

FULBRIGHT PANEL SETS I.T.T. INQUIRY

Investigation to Open Wider Study of Corporate Roles

in U.S. Foreign Policy

MAR 25 1972

By JOHN W. FINNEY
Special to The New York Times

WASHINGTON, March 24 —

The Senate Foreign Relations Committee decided today to conduct a major inquiry into the influence of multinational corporations on United States foreign policy.

It decided to start with an investigation of assertions that the International Telephone and Telegraph Corporation sought to enlist the cooperation of the United States Government in preventing Dr. Salvador Allende Gossens from taking office as President of Chile in 1970 and then proposed policies designed to bring about the Marxist leader's downfall.

To Go Beyond I.T.T. Case

As a first step, the committee voted to obtain—by subpoena if necessary—all I.T.T. internal documents concerning Chile between Sept. 4, 1970, when Dr. Allende was elected, and Nov. 3 of that year, when he took office.

To a certain extent, the Senate committee's inquiry was precipitated by the reports of I.T.T.'s attempts to influence the politics of Chile, where it has extensive holdings.

But as outlined by Senators J. W. Fulbright of Arkansas, the committee chairman, and Frank Church of Idaho, who proposed the inquiry, it will go far beyond that particular case to a broad examination of the role of multinational corporations, their influence on foreign policy and their economic impact.

The rise of such corporations — mostly American concerns with extensive operations overseas — has accelerated greatly since World War II. A sizable proportion of the profits of many large American companies now comes from their foreign affiliates.

The reports on I.T.T. and Dr. Allende appeared this week in

Continued on Page 6, Column 4

Continued From Page 1, Col. 5

two articles by Jack Anderson, the syndicated columnist. They were based on what he said were letters and memorandums from the company's files.

He made copies available to news media on Wednesday, Senator Fulbright said the committee had already obtained copies through newsmen.

An I.T.T. spokesman said that until a formal request was received from the Senate committee for all company documents concerning Chile during the two-month 1970 period, it would have no comment on whether they would be furnished.

No Comment on Authenticity

I.T.T. has denied that it sought to interfere in Chile's politics but has declined comment on the authenticity of the Anderson documents.

The State Department said yesterday that the Nixon Administration had rejected any ideas of blocking the inauguration of Dr. Allende in 1970 or of subsequently ousting him. At the same time, the department refused to deny specifically an assertion in one of the purported I.T.T. documents that the United States Ambassador in Santiago, Edward M. Korry had received a "green light" from Washington to do everything possible short of military intervention "to keep Allende from taking power."

Senator Church's proposal that a major inquiry be held was accepted without objection by the rest of the committee, including the Republican members. His motion was that the committee "undertake an in-depth study of the role of multinational corporations and their relationship to the foreign policy of the United States."

Board Inquiry Promised

Senator Hugh Scott, the Senate Republican leader, said he had "no misgivings" about the inquiry "so long as it is conducted on a constructive basis and on a bipartisan basis." Senator Jacob K. Javits, Republican of New York, described the study as "a very constructive development."

The expectation, according to Senator Fulbright, is that the committee's study will extend over one to two years. One of the immediate problems confronting the committee, Senator Fulbright acknowledged, is assembling a staff to carry out the study.

Senator Church said that he envisioned that the study would go into "all aspects" of the multinational corporations, including the nature and extent



Associated Press

Senator J. W. Fulbright
discussing Chile study.

of their investment abroad, the extent to which their investments are in the interest of the United States, and the effect

of United States tax incentives and guarantees on foreign investments.

While the original emphasis in the committee's study may be upon the political influence of the corporations, both within the United States and abroad, it was apparent from comments by Senators Fulbright and Church that the committee also planned to explore the economic impact of the corporations upon foreign countries as well as upon domestic concerns.

In effect, Senator Fulbright observed, the committee will be examining the validity of the commonly held assumption of recent years that foreign investments by American concerns were "a good thing, not only for the United States but for other countries."

Both Senator Fulbright and Senator Church emphasized that the investigation of I.T.T.'s activities in Chile was unrelated to the current inquiry by the Senate Judiciary Committee on the relationship between I.T.T.'s pledge of financial support for the Republican National Convention this summer in San Diego and the Justice Department's decision to drop an antitrust case against the conglomerate.