

its choices on experience, on the state of affairs at home and abroad, and on "a compelling ideology dominated by the giant-like personality of Mao Tse-tung." The revision was done before Mao's death, but Guillermaz predicts that "with the old Party gone" and "with it the China of the early Communists," the "masts of the new China are already disappearing over the horizon. Another China is near . . . lit by the torch of revolution [but taking] its place among the realities [of the world] around it."

### *Contemporary Affairs*

#### **STORM OVER THE MULTINATIONALS:**

##### **The Real Issues**

by Raymond Vernon  
Harvard, 1977  
260 pp. \$12.50  
L of C 76-30790  
ISBN 0-674-8375-0

Raymond Vernon, director of Harvard's Center for International Affairs, writes that his new book "entails a risk on everybody's part": his, in aspiring to "an unattainable measure of objectivity"; the reader's, "in exposing himself to a presentation that could conceivably entrap." The risks are worth taking. Vernon's dispassionate view of immediate and possible future issues raised by the spread of multinational corporations is based on the heavy research done over the last 15 years at the Harvard Business School. The real problems, he argues, are that multinational enterprises have created tension and anxiety in all Third World "host" countries, whether rich (like Libya) or poor (like Mexico); that national security problems inherent in their corporate structures could become severe; that the multinational enterprise and the sovereign state, although not rival systems, can interact in ways that threaten both (the most obvious case in point being governments' use of companies as cover for intelligence agents operating overseas). Vernon reminds us that in times past nations have managed to "head off a threatening escalation in beggar-thy-neighbor" policies (e.g., tariff wars and competitive devaluations). Time for finding an acceptable code for multinational corporations has not yet run out, he says. In his view, the world needs such enterprises; the question is how can they be made to work better.