Congress, The Executive Branch, and Special Interests: The American Response to the Arab Boycott of Israel

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If one were given a list that included Xerox Corporation, Paul Newman and Disney's "Snow White and the Seven Dwarfs," it would be a challenge to identify the common element. The solution is that these were among the two thousand entities that were blacklisted by the Arab League because they made a "material contribution" to Israel.1 The boycott, which began even before Israel's establishment as a state, divided the Middle East's trading partners into those who trade with Arab countries and those who are blacklisted. For example, a person in an Arab country can drive a Chevy from National Car Rental but not one from Hertz; in Saudi Arabia, one can buy Pepsi but never Coke. In contrast to the erratic operation of the Arab boycott, Kennan Teslik's2 Congress, The Executive Branch, and Special Interests presents a coherent narrative of the calculated efforts to establish anti-boycott legislation in this country.3 Teslik's theme is that, through a unique combination of factors, the anti-boycott legislation achieved the principal goals of the anti-boycott activists without seriously damaging America's growing interests in the Arab world. In Teslik's book, the how and why of the 1977 Anti-Boycott Amendments to the Export Administration Act of 19694 are nicely placed in the context of domestic politics and international events.

The Arab oil embargo was the first major event that led to growing pressure for governmental action from many sectors in Israel and the United States. The increased influence of the Arab countries changed the world's perception of the boycott. What had once been thought of as a "toothless and gutless" propaganda device was now seen as a mechanism designed to attach strings to petrodollars in order to force the West to diminish its links with Israel (p. 69). In-

1. "Snow White and the Seven Dwarfs" was included in the boycott because the Prince's horse was named Samson.
2. The author received his Ph.D. from Oxford in 1981. He has worked as a private consultant and as a foreign affairs officer in the U.S. Treasury Department.
deed, Teslik attributes the Ford administration’s failure to combat the boycott to the fear that strong opposition would jeopardize the nation’s access to oil (p. 107). Nevertheless, Teslik overlooks the connection between this dependence-compelled acquiescence and the emerging public resentment of Arab policies.

The media fanned this growing apprehension about Arab power into a call for action by publicizing the “shadow boycott.” This self-enforced voluntary boycott of firms and persons thought to be undesirable to the Arabs resulted, to an unascertained degree, in discrimination against Jewish Americans. The Jewish lobby, and later the Carter administration, emphasized the moral aspect of combatting the boycott. The battle was characterized as a struggle that pitted United States’ sovereignty and the principle of nondiscrimination against the evil of the oil countries and the greed of big business.

The Bank Scandal of 1975 added more force to the warnings of Jewish organizations and aided their efforts to combat the boycott. Certain banks, primarily in London and Paris, discovered that they had been excluded from Eurobond underwriting because of Arab pressure. The media reported the boycott’s influence on investment banking as a new development in Arab economic warfare, and congressional hearings were soon conducted to investigate the discriminatory aspects of the boycott. These hearings gave officials of Jewish organizations an opportunity to express their concerns before Congress and the attendant press and shifted the focus of the controversy from international events to the domestic political arena.

The Ford administration had preferred quiet diplomacy to the confrontation inherent in passing and implementing a new statute. It believed that the potential costs of new legislation would include: (1) injury to diplomatic efforts in the Middle East; (2) damage to Arab-American trade; and (3) public hypocrisy, in light of the American proclivity to adopt politically-motivated trade controls. But anti-boycott bills were introduced in both the Senate and the House in 1975, and, by the time of President Carter’s election, the tenor of these bills made it clear that anti-boycott legislation in some form would be approved by Congress. The Carter administration took a more receptive stance than its predecessor by accepting the basic thrust of congressional anti-boycott initiatives. Yet the administration largely settled for public statements of support; it did not formulate any specific policies.

Later events are what provided Teslik with the opportunity to distinguish his discussion of the role that interest groups played in the formation of this legislation from the increasing volume of literature on lobbyists.5 In the face of the executive branch’s near abdica-

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5. See, e.g., R. Howe & S. Trott, supra note 3; N. Ornstein & S. Elder, Interest Groups, Lobbying and Policymaking (1978). Lobbying is not, of course, a modern phe-
tion of responsibility, representatives of American business and Jewish organizations took responsibility for resolving the issue. Irving Shapiro of the Business Roundtable (BR) approached the leadership of the Anti-Defamation League (ADL) of B’nai B’rith, and the partnership formed by that meeting negotiated and drafted the Joint Statements of Principles, which ultimately became the 1977 Amendments to the Export Administration Act. President Carter did little more than establish a climate receptive to the product of the negotiations between the BR and the Jewish organizations, of which the ADL was the most influential.

Teslik provides both background information about and an analysis of the roles of these private drafting groups. The Business Roundtable was formed in 1972 and is composed of the chief executives of 170 major American corporations. The keys to its influence are the direct participation of the chief executives and the use of member corporate resources on an ad hoc basis. In drafting the legislation, the BR focused political tensions on itself and afforded the executive branch the luxury of remaining in the background. The Israeli lobby generally operates on three levels: the diplomatic activity of the government itself, the pro-Israel activities of American Jewish organizations, and the sentiment of Jewish Americans. The Anti-Defamation League is dedicated to eliminating anti-Jewish discrimination from American life and was BR’s major partner in drafting the legislation. In a tactical move, the strongest Israeli lobby, the American Israel Public Affairs Committee (AIPAC), kept a low profile in order to portray the boycott as an American domestic problem.

The measures formulated by these private groups were adopted verbatim by Congress. The legislation is basically a prohibition on taking action to comply with, further, or support a foreign boycott including: (1) discriminating against a United States citizen because of race, religion, sex, ethnic or national origin, and (2) furnishing information about such characteristics or about a person’s activities with, or contributions to, a boycotted country. Teslik applauds the legislation as a compromise from which everyone gained something. The new law reconfirmed American support for Israel, and although the majority of the business community would have preferred no legislation at all, the final act was not a major impediment to Arab-American trade. Both the Carter administration and Congress scored some points politically while avoiding an all-out confrontation.

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nomenon; Teslik notes that it is the world’s second oldest profession: “‘Who convinced Hannibal to buy all those elephants?’ . . . ‘Why did the Romans go in so heavily for road construction? What is the Sphinx doing so far out in the desert?’” P. 245 (quoting the letter of a New Hampshire assemblywoman to The Boston Globe).
This alternative legislative path succeeded—at least insofar as it satisfied the Jewish lobbyists and did not compromise American access to oil—due to a fortuitous union of factors. President Carter's desire to avoid a major battle before the public initially opened the way for the private interest groups. A number of committed and influential individuals kept the process moving, and the participating groups' recognition of the necessity for compromise paved the way to a resolution of the issue. The quality of the substantive provisions benefited from the internal capabilities of the BR and ADL as well as from each group's ability to speak authoritatively for a community whose interests would be significantly affected. Teslik traces this process nicely but fails to ask whether a combination of special interest groups will ever again have the opportunity to formulate American policy unilaterally. His general concern that powerful lobbyists may distort public policy is far more compelling in this type of situation, in which the traditional countervailing pressures exerted by Congress and the Executive branch are absent. Still, the reader is left to speculate on how—or even if—such a situation will arise in the future.

Teslik's discomfort with the prominent role played by the Israeli lobby in drafting the Amendments weakens his otherwise balanced analysis, and his attempt to contrast the relative strength of the Israeli lobby with that of the Arab lobby is undermined by simplistic statements. For instance, Teslik writes that "if a foreign government wants favorable treatment in Washington there is nothing like a domestic mouthpiece with political clout. Israel has one. The Arabs don't" (p. 46). But this statement is preceded by a discussion of Arab nations' employment of well-connected Americans (including Clark Clifford and William Fulbright) to look after Arab interests, and a discussion of the growth of the National Association of Arab Americans (NAAA). Teslik's oversimplification also ignores the prominent role played throughout the 1970's by companies such as Aramco and Standard Oil as representatives of the Arab interests, and he further ignores the then-prevalent sympathetic image of the Palestinian Liberation Organization. The glaring imbalance of this section leads the reader to question the accuracy of Teslik's other portraits.

William Quandt once described foreign policymaking discouragingly as follows:

The process by which foreign decisions are made is complex and often perplexing, not only to outside observers but also to the participants.

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themselves. When this awkward process, dominated by bureaucratic rivalries, the rhetoric of "national interest," and the pressures of interest groups, Congress, and the press, is applied to the formulation of policy for the Middle East, the results are often particularly opaque.

In contrast and in spite of its weaknesses, Teslik's portrait of the formation of the anti-boycott legislation is clear and understandable. His extensive use of congressional documents, news reports, and interviews with the debate's primary participants gives tremendous depth to his narrative. Congress, the Executive Branch, and Special Interests should be read by anyone attempting to combat the "'peaceful, silent remedy'" of economic warfare; it must, however, be read with a discerning eye.

8. P. 28 (footnote omitted) (quoting Quandt, Domestic Influences on United States Foreign Policy in the Middle East: The View From Washington, in The Middle East: Quest for an American Policy 263 (W. Beling ed. 1973)).