

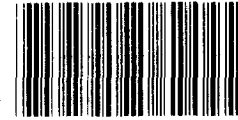


COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

~~13726~~  
112302

May 13, 1980

B-198635



112302

The Honorable Elizabeth Holtzman  
House of Representatives

Dear Ms. Holtzman:

Subject: [Need for State Department to Implement  
Section 121 of the Foreign Relations  
Authorization Act] (ID-80-37)

This letter is in response to your March 5, 1980, request for the General Accounting Office to conduct a study of the State Department's implementation of section 121 of the Foreign Relations Authorization Act (Public Law 94-350, July 12, 1976). Section 121 states that State Department officials should not participate or assist in the negotiation of contracts, or disseminate information about contracts, that require the exclusion from participation of some Americans on the basis of religion, race, sex or national origin.

As of April 1, 1980, the responsibility for Commercial Affairs activities at 65 posts was transferred from the State Department to the Commerce Department. Accordingly, the scope of our study and interviews included both agencies.

The Department of Commerce, since 1975, has had a policy of domestic non-dissemination of trade opportunities containing boycott conditions that seek to foster a restrictive trade practice or boycott against another country friendly to the United States, including provisions that would discriminate against United States citizens on the grounds of race, religion, sex or national origin. In keeping with this past policy and because of the recently acquired responsibility for foreign trade promotion and commercial affairs under Reorganization Plan No. 3 of 1979 and Executive Order No. 12188, Commerce Department officials have stated they will issue implementing instructions to all Commercial officers to comply with the provisions of section 121.

U.S. Embassies overseas promote U.S. trade and contract opportunities by assisting U.S. business representatives in seizing and/or creating such opportunities in-country and by

010364

(462600)

regularly transmitting to Washington data describing such opportunities. This data is in turn published and given wide dissemination in the U.S. business community. Due to the lack of documentation maintained at overseas posts, it would be impossible, according to State Department officials, to ascertain whether and how many women, Jews, and other minorities may have been excluded from contract opportunities.

State Department officials have stated that there have been no specific implementing instructions issued to advise State Department officers of section 121. They believe, however, that section 121 was fully consonant with then existing State Department and executive branch policy. They have acknowledged that it would have been appropriate to notify all posts of section 121, as was done with the President's November 1975 statement of policy against discrimination, the 1975 decision against dissemination of discriminatory trade opportunities, and the discrimination provisions of the 1976 Arms Export Control Act. Failure to do so constitutes an oversight.

State Department officials have said they regret the oversight and agree to issue a message to all posts that fully satisfies the intent of the provisions of section 121.

Section 121 refers only to the State Department and the Agency for International Development. You may wish to propose revised legislation to include all U.S. agencies and to consider the relationship of the Anti-Boycott provision to the Export Administration Act of 1979 (50 U.S.C. App. § 2407).

As agreed with your office, we are sending copies of this letter report to the Secretaries of State and Commerce. Copies will also be made available to other interested parties who request them.

We appreciate the opportunity to have assisted you in this matter.

Sincerely yours,



Acting Comptroller General  
of the United States