
FOREIGN POLICY & DEFENSE

the Arab nations—and can be withdrawn at any time—“seems to be contrary to Moslem law as well as to civil and common law contract principles.”

Finally, the authors argue, it is archaic and contrary to the Universal Declaration of Human Rights to contend that curbing the production of primary commodities is purely a sovereign, internal affair.

ECONOMICS, LABOR & BUSINESS

*Storm Signals Fly
For Multinationals*

“The Washington Struggle Over Multinationals” by Richard L. Barovick, in *Business and Society Review* (Summer 1976), 870 Seventh Ave., New York, N.Y. 10019.

Why are America's great multinational corporations under attack these days, who are their enemies, and what can they do in self-defense?

Barovick, editor of the *Washington International Business Report*, suggests that the public controversy began in Congress with the debate over the proposed Foreign Trade and Investment Act of 1971, a bill calling for import quotas, control over export of U.S. capital and technology, and heavier taxation of foreign income earned by American corporations. The Act, sponsored by Senator Vance Hartke (D-Ind.) and Representative James A. Burke (D-Mass.), with enthusiastic labor support, failed to pass or even be voted out of committee, thanks to heavy lobbying by the multinationals; and later disclosures of possible influence by individual multinational firms on American economic and foreign policy prompted a new look at multinationals by several diverse groups.

The AFL-CIO, with its enormous lobbying power, is the multinationals' most formidable foe. The unions contend that the goals of the multinationals no longer parallel American national interests and that their expansion overseas has weakened the job market and the industrial base at home while stimulating foreign economies. The labor movement has allies with other complaints, ranging from tax reformers and *pro bono* law firms to Nader-type public-interest groups, church organizations, and the New Left.

Chiding the multinationals for their poor public relations and lack of foresight, Barovick warns that their headaches are not going to disappear. The American multinationals, he says, must seek outside advice and learn to anticipate such questions as improper payments to officials abroad and the role of American corporations in countries where human rights are violated. Even then, such issues as taxation of foreign income remain focal points of domestic political hostility toward the multinationals and dim their long-range prospects.