

Guilt complex & expiation? Were this not so disgustingly dishonest one might regard it as an effort to be fair. Given the records of US corps in Latin America and their facility in and propensity for corrupting locals, none secret from Wash Post editorial writers, this is hard to explain. There was always the choice of silence. US corporations have even had private jails in which they confind locals without even the pretense of a kangaroo trial. The schizo part is in the recent Post piece against a "liberal" prexy in Costa Rico in connection with Vesco. please return. HW 4/15/73

## ITT in Chile: Not a Typical Case *Pat* *4/15/73*

A tendency to regard almost all American-controlled corporations operating in Latin America and elsewhere as predatory and "imperialistic" and as servants (or masters) of American policy has long flourished in many liberal quarters here and in many Latin and third-world countries as well. This tendency can hardly fail to have been strengthened by disclosure of ITT's unsuccessful effort to trigger CIA intervention in Chile three years ago. As regular readers know, we hold no brief for ITT's Chilean maneuvers; denial of its insurance claim by the U.S. government agency that insures American business against expropriation looses seemed to us only right. We would consider it harmful and wrong, however to have this one episode involving one corporation be taken as typical of all American corporate-official performance abroad.

We would note, first of all, that American firms no longer storm ashore under the cover of naval gunfire to set up economic beachheads from which to control local governments. They are invited ashore, or allowed to stay ashore, because they have something to offer—a capacity to mobilize foreign and local capital, to introduce new technology, to produce substitutes for imports or goods for export, etc. If the term on which such corporations work are found to be too onerous, then the local government can change them. It was precisely by changing the terms — too late and too fast, granted — that Chile brought about the situation of which ITT's misfortunes are a part. It is to avoid such precipitate changes that most corporations go to considerable lengths these days to be good citizens—obeying local laws, training local workers, sharing control — and to keep a close eye (as ITT failed to do) on stirrings of political change.

This is not to say that all corporations are equally and fully attentive to the economic, political and psychic needs of host countries, nor that the terms of their tenure should not continually be under mutual review. It is to say that very few corporations get into ITT's kind of

fix in Chile. Host countries may honestly lament the limited alternatives the world economy permits them; the contrast with the broader alternatives of the multinationals can be painful. Local politics or international pressures often ensure that such laments are loud. But the hosts know the corporations provide useful service, as indeed they do.

The charge that Washington and the American-controlled multinationals work hand in glove is, at most, only partly true. When the United States squeezes off international development loans to win better treatment for an American firm, as the Nixon administration has in Chile, then the charge is warranted. But other aspects of the ITT affair dilute it. A power structure controlled by big business would not have set up a Senate subcommittee to investigate alleged foul play by ITT. The investigation, moreover, received unprecedented assistance—in making CIA witnesses available, for example — from a Republican administration, no less, and it was followed by official rejection of the company's expropriation insurance claim. The exposure and financial penalty surely will be noted by other corporations operating overseas.

No doubt the widespread myth of American corporate rapacity has enough grounding in past history and in current political and ideological appeal to survive even the most stringent contest with reality. And it is not, of course, that the multinationals are all faultless in their policies today. Certainly, or so their stockholders must hope, they are not engaged in public philanthropy. It should not be taken for granted, however, that the ITT affair in Chile showed your typical American corporation consumed by greed and contempt for the natives. Latins should be the first to insist that they have the pride and savvy to cope with foreign firms. The legitimate contribution the multinationals can make to development, and the political ripples which even their most honorable and effective operations will cast, must be read into the equation too.