

# Hill to Probe Industry On Foreign Activities

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The Senate Foreign Relations Committee agreed yesterday to launch a long-range investigation into the impact of giant multi-national companies on U.S. foreign policy, starting with the activities of International Telephone and Telegraph Corp. in Chile.

This will be an "in-depth" inquiry in unexplored territory, said Chairman J. William Fulbright (D-Ark.). A prime objective, said Sen. Frank Church (D-Idaho), will be to examine "the extent to which the (American) corporate interests in a given country might conflict with the national interests of the United States."

For a start, the committee requested ITT to submit all documents concerning its operations in Chile between Sept. 1 and Nov. 1, 1970. If the documents are not produced voluntarily, said Fulbright, they will be subpoenaed.

These dates include the election with a plurality of Marxist Salvador Allende as president of Chile and confirmation of his election by the Chilean congress.

Documents made public by columnist Jack Anderson allege that ITT, the Central Intelligence Agency and the State Department worked to try to prevent Allende from taking office.

On Thursday, the Nixon administration said it "rejected"

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any "ideas" of "thwarting" Chile's election process. ITT earlier denied any improprieties.

There was some initial surprise on Capitol Hill yesterday when Fulbright announced, after a closed meeting, that no opposition to the broad new investigation was raised by the 10 senators present, including Senate Republican Leader Hugh Scott of Pennsylvania. Some Republicans earlier had indicated some misgivings about such an inquiry by the Democratic controlled committee in a presidential election year.

What produced the accord, it was learned, were two "understandings" that accompanied what Fulbright called the "unanimous" decision to approve motions offered by Church to launch the inquiry:

Committee members agreed that there would be no hearings on ITT and Chile until after the Senate Judiciary

Committee disposes of its nomination hearings for Richard G. Kleindienst to be Attorney General. These hearings now center on charges that the settlement of U.S. anti-trust cases against ITT was connected with an ITT pledge of at least \$200,000 for the Republican national convention.

Secondly, no public hearings on the long-range inquiry on other multi-national conglomerate companies would be held before the presidential election in November. This is intended to assure that no one would be hit by the unpredictable political fallout from an open-ended investigation during the campaign.

Fulbright and Church indirectly alluded to these points in their remarks to newsmen.

"This has nothing whatever to do with the Kleindienst matter," said Fulbright. Church issued a similar disclaimer.

While the allegations concerning ITT in Chile "precipitated the timing" of the new inquiry, Fulbright said, the subject of multi-national companies has been discussed by committee members for a year or more.

It will be necessary to do considerable groundwork, and to assemble a special staff, he said, to prepare for the approved "in-depth study of the role of multi-national corporations and their relationship to the foreign policy of the United States."

"I would certainly think that it would take the rest of this year to get very far along with it," said Fulbright, "and it may take longer."

Scott told reporters that assurances were expressed in the committee meeting that the inquiry would examine "the benefits" of multi-national corporations, including their aid to American balance of payments. "Oh yes," interjected Fulbright, "the good and the bad."

Scott said therefore he "expressed no misgivings" as long as the inquiry is "conducted on a constructive basis with bipartisanship."

Fulbright said it has been a basic assumption in American policy that it is "a good thing for the United States to encourage all manner of private investment" abroad, with guarantees, tax incentives, and advantages. "I would say

the purpose of this study is to examine the validity of these assumptions," Fulbright said, "that growth, per se, is good."

The inquiry, he said, probably will extend to such disputes as the clash between International Petroleum Corp. and Peru over expropriation of IPC property in 1968; the role of U.S. oil firms in the Middle East and elsewhere, and the role of American conglomerates with subsidiaries in Western Europe and other regions.

Church, a prime mover in the committee's decision, said, "we expect to call corporate witnesses and anyone who can testify informatively on the subject."

Said Sen. Jacob K. Javits (R-N.Y.), "It will be a very thorough and intelligent job."

Privately, however, many members of the committee are known to have expressed doubts whether the group will devote the time and energy required for an inquiry so broad in scope as the one now projected. The committee is noted for absenteeism, which has intensified in an election year in which many of its members are active.

The committee could also encounter jurisdictional challenges in the field of economics into which it is venturing. Fulbright said the group may require a special counsel to plan the highly complex inquiry.