT LAND CO. ○ NANNETTE CASHMERES INC. ○ NASSAU BRASSIERE CO. ○ NATIONAL STEEL & SHIP-BUILDING CO. ○ NATIONAL BREWERY LTD. ○ NATIONAL DYNAMICS CORP. ○ NATIONAL EMBLEM INC. CO. ○ THE NATIONAL PLASTIC PRODUCTS CO. ODENTOR. ○ NATIONAL SHOE PRODUCT CO. ○ NATIONAL — WIDE INSTALLAION INC. ○ NEW ENGLAND MUTUAL LIFE INSURANCE CO. 	<p>في يفترو — ولاية وست — فرجينيا 1410 — Broadway — New York — 18. N. Y. 220 Ea. 238d N. Y. 10 N. Y. Maryland. 501 — Boylston Street — Boston 17 — Massachusetts. وغيرها للكتاب في واشنطن وعنوانه : 720 Woodward Building, 15Th Street, Washington D. C.</p>	<p>تعمل في إنتاج المعادن وتصنيعها</p> <p>الآلات والآلات الصناعية</p> <p>صناعة البلاستيك واللدائن</p>	

الاسم	العنوان	الإختصاص	ملاحظات
<ul style="list-style-type: none"> ● NEWARK OHIO CO. ● NEW WEST OPTICAL CO. ● NEW YORK MERCHANTISE CO. INC. ● NILES & BEMENT FOND CO. ● NASHVILLE AVENUE REALTY CO. INC. ● NATIONWIDE SHOE CO. ● NATIONAL BROADCASTING CO. INC. (N. B. C.) ● NATIONAL COMMUNITY RELATION ADVISORY COUNCIL — NCRAC. ● NATIONAL COUNCIL OF JEWISH WOMEN INC. — NCFW. ● NATIONAL JEWISH WELFARE BOARD IWB. ● NATIONAL SPINNING CO. ● NATIONAL STEEL & TIN-PLATE WAREHOUSE INC. ● NATIONAL WORSTED MILES. ● NATIONAL YARN CORP. ● NATIONAL YARN CORP. ● NATURAL WONDER MEDICATED TOTAL SKIN LOTION. ● N. B. C. ENTERPRISES. ● N. B. C. NEWS. ● N. B. C. RADIO — NETWORK. ● N. B. C. STATIONS & SPORT SALES. 	<p>280 West 77th St., Los Angeles, California, U. S. A. 32 — 46, W. 23 R L St. New York 10 — N. Y. U. S. A.</p> <p>55 West 42nd Street — New York, New York 10036.</p> <p>1 West 47th Street New York New York 10036.</p> <p>145 East 32nd Street New York 10016.</p> <p>350 Fifth Avenue New York.</p> <p>ومصانعه الموجودة في : — واشنطن — كارولينا الشمالية بيدن : — وارسو — وايثيل — بلونت ونيو يورك (مدينة جيمس تاون) 2001 South Delaware Avenue Philadelphia 48 Pennsylvania Jansetown — New York.</p> <p>ومصانعه الموجود في مدينة : Palosmer. ولاية نيويورك لصناعة الصيرط الصناعية Cleveland — Ohio. نسي : 110 E. 9Th. Street, Los Angeles — California.</p>	<p>إنتاج الأدوات البصرية الدقيقة</p> <p>تنظم في إدارة شؤون محطات السرايو والتلفزيون التي تملكها وعددها (119) منظمة</p> <p>منظمة</p> <p>جمعية</p> <p>مركبة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● N. E. C. TELEVISION NETWORK. ● NILATIL. ● NOONAN T. SONS CO. 	<p>1300 Columbia Road Boston Massachusetts. وفرعها الموجود في انغران التالي : 430 Warberley Street Frammingham بمدينة Massachusetts. بولاية</p>	مركبة	
<ul style="list-style-type: none"> ● NORRY ELECTRIC CORP. وتعرف باسم : ELECTRIC EQUIPMENT CO. NORRY EQUIPMENT. ● NORRY EQUIPMENT. وتعرف باسم : ELECTRIC EQUIPMENT CO. و : ● NORRY ELECTRICCORP. ● NATIONAL COUNCIL FOR JEWISH EDUCATION. ● NATIONAL UNION ELECTRICAL CORP. ● NEW YORK — 350 FIFTH AVENUE. ● NOXON MILLS. INC. 	<p>63 Curlew Street Rochester N. Y.</p> <p>63 Curlew Street Rochester N. Y.</p> <p>Box 1157 Stamford Connecticut New York I. M. Y. U. S. A.</p> <p>DaltonGeorgia.</p>		
(O)			
<ul style="list-style-type: none"> ● OCEAN CLIPPERS INC. ● OCEAN TRANSPORTATION. ● OFER STYLE. ● OHA'WA HYDRAULIC SILICA. ● OHIO POWER CO. ● THE OLYMPIC GLOVE CO. INC. ● OMNI FABRICS. ● ONAN DIVISION. (D. W. ONAN & SONS INC.) ● ORCO INDUSTRIES LTD. ● ORIENTAL EXPORTERS LTD. ● ORNSCO CORP. 	<p>في نيويورك في نيويورك</p> <p>1182 Broadway New York City U. S. A.</p> <p>في شيكاغو</p> <p>85 Madison Ave. New York 16. N. Y.</p> <p>480 Park Ave. South New York 16. N. Y.</p> <p>بياسي — فلوريدا</p>	<p>تجارة المواد الاسرائيلية</p> <p>تسوم بالاعمال الكهربائية صناعة القشريات</p> <p>استيراد التسمجات صناعة</p> <p>منتجات الصلب الاممال التجارية استيراد وتصدير منتجات الصلب</p>	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العثموان	الانتماس	متمتعات
LITE ENGINEERING RP. ERSEAS DISCOUNT RP. T. OPEN TRUSS. TO PREMINGER FILM. والاسم الحقيقي للشركة ال هو :	61 Broadway N. Y. 6. N. Y. 711 - Fifth Avenue, New York, N. Y.	١١ أعمال المصرفية والقنول ملوكية شركة سينمائية	
HMA PRODUCTIONS			
ERSEAS AFRICAN CON- STRUCTION CO. (مدرجة بقسم الصومال) ERSEAS PUBLIC UTILI- S AND GAS CORP. /ENS ILLINOIS. /ENS ILLINOIS GLASS , INC.	نعمل في الصومال 55 West 42 Nd. St. Boroukls of Manhattan New York. شيكنغو Box 901, Toledo, Ohio U. S. A.		
GLASS CONTAINER VISION. GLASS CONTAINER UNTS.	قسم الاوعية الزجاجية مصانع الاوعية الزجاجية في المدن التالية : - - Alton, Ill. - Atlanta, Georgia. - Bridgeton, N. J. - Brockport, N. Y. - Charlot, Mich. - Clarion, Pa. - Fairmont, W. Va. - Gas City Ind. - Huntington, W. Va. - Lateland, Fla. - Los Angeles, Calif. - New Orleans, La. - North Dergen, N. H. - Oaidand, Calif. - Portland, Oreg. - Streeter, Ill. - Tracy, Calif. - Waco, Texas.	تخصص في صنع الاوعية الزجاجية والالكترونية والبلاستيكية	
CLOSURE PLANTS :	مصانع الوصلات في المدن التالية : - Gizeboro, N. J. - St. Charles, Ill. - San Jose, Calif.		
SAND PLANTS :	مصانع الرمل في المدن التالية : - Corona, Calif.		

الاسم	العنوان	الاختصاص	ملاحظات
● 4. MACHINE SHOPS :	— Ione, Calif. — Pacific Grove, Calif. ورش الآلات في مدينة :		
● 5. INK AND DIE PLANT :	— Godfrey, Ill. مصنع الحبر والصبغة		
● 6. MOLD SHOPS :	— Toledo, Ohio. ورش القوالب في المدن التالية :		
● II. CONSUMER AND TECHNICAL PRODUCTS DIVISION.	— Alton, Ill. — Durham, N. C. — Oakland, Calif. قسم المنتجات الاستهلاكية والفنية		
● 1. LIBBEY PRODUCTS PLANTS :	مصانع منتجات لببي في المدن التالية :		
● 2. KEMBLE PRODUCTS PLANTS :	— City of Industry, Calif. — Lake City, Pa. — Toledo, Ohio. مصانع منتجات كيمبل في المدن التالية :		
● 3. INDUSTRIAL AND ELECTRONIC PRODUCTS PLANTS.	— Chicago Heights, Ill. — Vineland, N. J. — Warsaw, Ind. مصنع المنتجات الصناعية والالكترونية في المدينتين التاليتين :		
● D. FOREST PRODUCTS DIVISION :	— Columbus, Ohio. — Muncie, Ind. قسم منتجات الخشب ، ومصانع ألواح الأرفعية في المدن التالية :		
● 1. CONTAINERBOARD MILLS :	— Dig Island, Va. — Jacksonville, Fla. — Jale, Ohio. — Tomahawk, Wis. — Valdosta, Ga.		
● 2. CORRUGATED SHIPPING CONTAINER PLANTS :	مصانع اوعية التغليف المصنعة في المدن التالية :		
	— Atlanta, Ga. — Aurora, Ind. — Bradford, Pa. — Bristol, Pa. — Charleston, W. Va. — Chicago, Ill. — Circleville, Ohio. — Dallas, Texas. — Detroit, Mich. — Flint, Mich. — Jacksonville, Fla.		

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
	<ul style="list-style-type: none"> - Kansas City, Mo. - Long Island City, N. Y. - Los Angeles, Calif. - Madison, Ill. - Memphis, Tenn. - Miami, Fla. - Milwaukee, Wis. - Minneapolis, Minn. - Newark, N. J. - Oakland, Calif. - Salisbury, N. C. 		
3. MULTIWALL AND PLASTIC SHIPPING SACKS PLANTS :	مصنع الكيس ذات الطبقات المتعددة وأبلاستيك الشحون في مدينة :		
4. FIBRE CAN PLANTS :	<ul style="list-style-type: none"> - Valdosta, Ga. 	مصنع الأوعية المصنوعة من مواد صناعية في المينتين التاليين :	
IV. PLASTIC PRODUCTS DIVISION :	<ul style="list-style-type: none"> - Chicago, Ill. - Orlando, Fla. 	قسم منتجات البلاستيك	
1. PLANTS :	<ul style="list-style-type: none"> - Atlanta, Ga. - Baltimore, Md. - Charlotte, N. C. - Chicago, Ill. - Cincinnati, Ohio. - Jersey City, N. Y. - North Kansas, Mo. - Newburyport, Mass. - St. Louis, Mo. - Weyan, N. J. 	المصانع في المدن التالية :	
• OWENS - ILLINOIS INTER - AMERICA COEP.	Teledo, Ohio.		
• OWENS - ILLINOIS INTERNATIONAL DIVISION.	Teledo, Ohio.		
• OLD COLONY TAR CO. INC.			
• OAK ENGINEERING CO.			
(P)			
• PACIFIC DIAMOND CO.	657 Mission St. San Francisco, S. California. وسائل ترومها ومنها الفسح الموجود بولاية أريزون وعنوانه : 305 Goodrich Bldg. Phoenix Arizona.	تجارة الماس	

UNITED STATES OF AMERICA

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> o PACIFIC CRANE & RIGGING CO. INC. o PACIFIC INSTALLERS INC. o PACIFIC DREDGING CO. o PACIFIC GYPSUM CO. o PAGODA ARTS CO. o THE PALESTINE ECONOMIC CORP. U. S. A. o PAMA PROPERTIES INC. o PANTO MINES INC. o PAVELLE TRADING CO. o P. E. C. DIAMOND CORP. o PELTOURS. o PERMANENTE CEMENT CO. o PERMANENTE SERVICES INC. o PERMANENTE SERVICES OF HAWAII INC. o PERRINE REALTY. INC. o PENNSBURG CLOTHING CO. o PENNMUTUAL LIFE INSURANCE. o PENNSYLVANIA DIVISION. o PHILIPP BROS FAR EAST CORP. o PHILIPP BROS INC. o PHILIPP BROS ORE CORP. o PHILADELPHIA INTERNATIONAL INVESTMENT CORP. o PHILADELPHIA NATIONAL BANK. o PHILL SILVERS CO. o PHOENIX ASSURANCE CO. o PHONIX MUTUAL LIFE INSURANCE CO. 	<p>في پارامونت</p> <p>16408 - Paramount - Blvd Paramount.</p> <p>51 Aster Drive, New Hyde Park, New York.</p> <p>1. 400 Madison Avenue N. Y. 17 N. Y.</p> <p>2. 18 East 41 St. New York 17 N. Y.</p> <p>(New Jersey).</p> <p>1407 - Broadway New York City.</p> <p>220 West 42nd St. N. Y. 38 N. Y.</p> <p>N. Y. C. N. Y.</p> <p>في لاندنيا</p> <p>530 Walnut Street P. Jndelphia Pennsylvania - U. S. A.</p> <p>70 Pine St. N. Y. 5 N. Y.</p> <p>79 Elm Street Hartford 15. Connecticut. U. S. A.</p>	<p>نجارة واستيراد المعمرات تعمل على تمويل المشاريع الصناعية والزراعية في اسرائيل والمساعدة فيها</p> <p>استيراد وتوزيع حبوبت بيع المس للسلعة</p> <p>التأمين</p> <p>استيراد وتصدير المعادن والكيماويات استيراد وتصدير المعادن والمواد الكيماوية</p> <p>استيراد وتصدير المعادن والمواد الكيماوية مؤسسة مالية</p> <p>مصرف</p> <p>التأمين</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● PHONOVISION CORP. ● PILOT RADIO CORP. ● PIONEER WOMEN'S LABOR ZIONIST ORGANIZATION OF AMERICA. ● PLASTIMOLD CORP. ● PLAX CORPORATION. 	<p>في نيويورك (غير عملية) N. Y. C. — N. Y. 24 — East 22nd Street — New York 10.</p> <p>مقرها ولاية ماسجوسنس</p>	<p>إنتاج أجهزة الراديو منظمة جمع الأموال للنساء، عمليات في فلسطين</p>	
<ul style="list-style-type: none"> ● PORTLAND COPPER & TANK WORKS INC. ● PACIFIC COCA — COLA BOTTLING CO. ● PACIFIC MILLS DOMESTICS. ● PACIFICS POLYMERS INC. ● PALESTINE ENDOWMENT FUNDS INC. ● PANTHEON BOOKS. 	<p>في ساوث بورتلاند 1313 E. Columbia Street South. Washington 98122.</p> <p>في كاليفورنيا 30 Broad Street N. Y.C.</p> <p>١ — مكتب التحرير : 437 Madison Ave. New York</p> <p>٢ — مكتب المبيعات : 39 W. 60 St. New York.</p>	<p>تقوم بأعمال المصانف وصناعة التلوين</p>	
<ul style="list-style-type: none"> ● PATINA CLEANER. ● PAUL JONES & CO. INC. ● PAUL MASSON INC. ● PEARL IMPORT EXPORT CO. INC. ● PENNSYLVANIA COAL & COKE. ● PERMANENT STEAM SHIP CORP. ● PERMANENT TRUCKING CO. ● PERVELINE. ● PERVINAL. ● 24 PET SHOP INC. 	<p>New York.</p> <p>115 Agharoh Avenue Crossen — Pennsylvania.</p>	<p>مطبع</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p>	
<ul style="list-style-type: none"> (T) ● PHARMA — CRAFT CORP. ● PHILCO CORP. ● PHILCO FINANCE CORP. ● PHILCO'S INTERNATIONAL DIVISION. ● PHILIPP BROS LATIN AMERICAN CORP. ● PHILIPP BROS METAL CORP. ● PHOENIX INC. 	<p>1029 & C. Street Philadelphia, Pennsylvania. Ph: Philadelphia — Pa. Ph: Philadelphia — Pa.</p> <p>نيويورك</p>	<p>مركبة</p> <p>مركبة</p> <p>صناعة الآلات الكهربائية</p>	

UNITED STATES OF AMERICA

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	المصنوعون	المنتجات	ملاحظات
<ul style="list-style-type: none"> ○ PILOT. (مدرجة أيضا في القسم البريطاني) 		مركبة	
<ul style="list-style-type: none"> ● POLICLEAN WHIRLPOOL R. C. A. (مدرجة أيضا في القسم الألماني) ● POROCEL CORP. ● PRATT & WHITNEY MACHINE TOOL DIVISION. 	Charter Oak Blvd. West Hartford, Connecticut.	ملاحة تجارية	
<ul style="list-style-type: none"> ● PRATT AND WHITNEY MACHINE TOOL. 	مكتب بيمت لشم مدرج 2/11 Gracie Place — Greenwich New Jc.	صناعة الآلات المصنوعة	
<ul style="list-style-type: none"> ● PRATT AND WHITNEY CUTTING TOOL AND GAGE DIVISION. 	Charter Oak Boul Ward West Hartford Connecticut 06101.		
<ul style="list-style-type: none"> ● PIONEER WOMEN. ● PHILCO — FORD CORP. ● PHILCO — FORD. 	3875 Fabian Way Palo Alto California.	جمعية تنمية إنشائية	
<ul style="list-style-type: none"> ● PHENIX ALUMINIUM S. A. ● PHELPP BROS INDIA LTD. 	مقرها في مدينة نيويورك Philadelphia.		
<ul style="list-style-type: none"> ● PROGRESS WEBSTER ELECTRONICS. ● PREFECT. (مدرجة أيضا في القسم البريطاني) ● PRINCESS MARCELLA BORGHESE. 		مركبة	
<ul style="list-style-type: none"> ● PROFESSIONAL LIBRARY SERVICE. 	Santa Ana, California.	مركبة	
<ul style="list-style-type: none"> ● PROSPECT CORP. ● PROVIDENT MUTUAL LIFE INSURANCE OF PHILADELPHIA. 	4601 — Market Street Philadelphia — Pennsylvania.	تأمين	
<ul style="list-style-type: none"> ● PUB. ● PUERTO RICAN CARS INC. (مدرجة أيضا في قسم بورتوريكو) ● PYRAMID SHOE MANUF. ● POTER & JOHNSTON CO. ● PRATT & WHITNEY CO. INC. ● PREMIER INDUSTRIES. ● PRINCETON KNITTING MILLS INC. 		مركبة	
		صنع الأحذية	
		إنتاج المسخت ولدوات الخياطة	
		إنتاج ملابس السيدات والملابس الرجالية من القطن والرايون والصوف	

الاسم	العضوان	الاختصاص	ملاحظات
(Q)			
<ul style="list-style-type: none"> ● QUIK — EASE ● QUINCY COMPRESSOR DIVISION. ● QUICK — WAY TRUCK SHOUL. ● QUIET HEET MANUFACTURING CORP. ● QUINCY COMPRESSOR DIVISION. 	<p>217 Maine Street Quincy, Illinois.</p> <p>في نيويورك</p> <p>مكتبه ببيانات</p> <p>3/47 Fifth Avenue New York.</p>	<p>مركبة</p> <p>الات الماططة</p> <p>الطواد</p> <p>انتاج المضخات وكواب</p> <p>المساة</p>	
(R)			
<ul style="list-style-type: none"> ● R. A. M. RETAIL APPAREL FOR MEN. ● R. C. A. ● R. C. A. 381 ● REALTON ELECTRONICS CO. LTD. ● RALLI BROS (NEW YORK) INC. ● RASSCO FINANCIAL CORP. 	<p>New York.</p> <p>Central & Terminal Aves. Clark New Jersey.</p> <p>71, Fifth Avenue New York</p> <p>3. N. Y. U. S. A.</p> <p>250 W. 57th St.</p>	<p>بيع الملابس</p> <p>مركبة</p> <p>امعال مالية</p>	
<p>الروسية المالية</p> <ul style="list-style-type: none"> ● RASSCO RURAL & SUBURBAN SETTLEMENT CO. LTD. ● RAULAND CORP. OF CHICAGO. ● ROTOSIN INDUSTRIES LTD. ● SEAUNIT MILLS INC. ● RO — SEACH INC. ● ROTHLEY INC. 	<p>عنوان مكتبها الرئيسي :</p> <p>11. West 42 St. New York N. Y. & S. A.</p> <p>New York.</p> <p>Waynesville N. C.</p> <p>— 160 Madison Avenue N. Y.</p> <p>وقرعه في شيكاغو الذي يحمل نفس الاسم وعنوانه :</p> <p>— 307 West Van. Buren St. Chicago 111.</p>	<p>تسويق الارواد</p> <p>والصناعات الخاصة</p> <p>بالبناء في اسرائيل</p> <p>التيمة مشاريع مختلفة</p> <p>في كافة اتجاه المسالم</p> <p>تصنيف دعم اسرائيل</p> <p>صناعة ايسات</p> <p>التفزيون</p> <p>انتاج هيوط الحرير</p> <p>والقطن الصناعي</p> <p>انتاج المطاط والاحذية</p> <p>صناعة الملابس</p> <p>بقوامها</p>	
<ul style="list-style-type: none"> ● RUBBER CO. OF CHELSEA, MASS. <p>حاليا باسم :</p> <p>AMERICAN ELITE RUBBER CO. INC.</p> <ul style="list-style-type: none"> ● RUDIN NEEDLE KRAFT. 	<p>Chicago 111.</p> <p>45 / West 34 Street New York 1. N. Y.</p>	<p>انتاج احذية المطاط</p>	

الاسم	الضمان	الانتماء	ملاحظات
● RUSSCO INDUSTRIES INC.	State St. 344, Lecombe Bld. Columbia, Ohio — U. S. A.		
○ REPUBLIC CORP.	4024 Radford Avenue, North Hollywood, California.		
● REPUBLIC PRODUCTIONS CORP.	4024 Radford Avenue, North Hollywood.	صناعة الأفلام	
● REPUBLIC PRODUCTION INC.			
● REPUBLIC PICTURES IN- TERNATIONAL CORP.	4024 Radford Avenue North Hollywood, California.		
● REVLON INC.	666, 5th. Ave., New York. 19 N. Y., U. S. A.	أدوات التجميل	
● REVLON INTERNATIONAL CORP.	N. Y.	أدوات التجميل	
● REYNOLDS CONSTRUC- TION CORP.	وعنوانها في نيويورك : — 120 Wall St. N. Y. 5 N. Y.	إنشاء المباني	
وتعمل في الصومال تحت اسم : OVERSEAS AFRICAN CONSTRUCTION CO.	وفي واشنطن : — Hill Building Washington B.		
● REYNOLDS FEAL CORP.	120 Wall St., N. Y. 5 N. Y.	إنشاء المباني	
● R. H. COLE & CO. LTD.			
● THE RICHELIEU CORP.			
● RIO DE LA PLATA TRADING CORP.	15 White Hall St., N. Y.	الامتداد التجارية استيراد وتصدير وتداول شركات	
● RIPEL SHOE PRODUCTS CO.			
● ROBERT R. NATHAN ASS. INC.	1218 16th St., N. W. Washington. (New York).	الاستشارة الاقتصادية	
● ROBISON — ANTON TEX- TILE CO. INC.		صناعة النسيج النظي والتسليق وكل ذلك صنع الاصطناعية	
● ROBISON INDUSTRIES CORP.	434 — 52 Nd. Street — West New York, New Jersey. (New Jersey)	صناعة مختلف الأنسجة إنتاج أجهزة مكثفة الحريرق ومعدات المنزل مركبة مركبة	
● ROBISON TEXTILE CO.			
● ROCKWOOD SPRINKLER			
○ R. C. A. 501.			
○ R. C. A. 601.			
● R. C. A. BROADCAST & COMMUNICATIONS PRO- DUCTS DIVISION.			
● R. C. A. COMMERCIAL RE- CEIVING TUBE & SEMI — CONDUCTOR DIVISION.			

UNITED STATES OF AMERICA

رديت والموسسات في اويوتب المجدد الامريكى

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> • R. C. A. COMMUNICATIONS INC. • R. C. A. DEFENSE ELECTRONIC PRODUCTS. • R. C. A. ELECTRONIC COMPONENTS & DEVICES. • R. C. A. ELECTRONIC DATA PROCESSING DIVISION. 	<p>تخصص في صناعة بعض الآلات الإلكترونية المعروفة بالأرقام التالية:</p> <ul style="list-style-type: none"> - RCA 561. - RCA 601. - RCA 301. مركبات تلخمة - RCA 3301. - SPECTRA 70. 	<p>التصايج الآلات الإلكترونية</p>	
<ul style="list-style-type: none"> • R. C. A. GRAPHIC SYSTEMS DIVISION. • R. C. A. INSTITUTES INC. 		<p>تقديم البرامج المعينة والتلمحة لتدريب التلاميذ في حقل الالات الإلكترونية والراديو والتلفزيون</p>	
<ul style="list-style-type: none"> • R. C. A. INTERNATIONAL SERVICE. • R. C. A. LABORATOIRES. 		<p>تسويق منتجات الشركة الأم في الأسواق العالمية وصيانتها</p> <p>التحارب الفنية المتعلقة بحقل الإلكترونيات</p>	
<ul style="list-style-type: none"> • R. C. A. PARTS & ACCESSORIES. • R. C. A. SALES CORP. • R. C. A. SERVICE CO. DIVISION. 		<p>للتسويق تركيب وصيانة أجهزة الشركة الأم في الولايات المتحدة وقواعد الجيش الأمريكى في الخارج</p>	
<ul style="list-style-type: none"> • R. C. A. SPECIAL ELECTRONIC COMPONENT DIVISION • R. C. A. SPECTRA 70. • R. C. A. SPECTRA 70/15. • R. C. A. SPECTRA 70/25. • R. C. A. SPECTRA 70/35. • R. C. A. SPECTRA 70/45. • R. C. A. SPECTRA 70/55. • R. C. A. TELEVISION PICTURE TUBE DIVISION. • R. C. A. TK - 42. 		<p>مركبة</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p> <p>مركبة</p>	
<ul style="list-style-type: none"> • R. C. A. 3301 REALCOM. • R. C. A. VICTOR. 		<p>مركبة آلات تصوير الإلام التونة الخاصة بالتلفزيون</p> <p>مركبة</p> <p>مركبة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ R. C. A. VICTOR COMPANY LTD. ○ R. C. A. VICTOR DISTRIBUTING CORP. 	<p>ولها فروع في المدن التالية :</p> <p>Atlanta — Georgia. Chicago — Illinois. Kansas City — Kansas. Wichita — Kansas. Buffalo — New York. Detroit — Michigan. Los Angeles — California.</p>	لتصوير	
<ul style="list-style-type: none"> ○ R. C. A. VICTOR HOME INSTRUMENTS DIVISION. ○ R. C. A. VICTOR RECORD DIVISION. ○ R. C. A. WHIRLPOOL ○ R. C. A. WHIRLPOOL CORP. ○ RANCHERO. ○ RANDON HOUSE INC. ○ RASSCO ISRAEL CORP. 	<p>وهو المركز الرئيسي في الولايات المتحدة</p> <p>535 Madison Avenue New York N. Y. 10022.</p> <p>ولها مكاتب في :</p> <p>١ - في لوس آنجلوس وعنوانه : 5410 Wilshire Blvd Los Angeles 36 California.</p> <p>٢ - في شيكاغو وعنوانه : 100 West Monroe Street Chicago 3 Illinois.</p> <p>ولها مخزن لبيع الاحذية النسائية في نيويورك :</p>	<p>أجهزة السراويل والمسجلات والتلفزيون والسماعات إنتاج الاسطوانات ولشرطة التسجيل</p> <p>مركبة للتشريع والطباعة</p>	
<ul style="list-style-type: none"> ○ RAVNE — DELMAN SHOE CO. ○ READY — 4. ○ REAL GOLD. ○ THE REALISTIC CO. 	<p>3264 Beelman St. Cincinnati — Ohio.</p>	مركبة	
<ul style="list-style-type: none"> ○ REPLIQUE. ○ REPUBLIC SHOE CO. ○ THE REPUBLIC STEEL CORP. 	<p>225, W. Prospect Ave. Cleveland 15 — Ohio.</p> <p>وكذلك مصانع الشركة المذكورة الموجودة في الأماكن التالية :</p> <p>1 — Cleveland, Ohio. 2 — Detroit, Michigan. 3 — Brooklyn, New York. 4 — Elyria, Ohio.</p>	مركبة	صناعة التجديف النولافية

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UNITED STATES OF AMERICA

رساند وبنوسمات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
	5 — South Chicago, Illinois.		
	6 — Warren, Ohio.		
	7 — Niles, Ohio.		
	8 — Newton Falls, Ohio.		
	9 — Massillon, Ohio.		
	10 — Canton, Ohio.		
	11 — Youngston, Ohio.		
	12 — Gadsden, Alabama.		
	13 — Birmingham, Alabama.		
	14 — Buffalo, New York.		
	15 — Troy, New York.		
	16 — Beaver Falls, Pennsylvania.		
	17 — Gary, Indiana.		
	18 — East Hartford, Connec- ticut.		
	19 — Los Angeles, California.		
	20 — Harrisburg, Penn.		
	21 — Charlotte, North Carolina.		
	22 — Nitro, West Virginia.		
● REPUBLIC SUPPLY CO.	Rochester, New York 14603.	الصناعة	
● RESEARCH AND ADVAN- CED ENGINEERING DIVISION.	Silver Bay & Rabbit Minnesota.		
● RESERVE MINING CO.	Talmadge Road Edison New Jersey.		
● REVLON COSMETICS.	840 — W. Olympic Los Angeles Calif.		
● REVLON HAIRCOLOR CLINIC.	5455 Wilshire Blvd Los Angeles — Calif.		
● REVLON HAIR COLOR INSTITUTE.	190 Colt Street Irvington New Jersey.		
● REVLON IMPLEMENTS CORP.	7630 8 St. Industry, Pico Rivera — Calif.		
● REVLON INC.	100 — 8th Street Passaic, N.J.	جمعية تلمذة تقنية	
● REVLON INC.	Central And Terminal Avenue Clark New Jersey U. S. A.		
● RELIGIOUS ZIONISTS OF AMERICA.			
● R. C. A. INTERNATIONAL DIVISION.			
● RUMAC MOLDED PRODU- CTS INC.			
● REVLON INC. LABS.	945 — Zerega Avenue Bronx — N. Y.		
● REVLON RESEARCH CENTER.			

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ○ RICHFIELD MANUFACTURING. ○ RIGID — FLOOR. ○ RIGID — RB. ○ RIVER TERMINAL RAILWAY CO. ● ROCKEFELLER LAURENCE S. A. ASSOCIATE. ● ROGER KENT. ● ROYAL LYNNE LTD. 	<p>30 Rockefeller Plaza, New York 20, N. Y. U. S. A. New York.</p> <p>530 — 7Th Ave. N. Y. C.</p>	<p>إنتاج وتوزيع ملابس الرياضة للرجال مركبة مركبة سكك حديد</p>	
(8)			
<ul style="list-style-type: none"> ○ S. H. KRESS & CO. ○ SCHACHT FOUNDATION. ○ SCHACHT STEEL CORP. ○ ومكتب التسويق الذي يملكه (الاعوان) LAWRENCE SCHACHT. ○ SEABOARD MANUF. CO. ● SEAGRAM DISTILLERS CO. ○ SEAGRAM OVERSEAS SALES CO. ○ SEAL KING. ○ SAN DIAMOND KNITTING MILLS INC. ○ SAMUEL ADIRE. ○ SAN RAFAEL CAYES, INC. ○ SCHERR TUMICA INC. ○ S. D. LEIDESDORF & CO. ○ SEARS INTERNATIONAL CORP. ○ SEARLANES INTERNATIONAL INC. ○ SEVEN STAR. ○ SEARS FINANCE CORP. (DEL) ● SEARS ROEBUCK OVERSEAS INC. DEL. ○ SEARS ROEBUCK ACCEPTANCE CORP. — DEL. ○ SEARS ROEBUCK S. A. (DEL) CENTRAL AMERICA. 	<p>465 Hilledale Ave. Hilledale S. N. C. E. 57Th Street New York City.</p> <p>375 — Park Avenue New York 10022.</p> <p>375 Park Avenue New York. New York 10022.</p> <p>367 West Adams St. Chicago 8 — 111 — U. S. A. 2422 Broadway New York 24 N. Y.</p> <p>St. James Minnercia, U. S. A.</p> <p>Illinois Chicago.</p>	<p>بيع الملابس الرجالية المشروبات الروحية</p> <p>تصدير وتوزيع المشروبات الروحية مركبة</p> <p>تجارة الأدوات الطبية الإسرائيلية</p> <p>إنتاج وتوزيع أدوات القياس الدقيقة أعمال المحاسبة</p> <p>أعمال الوكالة الملاحة</p>	

UNITED STATES OF AMERICA

رئيسيات امم المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● SIMPSONS — SEARS LTD. ● SEARS ROEBUCK & CO. 	925 — Shoman Ave. Chicago 111 — U. S. A. وفرعها في فيلادلفيا ونيويورك 4640 — Roosevelt Blvd.		
<ul style="list-style-type: none"> ● SENICA MAIL INC. ● SEMINARI SOUTH INC. ● SHACHT STEEL CORP. 	465 — Hillsdale Ave. Hillsdale 5 — N. J. U. S. A.	تعمل في المعاملات انتاج الفولاذ	
<ul style="list-style-type: none"> ● SHARON PALESTINE OIL CORP. ● SHAWINGAN RESINS CORP. ● SHULSINGER BROTHERS. 	سورنغفيلد بولاية ماساتشوستس 2 / E Fourth St. N. Y. 3. N. Y.	طباعة ونشر الكتب والقارير أعمال نموت وتجبيح مصايح الاسره والطائرات	
<ul style="list-style-type: none"> ● SHUNT LAMP CORPO- RATION. 	32 — 46. 23rd. St. New York 10 N. Y.	انتاج الحبير	
<ul style="list-style-type: none"> ● SIFREI ISRAEL. 	158 5th Ave. Room 725 New York Lo. N. Y. N. Y. C. N. Y.	تجارة المواد الاسرائيلية (الملبس) للمقارنات	
<ul style="list-style-type: none"> ● SINCLAIR & VALENTINE INC. ● S. I. GENACH, INC. 	2 West 47th St. N. Y. 36 N. Y.		
<ul style="list-style-type: none"> ● SKYE INCORPORATED. ● S. M. ELOWSKY & CO. INC. 	1407 — Broadway -- New York N. Y.		
<ul style="list-style-type: none"> ● SOLCOOR INC. 	250 West 57th. St. New York. 19 N. Y.	تجارة	
<ul style="list-style-type: none"> ● THE SOL MANUFACTURING CORP. ● SONNEBORN BROS INC. ● SONNEBORN CHEMICAL & REFINNING CORP. ● SONNEBORN INTER — AMERICAN CORP. ● SONNEBORN OF MARY- LAND. ● SOUTHERN TEXTILES INC. ● SOUTH BEND MANUFAC- TURING CO. ● SOUTHERN PERMANENTE SERVICES INC. ● SOUTHERN SHIPPING CO. ● SOUTHLAND MAIL INC. ● SPANEL FOUNDATION. 	Ocean Terminal Savannah. Georgia U. S. A.	صناعة القهوة أعمال الوكالة	

الاسم	العنوان	الإختصاص	ملاحظات
<ul style="list-style-type: none"> ○ SPORTEENS INC. ○ SPORT TOGS INC. ○ SPRAYING SYSTEMS. ● STANALCHEM INC. ● STANDARD MAGNESIUM & CHEMICAL. ● STANDARD TRIUMPH MOTOR CO. LTD. ● STANLY WARNER CORP. ● STAPLING MACHINES CO. ○ STATE MUTUAL LIFE — ASSURANCE CO. OF AMERICA. ● STEARMS — ROGER COBP. ○ SENTRY SHOE CO. ○ THE 721 CORPORATION. ○ SHAPIRO (MICHAEL & RAE) & FAMILY FOUNDATION INC. ○ SIGMA PRODUCTION INC. : والنسبورة باسم ● OTTO PREMINGER FILM. : نسبة الى اسم مالكها . ● SILVER SLICK. ● SNOW CORP. ● SOLCOOR INC. OF NEW YORK. 	<p>1407 — Broadway New York — 18 — N. Y.</p> <p>20 W. 26Th. Street New York City.</p> <p>3201 — 09 West Randolph St. Bellwood — Illinois.</p> <p>350 Madison Ave. New York 17 N. Y. — U. S. A.</p> <p>U. S. A.</p> <p>1585 Broadway New York 36 N. Y.</p> <p>21 Pine St. Rockaway, New Jersey.</p> <p>440 — Lincoln Street Worcester Mass. — U. S. A.</p> <p>660 Barnock St., Denver 2 Colorado. U. S. A.</p> <p>5460 North 27Th. Street Milwaukee 8 — Wisconsin.</p> <p>711 — Fifth Avenue, New York N. Y.</p> <p>850 Third Avenue & Corner 51St. Street New York, N. Y. 10022.</p> <p>San Francisco — California.</p> <p>وعنوانها الإدارة العامة : 1180 Avenue of The America New York 10036. (مدرجة بالإنجيين (S. E.)</p>	<p>احد المصانع الكبرى لللباس</p> <p>انتاج الملابس الرياضية للنساء باسمار شعبية</p> <p>صناعة الوراد الكيبلوية</p> <p>توزيع الاغلام</p> <p>صناعة الاخشاب</p> <p>للخبز</p> <p>الاعمال الهندسية</p> <p>جمعية</p> <p>شركة سينمائية</p> <p>ملوكه ملوكه التجارة</p> <p>مخزن بيع الاحذية صباغة الجلود</p> <p>استغلال وادارة المحلات التجارية الكبرى للبيع التطامى</p> <p>ملوكه</p>	<p>(مدرجة سابقا على أساس انها مخروج المؤسسة سولدايل بونيه الاسرائيلية) .</p> <p>وهو الاسم الرسمي للشركة : E. L. KORVETTE. الذي اعتبر اسما تجاريا للشركة</p>
<ul style="list-style-type: none"> ● SPRITE. 			

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UNITED STATES OF AMERICA

الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● STAPLES & SPECIALTIES INTERNATIONAL. ● SEAGRAM DISTILLERS CO. ● SEAGRAM OVERSEAS SALES CO. ● SHOLEM ALEICHEM FOLK INSTITUTE. ● SOUTHERN STEAMSHIP AGENCY. 	<p>551 — Fifth Avenue New York 7 — N. Y.</p> <p>375 — Park Avenue New York 10022.</p> <p>61 St. Joseph. St. P. O. B. 2190 Mobile, Alabama 36601.</p>	جمعية	
<ul style="list-style-type: none"> ● STERLING DIE OPERATION. مطبعة سابقا باسم STERLING DIE CO. ● THE STONE CHARITABLE FOUNDATION INC. ● STONE CONTAINER CORP. ● STOWELL SILK SPOOL CORP. ● STREET BROS. 	<p>Cleveland — Ohio.</p> <p>C/O Alford F. Rudnick 65 Devonshire Street Boston — 8, Massachusetts.</p> <p>Stone Container Building, Chicago, Illinois 60601. 50 East 42 Street N. Y. C.</p> <p>9 — Mid Atlantic Wharf, Charleston, South Carolina 29401 — U. S. A.</p>	<p>أعمال الوكالة البحرية</p>	
<ul style="list-style-type: none"> ● SUSAN MERCANTILE CORP. ● SWEEPING BEAUTY. ● STERLING DIE CO. ● STONE & FORSYTH CO. INC. 	<p>350 Brook Line St. Cambridge 39 — Mass — U. S. A.</p>	مركبة	
<ul style="list-style-type: none"> ● STRAUS DUPARGUET INC. ● SUMNER CHEMICAL CO. 	<p>33 East 17th St. N. Y. 11 N. Y.</p> <p>Elkhart.</p>	<p>تجارة أدوات المطبخ والفنادق .</p> <p>مبجنة بولاية انديانا</p>	
<ul style="list-style-type: none"> ● SUNWEAR INC. ● UNION & ISRAEL FOREIGN TRADE CREDITS CORP. ● SURVEYS & RESEARCH CORP. 	<p>1010 Vermont Avenue N. W. — Washington 5. D. C. — U.S.A.</p>	مؤسسة استشارية	
<ul style="list-style-type: none"> ● SWISS — ISRAEL TRADE BANK (GENEVA). 	<p>20 Exchange Place (Rm. 4300 — 1) New York.</p> <p>(وهو فرع المصرف السويسري الإسرائيلي) .</p>	<p>تقبل المصرف السويسري في أمريكا والأجنبية على الاستشارات وتقديم المعلومات</p>	
<ul style="list-style-type: none"> ● SORNEBORN ASSOCIATES PETROLEUM CORP. 			

الاسم	العنوان	الاختصاص	ملاحظات
(T)			
○ T. NOONAN & SONS CO.	1350 Columbia Road Boston — Massachusetts. ولها فرع وعنوانه : 430 Wabersley Street, Farmington, Mass.		
● T. O. S. T. O. A OPERATIONAL SATE-LITES.			
● TAB.		ملوكة	
● TANKORE CORP.		شركة قفصة	
● TAPES & RECORDS DIVISION.	6550 East 30th Street Indianapolis, Indiana.	فرع الشرطة التسجيل والأسطوانات	
● TAKAMINE LABORATORY.	Clifton, New Jersey.		
● TALLER & COOPER INC.	83, Front Street, Brooklyn L. New York.	اعمال الهندسة	
● TARO PHARMACEUTICAL CO.	66 Eastern Parkway, Brooklyn, New York.	انتاج المواد الكيماوية	
● TARTAN HOMES.		المقارنات	
● TATRA SHEEP CHEESE CO.	22 Harrison St., N. Y. 13 N. Y.	تجارة الجبن	
● TEL AVIV IMPORTING CORP.	47 Essex St., N. Y. 2 N. Y.	استيراد وتصدير	
● TERMINAL FREIGHT HANDLING CO. (DEL).			
● THREE LIONS INC. PUBLISHERS.	545 Fifth, New York 17 — N.Y.		
● TINAGARA NOVELTIES INC.		تعمل بالاوراق المقلية	
● TITAN MANUFACTURING CO. INC.	701 — Seneca St. Buffalo 10 — N. Y.		
● TITAN SALES CORP.		توليدو — اوهايو	
● TOLEDO MACHINE & TOOL CO. LTD.			
● TOPPS CHEWING GUM INC.	237 — 37th Street, Brooklyn 32, New York.	انتاج اللبان والسكر	
● TORCZYNER M. & CO. INC.	570 Fifth Ave. N. Y. 36 N. Y.	تجارة المواد الاسرائيلية (الملمس)	
● TO VN — MOOR INC.	265 West 37th St. New York 18, N. Y. U. S. A.		
● TOWN AND COUNTRY ALUNDAL INC.			
● TOWN AND COUNTRY WEST, INC.			
● TOWN AND COUNTRY — WOODMOOR INC.			

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الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ٥ TRUSTED FUNDS INC. ٥ TRUST — T — POST. ٥ TUK — TOWN DISTRIBUTORS. ● TUOVER MILL & LUMBER CO. ● TWIN BRANCH RAIL ROAD CO. — Tzell TRAVEL TOURS. 	<p>53 Arlington Street Boston — Massachusetts.</p> <p>23 East 26th St. N. Y. 1. N. Y.</p> <p>2800 52nd Ave. Hoadensburg. Maryland.</p>	<p>مباركة</p> <p>استيراد وتصدير وتجميل شركات</p> <p>تجارة الأثاث الخشبية وأدوات البناء</p> <p>تملك خط سكة حديد</p> <p>مكتب سياحة</p>	
(U)			
<ul style="list-style-type: none"> ● UNION BAL IP PAPER CORP. ● UNITED ASSOCIATES OF NEW YORK ● AMERICAN ASSOCIATES. ● UNITED STATES NEAR EAST LABORATORIES. ● UNITED STATES GLASS MANUFACTURING CO. INC. ● UNITED SUPPLY & MANUFACTURING CO. ● UNIVERSITY MICROFILM INC. ● UNIVERSAL RUNDLE CORP. ● U. S. WALLBOARD MACHINERY CO. ● UTILITY APPLIANCE CORPORATION. ● UTILITY APPLIANCE OF LOS ANGELOS. ● U. S. VITAMIN & PHARMACEUTICAL CORP. ● "ULTIMA 11" MAKEUP SERIES. ● ULTRAMAT. ● UNION DRAWN STEEL CO. LTD. ● UNITED INVESTORS CORP. ● UNITED HIAS SERVICE INC. (UHS). 	<p>Woolworth Bldg. 233 Broadway N. Y. 7 N. Y.</p> <p>Tennessee.</p> <p>32 — 46. 23rd. St. New York 10 N. Y.</p> <p>Ann Arbor — Michigan.</p> <p>90 Broad St. New York.</p> <p>200 Park Avenue South New York N. Y. 10003.</p>	<p>صناعة الورق</p> <p>بناء المساكن في إسرائيل والاعتراف عليها .</p> <p>إنتاج المواد الصيدلانية والكيموية</p> <p>صناعة البضائع البلاستيكية</p> <p>إنتاج الورق</p> <p>صناعة وإنتاج مكيفات الهواء</p> <p>مباركة</p> <p>مباركة</p> <p>منظمة</p>	
(المركز الرئيسي العالمي)			

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اسم الشركة	الأنشطة	الاصناف	ملاحظات
<ul style="list-style-type: none"> ● UNION OF AMERICAN HEBERN CONGREGATION COMMITTEE ON JEWISH EDUCATION. ● UNITED SYNAGOGUE OF AMERICA : COMMISS. ON JEWISH EDUCATION. ● ULTRA CHEMICAL WORKS INC. ● U. S. PEROXYGEN CO. 		جميعة	
(V)			
<ul style="list-style-type: none"> ● V. J. ELMORE. ● VALCAR RENTALS CORP. & SUBSIDIARIES. ● VALENTINE SHOE CO. 		بيع الاحذية	
<ul style="list-style-type: none"> ● VALLEY GOLD. ● VALMORE LEATHER CO. ● VANEES PRODUCTS, INC. ● VAPO NEFRIN. ● VEE'S BIRD FEEDS INC. 		ماركة مباني الجلود	
(T) حرفة ايضا بالاجدية		ماركة	
<ul style="list-style-type: none"> ● VEGA TRADING CO. ● VENCE IRON & STEEL CO. ● VENT VENT. ● VICTOR FISCHEL & CO. INC. ● VICTROLA. 		مخزون ماركة	
<ul style="list-style-type: none"> ● VIRGINIA DYEING CORP. ● VISION - VENT. ● VACO PRODUCTS CO. 	317 East Ontario St.	ماركة راديو - تلفزيون سماعات	
<ul style="list-style-type: none"> ● VACUMZER MFG. CORP 		ماركة	
<ul style="list-style-type: none"> ● VICTORIA VOGUE INC. 	8030 Cooper, Glendale Brooklyn 27, N. Y.	توزيع المحركات ذات الايدي المصنعة من البلاستيك ويمسح الآلات الأخرى . صناعة الأجهزة الكهربائية لإنتاج أدوات التجميل	

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الشركات والمؤسسات في الولايات المتحدة الأمريكية

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> ● THE VINANGO REFINERY CO. INC. ● VINTAGE WINES INC. 	Franklin Penna. 625 West 54 N. Y. 18.	البترول الاعمال التجارية استيراد وتوزيع الخمر	
(W)			
<ul style="list-style-type: none"> ● WARWICK ELECTRONICS INC. ● WARWICK MFG. CO. ● WELBILT CORPORATION 	Maspeth 78 New York.	صناعة اجهزة الطبخ التاريخية والكهربائية وميكنات الهواء	
<ul style="list-style-type: none"> ● WALKER LAND CO. INC. ● WELDON MILLS INC. ● WALDMAN ASSOCIATES. ● WEST COAST LINE INC. 	67 — Broad Street, New York U. S. A.	مصنع التسعير للإحالة	
<ul style="list-style-type: none"> ● WESTERN WOODS, INC. ● WEST VIRGINIA POWER CO. 		تملك اراضي وحقوق استخدام المياه الجارية فيها	
<ul style="list-style-type: none"> ● WESTVIEW APARTMENTS INC. ● WESTVIEW SHOPPING CENTER, INC. ● WHEELING ELECTRIC CO. ● W. H. BOUGHERTY & SONS REFINERY CO. ● THE WHISTLECLEAN CORP. 	Perolla, Penna. 404 — 47th Ave. N. Y. C.	تطوير الاعمال الكهربائية	
<ul style="list-style-type: none"> ● WILHELM BAND CO. 	157 Division Ave. Brooklyn 11 N. Y.	صناعة الآلات	
<ul style="list-style-type: none"> ● WILLIAMS DIAMON. & CO. ● WILLIAM H. WANAMAKER. ● WILLYS OVERLAND CORP. ● WINCHARGER CORP. ● WINDSOR POWER HOUSE COAL CO. ● W. C. THAIRWALL & CO. INC. ● WEATHEROGUE INC. 	533 W. 67th Street Los Angeles. في فيلادلفيا	الآلة السيارات	
<ul style="list-style-type: none"> ● WEDGE — LOCK. ● WELBILT INTERNATIONAL CORP. 	475 Fifth Avenue New York. N. Y. 10017.	بيع الملابس الرجالية مركبة	

الاسم	المسؤول	الاختصاص	ملاحظات
● WHIRLPOOL CORP.	ولها ستة مصانع كبيرة في المناطق التالية: Clyde — Ohio. Marion — Ohio. Evansville — Indiana. Laport — Indiana. St. Joseph — Michigan. St. Paul — Minnesota.		
● WHIRLPOOL ICEMAGIC R. C. A. (مدرجة أيضا باسم إسبانيا)		مركبة لآلة صنع الجليد	
● WHITEHALL LEATHER CO.		صباغة الجلود	
● WHITEHOUSE & HARDY.	نيويورك .	مخزن لبيع الألبسة	
● WILLYS OVERSEAS S. A.			
● WITCO CHEMICAL (INTERNATIONAL DIVISION SONNEBORN PRODUCTS).			
● WILLIAM OLROYD AND SONS LTD.			
● WORKMEN'S CIRCLE.		جمعية	
● WITCO INTERNATIONAL CORP.			
● WHITFIELD CHEMICAL CORP.			
● WINDLER CREDIT CORP.			
● WITCO CHEMICAL CO. INC.		تكرير البنزين والمنتجات الكيميائية	
● WOODBRIDGE CONSTRUCTION CO. INC.			
● WOODCRAFT REALTY CO. INC.			
(X)			
● X — TRU — COAT.	في السانطور	مركبة	
● XEROX CORP.			
● X — TRUBE.		مركبة	
● XEROX FUND.			
● XEROX CORPORATION.	P. O. Box 1540, Rochester 3, N. Y. Midtown tower, Rochester New York.		
(Y)			
● YESHIVA UNIVERSITY: COMMUNITY SERVICES.		جمعية	

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الشركات والإسبكت في الولايات المتحدة الأمريكية

الاسم	التصنيف	الانتماء	ملاحظات
<ul style="list-style-type: none"> ● YORK FUND INC. ● YOUNG TIMER SHOE CO. ● YORKTOWN INDUSTRIES INC. 	310 Factory Road Addison Illinois 60101.		
<p>الحظر على آلات المسح الإلكترونياتك (ELECTROSTATIC COMPLEX)</p> <ul style="list-style-type: none"> ● YASKI CORP. 	556 Tenth Avenue, New York.		
(2)			
<ul style="list-style-type: none"> ● ZENITH ELECTRONICS CORP. OF ILLINOIS. ● ZENITH HEARING AID SALES CORP. ● ZENITH RADIO CORP. 	1900 North Austin Avenue — Chicago — Illinois — 60630.	غير عملية : البيزوني :	صناعة الراديو والتلفزيون والادوات الكهربائية والتكترونية
<ul style="list-style-type: none"> ● ZENITH RADIO CORP. OF CALIFORNIA. ● ZENITH RADIONICS CORP. OF ILLINOIS. ● ZENITH RADIO CORP. OF MICHIGAN. ● ZENITH RADIO CORP. OF NEW YORK. ● ZENITH RADIO DISTRIBUTING CORP. ● ZENITH RADIO RESEARCH CORP. ● ZENITH RADIO RESEARCH CORP. (U. K.) LTD. ● ZENITH SALES CORP. ● ZIM ISRAEL AMERICAN LINES. ● ZOLLER CASTING CO. 		غير عملية : في البيزوني — بيمبكت . كاليفورنيا . شيكاغو .	البلاحة صناعة الحديد (صهر) مركبة مركبة
<ul style="list-style-type: none"> ● ZENITH SHOE CO. ● ZEPHYR. ● ZODIAC. ● ZUNINO — ALTMAN INC. 	101 — Real Road Ave. Ridgefield New Jersey. ولها عنوانان آخران في نيويورك هما — 10Th Ave. N. Y. C. — 120 East 18Th. Street N. Y. C.		
<ul style="list-style-type: none"> ● ZIONIST ORGANIZATION OF AMERICA. 			جمعية