BATTLING THE BOYCOTT: THE ACHIEVEMENT OF FEDERAL LEGISLATION, 1977

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"I am. . . particularly pleased today to sign into law the 1977 Amendments to the Export Administration Act which will keep foreign boycott practices from intruding directly into American commerce." These words spoken by the President in the Rose Garden on June 22 marked the climax to a unique undertaking. Two groups with widely divergent views, one representing Jewish interests, the other the business community, were able, after three months of intensive negotiations, to agree on specific legislative language which the Administration endorsed and the Congress enacted. The final agreement, which I had the privilege of presenting to the Administration in the White House on April 26, was signed on behalf of the American Jewish Committee, the American Jewish Congress, and the Anti-Defamation League and, for the business community, by the Business Roundtable, an organization comprised of some 170 chief executive officers of the nation's major corporations.

A first-hand account of the final negotiations will put much on the record which has not yet appeared. Even more important, there are lessons from an account of the negotiations and the background to them that may be of value to the American Jewish community and American corporate leaders. Indeed, the experience with the controversial boycott legislation may suggest an approach for resolving other domestic controversies which involve sharply opposed positions of domestic interest groups.

The boycott issue emerged full bloom with the swearing in of the 39th President on January 20 and the convening a few weeks before of the 95th Congress. President Carter, in his memorable television debate with President Ford on October 6, called the Arab boycott "an absolute disgrace" and promised to do "everthing I can as President to stop the boycott of American business by Arab countries."

This was in sharp contrast to the position taken by the Ford Administration. Even though both the House and Senate had passed bills aimed at curbing the intrusion on American citizens and business by the Arab boycott of Israel, the 94th Congress adjourned just a week before the television debate without enacting anti-boycott legislation. The House bill had passed shortly before the Congress

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was scheduled to adjourn and, with only a few days left in the session, Senators Abourezk and Tower used a threatened filibuster to block the appointment of Senate conferees. An angry Senator Stevenson, the sponsor of the Senate bill, told the Senate:

> "The will of Congress is now being frustrated by a parliamentary ploy aimed at keeping this legislation from being brought to a vote in the Senate. The effort is being supported by the administration."

At the eleventh hour, and after the reported intercession of Max Fisher, the President's long-time friend and Republican fund raiser, word was sent from President Ford to his White House staff to seek agreement on watered-down legislation. A flurry of late night phone calls ensued as the clock ran down to less than 24 hours to adjournment. A hurried meeting the following morning to test the water on a possible compromise with key boycott congressmen came to naught. The Ford administration's move was too late and too political. The Democrats had a good issue and they knew it. There was no chance they would fritter it away by agreeing to a half measure at the behest of a campaigning Jerry Ford.

Not only were President Carter's campaign words reassuring to supporters of anti-boycott legislation, but the makeup of the 95th Congress, with strong Democratic majorities in both Houses, gave every indication of being hospitable to prompt enactment of the bills left waiting at the altar when the 94th Congress adjourned. The Senate bill had passed by a vote of 67-13, and the House bill received a ringing endorsement of 318 ayes to 63 nays. Moreover, a shadow conference committee had reached a compromise on differences between the two bills along the lines of the stronger House measure. This compromise measure was introduced in the early days of the 95th Congress by Senator Stevenson (S.69), with a stronger bill (S.92) introduced by Senator Proxmire, Chairman of the Committee on Banking, Housing and Urban Affairs, and Senator Williams, a committee member; in the House a companion bill to S. 92 (H.R. 1561) was introduced the same day by Congressmen Bingham and Rosenthal.

The prevailing optimism of proponents of the legislation failed to take into account the effect of the enormous increase in trade between the United States and the Arab world, in particular Saudi Arabia and the Arab Emirates, as well as the differences which were bound to emerge between campaign oratory and policy implementation by an incoming administration. United States sales to Saudi Arabia and the Arab Emirates for the first two months of 1977 had increased by 42%. If the trend continued, exports to these countries, we were told, would exceed $4 billion for the year, providing a welcome source of recycled petrodollars. Kuwait, the third largest purchaser of U.S. goods in the Arab world,

had more than doubled its purchases of American products in the last two years. Exports to Israel, which as recently as 1974 had exceeded sales to Saudi Arabia, the Arab Emirates and Kuwait, together, were now less than a third of sales to the three Arab countries. U.S. companies active in the Middle East were not slow to react to the potential impact of tough boycott legislation on lucrative trade opportunities.

American industry had been caught unaware, as had the Ford Administration, by the passage of anti-boycott legislation the previous fall, particularly in the House, but it was now geared for battle. An avalanche of industry groups and business lobbyists descended on the newly convened Congress and the new Administration to warn of the catastrophic consequences that would be upon us if the proposed legislation were enacted. The Petroleum Equipment Suppliers Association predicted a loss in its industry alone of more than 100,000 jobs per year for the next five years, with over $1.3 billion in potential wages. The major oil companies were also active in opposing legislation, with Mobil Oil Corporation assuming the role of front runner. Other groups such as the National Association of Manufacturers and the Chamber of Commerce took a less alarmist view. They professed agreement with the principles embodied in the proposed legislation but concluded, not surprisingly, that existing laws and regulations were adequate to combat the restrictive trade practices and discriminatory acts fostered by the boycott. This led Senator Proxmire to remark, "I am puzzled by the position you take. It seems contradictory to believe in principles, but to do nothing." Other groups such as the Emergency Committee for American Trade, though recognizing that the boycott ran counter to ECAT's opposition to boycotts and restrictive trade practices, urged the Congress to go easy lest "harsh" legislation upset the chances for peace in the Middle East.

Vociferous opposition by industry did not go unnoticed either on the Hill or by the new Administration, which was then in the process of seeking to reassure American business it had nothing to fear from the Carter Administration. To prove this the President turned increasingly to business leaders for high profile national assignments. Irving S. Shapiro, Chairman of the Board of du Pont, was asked to head the President's FBI Committee, and Reginald H. Jones, Chairman of the Board of General Electric Company, was asked to help coordinate cooperation between labor, management and the Government in restraining inflation. Shapiro and Jones also happened to be chairman and co-chairman, respectively, of the Business Roundtable.

Hearings on the Senate and House bills were delayed for several weeks pending the return of Cyrus Vance from his first trip to the Middle East as Secretary of State. Senator Stevenson had agreed to the delay as a courtesy to Vance. Hearings in the Senate did not get under way until February 21, with the Secretary scheduled to

testify on February 28.

Representatives of the American Jewish Committee, the American Jewish Congress and the Anti-Defamation League appeared jointly before the Senate and House committees on behalf of the three agencies and the other constituent agencies of the National Jewish Community Relations Advisory Council. Maxwell E. Greenberg, Chairman of the National Executive Committee of the Anti-Defamation League, gave the lead testimony before the Senate Subcommittee on International Finance on February 21, and I, as Chairman of the Domestic Affairs Commission of the American Jewish Committee, gave the lead testimony before the House International Relations Committee on March 8. Philip Baum, Associate Director of the American Jewish Congress, participated in the Senate hearing and Paul S. Berger, a Washington attorney and a vice president of the American Jewish Congress, participated in the House hearing.

In the Senate hearing, the three Jewish agencies strongly supported S. 92 which made it illegal for a United States person for boycott reasons to refrain from doing business with a boycotted country (Israel), with a company resident in a boycotted country, its nationals, or with a United States person engaged in business in, or with, a boycotted country or which for some other reason was on the Arab blacklist. The bill also made it a crime to furnish boycott-related information, including certificates that goods were not manufactured in Israel ("negative certificates of origin") or to refrain for boycott reasons from employing a United States person on the basis of race, religion, etc.

Greenberg's prepared testimony carefully avoided any mention of what was then common knowledge -- the ADL and the Business Roundtable had for some three weeks been working on a joint statement of principles to serve as a guide in drafting boycott legislation. At the hearing, Senator Proxmire made it clear that he, and other members of Congress, would welcome an announcement by the two groups that they had agreed on such a statement. This view was repeated a week later by Secretary Vance in his testimony. He stated, "I have received encouraging reports that the meetings between the Anti-Defamation League and the Business Roundtable have been constructive. A substantial meeting of minds by these representative groups on a set of principles on which legislation will be based will be a great help to us in our deliberations."

The two groups had been meeting since January 28 and, although the ADL's negotiators initiated some guarded discussions with representatives of the other two Jewish agencies, the Joint Statement of Principles released on March 2 represented for all intents and purposes the work of the ADL alone. The American Jewish Committee and the American Jewish Congress, however, supported the statement, as they understood it, when their representatives testified in the House on March 8.

The Joint Statement endorsed the "refraining from dealing" clauses and prohibitions on furnishing information embodied in S. 92 and the companion House bill. In a number of respects, however, it departed from the legislative formulations then before the Congress by providing an exception where a United States person did nothing more than comply with a unilateral selection by another party (including a United States person) of specific persons to be involved in distinct aspects of a transaction as subcontractor, supplier, insurer or the like. The example most frequently used to illustrate the point is that of a truck manufacturer who receives an order for a hundred trucks equipped with x company tires. Can the truck manufacturer comply if x company's tires have been selected for boycott reasons? The Joint Statement said yes. The statement also sought to extricate from penalty a United States person who could not do business in a boycotting country without violating either United States law or the laws of the foreign country with respect to its activities within the host country. These two exceptions, "unilateral selection" and "compliance with host country law" and a general non-evasion provision designed to guard against the use of special tactics to avoid the strictures of the Act, became the focus of attention for the Congress, the Administration and interested groups. Other provisions of the Joint Statement such as how to deal with foreign subsidiaries, the treatment of letters of credit, and preemption of state boycott laws, all of which seemed important at the time, proved less difficult to apply.

The Joint Statement was formally presented to the Congress on March 8 as part of the House testimony of the three Jewish agencies. My prepared statement which led off the hearing was reviewed and edited in advance by the three agencies and reflected the ADL's understanding of the reach of the Joint Statement. There were gratifying words of approbation from the twenty or so congressmen present, and after some two hours of testimony, the Committee conveniently adjourned in time for lunch without a discordant note.

Despite the enthusiastic reception accorded the Jewish agencies in the Senate and House, all was not well. The Administration was having difficulty getting its act together. The President, for his part, was committed to supporting legislation prohibiting compliance by American business with the so-called secondary and tertiary boycotts of Israel -- i.e., Arab insistence that an American company: (i) not do business in Israel or with Israeli concerns (secondary) or, (ii) with American companies that do business in Israel or with Israeli concerns, etc., (tertiary). The three government departments most directly concerned with the boycott issue, State, Treasury and Commerce, had traditionally opposed legislative expansion in the boycott field, citing foreign policy and business considerations. The Commerce Department's stance had softened somewhat in Elliot Richardson's tenure as secretary in the last year and a half of the Ford administration.

Richardson had counseled for support of legislation along the lines of the Stevenson bill in the 94th Congress, but was outgunned by Simon at Treasury and Dr. Kissinger. The situation had not changed significantly during the first sixty days of the Carter administration. Key positions in State and Commerce were still filled with Ford and Nixon appointees. On a matter this complex, a cabinet officer is forced to rely on deputy assistant secretaries and the like. The complexion of this influential cadre changes very slowly. Moreover, Commerce's natural constituency, business, very loudly proclaimed the dire consequences that would flow from passage of boycott legislation and the Carter administration was not exactly insensitive to predictions of heightened unemployment and the loss of export sales.

The box in which the Administration found itself was made clear by the testimony of the first representative of the new administration to testify on this issue before the Congress. Secretary Vance, in his Senate appearance on February 28, coupled support for banning boycott-motivated discrimination and secondary and tertiary boycotts with an extended discussion of the difficulties involved in seeking to enforce such principles. He pointed out concessions already obtained through diplomatic means, such as persuading the Saudis to drop negative certificates of origin. Such words as "forthright diplomacy is another way to pursue our efforts, and we have found a forthcoming response" had a familiar ring to boycott watchers. The clear implication of Vance's statement was that if State had its "drothers," it would prefer diplomacy to legislation. When pressed by Senator Stevenson as to whether enactment of the proposed legislation would adversely affect chances for peace in the Middle East, Vance replied, "That would not be helpful, and indeed might be harmful." His answer to Stevenson's question as to the effect on oil prices was similarly negative. He replied, "No one can predict for the future, but it would not be helpful." It was clear the Administration was not going to follow blindly the Congress' lead. That the Administration was not willing to endorse the bills then being considered by the Congress was made clear by Vance's concluding statement that he and other cabinet members would be happy to make available their experts to work with Congressional staff to formulate "<u>new</u> legislative language on which we can agree."

The next day when Vance appeared before the House International Relations Committee, he was told by Chairman Zablocki that the Committee would welcome Administration suggestions for amendments to H.R. 1561, but the committee was not about to scrap a bill it had worked on for more than a year. Vance had been told the same thing by concerned senators the day before and he readily agreed with Zablocki to follow the amendment route. When pressed by Congressman Rosenthal for specific amendments, Vance responded with a limited number of largely technical changes of no real import. What had started out as a bang the day before had ended

as a whimper, if only for the moment.

Leaders in the business community were not slow, however, to recognize a kindred spirit in Cyrus Vance and his advisors at State. Successive spokesmen for business groups continually referred to Secretary Vance's testimony in support of contentions that the proposed legislation was either unnecessary or went too far. Mobil Oil Corporation went a step further. Although a member of the Roundtable's Policy Committee, Mobil refused to endorse the Joint Statement of Principles, suggesting instead that the Business Roundtable and the Anti-Defamation League jointly endorse the principles outlined by Vance in his statements to the Senate and House.

The Roundtable proceeded to press home with the Administration its views as to how the principles in the Joint Statement should be applied. On March 10 Irving Shapiro, its chairman, wrote to Secretary Vance urging that the exception for host law compliance, recognized in the Joint Statement but not clearly delineated, should apply to U.S. companies' business directed "to or within" a boycotting country. In other words, the Congress should except from the prohibitions of the law, boycott-motivated activities by a U.S. company so long as they were required by a foreign country's laws and regulations. This would have covered all exports to Arab countries. Residence in the boycotting country, Shapiro urged, should not be required. This would have reduced the law to a pious exhortation against boycott practices and not much else. Shapiro also urged that the unilateral selection exception in the Joint Statement be applied to permit a U.S. company to make the final designation of a subcontractor, supplier or the like from a list of acceptable candidates submitted by a boycotting country and that the U.S. company be permitted to prepare the list from which the boycotting country could make the unilateral selection. This would have put U.S. companies in the active boycott stream. Neither condition we were told was acceptable to the ADL, and certainly neither was acceptable to the American Jewish Committee and the American Jewish Congress.

In the preface to his letter, Shapiro referred to my testimony before the House on March 8, and implied that as I had not negotiated the Joint Statement, I was not qualified to comment on its meaning. He conveniently omitted mentioning that neither had he, the statement having been negotiated by a battery of lawyers on each side. Mr. Shapiro repeated his criticism a few days later in his testimony before the Senate, which prompted me to write to Shapiro reminding him that my views were the same as those expressed by the ADL's negotiators. Shapiro wrote back, curiously enough, that he had no quarrel with me (although I was the only one he singled out publicly for criticism), only with the ADL negotiators who had an obligation, in his view, to avoid what had happened.

Unfortunately, what had happened was that the Joint Statement of Principles, which each side believed it had negotiated in good faith, proved difficult to apply in statutory language. It is one thing to agree on principles, another to write legislation, and here is where the agreement foundered, causing Shapiro, as the person who had originally proposed and subsequently championed the cause of the Joint Statement, some anguish. He was obviously in a fighting mood and he made his views known in unvarnished words to the press and others. In accusing the ADL of bad faith in not siding with his interpretation of the Joint Statement, Shapiro did little to advance the spirit of mutual trust needed to work out the problems that remained. Later, when the three Jewish agencies returned to the negotiating table with the Roundtable, one of the conditions of the agencies was that Shapiro stop going public and confine his remarks to negotiating channels.

It was inevitable that the White House would be drawn into the act. Things came to a head the weekend of March 12. The Administration was being pressed by Shapiro and other business spokesmen to endorse the Business Roundtable's interpretation of the Joint Statement. Secretary Kreps was due to testify before the House the following Monday. Commerce had responsibility for administering the Export Administration Act and her testimony was crucial. The Secretary was away for the weekend and a high level decision would have to be made largely in her absence. The testimony which her staff had prepared was unmistakably tilted toward business. When word of this reached Paul Berger on March 12, he asked the American Jewish Committee's Washington representative, Hyman Bookbinder, to try to arrange a hurried meeting with Stuart Eizenstat, the President's Assistant for Domestic Affairs. Berger and I joined "Bookie," as he is known to all, at the White House that afternoon. Saturday, March 12, was a busy day for Eizenstat. He had already met with Secretary Blumenthal of Treasury before seeing us. An unanswered telephone message from Shapiro was awaiting him when we arrived.

Dispensing with the usual introductory niceties, Eizenstat put before us Shapiro's March 10 letter and asked for our response. Eizenstat's question did not come as a surprise. Knowledge of the letter and its contents was one of the reasons we had requested the meeting. Our group had conferred before the meeting and concluded that we should stick by the unilateral selection exception, so long as there was no pre-selection complicity by the U.S. company to which the selection was addressed. We also determined to support the exception for compliance with host country laws provided it was clear the exception would be limited to U.S. persons resident in a boycotting country.

Eizenstat focused on the same two points and, after a half hour's discussion spaced around a private five minute boycott meeting

with Secretary Vance, was prepared to say that in his view our position was reasonable and would be supported by the Administration. He was careful to point out, however, that he could not speak for Secretary Kreps, only the President could direct the Secretary, but that he would confer with the Secretary's staff and, if necessary, talk with the Secretary before she testified Monday morning.

In the weeks that followed, the Administration remained faithful to the assurances given by Eizenstat. Secretary Kreps in her testimony on March 14 did not go beyond the limited recommendations made by Secretary Vance in responding to Rosenthal's prodding some two weeks earlier. Later both Vance and Kreps filed additional amendments with the House committee covering unilateral selection and compliance with host country laws. Although somewhat lacking in specificity the amendments did not do violence to the understanding reached with Eizenstat.

The House and Senate committees were now moving rapidly toward agreement on committee mark-ups. In the House, Congressmen Hamilton and Whalen produced a compromise between the principal sponsors of the legislation, Congressmen Bingham, Rosenthal and Solarz and the Administration. This package was approved by the committee on March 31. On April 6 the Senate committee approved somewhat similar amendments to S. 69, but not without four days of often acrimonious debate followed by 8 to 7 votes on key amendments. Some committee members acknowledged they had been persuaded to take a more "moderate" view of the need for legislation at a breakfast meeting conveniently hosted for 16 key senators during the committee's deliberations by Saudi Arabia's Oil Minister Sheikh Ahmed Zaki Yamini. Supporters of tougher legislation vowed to take the battle to the Senate floor.

Although it was generally felt that the House bill was stronger than the Senate version, the differences were not as great as many perceived. Although they dealt with the issues somewhat differently, both bills provided exceptions for unilateral selection and compliance with host country laws. For example, the House measure on unilateral selection prohibited a United States person from complying with such a selection "if the United States person has actual knowledge that the sole purpose of the designation is to implement the boycott." There was no such purpose or knowledge test in the Senate version but the Senate Bill provided that the exception did not apply if a U.S. person did the selecting. The host country laws exception was somewhat tighter in the Senate version than in the House bill, but both bills gave the President leeway to grant limited exceptions for U.S. persons caught between our law and the laws of a boycotting country.

The Congress adjourned for the Easter recess on April 7, but interested groups were already making plans for resuming the battle

when the Congress reconvened. Oil company lobbyists were circulating a nine point list entitled "Minimum Changes Required to Permit Continued U.S.-Arab Trade Relations." The National Jewish Community Relations Advisory Council (NJCRAC) was urging its member agencies to support amendments to the Senate bill to bar unilateral selections if it were known that the "primary" purpose of the selection was to implement the boycott.

The Chamber of Commerce, the National Association of Manufacturers and the Emergency Committee for American Trade scheduled a joint meeting in Washington for April 18 at which it would urge some 300 members to lobby against passage of the boycott legislation and at least, water down the Senate bill. The next day the American Israel Public Affairs Committee (AIPAC) would begin its annual meeting with some 600 delegates from across the country who could be counted upon to work to strengthen the Senate bill. Emotions ran high. The divisiveness in prospect was something neither side wanted.

Some weeks before, the Business Roundtable and the ADL had failed in a second attempt to reconcile their differences. Lawyers for the two groups had met in Washington but were unable to reach agreement on the key issue of unilateral selection. Both sides went away shaking their heads in discouragement.

Wiser heads in the business community knew by mid-April that they could not win politically. The House bill had been reported out of committee 33 to 0 and there was no likelihood under the House's rules that amendments would be accepted on the floor. The situation in the Senate was different. It was expected that floor amendments would be offered on both sides. The Administration let it be known that it would not support any amendments, but the business community was understandably concerned that liberal leanings in the Senate would carry the day for stronger legislation. After all, the boycott could hardly be defended on moral grounds and business' scare tactics and foreign policy arguments were not winning many converts. Realizing this, Irving Shapiro, on April 13, sought the help of Max Kampelman, one of the three ADL representatives who negotiated the Joint Statement. Mr. Shapiro's good judgment in his choice of Kampelman was confirmed by subsequent events. Kampelman, a Washington attorney who had been an assistant to Senator Humphrey when he arrived in the Senate in 1949, had made it clear throughout the negotiations that he favored a compromise in the interest of achieving boycott legislation (which he considered important but largely symbolic) with a minimum of rancor and divisiveness. After Shapiro's call, Kampelman sought out Bookbinder, his friend of thirty years, for help in finding out if a compromise was still possible. Bookie was enthusiastic about the idea. As he saw it, the issues separating the two sides were not so vital they could not be compromised. Bookbinder was leaving for Israel the next day and that left it up to Berger and me to work with Kampelman to see what could be done.

Shapiro's timing was excellent. Burton Joseph, president of the ADL, had scheduled a meeting for April 15 in New York with representatives of the principal Jewish agencies. Twenty or so persons gathered in a room in the Harmonie Club to hear Joseph report on the consequences to the Jewish community of increased Arab influence in the United States. Boycott legislation per se was not on the agenda. But within an hour or two boycott legislation became the focus of discussion, with the three Washington lawyers, Kampelman, Berger and myself, urging that the time had come to put differences with the Roundtable on the Joint Statement behind us and seek agreement on specific language amending the Senate bill. This, we argued, would avoid a floor fight and put an end to the confrontational posture building up between Jewish groups and the business community. The argument carried the day and, at Joseph's suggestion, the lawyers in the group met separately at lunch to consider possible amendments. Agreement came quickly, and the larger group, which consisted of the presidents and top staff of the major national agencies working on the boycott, sent us back to Washington to begin negotiations. Four days later, Kampelman, Berger and I sat down in Washington with the Business Roundtable's lawyers to begin negotiations.

The Roundtable brought to the table four lawyers headed by Hans Angermueller, the highly-regarded General Counsel of Citibank. Both sides knew they had to move quickly. While representatives of the two groups were meeting, the House bill passed by a vote of 364 to 43. Senate action was due to follow early in May. The Roundtable's opening salvo called for choosing the Senate bill over the House version, deleting from the unilateral selection exception the restriction on U.S. persons making the selection and adding a clarifying amendment or two to other sections of the bill. For our part, the narrowing of the exception for compliance with host country laws and the strengthening of the bill's non-evasion provision were seen as essential objectives. The way the bill worked, the only U.S. person who could make a boycott-related unilateral selection was a resident of a boycotting country. If the host country laws exception was made sufficiently narrow, the unilateral selection exception would not be so troublesome. Indeed, the unilateral selection exception as it then stood in the Senate bill would have required the Aramcos and the like, resident in the Arab world, to take their business away from U.S. companies. This did not seem to us to be either necessary or desirable and we agreed to delete the U.S. person restriction in the unilateral selection exception. In return, the Roundtable's representatives agreed to strengthening amendments to the compliance with host country laws exception, and the non-evasion provision, and to add language to make it clearer that the unilateral selection exception only applied in certain restricted circumstances, such as transactions in the normal course of business and to specified suppliers of services performed only within a boycotting country. The negotiations consumed the better part of

a week chock full of boycott activity both at and away from the negotiating table.

Before meeting with the Roundtable's representatives, our group decided to go back to Eizenstat to let the Administration know we were ready to try again for agreement with the Roundtable, this time on amendments to the Senate bill, but to do so, we needed to know where the Administration stood. Eizenstat gave such assurances as he could subject to seeing the final agreement. The Administration had favored such an approach from the beginning. The spectre of the President having to make a decision on issues dividing proponents of the legislation and the business community haunted the President's aides. This became even clearer a week or so later. The Roundtable's leadership was apparently not content to rely on the ability of its negotiators to work out a compromise. While the negotiations were in progress, a telegram was sent to the President requesting that he meet with the signers, Shapiro, Reginald H. Jones, Chairman of General Electric, Walter B. Wriston, Chairman of Citicorp, Clifton C. Garvin, Jr., Chairman of Exxon, and George Shultz, President of Bechtel. Shapiro and the others argued that the pending legislation would make U.S. trade with Arab countries so difficult as to be impossible. The President's advisors were urging him not to get in the middle of the controversy. If the President met with the Roundtable's leaders, he would have to meet with proponents of the legislation and this would result in his having to chose between the two sides each of which had merit. The telegram remained unanswered.

The next stop for our group was Congress. The real heroes of the boycott struggle were not those of us now tinkering with language refinements, but members of Congress such as Bingham, Proxmire, Rosenthal, Stevenson, Sarbanes and others who with great skill and dedication had persuaded their colleagues that the Arab boycott of Israel had become an American issue involving the freedom of American companies to do business where and with whom they wanted without being required to certify to a long list of obnoxious conditions. Our proposal for renewing talks with the Roundtable was embraced by most congressional proponents of the legislation, although one or two felt matters of principle were involved that should not be compromised. The general reaction, however, was favorable and we felt free to proceed with the negotiations.

Both sides had their critics. Even within the three Jewish agencies there were those who felt strongly more could be gained by leaving the issues to be resolved in the normal political channels than by attempting to work things out in advance with the Roundtable. One Jewish organization which plays hardball on the Hill with the best found it particularly difficult to think in terms of a compromise. Its representative made it clear, in a meeting on the Hill with a key senator, that he agreed with the senator's preference for fighting it out on the floor. He was prepared then and there

to help whip up support for a floor fight. A stormy corridor session outside the senator's office followed and produced a tacit agreement that there would be no interference with efforts to work out a compromise as long as things did not drag out to the point where proponents of stronger legislation would be unable to rally their forces in time for an effective campaign on the Senate floor.

The Roundtable was having its troubles, too. Mobil Oil was stirring up trouble with its stridency, putting pressure on the other major oil companies to follow suit in demonstrating support for "improved U.S.-Arab relations." Rawleigh Warner, Mobil's chairman, was still hard at it when I ran into him by chance at the White House. He was quick to tell me that the Joint Statement was a big mistake. Others shared his view. Dresser Industries ran a double page ad in the Wall Street Journal claiming the boycott legislation would mean the soup kitchen for 500,000 American workers. And as late as April 25, at a Cabinet meeting Treasury's Blumenthal and State's representative (Vance was absent), reported urgent messages of concern from top business leaders. At that time, agreement with the Roundtable was only a day away.

Negotiators for the two groups assembled at the White House on April 26 to deliver the signed agreement to the Administration. Each group, after obtaining concurrence from its policy-makers, was committed to urge adoption of the amendments in the Senate, and thereafter take no action inconsistent with such amendments as they winded their way through the conference committee. Eizenstat, David Rubinstein, his principal assistant on boycott matters, Robert Lipschultz, counsel to the President, and Warren M. Christopher, Undersecretary of State, crowded into the room with the remaining space filled by the negotiators for the two sides. A sigh of relief could be heard from the Administration as the agreement was read even though formalities required the White House to poll State, Commerce and Treasury for their views. The next day we had the official word that the Administration was on board. Indeed, we are told that if the two groups for some reason found they could not support the agreement, the Administration would adopt it as its own proposal, to which we demurred. If the Roundtable was not going to support the agreement, we did not want to be committed to compromises which the business community would be free to disregard.

This was not a idle threat. The Roundtable's policy committee had yet to bless the agreement. Shapiro, as its chairman, refused to poll its members until he was certain of overwhelming approval. This depended largely on Exxon's vote. For without Exxon, the other oil companies could be tempted to follow Mobil's lead and shy away from an agreement with Jewish groups that was sure to be criticized in the Arab world. For more than 24 hours Exxon's vote remained in doubt. Garvin, its chairman, was on vacation and there was no one at Exxon who would approve the agreement in his absence.

Finally, on the night of April 27, Vance and Eizenstat reached Garvin by telephone to tell him of the President's interest in seeing the agreement approved. Garvin was sympathetic but stated that approval by Exxon's Board of Directors was required. All he could promise was that he would recommend approval to the Board. The next day the Board met and approved the agreement. That clinched it. Telegrams were immediately dispatched to the Roundtable's policy committee signed by Shapiro, Garvin, Wriston, Shultz and John D. deButts, Chairman of AT&T. Only two companies dissented. On Tuesday, May 3, the President was able to announce publicly that agreement had been reached by the two groups.

Things moved quickly. The President, in a public announcement, urged the Senate and the Congress to adopt the agreed upon amendments. Senator Stevenson simultaneously announced that he would support the amendments on the Senate floor. The Senate leadership lost no time in bringing the matter to a vote. The agreed upon amendments were introduced by Senator Heinz and adopted without dissent. In conference, the House acceded to the Senate version and the battle was over.

In a little more than two weeks the Jewish organizations and the Roundtable had achieved something unique -- agreement on legislative language enacted without change by the Congress -- an effort lauded by most, though criticized in part by some, such as Senator Javits, who correctly, but needlessly, pointed out that "none of the Jewish organizations or the representatives of the Roundtable were elected to the United States Senate." He and other members of the Congress objected to some of the specific compromises required to reach agreement, but nevertheless applauded the result. So did everyone else, the Administration, the business community and the Jewish community. Israel, the object of the boycott, had stayed out of the congressional fray, viewing the matter largely as a domestic issue, but it, too, joined in the celebration with congratulatory telegrams to the three Jewish organizations.

The outcome furnished important lessons for both groups. The business community learned once again that the Congress will not put purely business considerations above matters of principle. But if business is well led, compromises can be effected that preserve essential business considerations without violating matters of principle. The Jewish community learned that the business community was neither monolithic nor omnipotent. It was primarily the large international banks, the oil companies, and petroleum-engineering and related service organizations that felt threatened by the boycott legislation. General Mills, on the other hand, testified in favor of the boycott legislation while other business representatives made it known that their principal concern was that the law be both clear in its application and impose a minimum of reporting for business, already

overwhelmed by Government reporting requirements.

The legislation did not accomplish everything sought by either side, but the result kept faith with the important principles involved without unduly handcuffing American business in its efforts to compete in the Arab world. It is hoped that the good will which emerged from the process will carry through the difficult period to follow as the Department of Commerce wrestles with the issues left by the legislation to be resolved by regulation.

Most important for the Jewish community is the knowledge that this issue which involved American principles, but affected directly and singly the Jewish community, the Congress and the American people stood firmly by us. Our opponents and the cynical may attribute the result to the "Jewish lobby." However strongly the Jewish community felt about the legislation, there was no professional effort in support of the legislation in any way comparable to the scores of lawyers and other professional lobbyists opposing the legislation on behalf of business interests. Congressional support for the legislation came from members of the Congress who were incensed by Arab intrusions into United States business practices and by the real or potential discrimination which flowed from Arab demands that American business certify to "Israelrein" practices. Predictions of profit and job losses, even where believable, were not enough to sanction our country's knuckling under to the Arab boycott. Perhaps this is the lasting message to be told by those of us who were privileged to participate in the effort which led to passage of the anti-boycott legislation.

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September 1977