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A CONTENT ANALYSIS AND EMPIRICAL EVIDENCE OF THE MULTINATIONAL CORPORATION AS AN INSTRUMENT OF LOOSE BIPOLARITY IN THE INTERNATIONAL SYSTEM: DEVELOPED VS. DEVELOPING NATIONS.

The Ohio State University, Ph.D., 1975
Political Science, international law and relations

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A CONTENT ANALYSIS AND EMPIRICAL EVIDENCE OF THE
MULTINATIONAL CORPORATION AS AN INSTRUMENT OF
LOOSE BIPOLARITY IN THE INTERNATIONAL SYSTEM:
DEVELOPED VS. DEVELOPING NATIONS

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By
Phillip Code, B.A., M.A., M.P.A.

* * * * *

The Ohio State University
1975

Reading Committee:
Chadwick F. Alger, Chairman
James E. Harf
Louis A. McCall

Approved by

Adviser
Department of Political Science
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With a few thoughts, I set out to put together a research committee, whose names appear on the title page. I requested Professor Alger to serve as Chairman of the committee, which he accepted though many of my ideas were in infant stages. Throughout this study, he has shown patience with me, and has taken much of his valuable time to provide me feedback and direction. From this experience, I have seen his many talents and skills as a scholar and student of the Human Race. Though not completely possible here, I thank him for so much that he has given to this struggling student.

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Of course, all of the shortcomings in this research rest with the author.

Phillip Code
Columbus, Ohio 1975
VITA

December 27, 1947 . . . Born—Warren, Ohio

1970 . . . . . . . . B.A., The Ohio State University, Columbus, Ohio

1970-Present . . . . Residence Hall Director, The Ohio State University, Columbus, Ohio

1971 . . . . . . . . M.A., The Ohio State University, Columbus, Ohio

1972-1974 . . . . . . Administrative Associate, Department of Political Science, The Ohio State University, Columbus, Ohio

1973 . . . . . . . . M.P.A., The Ohio State University, Columbus, Ohio

FIELDS OF STUDY

Major Field: International Relations

Studies in International Relations. Professors James N. Rosenau, Chadwick Alger, James E. Harf, and Louis McCall.

Studies in Economic and Political Development. Professor William Liddle.

Major Field: Public Administration

Studies in Development Administration and Administrative Planning. Professors Sven Lundstedt and James Carroll.
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PREFACE

This thesis will examine an entity that has become the center of both praise and criticism in the international arena: the Multinational Corporation. The study looks at national governments' perceptions of the multinational corporation, comparing the perceptions of developed and developing nations. An effort is made to empirically measure the distance between and the attitudes of developed and developing nations toward the multinational corporation. In addition, some observations are made concerning host developed nations.

The thesis will measure each selected government's attitude and behaviors toward the multinational corporation by using a systematic content analysis of government statements that deal with the operation of multinational corporations within a given country. The units of analysis are the themes contained in each of the governments' statements. Themes are defined as statements that are generally less than five lines in length, and contain some thought or idea about multinational corporations, or foreign direct private investments. Themes were chosen so that we might tap ideas on the subject which may go beyond a mere sentence. The analysis includes 1,089 statements that appear in the New York Times Index, The African Recorder, and The Middle East Journal (Quarterly
Chronology section). The statements are examined by the author and four other persons. Statistical checks are made on intercoder reliability and agreement, and a number of additional statistical methods are used in the research.
CHAPTER I

IMPORTANCE OF THE STUDY AND BACKGROUND

Concern over the international impact of the multinational corporation expands beyond national boundaries. International organizations (e.g. the United Nations and the International Chamber of Commerce), regional organizations (e.g. the Andean Regional Group, Latin American Free Trade Association, and the European Economic Community) and several national groups in Canada, the United States, and some developing nations have convened in-depth studies on the multinational corporation. In addition, the literature on the subject has blossomed with extensive remarks and research. Many of the writings have not been confined to one academic discipline; instead, political scientists, sociologists, economists, and other behavioral scientists, and businessmen have engaged in scholarly research and committee work, attempting to unravel many aspects about this complicated international actor. Interesting articles appeared recently in the September 1972 edition of the Annals of the American Society of Social and Behavioral Science. These articles concentrated on a political science perspective of the multinational corporation, while some sociological and business perspectives were also included.
Elsewhere, economic literature on the subject abounds with such names as Raymond Vernon (1966, 1971, 1972), Jack Behrman (1971, 1972), and C. P. Kindleberger. These same names are present in the research literature, along with others including efforts by Vaupel and Curhan (1969). In all, the multinational corporation has gained a very wide audience that continues to observe and present evidence pertaining to its operations.

Five reasons come to mind when trying to explain or justify this undertaking. First, the above comments have tried to point out the emerging importance of the multinational corporation in the international arena. More specifically, this study has been initiated because of all the current interest in the multinationals. The concern of governments, international and regional organizations, as well as private and academic personnel to investigate this actor certainly justifies a statement of its importance in the international system; and the multinational corporation is of such importance that a multi-disciplinary approach (including Political Science) has been launched. Secondly, the study has been undertaken to zero in on the political and economic conflicts which we contend have occurred among several nations, and such conflicts can be directly linked to the behaviors of multinational corporations. A third reason for the study centers around the potential of the multinationals to contribute to the international
economic and political development process. In addition to critics of this international actor, several arguments have been presented in the literature that support the potential of the corporations to provide much of the money and capital needed in developing nations to promote development; this research will examine both perspectives. Fourth, this thesis will explore how multinational corporations have influenced the world system and from this, what to look for in the future.

Lastly, the study examines the large multinational corporation as a possible model of corporate structure that may be used in the developing countries. As of now, almost all of the parent companies of multinational corporations are located in the developed nations. Because of the economic potential of the corporations, it might be extremely helpful to the developing countries that are now in the economic development process, if these developing nations were to become homebases for some multinational corporations. The research will explore this point, in addition to the previous interests listed above.
The Multinational Corporation Examined

As mentioned in the preceding section, as recently as September 1972, The Annals of the American Academy of Political and Social Science was devoted to a thorough discussion of the impact of the multinational corporation on various nations and groups of nations. The list of scholars investigating the multinational corporation was long and quite impressive. Some were concerned with the multinational corporation and its impact on the international system (e.g. Joseph Nye, Chadwick Alger, Lawrence Krause, and Robert Walters). Others, such as Dennis Ray, examined the multinational corporation and its influence on American foreign relations; while R. D. Robinson and P. N. Rogers commented on the multinational corporation and developing countries, as well as a European view of the multinational corporation, respectively. Other areas examined in The Annals included "Industrial Integration", Jack Behrman; "The Internationalized Corporation", A. W. Clausen; and "The Multinational Corporation and the Development of Regional Identification Among Managers in Western Europe", B. Mennis and K. P. Sauvant; other topics were also included. Some of the discussions were supported with statistical evidence (e.g. B. Mennis and K. P. Sauvant). In addition to this, others, such as Professors Nye and Alger put forth a number of propositions quite worthy of additional inquiry. For example, Alger asserts that it's likely that the future international system will be composed of large
regional states. He goes on, "The major countervailing force, global, functional, inter-governmental organizations, will probably not be able to prevent this trend because of the unwillingness of the rich super-powers to permit these organizations to be responsive to the demands of the less developed countries" (Alger, in The Annals, 1972, p. 104). Moreover, as Professor Alger explains, large regional states, and an increasing bipolarity between rich and poor nations are likely to shape the future international system. A point to be explored below. Thus, despite the fact that the multinational corporation may challenge and be as effective (if not more effective) than inter-governmental agencies, it may also run the risk of having its activities perceived by developing nations as being neo-colonial, according to Professor Alger.

Alger's points seem to support earlier claims made by (Martyn, 1970) who suggests that multinationals have grown in such numbers, size, and spread of operations that they are changing the world's economic and social structure. Moreover, as these firms continue to operate within many nations, and outside of them at the same time, then the multinational company may create possibilities of changing the world's political structure. Accordingly, the ability of these firms to control so much of the world's economic system is undoubtedly a factor in its neo-colonial identification.
If we examine the history of the multinational corporation, we discover that it had its birth in nineteenth century European banking and from many of the chain companies that sprang up during the first half of the twentieth century. Names such as Colgate, Heinz, and Otis Elevator are common to the international business world. It was David E. Lilienthal who used the descriptive label "The Multinational Corporation" in an essay published in Melvin Anshen and George Bach's book, *Management and Corporation 1985* (1960). Lilienthal defined the multinational corporation as corporations which have their home in one country but operate and live under the laws and customs of other countries as well. Generally, he seemed to be concerned about the number of countries in which a firm is doing business. Others have offered additional definitions of the multinational corporation. For instance, in his article, "On the Definition of a Multinational Corporation" (in A. Kapoor and P. D. Grub, 1972) Yair Aharoni examines the concept of multinationality from three perspectives. First, he looks at structural criterion (e.g. work done by Lilienthal, 1960), and the author points out that G. d'Estaing (1965) faulted in asserting that a truly multinational firm was one that made available either the stock of the local subsidiary or stock of the Mother Company in all countries where the firm operated. To the contrary, as Aharoni notes from research conducted by Professor J. Behrman (1962) of seventy-two companies surveyed, only one company
preferred a minority interest. According to Aharoni, Behrman's 1969 study concluded that there was a definite preference among U.S. multinational enterprises for wholly owned affiliates. Moreover, as Aharoni claims, U.S. multinational enterprises have moved toward a partnership only when they are pushed or do so because of governmental or other constraints. Therefore, Aharoni argues that to assume a multinational corporation is a firm that is partly owned by citizens of a host country is grossly in error, nor is there evidence that top management's nationality is a good indicator of a firm's multinationality. Secondly, Aharoni looks at performance yardsticks of multinationality. The claim here has been that a firm is multinational if it has committed a significant portion of its financial, technical, and human resources to overseas operations or to more than one country. Aharoni does not find fault with this criterion, but points out that a firm's commitment to world-wide operations must be strong enough to involve the whole organization. Therefore, "non-multinational" firms are those whose activities are so small, relative to their total activities. Lastly, behavioral criterion may be used to determine if firms are multinational, but Aharoni notes that to say a firm is multinational if its top management thinks in multinational terms is a very weak criterion determining a firm's multinationality. In fact, he declares, "Thinking multinationally" has little concrete meaning, if any.
Additional efforts by Aharoni to describe and define multinationals suggest that: A multinational corporation is one which controls a multinational cluster; where the company must control a minimum number of companies, and that a multinational cluster is a group of corporations, each created in the country of operation, but controlled by one headquarters (Yair Aharoni, op. cit., 1972, p. 17). This definition (to some extent) is supported by Neil Jacoby, who claims that "the multinational corporation owns and manages businesses in two or more countries. It is an agency of direct, as opposed to portfolio investment in foreign countries." (Jacoby, in A. Kapoor and P. D. Grub, 1972, p. 22). (We will pursue a definition for the multinational corporation in the next chapter). It remains, however, that corporate ownership is a key ingredient to determining multinationality. Others have argued that "ownership is in the hands of a foreign firm when it holds a large percentage of the shares of the subsidiary" (Steuer, in Johnson, 1971, p. 182). In addition to this fact, while firms may choose to invest in foreign nations for a myriad of reasons, and undoubtedly a crucial factor influencing a firm's decision to invest abroad is its estimate toward making a profit; ownership, however, remains a top priority whenever firms decide to invest abroad.

In general, private investment in foreign countries can be dichotomized as Portfolio and Direct. Portfolio investment allows the corporation to choose among a number of projects
before deciding to invest in one or more of them. This type of investment is efficient and is frequently void of any political complications and pressures that often go with direct investment. Portfolio investment may bring to the developing country sufficient amounts of capital, modern technology, managerial skills, and other improvements. Direct investment, on the other hand, is often initiated by huge international corporations that seek to establish affiliates in foreign lands, through which direct control is maintained over some existing amounts of capital and money sources. The affiliate company receives from the "Mother Company" the technology and managerial innovations that may allow it to operate within the host country. More importantly, the affiliate company remains under the direct control of the larger company, a fact that has caused much vocal protest from foreign nationals (Johnson, 1967, p. 61).

If we can turn away from the questions of defining a multinational firm or looking at the types of international investment patterns, we find that a question of considerable interest to some scholars is why do multinational corporations invest abroad. Researchers, such as M. D. Steuer, offer two reasons why corporations choose not to expand at home. First, he claims that domestic markets may not be conducive to expansion. That is, domestic demand may be inadequate for expansion, and therefore suppliers will not be willing to provide more of the goods or services. Secondly, the author suggests
that many American firms have chosen to expand abroad because of possible anti-trust action by the government should they decide to expand at home (Steuer, in Johnson, 1971, p. 179). An additional reason that may account for the expansion of multinational corporations is the amount of resources abroad, as compared to the domestic scene. In addition, most of these enterprises are engaged in a host of activities and often are not inhibited by the presence of national boundaries or geographical distances. The firms also seek cheap labor and often escape from ecological controls by going from one country to another.

Another perspective has been offered by Johnson (1967) which points out that in many cases the government of a corporation may encourage the firm to undertake foreign investments. This type action may be followed whenever the nation desires to encourage types of activities in the recipient nation. For example, if the government of the United States desires to implement a foreign aid program in Cuba but cannot because of adverse public reaction, it may encourage many of its leading firms to engage in direct investment activities, aimed at promoting growth within Cuba. Tax incentives may be offered by the federal government to the corporation, or the government may engage in favorable contract negotiations toward the company. Furthermore, encouraging multinational corporations to invest in countries may be done without any tangible costs to the government; hence, it does not show up as a cost on the budget (Johnson, 1967, pp. 126-127).
Despite some of the favorable efforts and effects of direct foreign investments, many host nations are very concerned about the political nature of multinational business. In his article, "The Multinational Enterprise and Nation States: the Shifting Balance of Power", in A. Kapoor and P. D. Grub (1972), Jack Behrman notes that multinational corporations are often shielded by the governments of their parent companies, and this shielding (via laws, etc.) frequently encourages governments to dispute over matters concerning the corporation. Past conflicts between the United States and China in the nineteenth century and more recently between the United States and Chile are but two examples of multinational business encouraging a national government to act in its behalf. Many host governments have sought to restrict the flow of economic factors (e.g. goods, capital, technology, etc.) across their national boundaries. Moreover, these governments recognize that because another government may have control over the parent company, it may also influence the policies of the company and its subsidiaries. The actions of the parent country, thus, may have serious economic and political consequences for the host country. A vivid example of this occurred in Canada during the 1960's and early 1970's. During this time, American firms controlled over sixty percent of Canadian industry and American government policies affecting firms operating in Canada had direct consequences for Canada, too.
If we examine the Canadian case and others (as we do later in the paper) we see that one of the major conflicts between the multinationals and nation-states centers around the issue of control. Government leaders assert that the sovereignty of their respective states is challenged by large corporations that move in and out of national boundaries with the intention of controlling national resources. The spokesmen for multinationals counter by saying that they seek to cooperate with and not control nation-states. Still others, like L. T. Wells, add another point of view. In his article, "The Multinational Business Enterprise" (in J. Nye and Keohane, 1973), Wells claims that multinational corporations have been formed to frustrate the nation-state, and in the case of American multinationals, the corporations often serve as an extension of United States policy. Furthermore, the executives of these enterprises act very much like the loyal ancient Roman governors, who, according to Wells, while seeking autonomy to "run his own ship" are under the centralized jurisdiction of the mother company (or country). This lack of autonomy, suggests Wells, appalls the host country most of all (L. Wells, op. cit., 1973, p. 110).

In addition to the jurisdictional problem and the issue of control, the conflict is between the multinational corporation and its supranational point of view and the nation-state and its national economic concerns and special interest groups. The point at issue here is what is "the degree of freedom that
should be allowed or the nature and extent of regulation that should be imposed (by the state) on its (the multinational's) present operations and future growth in order to make it better serve often divergent national interests" (U.S. Department of Commerce, March 1972, p. 3). (Chapter II explores this point in detail).

While the multinational corporation is correctly labeled as an economic entity, its present visibility is largely the result of its political impact in the international arena. The corporations' challenge to the nation-state has been mentioned, but the challenge goes beyond a mere superficial concern. The multinationals are alleged to have caused severe competition among nations and to have locked host countries in with other national economies. This very interlocking process often results in the introduction of "foreigners" into domestic decision-making. This foreign intervention is resented by both developed and developing nations. Accordingly, the assertion made by multinational spokesmen that they seek to help world development (and other tasks) mainly hinges on the possibility of working out a *modus vivendi* between corporations and the individual governments which preserve enough autonomy and profitability for both the nation and the corporations (U.S. Department of Commerce, March 1972, p. 82). This study looks at national governments' perceptions of the multinational corporation.
It's a fact that multinationals have presently survived the pressure of national governments to restrain their operations. While some individuals have argued that profit is the main reason for corporations going abroad, others point out that many multinationals are international by nature and should not be restrained. For instance, the petroleum and other extractive industries do not rely solely upon the resources of one nation. Moreover, when a country's supply of raw materials have been exhausted, these corporations will choose to expand into other areas. In addition, lower production costs; fear of competitors producing cheaply abroad, etc. encourage multinationals to combine (often) superior technology with low capital cost. Without continuous investments abroad, most spokesmen for multinationals assert that existing capital will erode and jeopardize the entire investment.

In spite of the claim of "Natural International Identity" of some corporations; and the desire of these corporations to help foster world development, the ties between multinational corporations and nation-states have become increasingly fragile. The opposite is true of the relationship between domestic business and government, which has become a close(er) alliance in most cases (T. Aitken, 1973, p. 143). Unfortunately, this alliance often extends beyond national boundaries. The ITT case in Chile is but one recent example of the potential of alliances between business and
government to adversely affect political relations between countries. In fact, a major concern that one scholar (Thomas Aitken) raises is that some multinational corporations might seek to equate their economic prowess to their political power. In his book, Aitken echoes this concern by quoting the Frenchman, Claude Monnier:

If one can without doubt lay the ITT affair to the irresponsibility of some individuals, the basic problem remains: the giant corporations, because they recognize neither borders nor nation-states, and can easily move their pawns about the geographic chess-board, doubtless acquire an independence of nation-states which amounts almost to disdain (Aitken, 1973, p. 145).

In addition to Aitken's arguments, Wionczek (1964) observes, the man on the street in Latin America does not accept the reasoning that good management, capital funds, and efficiency, should allow multinational firms to make very large profits. This same common man is suspicious of foreign business and its secrets and does not trust large businesses controlling so much of his country (Wionczek, in Vernon, 1966, p. 22-23). While many of these negative ideas may be the result of insufficient knowledge of the multinational firm, past experiences with developed nations has shaped this attitude. Wionczek adds,

A memory of history lingers much longer in the traditional slowly changing society than in the dynamic advanced communities (Wionczek, in Vernon, 1966, p. 9).

Wionczek goes on to say that in the case of the Latin American people, some have hostile feelings towards "Robber Barons" in
the United States who exploited countries and the country's resources. The people also recall that foreign corporations solved their problems with the help of open political and military intervention of the governments of great national powers. During those periods, many citizens of Latin American countries often faced hostile reactions from businessmen and their governments whenever the citizens confronted them about policies and other matters (Wionczek, in Vernon, 1966, p. 10). Wionczek also explains that past experiences which Latin American countries have had with developed nations may make it very hard for citizens of these countries to view as politically neutral the role of foreign private capital. Companies like the United Fruit Company remain a symbol of foreign penetration and exploitation in Central America. The result has been that in most Latin American countries large multinational corporations have limitations placed on their business activities.

Some opponents of foreign investment by multinational corporations are concerned with the possible long run negative impact of large scale foreign investments on their respective countries' balance of payments. Other spokesmen level the concern that private investment may not be the most important single criterion contributing to economic development of developing nations. In Latin America, for example, there is a pervasive feeling that exploitation of non-renewable resources should be in national hands. Since
1963 most of American corporations' investments in Latin America has been in extractive fields: thirty-five percent in petroleum, twelve percent in mining, and less than twenty-six percent in manufacturing, which is supposed to be the major area that contributes to economic development. (Schneider, in Isenberg, 1969, p. 55). According to Wionczek, this investment pattern has caused individuals such as Raul Prebisch to put forth some comments in which he notes that,

The social structure handed down from the times of externally geared development was associated with the characteristic type of foreign investment aimed at serving, in one way or another the interests of the major centers (Wionczek, in Vernon, 1969, p. 15).

Today, a dominant concern that many opponents of the multinational corporation have expressed is that the interest of foreign owners may slowly override the interest of the nation-state.

Presently, in many of the developing countries, a strong force of new elites have voiced opposition to the multinational corporations. Many of these persons are students who have expressed a desire to achieve real political and economic independence from the advanced industrial countries. A pervasive feeling among many of them is that the "Backwardness" of their countries results from past association with other developed nations of the world. In agreeing with this new group of elites, Barbara Ward (1968) acknowledges that a small number of states, equaling twenty percent of the world's population, controls eighty percent of the world's
wealth. Moreover, she states that "without a sharp decline and decided shift in emphasis and direction, it looks as though the policy of the richest powers in the 1970's will be to grow wealthier themselves and do less for the poorer countries (Ward, 1968, pp. 12-14). On the other hand, she observes that the developed nations have often provided the foreign exchange which may be essential for the initial seeds of development and growth. Yet, the central problem facing many of these developing countries is that a twelve to fifteen percent savings rate means little if per capita income is only $70.00 (Ward, 1968, pp. 78-79). If multinationals, however, could help per capita income growth, their credibility in developing nations would improve. Multinational spokesmen claim that activities of their corporations do just that. Fayerweather (1972) suggests that in addition to other activities, multinationals are often responsible for spurring nationalism in many nations, particularly developing ones. He explains that the multinational corporation may: 1) Contribute to shaping the socio-economic factors which contribute to nationalism. It may provide economic development, from which a more literate populous may evolve; and, the more aware the population, the more conscious and sensitive it is to foreign domination, and 2) Provide the prime reason for a group to come together and form nationalistic attitudes to fight against foreign domination. (Fayerweather, in A. Kapoor and P. D. Grub, 1972, p. 343).
As stated above, C. Alger, like J. Fayerweather has suggested that many governments—particularly developing nations—will see the spread of multinational business similar to the advance of neo-economic colonialism. In addition to this fact, Neil Jacoby claims that the multinationals have become so powerful that their assets and "population" (labor force) exceeds many of the countries in which they operate. Therefore, to have such a powerful, foreign-owned entity within domestic boundaries is indeed challenging for some host nations.

While threatening to some nations, the multinational corporations and direct foreign investment are strong forces within the international arena. In some ways the corporations have begun to replace the traditional foreign aid programs. Large amounts of capital and other commodities flow through the complex allocating systems of the large international firms. Rather than rely upon foreign assistance, some developing nations receive from corporations located in their boundaries, some of the ingredients necessary for national growth. Furthermore, H. G. Johnson (1967) notes that the decline in United States' development assistance in the 1970's implies that some new approaches to international development may rest with the multinational private enterprises, through which a growing emphasis on private direct investments in developing countries can be accomplished. Johnson's point may indeed be correct.
The private direct foreign investments may serve as a substitute for official aid transfers between governments. Many multinational corporations are willing to undertake the cost and risks of investing in foreign nations. M. D. Steuer has also suggested that many firms choose to invest in various nations because the nations are looked upon as rapidly expanding areas. While facing rapidly expanding markets, many of these multinational firms do not involve themselves in exports to the country as opposed to their direct investment in the nation's economy. Many multinational corporations add that exports are a marginal activity and full of uncertainty. Furthermore, if the market will absorb the product, it is cheaper and more profitable to produce the products locally. Multinational spokesmen often reply that if there is an export market in the country, then it would be advantageous to the supplier to produce goods in the country and avoid additional transportation and other similar costs. Furthermore, exporting involves too much uncertainty and therefore, the corporation should first go into the nation and get a clear perspective of its resources and availability to production (Steuer, in Johnson, 1971, p. 178). Steuer insists that multinational corporations are not likely to remain in an area that has inadequate demand for its products or resources. Other proponents of the multinational corporations argue that the organization is capable of handling large amounts of information, which is aimed at improving
the efficiency of the corporation. In addition, the enterprise may be worldwide and unified in its activities such that it contributes to a global distribution of products and/or services. Steuer points out that international investment is growing at a rate two times the rate of world trade (Steuer, in Johnson, 1971, p. 216).

Much of the reason for this concentrated effort with respect to increased direct private investment by multinational corporations is that many of these companies have internationalized tastes and preferences through communications and marketing techniques. This has caused many persons within the developing countries to purchase (or desire to purchase) the goods produced by the multinational corporation. This increased demand stimulates the firms to expand their production and their operations to other countries. Hence, as demand for the multinational corporation's products increases, the more likely it is that the corporation will expand its production to meet the demand.

Often initial investment by the multinational corporation is very positive. For example, if an American-owned multinational firm decides to invest in Canada and must exchange dollars for Canadian currency, the initial impact of the investment could be very favorable to Canada. For one thing, the American firm would use the Canadian currency to purchase factors of production (e.g. land, machinery, etc.). Similar to purchasing exports from Canada, the result is that
fewer Canadian money would be held abroad and more American dollars would be held in Canada. Accordingly, if the investment is significant and Canadian goods and services are purchased by the American firm, Canada's Balance of Payments situation should improve.

Lastly, proponents of the multinational corporation further claim that the corporation has little desire to exert a political or social influence over the area in which they operate. Arguments presented by M. D. Steuer (in Johnson, 1971, p. 192) depict officials of the multinational corporation as entrepreneurs who desire a peaceful quiet life, and who believe that the activities of their corporations are in no way less favorable to the respective nations than activities carried out by local owners. The spokesmen for some of the multinational corporations claim that their efforts have resulted in the employment of members of several national labor forces. Additional efforts by the corporation have also accounted for a number of the unskilled laborers receiving job training at the expense of the corporation.

Of course, it is no mystery that many scholars feel that multinationals and nation-states are embroiled in several conflicts. As argued earlier, some of the conflicts center around control of resources and economic destiny. Other conflicts suggest a concern on the part of national governments that huge multinational corporations—often with resources greater than the nation-states in which they operate—are doing business
within their borders. In addition, the operations and policies of these international giants may be influenced or directed by another national government—namely the country in which the "Mother Company" is located. The alleged conflicts between nation-states and multinationals also have a historical perspective—which we've tried to elaborate—and this historical perspective may function as a stumbling block in resolving frictions between the two actors. This research taps some national governments' attitudes and behaviors concerning the multinational corporation.
CHAPTER II

THE CENTRAL HYPOTHESES AND A DISCUSSION OF NATIONALISM AND THE ECONOMIC INTERRELATED WORLD CONCEPT

Introduction

This chapter will present the major hypotheses of the research and their corollaries. In addition to this task, Chapter II will also provide two opposing world views which give explanation for the hypotheses. First there is the Nationalistic view, which severely opposes the multinational corporations. The other view is the Interrelated World concept; a concept that links national polities and national economies. Within this concept flourishes much support for the multinationals and their world-wide operations.

In addition, this chapter explores closely the roles of the multinational in the national political and economic development processes. Finally, Economic Imperialism is discussed. A summary is also provided.
The Central Hypotheses

The hypotheses of the study are basically descriptive and do not have independent or dependent variables. Moreover, it is the claim of this paper that as developed and developing nations are lined up according to their respective attitudes toward multinational corporations, their subsidiaries, and direct private foreign investments, the following hypotheses emerge:

I. $H_1^1$: (As expressed in official government statements and measured accordingly) Developed nations will be generally for and Developing nations will be against the multinational corporation, its subsidiaries, or direct private foreign investments for any given year or five year period.

Corollary 1:

Host developed nations will be generally against the multinational corporation, its subsidiaries, or direct private foreign investments for any year or five year period.

$H_0$: (As expressed in official government statements and measured accordingly) There is no significant difference between Developed and Developing nations with respect to attitude toward the multinational, its subsidiaries, or direct private foreign investments for any given year or five year period.
II. $H_1$: The distance between the two groups of nations (Developed and Developing) is widening (as measured by the numerical mean scores given to each nation for its attitude toward multinational corporations, its subsidiaries, and direct private foreign investments).

Corollary 1:

Attitudinal differences between the two groups of nations will be wider at the end of the latter five year period (1969-1973) as compared to the end of the previous five year period (1964-1968).

$H_0$: The attitudinal differences between the two groups of nations (Developed and Developing) are not widening, and there is no appreciable difference between the two groups at the end of the latter five year period (1969-1973) as compared to the end of the former five year period (1964-1968).

The underlying reason(s) for the shift in attitude toward the multinationals will receive some support below, but for now, we will state that the measurable change in attitude is a critical factor that will show (on this issue) a bipolar structure (Developed vs. Developing nations) within the World System. The mean scores and other measures of the Friendly and Hostile categories of nations with respect to their attitudes and behaviors toward multinational corporations will reflect this widening bipolarity. Next, we provide some theoretical support for the above propositions.
The Burden of Merging World Economies

The conflict that we have elaborated earlier in this paper revolves around the present challenge between nation-states and the multinational corporations. Among others, however, John Herz claims that the states remain the primary actors in international relations. He goes on to say that "... the remnants of Empire, where it still survives, are bound to disappear, in this way rendering the entire surface of the globe ... a mosaic of nation-states" (John Herz, in Rosenau (ed.), 1969, p. 78). The author also expresses serious doubts in the concepts advanced by Lenin and other Marxists, which concluded that imperialist expansion and colonial control were innate in and congruous with the advance of industrial systems.

However correct Herz may be, much of the present controversy surrounding the operations of multinational corporations, hinges on the very concerns of imperialistic expansion (viewed by some to by synonymous with multinational expansion), which Herz asserts is ending. The author has gone further by stating that the imperialistic expansion foretold by Marx, Lenin, and others was only phase I of the development process, but is now fastly drawing to a close. While this may be true, it appears that the various efforts by nation-states may indeed lead to the curtailing of the power, spread, and influence of multinationals, which in effect, may enable Herz's prophecy to come true. It is the very operations and spread of
the large corporations that may lead to restrictions of their activities.

Many developed and developing nations that have come under the economic and political influences of the multinationals have witnessed a growing trend toward nationalism among their constituents. This is most apparent in developing countries, where nationalism has often surfaced as a vehicle to achieve the collective interests of the nations. A feeling of "we" versus "they" has frequently emerged, with the corporations being regarded as the they. In addition to this attitude, the corporations have often provided the socio-economic factors which contribute to national unity. In many instances, segments of the population have become more literate and economically well-off, as a result of the economic contributions of the enterprises. Paradoxically, by creating a more literate population through technological spread and so forth, the multinationals have often provided the "Vanguard" who sometimes lead other members of the developing societies against further spread of the business giants. Alone, a person may not feel capable of opposing the multinationals, but there is safety in numbers—to use an old cliche'. This new feeling of power spreads quickly through the people. The local people of a developing country will most likely come together with common interests.

John Fayerweather (in A. Kapoor and P.D. Grub, 1972, p. 341) claims that the spread of nationalism occurs whenever
members of a nation seek to achieve a collective aim. The group or collective interest may be accomplished through the support that each member of the society is willing to give toward realizing the collective national objectives. Although the collective aims may receive varying degrees of support from the population, members are most apt to be drawn together whenever an outside force appears as a threat to the nation. Fayerweather explains that national groups form to oppose the multinationals, if members of the groups perceive the corporations as a threat to the nation's culture or pride. He points out that several developing nations have voiced concern that in allowing the foreign subsidiaries of large corporations into their national boundaries to accomplish tasks that the government and its people should be doing, might be seen as an admission by the nation that it cannot accomplish undertakings that a single subsidiary has been chosen to do. The result being, according to Fayerweather, that national pride is lost (Fayerweather, in A. Kapoor and P. D. Grub, 1972, pp. 348-49).

Several fears, including a concern for national pride, have prompted some national governments to insist on the authority and right to control the flow of economic factors across their boundaries. The fact that the parent government, through its laws and impact on foreign subsidiaries, may have the power to sway economic developments in the host nation is a basis for fear of economic and political domination among certain developing populations (J. N. Behrman, in A. Kapoor and P. D. Grub,
While most national leaders agree that the nation-state should specialize in those things that it does best with minimum restrictions, and import other things which can be produced more efficiently elsewhere, they also agree that national governments, not international companies, should determine what economic factors should penetrate national boundaries. Thus, as the nation-state is the rallying point for a multitude of state activities, it is also the center for organizing economic activities, including those which might be described as international trade.

On the other hand, it has been suggested that international production has outstripped foreign trade as the main channel for international economic relations, and proponents of the multinational corporation assert that the nation-state, the supporter of traditional international trade, may not be the optimum form of organization--from an economic standpoint (U.S. Commerce Department, The Multinational Corporation, March 1972, p. 17). This very point has encouraged multinationals to challenge nation-states. The corporations, by their very nature, have broken down regional barriers; have promoted economic growth; and have also enabled a widespread distribution of numerous products. As economic entities, the multinationals have often locked host countries into relationships with other national economies, and have been accused of interfering with national development plans. Behrman (in the Annals, September, 1972, p. 47) claims that the multinational enterprise has assumed a
key role in the decisions affecting industrial development; thereby influencing and controlling the private sectors and development plans of several nation-states. The development plans may be influenced because of the link-up which often occurs among several economies. More communication, cheaper transportation, lower trade barriers, and other factors promotes integration activities around the World. It is through the rise of the multinational enterprise that expanded economic integration among the major industrial countries has occurred. Even developing nations have been inclined, under certain conditions, to invite international corporations to invest in several projects within their borders.

On the other hand, a large portion of the conflict between nation-states and corporate concerns involves the control of proposed investments. R. Vernon (in A. Kapoor and P. D. Grub, 1972, p. 388) acknowledges that "... the issue of control, therefore, emerges as a major preoccupation not only for the host government but also for the investor." Some government officials fear that certain corporations will exhaust all of their countries' natural resources, and to prevent this, have resorted to the most extreme measures of control--nationalization and expropriation of corporate properties. The price of such actions has been to place national governments at odds with multinational corporations, as well as each other. Quite often, it has been the developing nations defending acts of nationalization and expropriation of corporations' properties,
while the developed nations have rallied to the support of the multinationals, whose home-bases are most likely located in developed areas.

Although the polarization may appear one-sided in favor of the developed nations because of their great economic and military power, Kenneth Waltz (1969), arguing on a similar point, says that the poorer nations have world opinion on their side. In addition, the enormous power of large corporations and their home-based governments do not assure them total control over the developing nations, though few would argue that the large industrial nations and their corporate entities do not exert a sizable control over the entire international economic system. As we noted earlier, this control or influence, if you will, manifests itself in determining world tastes, production, and distribution patterns; as well as consumption and development opportunities. For example, one may not find milk in remote parts of the World, but a Pepsi or Coke may may be available. In short, multinationals are alleged to have influenced the international system in such a manner that national governments and their peoples have become so economically intertwined that not only have economic destinies become mixed, but political and social decisions of separate national governments influencing those economic directions, are also likely to forge.

While this may not be a turn in the wrong direction, some argue that nation-states will continue to resist moving
in any directions which have not been determined by the national leaders. In fact, it can be expected that national governments and their leaders will oppose any "foreign" intervention in national political and economic decision-making (U.S. Department of Commerce, *The Multinational Corporation*, March, 1972, p. 81). Therefore, the concern that many national governments have expressed is that economic policy is slipping into foreign hands; furthermore, that economic control is needed to reassert political sovereignty.

In general, the preceding comments describe the basic conflict between the multinational corporations and national governments: That being, with its international outlook and operations, the multinational corporation has challenged national governments, with domestic, parochial views, to find ways to deal with this international actor that is capable of "... operating in a country and still having its policies and decisions formed outside of the country." (Aitkens, 1973, p. 154). This very concern has brought together various factions of domestic populations, whose nationalistic aims have been directed toward ensuring effective control over the multinational corporations operating within national boundaries. The actions taken by local governments, as well as the perceptions held by national leaders and the populations of developing nations concerning the ties between developed countries and multinationals, have placed these two groups (developed vs. developing) in opposite camps vis-a'-vis attitudes and behaviors toward multinational corporations.
Domestic vs. External Development

Lucian Pye (1966, p. 33) argues that political development is the prerequisite of economic development, and that political and social conditions could play a decisive role in impeding or facilitating advance in per capita income . . . furthermore, that it is appropriate to conceive of political development as the state of the polity which might facilitate economic growth. Political development is seen as the process by which communities that are nation-states in form become nation-states in reality, according to Pye. This suggests that political development becomes the politics of nation-building; it leads to citizenship, as well as a force to mobilize resources and institutions. The fact that political and economic development encourages mass mobilization and participation, has prompted many nations to move with all due speed to gain control of the development processes of their nations. Pursuing this point a bit further, we find that capital and resource formation and allocation are influenced by the activities of multinational corporations, but these factors are also important to the political and economic development of most nations. Since the development process hopes to achieve growth and stability, national leaders claim that they must have control over their resources and determine the development and distribution of resources within their societies. Others argue that economic development may presently expand beyond the nation-state. For example, A. Tazi (in I. Isenberg,
1969, p. 178) reminds us that,

The tasks of international economic development cannot be left to governments or international institutions alone, . . . but it is private industry that has the vigor, the resourcefulness, the flexibility, and the resiliency which few other forms of organizations can claim to have.

Tazi's comments suggest an inability of the nation-state to solely determine its own development, regardless of its control over economic resources. His position also undermines any notion that the nation-state is able to solely determine its own economic destiny, within a world economy that must recognize the strength and power of private industry, and whose national systems are economically interdependent. If the preceding point is true, then the demand by nation-states for control of resources and development directions have little substance— as it is the international economic arena that will finally determine the economic destinies of nations. On this issue, however, national spokesmen reply that their countries desire to have the say-so as to how and with whom their national economies will interlock. In addition, if economic and political development largely influences nation-building (according to Pye) then nations remain very eager to assume or maintain control over this process. Furthermore, while private corporations may be instrumental in development processes, nation-states are demanding control over these enterprises which operate within national boundaries. Another point should be mentioned, too. Though spokesmen for nation-states acknowledge their countries' involvement in the
international economic arena, their main concern is internal national development. While this approach to development may not limit international corporations from operating within several national boundaries, national governments will not sacrifice internal development to meet the demands of an overall global corporate strategy.

Yet, leaders of nation-states are aware that actions by other international actors, including multinationals, affect their societies. For example, during the early 1960's, the United States and several other nations attributed their balance of payments deficits to the independent behaviors of large investment and other corporate concerns. Some of the developing nations reacted with nationalization programs, and justified their behaviors in the name of economic development.

Few students of international relations or development would argue with Albert Hirschman's comment that,

In principle, therefore, there is nothing reprehensible in the attempt to make our underdeveloped 'economies of development' benefit from the recent vigorous advances of the 'economies of growth'. (A. Hirschmen, 1958, p. 29).

Hirschman's point may be valid, but national leaders in developing nations still have had to consider the process of domestic development, as well as the price to be paid for it. These leaders recognize that the road to economic and political development has not been an overnight venture, for even the now developed nations. Such giants as the United States, United Kingdom, and France have weathered several economic and
political challenges before reaching the economic stage that W. W. Rostow describes as Technological Maturity.\(^1\) In addition, long after these nations (and others) have gone through the Industrial Revolution and advanced into the Nuclear Age, economic conditions have surfaced, necessitating the total skills and energies of the respective nations, their national leaders, and populations. Again, such crises as the international monetary fiasco of the early 1960's and the present world inflationary trends, are but two examples which brings home the point that a nation's stage of economic development does not ensure its domestic economy escape from world economic (and perhaps political) woes.

In fact, most governments have been called upon throughout each of the recent world economic crises to determine policies in the best interest of their respective economies, and also policies that are acceptable to other nations. The former point, however, is paramount to most national leaders. Their hope is to develop and institute policies that benefit their nations. For this reason—among others—developing national governments, with domestic development views and often facing economic crises and limitations, have conflicted with multinational corporations—whose basic management structure and operational style is internationally oriented (B. Mennis, \(^1\)See W. W. Rostow, Politics and the Stages of Growth, 1971, pp. 98-183.)
What emerges from these differing attitudes are charges from some domestic leaders that multinationals are established to promote the interests of the firm (and eventually the parent nation), while sometimes violating the interests of the respective polities in which their subsidiaries may operate. Furthermore, according to Vernon (1965, p. 31), "... they--multinationals--may or may not hinder it (development plans for integration), according to their global interests and strategy."

This basic concern over international versus domestic priorities has remained an important ingredient of the controversy occurring between national governments and multinational corporations. On one hand, we have students such as John H. Dunning (in A. Kapoor and P. D. Grub, 1972, p. 403), claiming that multinationals are only interested in private economic objectives, and T. Abderrahaman (in I. Isenberg, 1969) pointing out that the task of international economic development cannot be left to governments or international institutions alone. Another perspective, however, has been raised by such spokesmen as Anthony W. Benn, a leading member of the British Labor Party, who states emphatically that,

> Multinational enterprises have got to face the fact that they are in politics—whether they like it or not. The greatest mistake they can make is to think of themselves purely in business terms. . . . (Quoted in Aitkens, 1973, p. 156).

The preceding feelings of most national leaders—especially
those in the developing nations—are probably expressed best in the comments of Anthony W. Benn. This of course being that multinationals have both economic and political roles which are pursued through its operations. Recall some earlier comments made by R. Vernon (see p. 87), in which the author suggests that the corporations may often decide to help or hinder basic development or integration plans that have been worked out among several nations. He makes this comment on the basis that companies will pursue objectives that are consistent with overall global or regional strategy. Vernon also examines agreements made between five Central American republics and certain multinationals. He observes that while the subsidiaries signed agreements which led to some economic development within certain regions, there is no concrete evidence to suggest that multinationals attach great importance to large scale operation of regional projects (Vernon, 1966, p. 30). Vernon concludes,

"Large international corporations, therefore, are neither leaders nor promoters of regional integration programs . . . they may foster or hinder them, according to their global interests, and the strategy of each constituent corporation in the system. (Vernon, 1966, p. 31)."

The implications of Vernon's conclusion are far-reaching—especially for national leaders whose main aim is to achieve domestic development. Though it would be premature, without more data on the nations involved, to suggest that the lack of or facilitation of regional integration promotes or hinders domestic development, one could readily assume
that Vernon's comments go beyond questions of integration. Instead, he has also concluded that corporations pursue policies which are in their interests, and while not condemning the alleged motives or strategies of the multinationals, one certainly understands the apprehension of some domestic leaders, who may happen to share Vernon's views.

The question that must be answered by national leaders is how vulnerable are their nations to the economic decisions of multinationals, once the corporations have been permitted within the respective countries. This is an important question for several nations with Gross National Products (combined) that may not equal the total sales and assets of an international giant operating within national boundaries. It may also be an important question for nations such as Canada and the United States that may experience economic chaos should General Motors or similar corporations decide to move their operations, shut down, or whatever. The concern that we hear most often in the politics and processes of development is Control.

National leaders and spokesmen for the multinationals do not relish the thought of investing large capital sums and having minimal control over these investments. On one hand, government officials, pushing toward development, are not likely to trust their economies to corporations that may be viewed as selfish and not in the interest of the nations. Some leaders ask, How can we determine the rate and direction
of our development, if corporations, with tremendous wealth, power, and mobility are allowed to permeate our boundaries, at will, affecting our economic stability and plans? Therefore,

The issue of control emerges as a major preoccupation not only for the host government but also for the investor . . . (Vernon, in A. Kapoor and P. D. Grub, 1972, p. 388).

This issue of control is far from being resolved between several nations and multinationals, but some constructive efforts have been initiated. Ownership patterns are beginning to change. At present, most international companies enjoy agreements with local populations that call for a wholly or majority owned subsidiary— an entity which operates under local laws of the host country but is wholly or majority owned by the foreign investor. The major drawback of this type of arrangement is that it does not allow for local participation in the firm; a fact which adds to the skeptical feelings that most developing nations' populations already entertain.

The strongest asset of the wholly owned subsidiary is that it attracts large investors from the corporation's home-based country. Few developing governments today agree with such ventures. The other type of investment subsidiary that is gaining vast popularity among several national leaders of developing countries is the joint venture. This form of subsidiary operates under local laws of the host country; is partially owned by locals; and frequently has local managers. Its drawback (though changing today) is that home-base country
investors are skeptical of investing in subsidiaries, whose policies and directions may be influenced or decided by nationals, who are often perceived to be less competent than managers of the developed nation in which the corporation is home-based. On the positive side, local leaders are more responsive to allowing corporations to locate in their nations, if local shareholding in the firm occurs, too. With this type of venture, there is more local control and say-so in the company—if domestic corporate shares are adequate. Accordingly, the present mood of international private investments—from the perspective of most host governments—is toward joint corporate ventures (Vernon, in A. Kapoor and P. D. Grub, 1972, pp. 388-89).

The next several pages will show an ownership pattern which substantiates the points elaborated in the previous paragraphs. The data will show that multinationals have generally preferred investment opportunities in which the corporation owned all of the stock of the subsidiary or a large majority of it. Although the data from the Vaupel and Curhan Study (1969) do not cover the entire period of this present study on multinationals, some observations are possible. (For the next four Tables, the key is as follows: ALL=All owned, WHL=Wholly owned, MAJ=Majority owned, MIN=Minority owned, and UNK=Unknown. The pattern is with respect to the mother company's percentage of ownership in the subsidiary.)
<table>
<thead>
<tr>
<th>Country</th>
<th>Pattern of Ownership</th>
<th>Period Activity Began</th>
<th>System Ownership</th>
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<td>Japan</td>
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**TABLE 2**

*Patterns of Ownership: Manufacturing & Non-Manufacturing Subsidiaries Classified by Country or Region*
TABLE 3

**PATTERNS OF OWNERSHIP FLOW & STOCK, MANUFACTURING & NON-MANUFACTURING SUBSIDIARIES CLASSIFIED BY COUNTRY OR REGION BY PERIOD ACTIVITY BEGAN AND BY SYSTEM OWNERSHIP**

<table>
<thead>
<tr>
<th>Country/A Region</th>
<th>Continents &amp; Asia</th>
<th>Philippines</th>
<th>Latin America</th>
<th>Middle East</th>
<th>Europe</th>
<th>Canada</th>
<th>Other</th>
<th>TOTAL</th>
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<td><strong>1960-1969</strong></td>
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**Notes:**
- **Flow & Stock:** Manufacturing & Non-Manufacturing subsidiaries classified by country or region.
- **Ownership:** By period activity began and by system ownership.

*Flow & Stock: Manufacturing & Non-Manufacturing subsidiaries classified by country or region by period activity began and by system ownership.*

**Flow & Stock:**
- Manufacturing & Non-Manufacturing subsidiaries classified by country or region by period activity began and by system ownership.

**Ownership:**
- By period activity began and by system ownership.

**Notes:**
- Continents & Asia
- Philippines
- Latin America
- Middle East
- Europe
- Canada
- Other
- TOTAL
### Table 4: Patterns of Ownership Subsidiaries Classified by Country or Region by Period Activity Began and by System Ownership

<table>
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<tr>
<th>Country/Region</th>
<th>Pattern of Ownership</th>
<th>Subsidiaries Manufacturing</th>
<th>Subsidiaries Non-Manufacturing</th>
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In row one (Table 1) on page 45 we can see that an overwhelming majority of the 11,152 subsidiaries are wholly or majority owned by the parent company. To be exact, 78.8% of the subsidiaries were wholly or majority owned prior to 1968, while only 7.4% were minority owned by the home-based company. Looking at the same row, we observe that prior to 1946, only 4.8% of the subsidiaries were minority owned, and that for 1946-1957 and 1958-1967, the percentages were 6.3% and 9.6%, respectively, for subsidiaries that were minority owned by the parent companies. Although the figures are not overwhelming, they do show a trend in ownership patterns. This pattern indicates that parent companies (for the periods covered in the Vaupel and Curhan study) increasingly entered minority ownership arrangements with foreign nationals. The observation falls in line with much of what we have suggested throughout this paper—that nation-states (particularly developing ones) are demanding greater say-so in the affairs of foreign corporations operating within their boundaries, and one way to accomplish this is to insist upon local population members having a controlling interest in the foreign subsidiary. For the same periods, whole and majority ownership patterns were: pre-1946 (81.4%), 1946-1957 (86.3%), and 1958-1967 (82.7%). As with the previous set of percentages, these are not impressive, but they do show a slight decline in wholly and majority ownership patterns—especially during the last twenty years of the study.
Using the same table, we can examine ownership patterns in some developed areas and contrast them with patterns for certain developing nations. For Europe and Canada, the patterns of minority ownership have been: pre-1946 (5.4% and 2.0%), 1946-1957 (7.0% and 4.1%), and 1958-1967 (7.1% and 5.1%). For the same question and same periods South America, Black Africa, and the Arab World figures are: pre-1946 (6.1%, 0%, and 4.7%), 1946-1957 (9.0%, 6.1%, and 5.7%), and 1958-1967 (11.4%, 14.0%, and 19.6%). The figures for the developed areas (Canada and Europe) are strikingly different from the developing countries (South America, Black Africa, and the Arab World). Although parent companies did increasingly involve themselves in more minority ownership patterns within developed nations over the periods of the study, the percentage change of ownership that took place in the developed nations were less substantial than figures corresponding to the developing nations. In all, however, the figures do show that multinationals have increasingly entered into economic arrangements, especially with developing nations, in which the parent companies have taken the minority interest. This has come about, we believe, because of the strong demands from developing nations to control their own resources and/or the foreign corporations that are involved with exploiting those resources.

Finally, we may recall our earlier discussion of the development process. Linking-up some of those comments with
what has been said about joint ventures, it appears possible to this student that joint ventures may continue to be the route taken by national officials in developing areas, who wish to influence and direct the development processes of their nations—particularly when those processes are connected to the operations of large multinational corporations.
Fear of Economic Imperialism

The fear of economic imperialism has its roots in the colonialism of the nineteenth century (and earlier ones) and the opening part of the twentieth century. As nations established their colonial empires within the political and economic arms of the "Mother Country", resentment emerged from the local people over outside or foreign forces being able to inflict outside policies upon the colony. Likewise, J. Behrman (in A. Kapoor and P. D. Grub, 1972) notes that much of the present day resentment toward multinationals stems from the ability of the corporations to operate in a country and still have their policies and decisions formed outside of the given nation. Further animosity develops as governments come to realize that their economies are dependent upon the activities of foreign corporations, whose policies may reflect the policies of a foreign government.

This principle concern of the capital receiving nations is that economic policy formulation is in the hands of foreigners. The concern manifests itself in much of the present day advocacy from national leaders of developing nations that economic control is needed to reassert political sovereignty.

The Vaupel and Curhan study of 1969, on page 54 (Table 5) provides some good data, which show the spread of American foreign subsidiaries abroad. Since American multinationals, by far, control a large majority of investments abroad, examining the proliferation of American multinationals should be
a fair indicator of the spread of subsidiaries in general.
The table reveals the spread of 11,152 subsidiaries pre-1968, of which, the majority went to developed areas. Percentage wise, Canada received 15.2%; Europe received 42.6%, while 24.2% went to Latin America and (together) the Arab World and Black Africa received 2.8% of the subsidiaries. The figures reveal that subsidiaries have generally spread to the developed nations, and although these figures are important, they can be misleading. For while over 75% of the subsidiaries have gone to the developed nations, it must be realized that the remaining 25% of the subsidiaries that have gone to the developing economies have a significant and sufficient impact on these economies whose Gross National Products may not equal the total sales of several of the large parent companies. The result being that developed European economies can "absorb" the economic activities of several foreign subsidiaries and remain relatively free of their control. Whereas, one giant concern (e.g. Kennecot in Chile or the United Fruit Company in Latin America) may have a definite controlling impact upon a developing economy. Yet, several nation-states have begun paying more attention to multinationals operating on their soils, and political sovereignty emerges as an important concern.
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Source: The Proliferation of Foreign Subsidiaries, Classified by Country or Region and by Period Activity Began

Flow & Stock, Manufacturing & Non-Manufacturing
Claim for political sovereignty is the main reason for opposition to economic imperialism. This point is heard in both developed and developing nations, where the issue is voiced with increasing regularity. Few nations have failed to support political sovereignty, as the natural right of governments, whenever disputes between multinational corporations and nation-states have come forth. Many nations (e.g. Canada, Chile, France, Venezuela, and others) have instituted laws and other actions to limit the influence of other nation-states on their economies. For example, when the United States government intervened in 1973 to stop a Canadian subsidiary of an American automobile company from selling $16 million worth of products to Cuba, the Canadian government reacted by introducing a law to prevent any third country from interfering with trade transactions between Canadian industry and another nation. Similar actions by the United States government to influence policies of American corporations abroad have prompted French and Latin American governments to announce their opposition to such interference. In some extreme cases, as we have noted, political actions have included expropriation and nationalization of foreign subsidiaries.

Aside from giving nations more control over their resources and profits from their sale, the threat of nationalization and expropriation has minimized the threat of economic imperialism. This point, however, is only true whenever the country does not find itself dependent upon the decision and/or policies of another nation.
As we look at table 6 on page 57 from the Vaupel and Curhan study (1969), a number of items become apparent in the Canadian example. The study was able to examine 516 foreign subsidiaries in Canada that came into existence prior to 1968. Of this total, 127 (24.6%) were newly formed by the foreign parent company; 39 (7.5%) were descendent from other subsidiaries; 106 (20.5%) had unknown origin; and 244 (47.2%) were acquired from existing Canadian concerns. This very large acquisition of domestic firms has prompted several new Canadian laws which prohibit or limit foreign takeovers of Canadian firms (this is discussed in Chapter V and many statements speaking to this issue appear in the Canadian section in Appendix I). In other developed areas, we also see that approximately one-third of the subsidiaries that were begun during the periods of the study were acquired from existing national firms.

This is not the case in the developing areas for an obvious reason: History shows that foreign corporations traditionally founded or supported new manufacturing concerns in the developing areas. The data bear out that a wide majority of the subsidiaries from these developing areas were newly formed by the parent company. For this reason, we believe that the developed and developing nations have different (although similar at times) concerns, whenever dealing with multinational corporations. For the developing nations, the concern is how to gain control over the large foreign industrial
### CHANGES IN STATE OF BEING, MAIN ACTIVITY & OWNERSHIP

**TABLE 6**

<table>
<thead>
<tr>
<th>TABLE 6</th>
<th>CHANGES IN STATE OF BEING, MAIN ACTIVITY &amp; OWNERSHIP</th>
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**Country of Origin:**

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<th>Region</th>
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<th>Change of State of Being</th>
<th>Change of Main Activity</th>
<th>Change of Ownership</th>
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**Other Changes:**

- **Other Changes:**
  - Liquidation
  - Liquidation
  - Liquidation
  - Liquidation

**By Country, Period Change Occurred & Method of Entry:**

- **By Country:**
  - Japan
  - France
  - Chile
  - USA

- **Period Change Occurred & Method of Entry:**
  - Liquidation
  - Liquidation

**Notes:**

- Liquidation
- Liquidation
- Liquidation
- Liquidation
corporations, which operate within domestic boundaries, control domestic resources, have economic and perhaps political power which exceeds the local government; and frequently carries the flag of the country in which the parent company is located. The leaders of developed nations however, have raised their eyebrows most often whenever foreign corporations have begun taking over existing domestic firms. Even the United States government instituted legal arguments against a foreign oil company, when it tried to purchase controlling interest in Standard Oil of Ohio (this is discussed in Chapter V).

The preceding comments should not encourage the reader into believing that the concern developed nations have expressed toward their economies becoming dependent upon any other economy, through large corporations assuming ownership of key domestic firms, is in any way less sincere than the developing nations' expressed concerns. On the other hand, it is rather awkward for most developed nations—that may have subsidiaries operating abroad—to chant fears of economic imperialism. Instead, we are more apt (except in developed host countries—e.g. Canada) to hear from leaders within these developed areas that their principle concern is that foreign enterprises not break domestic laws by trying to monopolize specific economic industries or takeover strategic areas.

Finally, until recently, complaints that we have heard from developed countries would have seemed foolish coming
from developing nations. After all, few developing nations, until lately, had existing businesses that could be monopolized, or given strategic areas (except the military) that could be taken over. In essence, except for the "Infant Industries' Argument", opposition to Economic Imperialism remained the primary argument that developing nations made use of whenever speaking out against foreign subsidiaries dominating much, or certain aspects of their economies.

John Dunning (in A. Kapoor and P. D. Grub, 1972, p. 403) has commented that multinationals, like other national enterprises, are interested only in private economic targets. He goes on, "... but nation-states are much more complex in their goals: to meet economic goals and meet certain social, cultural, and strategic targets." Although Dunning's comments have certain weaknesses, which we'll explore, they may lend themselves to a continued discussion of economic imperialism. For instance, if Dunning's position is correct, then nation-states need only direct the activities of multinationals into those non-economic, but constructive areas, which corporations do not ordinarily function. Realizing that Dunning did not intend to address the issue of economic imperialism, the point that he does make concerning multinationals falls short of the total picture of how large corporations may influence a nation. For one thing, economic imperialism implies control of certain economic factors of production, not just whether or not an economic entity performs within
the social, cultural, and economic arenas of the society. Furthermore, the conflict between multinationals and nation-states over economic imperialism most likely will be settled whenever developing nation-states feel that they are in control of their economic destinies—not when the corporations expand their involvement into other areas of the nations.

The other side of the issue comes from the corporations, whose spokesmen claim that they should decide the direction and policies of how resources of the corporations should be spent or allocated. The reply from most countries is that the resources which many corporations depend upon are owned by the nation, not the multinationals. This point is echoed particularly loud when extractive industries are involved.

Again, the data from the Vaupel and Curhan study have proven helpful in examining the spread of extractive multinationals. The data in table 7 on page 61 show a proliferation of some 320 multinational subsidiaries pre-1968, of which 22.5% went to Canada; 13.1% went to Europe and developed areas; 40.6% went to Latin America; and 12.8% went to Black Africa and the Arab World. Contrary to the spread of manufacturing subsidiaries (for which the developed nations received a sizable majority) we find that the extractive industries have located in the developing nations. This point is significant because over time extractive industries frequently deplete a nation of its natural resources, although some contribution may be made to the economy of the nation. Another reason why the
TABLE 7
THE PROLIFERATION OF FOREIGN SUBSIDIARIES
FLOW & STOCK, MANUFACTURING & NON-MANUFACTURING
EXTRACTION SUBSIDIARIES CLASSIFIED BY COUNTRY OR REGION
AND BY PERIOD EXTRACTION BEGAN

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developing nations have seen themselves at odds with subsidiaries of multinationals is because the corporations have tended to operate in areas where once the supply of resources is exhausted, the corporation may find little incentive to remain. While this point may be true, Vernon (in A. Kapoor and P. D. Grub, 1972, p. 390) claims that the foreign corporations will continue to invest in certain extractive industries (e.g. oil, copper, etc.) because they desire to control the flow of products made from these raw materials. Equally so, he observes that raw materials-producing nations will continue to (and be able to) demand more say-so in the use of their domestic raw materials. Most likely, their demands will result in more joint or controlling ventures.

Furthermore, as we pointed out earlier, foreign subsidiaries that are located in developed nations have tended to be of the manufacturing-type. For a number of reasons, this type of subsidiary has been regarded as that kind which contributes to the mature stage of economic development2, while industries of mining, agriculture, and forestry are developed at earlier stages. The point that we are making here is that extractive industries have an image (whether or not true) which links them with corporations whose main objective is to drain the country of its resources. Oddly enough, most

2For a discussion of this subject, see: W. Arthur Lewis, Development Planning, New York: 1966, pp. 147-158.
extractive industries^3 included in the Vaupel and Curhan data are located in the developing nations, while a great majority of the manufacturing industries are located in the developed nations.

In some ways, the preceding point lends itself to a discussion of the issue of bipolarity between developed and developing nations. With the developed nations receiving the manufacturing or "good" contributive enterprises, and the developing countries being the areas where extractive or "bad" industries (except for certain Mid-East nations) are plentiful, one could easily imagine leaders in the developing nations alleging an implied double standard. Since the developed nations are usually home-base countries for most subsidiaries operating in the developing countries, it's quite possible that local leaders of developing nations see the actions of the developed nations geared toward depleting the resources of their developing nations: Thereby, making the developing nations "wards" of the more powerful developed countries.

An additional explanation for the bipolarity between the developed and developing nations is much easier to see. As we have shown, the home-bases of most multinationals are

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^3 Observe in Table 7, on page 61 that the number of extractive industries starting in various areas has decreased significantly as the study approaches the mid-1960's. This point certainly agrees with the issues that we have raised in this paper. That is, lately parent companies of multinationals have not found it easy to spread their extractive subsidiaries (especially in developing nations) because of increased hostility toward them.
developed countries, and the activities of the subsidiaries of these multinationals (as we have said on several occasions) is perceived by several developing nations' as policies of the nation in which the home-bases are located. This preferred idea of several developing nations leaders reflects a long-standing attitude among developing nations' people that the flag of home-based companies follows the subsidiaries. Thus, attitudes and behaviors (friendly and hostile) directed at the subsidiary are also directed at the home-based nation. In addition, since the subsidiary is part of a home-based company (and because on several occasions the flag has followed the company) developed nations have generally alligned with the multinationals. The result, because of these points; because of the conflict between the multinationals who advocate an interrelated world policy versus nations with domestic priorities; because of the demand for political sovereignty by developing nations, and the call for control of resources and economic destinies, developed and developing nations have become increasingly polarized on the issue of multinational corporations.

Our task now is to explain the data, and the methods that have been employed to examine these data.
CHAPTER III

THE DATA, APPROACH, AND METHOD(S) OF ANALYSIS

Introduction

This chapter will present the sources that are used in the study, as well as explanations of why the sources were chosen. Conceptual and operational definitions of variables are also provided. In addition, listings of the samples of nations are given, along with reasons for the choice of these countries.

The technical aspects of the research are also revealed in this chapter. The design of the study is provided, along with the data to be examined. The criteria for looking at the data are also presented. The coding system for the data is explained, and operational definitions of selected variables are given. A reporting format is also provided that arranges the data in an orderly fashion. A summary of the chapter is given.
Sources of Data and Other Information Used in the Study

There were six initial sources (New York Times Index, African Recorder, Middle East Journal (Chronology), Hispanic American Review, Asian Recorder, and the Arab World) used in the research. It was hoped that multiple sources would add credibility to the paper. More importantly, the feeling of the researcher and others was that more than one source would help to provide data missed by another source, and in some instances this was true—particularly for African and Middle Eastern nations. In fact, had it not been for two sources in addition to the New York Times Index, several countries from Africa and the Middle East would have been dropped because of a lack of data. Supplementary sources were provided where data seemed scanty.

Using multiple sources may permit us to hurdle the "Source Coverage Problem", as has been suggested by (E. Azar and S. Cohen, et al., 1972). Because of misinterpretation by the researcher or coder, and similar reasons, various sources still may not allow a researcher to grasp the "true picture" of international behavior among nations and other actors, or

A scholar who depends on a single source for generating events data, no matter how refined his coding and measuring techniques, might obtain an image of inter-nation (other actor's) behavior quite distinct from another scholar using different sources. (E. Azar and S. H. Cohen, Journal of Conflict Resolution, 1972, pp. 374-375).

We believe, therefore, that perceived images reported
accordingly in the respective sources, may have some error when compared (in some manner unknown to me) to the real situation; hopefully, its an error factor that has been minimized by using multiple sources and requiring at least eighty percent intercoder agreement.

If we might again call upon the work of (Azar, et al., 1972), the authors suggest that there is really no rigorous procedure for studying particular questions about internation (or other actors') behaviors; however, the researchers do suggest a few guidelines that they found helpful in events data research. They are:

1) Sufficient amount of data in the source
2) (In their case) Was in English
3) Publicly available
4) Used by previous scholars
5) Compiled in different nations
6) Intercoder reliability check

The present work on multinationals has made use of the above suggestions. In the first place, sources were chosen, in some respects, because of the availability of data. Secondly, all sources were in English (although a blessing, it was not absolutely necessary). Thirdly, each source was publicly available, and has been used extensively by previous scholars. Fortunately, one source, The African Recorder, is published abroad in New Delhi--utilizing several national papers to gather opinions and facts. And lastly, an intercoder reliability check is used.
As for the various sources chosen for the research, they were chosen from an initial list of six. These included: New York Times Index, African Recorder, Middle East Journal (Chronology), Hispanic American Review, Asian Recorder, and the Arab World. The latter three were not used because they did not provide bare amounts of data. The former three were chosen because they met the need of providing data, and later were found to fit criteria suggested by Azar, et al. Also, the chosen sources were able to complement each other by one providing sufficient amounts of data relevant to the countries selected for the study whenever another was found to be insufficient for this purpose. More about selection of sources is covered below.

As revealed earlier, a major source for the research is The New York Times Index. This source was chosen for three reasons. First, it has a reputation of being a generally reliable source. It has been used as a source in such reputable research as the World Event/Interaction Survey (WEIS), and is the principle source of data for the Deadline Data Series (of which approximately seventy percent of the data are gathered from the New York Times). Secondly, since a very large majority of the multinational corporations are home based in the United States, it is believed that any action

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4 The researcher has looked at the New York Times to examine many of the statements and stories found in the New York Times Index and found little content discrepancies between the sources. The only difference between both sources was the longer length of the stories in the New York Times compared to its Index. However, I observed no appreciable difference in the thematic content.
affecting subsidiaries of the corporations will be covered in the New York Times, regardless of the nations involved. And thirdly, the New York Times Index provided the researcher with excellent statements and stories that zeroed in on the topic of multinational corporations. Finally, while the Index of the New York Times was selected as a principle source of information, one shortcoming is apparent—the selective biases of New York Times' reporters, editors, etc. Admittedly, very little can be done about this problem, and it is recognized as an error factor, although it would occur regardless of the source used.

An excellent source of information was found to be the African Recorder. It is a bi-weekly account of news, announcements, speeches, and special events affecting and involving nations of the African continent, and it is published in New Delhi. Among the several sources drawn upon by the Recorder are:

Al Ahram
East African Standard, Nairobi
Evening News, Accra
International Herald Tribune
Le Monde, Paris
Middle East Economic Digest
New Africa, London
The Arab Observer
The Baghdad Observer
The Egyptian Gazette, Cairo
The Egyptian Mail, Cairo
The Hindustan Times, New Delhi
The Indian Express, Bombay and New Delhi
The Nationalist, Dar-es-Salaam
The New York Times, West Africa
The Pakistan Times, Lahore
The Statesman, Calcutta
The Times of India, New Delhi
The Times, London

The African Recorder was chosen because of its sensitivity to issues involving African nations. As seen in the impressive list of news sources, various national opinions and expressions of attitudes are found in the African Recorder. In fact, the African Recorder is a multiple source, and the facts and opinions contained in its statements about multinational corporations should add to the credibility of the research.

The final major source of information used in the paper is the Middle East Journal (Quarterly Chronology Section). Statements, speeches, and various news accounts about Middle East nations are elaborated in the Journal. It is a fine source that allows the researcher to gather invaluable information about the multinational corporations operating in such nations as Iran, Iraq, Kuwait, and Saudi Arabia. Much of the information and many of the statements found in the Middle East Journal are not found in the New York Times, or the African Recorder. As a result, additional statements
about Middle East nations' attitudes on the multinational corporations are found and are an asset for the research.

Some data were obtained from the Vaupel and Curhan study (1969)—The Making of Multinational Enterprise, and this information is appropriately identified in the research. The use of multiple sources from which to draw statements about multinationals provides ample opportunity for various perspectives to enter final calculations of the data; the results being, hopefully, a better picture of the several governments' attitudes that are expressed about this international actor.
The Data, Design, Methodology, and Approach

Events data comprise much of that which have been chosen for the study; yet some of the data do not relate to specific events but instead to public announcements of specific attitudes, etc. However, since signals between actors may be verbal, or physical and characterized as actions, or interactions, transactions and perceptions, (according to Azar, et al., 1972), verbal announcements are bonafide exchanges among international actors. Throughout this paper we will accept international events as overt (verbal or physical) behaviors of national or international political actors toward each other or their environments. (E. Azar and S. H. Cohen, et al. in International Studies Quarterly, April, 1972). The hope of the research (as in past events data research) is to: 1) Classify the events into types of events and 2) Measure them along a specific dimension--attitude toward multinational corporations.

R. A. Brody (1972) has provided a good answer to the question, "Why use events data?". His response is, "What nations do to each other is one important source for explanation of how they see each other and how they act toward each other." (Richard Brody, in International Studies Quarterly, April, 1972). In taking off from Brody's point, we might also suggest that the way in which nations express attitudes toward each other (or other international actors--e.g. multinational corporations) may also be an important source to
explain how these international actors act (or may act) toward each other or other international actors. Brody explains that what nation A does to nation B (we will consider this x) has to be measured and counted. In this manner, x is regarded as the unit of analysis and should be aggregated with all other x's within some unit of time. Therefore, the unit of analysis becomes the single act by a nation-state, and from observing and counting the respective units of analysis (the x's), we may begin to offer explanations of how a nation views or is viewed by other nations or international actors (e.g. multinationals).

The hope of this research is to make use of events data to enable us to identify a sufficient number of (x's)--Attitudes of Various Nations Toward Multinational Corporations. There is much description in what is attempted here, but the approach does not completely follow the path of Diplomatic historians. Criticisms of the diplomatic historic approach have suggested this technique to be too specific and individualistic to the (usually two) nations involved. In the past, the diplomatic history approach would describe one nation's actions toward another, and while this may be useful, it was very limited and motive oriented. On the other hand, McClelland (in International Studies Quarterly, 1972, pp. 17-18) points out that a major objective of international relations is "to describe and explain international conduct (which can be accomplished) through a careful examination of the acts
committed by governments on behalf of their regimes and pol-

ities." He goes on to say, however, that ". . . the theoret-
tical effort in the study of international relations over the
past two decades has been, in part, a reaction against just
such explanations; and further, that current work in interna-
tional event analysis shows no orientation toward this kind
of explanation." McClelland states quite clearly that he
feels hypotheses derived from available conceptions, models,
theories, etc., should be tested against bodies of event data
in order to complement the descriptive and explanatory value
derived from events data (in International Studies Quarterly,
1972, p. 18).

The present research on multinationals will not attempt
to test any available theories against the obtained data, as
few theories have been offered concerning the international
companies. On the other hand, some hypotheses and proposi-
tions are presented which do permit testing. In this manner,
as suggested by Richard Brody (in K. Knorr and J. Rosenau
(ed.) 1970, p. 126), the event-interaction data and approach
are used ". . . to generate and test hypotheses about the fre-
quency and intensity of interaction between nations (or other
actors) in various kinds of situations." These hypotheses
underlie much of what is suggested and concluded in the paper.

In using events data, the principle methodology of the
research is content analysis. We intend to quantify, using
content analysis, themes from official government statements
that have meaning as to the attitude and behavior of a given nation about the multinational corporation. The belief here is that national government attitudes about the large corporations should appear in official statements that have been made by government officials whenever speaking on the subject. Admittedly, official statements may be purposely misleading and little can be done to correct this error. However, every statement will be coded according to the systematic scheme described below. The objective of the content analysis is to examine the thematic content of all statements found to be of relevance to the study. Several scholars have made use of content analysis. Merritt (1970, p. 19) in quoting Alexander George, states that quantitative content analysis substitutes controlled observation and systematic counting for impressionistic ways of observing frequencies of occurrence of content variables; it is also a systematic methodology useful for the analysis of cultural phenomena. Robert Jervis (in K. Knorr and J. Rosenau, 1970, p. 179) notes Ole Holsti's definition of content analysis as an "attempt to infer the characteristics and intentions of sources from the inspection of the messages they provide." Others such as (Lasswell, et al., 1952; Berleson, 1952; North, Zinnes, Holsti, 1963; Budd, et al., 1967; Zinnes, in Singer, 1968; and Holsti, 1964 and in Rosenau, 1969) have used quantitative content analysis with varying success. As an example, Ole Holsti did a content analysis of 434 documents of Congressional testimony,
press conferences, and addresses to test the relationship between belief system and perceptions of other nations. In his research, Holsti examined the available public statements made by John F. Dulles about the Soviet Union during the period 1953-1959. Although Holsti concluded that Dulles had perceived the Soviet Union in a manner consistent with his belief system, he suggested that the function of the belief systems in international politics must await additional research. One point has come through in his research, and that being content analysis is a valuable research approach that can be utilized in behavioral science research—including International Politics (see O. R. Holsti in James N. Rosenau (ed.) 1969, and for additional research by the same author, see John E. Mueller (ed.) 1969).

In most instances, each researcher has attempted to ascertain the why, who says what to whom, and with what effect (Merritt, 1970, p. 64). In each analysis of contents, the message is considered the what; "It is the systematic, objective, and quantitative characterization of content variables manifest or latent in a message." (Merritt, 1970, p. 64). As we examine the official statements, the principle objective of the content analysis is to tabulate the frequency and covariance with which certain types of statements appear over a given period of time.

The design of the study is longitudinal and will cover the period 1963-1973 (where 1964-1968 is designated as the
first five year period, and 1969-1973 is designated as the second five year period). These periods were chosen because of the rapid rise of multinational corporations during this time. In addition, we suspect that during 1963-1973 governments included in the study have been increasingly called upon by their constituents and other interest groups, and so forth, to take a stand relative to foreign companies operating on their soils. Consequently, this time period should be an excellent opportunity to examine the respective stances on multinationals taken by the twenty-eight nations of the research. Only official statements to the press by government officials, statements made in the United Nations, and national addresses by official government leaders are operationally defined as official government statements about the multinational corporation. The reason for this requirement is that the analysis wishes to tap the official government attitude concerning multinational corporations—not just John Doe on the street. Furthermore, the paper will quantify the distance between the official government attitude of developed and developing nations toward the multinational corporation. (See diagram on the next page.)
Illustration 1.

A = Distance between the two groups (1963). Measured by attitude toward M.N.C.

B = New Distance between the two groups in 1968 (Increase by a % difference equal to the mean score of the gap between Friendly and Unfriendly scored categories of the content analyzed documents.

C = New Distance between the two groups in 1973 (Which is greater than the distance of 1968 and is a greater increase during 1969-1973 as compared to 1964-1963. Again, this larger % difference is equal to the mean score of the gap between Friendly and Unfriendly scored categories of the content analyzed documents.

Increasing Bipolarity Between Developed and Developing Nations on Attitudes Toward Multinational Corporations
Variables and Definitions

Conceptual and operational definitions utilized throughout the paper include:

1. Developed and Developing nations—Have been chosen from *The United Nations Handbook of International Trade and Development Statistics*. Development is used here simply as a physical control to distinguish two groups of nations, and were classified in the U.N. Handbook in distinct categories according to a) Population  b) Area Density  c) Gross National Product--total and per capita  d) Agricultural food production  e) Caloric consumption  f) Energy consumption  g) Newspapers in circulation and h) Life expectancy of males (See: Part VI of above mentioned book).

2. Multinational Corporation—Conceptually and operationally defined as a cluster of corporations of different nationalities that are bound together by a parent company through bonds of common ownership that respond to a common strategy, and that draw on a common pool of human resources (Raymond Vernon in Keohane and Nye, 1973, p. 344). Moreover, it is a corporation that participates directly in the business activities in two or more countries and exercises a degree of central control over those activities (John Fayerweather, in A. Kapoor and Phillip D. Grub, 1972, p. 340).

3. National Sovereignty—A condition of which a government has exclusive jurisdiction over all business entities and
activities within the national territory (Franklin Root, in Kapoor and Grub, *op. cit.*, p. 354).

4. Nationalism--Commitment of the members of a nation to the principles of cohesion and adherence to the nation, its welfare, shared values, attitudes, ideology, mutual support, and security (John Fayerweather, *op. cit.*, p. 340).

5. Sample Distance--A condition that is characterized by two major blocs, each bloc has separate attitudes or positions on the multinational corporation.


   a. Finance--Movement of money and instruments of credit.

   b. Transnational Interactions--Interactions describing movements of tangible or intangible items across state boundaries when at least one actor is not an agent of a government or an intergovernmental organization.

   c. Transnational Behavior--When individuals and/or organizations play direct roles vis-a'-vis foreign governments or foreign societies and thus bypass their own governments.

7. Direct Investment Capital Flows--A measurement of the increase or decrease of the investment in, or claims on, foreign affiliates resulting from a change in the capital invested, contributed, or loaned by foreign investors--includes
holding of capital stock, contributed capital, long and short-
term indebtedness, and any other intercompany account (U.S. Dir-
ect Investments Abroad, 1966, p. 15).

8. Net Earnings—A measurement of the foreign owners' 
share, based on percentage of ownership, in the after-tax 
net earnings of foreign affiliates (IBID. p. 24).

9. Royalties—Are receipts for the use of intangible 
property, such as patent rights, manufacturing processes and 
know-how, trade-marks, copyrights, and licenses (IBID. p. 24).
Selecting the Samples

Many researcher make use of random sampling to draw their samples. With this procedure every individual in the population has an equal and independent chance of being chosen for the sample (W. J. Dixon and F. J. Massey, Jr., 1969, p. 40). The same authors go on to say that the random method of choosing a sample is by no means always the best, and in some cases a different approach will give more precise information. Under certain circumstances, they argue, we may wish to survey some characteristic(s) of a population, and frequently a sampling design involving "stratification" of the population is often used and will, if used correctly, give more precise information about the population than random sampling. Assuming this point to be accurate, two stratified non-random samples were chosen. Communist countries and some other centrally planned economies were not chosen because multinationals have just begun to enter these areas, and because of a lack of data.

The nations chosen for this research are:

<table>
<thead>
<tr>
<th>Developed Nations</th>
<th>N=7 (total Developed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>011 Belgium</td>
<td>Belgium and Canada are host developed countries where at least twenty percent of the total gross industrial capital formation is/was made by foreign investors. (G. R. Thoman, 1973, p. 7).</td>
</tr>
<tr>
<td>012 Canada</td>
<td></td>
</tr>
<tr>
<td>013 France</td>
<td></td>
</tr>
<tr>
<td>014 Germany</td>
<td></td>
</tr>
<tr>
<td>015 United Kingdom</td>
<td></td>
</tr>
<tr>
<td>016 Japan</td>
<td></td>
</tr>
<tr>
<td>017 United States</td>
<td></td>
</tr>
</tbody>
</table>
Developing Nations  N=21 (total Developing)

<table>
<thead>
<tr>
<th>Africa  N=8</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>121</td>
<td>Algeria</td>
</tr>
<tr>
<td>122</td>
<td>Congo (Republic of) and Zaire after 1970</td>
</tr>
<tr>
<td>123</td>
<td>Egypt (United Arab Republic)</td>
</tr>
<tr>
<td>124</td>
<td>Libyan Arab Republic</td>
</tr>
<tr>
<td>125</td>
<td>Nigeria</td>
</tr>
<tr>
<td>126</td>
<td>Ghana</td>
</tr>
<tr>
<td>127</td>
<td>Kenya</td>
</tr>
<tr>
<td>128</td>
<td>Uganda</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Middle East N=4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>131</td>
<td>Iran</td>
</tr>
<tr>
<td>132</td>
<td>Iraq</td>
</tr>
<tr>
<td>133</td>
<td>Kuwait</td>
</tr>
<tr>
<td>134</td>
<td>Saudi Arabia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>South America N=7</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>141</td>
<td>Argentina</td>
</tr>
<tr>
<td>142</td>
<td>Bolivia</td>
</tr>
<tr>
<td>143</td>
<td>Brazil</td>
</tr>
<tr>
<td>144</td>
<td>Chile</td>
</tr>
<tr>
<td>145</td>
<td>Colombia</td>
</tr>
<tr>
<td>146</td>
<td>Peru</td>
</tr>
<tr>
<td>147</td>
<td>Venezuela</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mexico, Jamaica N=2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>151</td>
<td>Mexico</td>
</tr>
<tr>
<td>152</td>
<td>Jamaica</td>
</tr>
</tbody>
</table>

a) The first digit of the three digit number identifies the grouping. Such that 0 = Developed
   1 = Developing

b) The second digit of the three digit number (for developing nations only) identifies sub-groups of the Developing nations, e.g. 2 is Africa
   3 is Middle East
   4 is South America
   5 is Mexico and Jamaica

There are distinct reasons and criteria used in deciding which nations to include in the study. First, it goes
without saying that few (if any studies, which do not have large staffs and facilities) would attempt to include the total universe of nations; therefore, a sample of nations was decided. More correctly, since development is used as a physical variation between the two groups of nations, two samples (one for developed and the other for developing countries) were chosen. The countries were picked according to the criteria and reasons which follow.
The Developed Nations

For the developed nations, we decided to look at (Direct Foreign Investments, Accumulated Assets by Major Countries of Ownership--end of 1966--which is the most recent comprehensive data according to a 1968 survey by the Organization for Economic Cooperation and Development--OECD). Much of the literature, including Vernon (1971), Kapoor and Grub (1972), and others reveal that developed nations are the home bases for an overwhelming majority of multinationals. Therefore, direct foreign investment is used here as a measure of this ownership of multinational corporations. If the total World picture is examined using the suggested criterion, the following emerges (see p. 50).

As the data show, the seven developed nations chosen for this study account for over ninety-one percent of the International Direct Investment, which is to say that over ninety-one percent of the multinational operations is directly linked to the activities of these companies within the above seven developed countries. While the sample of nations is a stratified non-random selection, this pattern resulted because of the criterion used, and being that one of the objectives of the study was to tap attitudes of nations concerning multinational corporations, it seemed quite justified to include those nations that account for ownership of over ninety-one percent of direct foreign investments. Moreover, except for estimates of direct foreign investment
### TABLE 8

**Direct Foreign Investment, Accumulated Assets, by Major Countries of Ownership, end 1966**
*(book value in billions of dollars)*

<table>
<thead>
<tr>
<th>Countries (Developed N=7)</th>
<th>International Direct Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>World (non-communist countries)</td>
<td>$89.583 billion</td>
</tr>
<tr>
<td>United States</td>
<td>54.462 billion</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>16.002 billion</td>
</tr>
<tr>
<td>France</td>
<td>4.000 billion</td>
</tr>
<tr>
<td>Canada</td>
<td>3.238 billion</td>
</tr>
<tr>
<td>W. Germany</td>
<td>2.500 billion</td>
</tr>
<tr>
<td>Japan</td>
<td>1.000 billion</td>
</tr>
<tr>
<td>Belgium (Included so as to look at attitudes and behaviors of a host developed nation, in addition to Canada)</td>
<td>1.000 billion</td>
</tr>
<tr>
<td>Total direct investment for the seven nations</td>
<td>$82.202 billion or ninety-one percent of the world's total direct foreign investment. Which is the same as saying that these nations are the home base (through ownership of direct investments) for 91% of the world's multinational corporations. (excluding communist countries).</td>
</tr>
</tbody>
</table>

(From another source (S. H. Robock and K. Simmonds in A. Kapoor and P. D. Grub, 1972, p. 90). Three other countries—Italy, Switzerland, and the Netherlands are estimated to have higher amounts of direct foreign investments in 1966 than Belgium and Japan; but the statistics were not conclusive. The above seven nations were retained on the basis of available conclusive data provided by the United States Department of Commerce).

activities of Switzerland, Italy, and the Netherlands, each nation of the sample had investments greater than any other nation in the world (excluding some communist nations). The attitudes and behaviors prevailing from this stratified non-random sample are not estimates of how the population of developed nations, as a whole feel or act toward multinationals. Instead, the assumption is that the data gathered on this sample may function as an estimate of how governments that are major home-bases for large multinational corporations act and relate to these industrial giants. It is quite conceivable that certain developed nations, outside of this sample, may share completely opposite ideas and exhibit distinct behaviors toward the large corporations as compared to the seven nations of this study.
The Developing Nations

Choosing the developing nations required different criteria. In the first place, we were concerned about the destination points of the World's Direct Foreign Investments. So in using the United States' Net Capital Flows (1966), as an estimate of World Net Capital Flows, the developing nations were identified. Since American multinationals account for over seventy percent of all direct foreign investments—which include capital flows to other nations—(see: The Multinational Corporation: Part III, U. S. Commerce Department, March 1972, p. 3) the United States' net capital flow as an indicator of multinational activity within various nations seems reliable.

When listing United States' net capital flows, the U.S. Commerce Department divides the international system into six principle areas. These include: Europe, Canada, Latin America, Africa, Middle East, and the Far East. The developing nations were chosen from Latin America, Africa and the Middle East. Of the three groups, Latin America emerges as the largest recipient of United States' net capital flows. The picture stacks up accordingly (see Table 9, p. 89).

The stratified, non-random Latin American sample was chosen because the nations accounted for over ninety percent of the United States' net capital flows to this area. No other Latin American nation (except for Costa Rica, Nicaragua, and Panama) had a net capital flow greater than any of the
<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Areas</td>
<td>$4.267 billion</td>
</tr>
<tr>
<td>Europe (developed)</td>
<td>$1.970 billion</td>
</tr>
<tr>
<td>Canada (developed)</td>
<td>1.336 billion</td>
</tr>
<tr>
<td>Latin America</td>
<td>.276 billion</td>
</tr>
<tr>
<td>Africa</td>
<td>.108 billion</td>
</tr>
<tr>
<td>Middle East</td>
<td>.068 billion</td>
</tr>
<tr>
<td>Far East</td>
<td>.301 billion</td>
</tr>
</tbody>
</table>

**Latin America N=7**

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$ .089 billion</td>
</tr>
<tr>
<td>Mexico</td>
<td>.074 billion</td>
</tr>
<tr>
<td>Venezuela</td>
<td>-.047 billion (more $ to U.S.)</td>
</tr>
<tr>
<td>Colombia</td>
<td>.028 billion</td>
</tr>
<tr>
<td>Bolivia</td>
<td>.020 billion</td>
</tr>
<tr>
<td>Argentina</td>
<td>.006 billion</td>
</tr>
<tr>
<td>Chile</td>
<td>.006 billion</td>
</tr>
</tbody>
</table>

**Total**

$ .223 billion (excludes Venezuela)

**Africa N=8**

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>$.073 billion</td>
</tr>
<tr>
<td>Libya</td>
<td>-.044 billion (more $ to U.S.)</td>
</tr>
<tr>
<td>Egypt</td>
<td>.030 billion</td>
</tr>
<tr>
<td>Algeria</td>
<td>.007 billion</td>
</tr>
<tr>
<td>Ghana</td>
<td>.005 billion</td>
</tr>
<tr>
<td>Kenya</td>
<td>-.002 billion (more $ to U.S.)</td>
</tr>
<tr>
<td>Congo (Belgian)</td>
<td>---</td>
</tr>
<tr>
<td>Uganda</td>
<td>---</td>
</tr>
</tbody>
</table>

**Total**

$ .103 billion (excludes all negative values)

---

seven nations selected for the sample. In addition, while we examined the *New York Times Index* and the *Hispanic American Review*, we were unable to find adequate amounts of data for Nicaragua, Panama, and Costa Rica. Therefore, we retained only the seven nations. (Jamaica's net capital flows for 1966 are $37 million, but was second to the Bahamas which equals $49 million. Jamaica was also included because it had large net capital flows and provided more data than the Bahamas.

The eight African nations in Table 9 were chosen because they accounted for almost the total net capital flows into Africa (negative net capital flows of other nations are not included in the calculations). No other developing nation in Africa had a net capital flow greater than the lowest nation's for which we have values and were able to gather data. As for Uganda and the Congo, they were included because they provided adequate amounts of data; and were chosen in hopes of presenting some additional African views and behaviors toward multinational corporations.

We also investigated Ethiopia, Liberia, and the Ivory Coast because of their large capital flows, but after searching the *New York Times Index*, and the *African Recorder*, we could not find sufficient data to include them in the study.
TABLE 10

Value of 1966 Exports in Current Prices

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East (West Asia) N=4</td>
<td>$7.22 billion</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1.744 billion</td>
</tr>
<tr>
<td>Iran</td>
<td>1.309 billion</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.304 billion</td>
</tr>
<tr>
<td>Iraq</td>
<td>.934 billion</td>
</tr>
<tr>
<td>Total</td>
<td>$5.291 billion</td>
</tr>
</tbody>
</table>

Except for Iran, the sources we used did not provide data on net capital flows or direct foreign investment in various nations of the Middle East area. We decided to make use of national exports reasoning that since this area has little "native" industry, most of Middle East exports probably result from the actions of large multinational oil corporations.

As the above figures indicate, the four nations chosen for the study account for approximately seventy-five percent of all exports in this region. No other nation of the region, including Israel, had exports amounting to even one-half the value of goods coming from the smallest exporter of the four nations chosen from this area. Moreover, Israel was not included because we were concerned about its ambiguous status of being classified as a developed nation at one time and developing country at other times. Our final decision was to retain the stratified, non-random sample of four nations, based on a selection criteria of 1966 exports in current prices.

Source for the above data: (Handbook of International Trade and Development Statistics, United Nations, New York; 1972, pp. 6-7).
As we have tried to explain why we selected the twenty-eight nations to be included in the study, careful attention has been given to explaining the stratified, non-random samples. The point here is had we chosen nations at random, our selection may have provided us with a sample of nations whose association and involvement with multinationals, at best, may have been very minimal. In addition, data may have been hard to come by because the randomly selected nations may not (because of a lack of exposure to multinationals) have expressed any public statements or exhibited behaviors toward the corporations.

On the other hand, the stratified, non-random sample has enabled us to identify nations that have had exposure to and are involved with the operations of several multinationals. Whether the nations have acted as home bases for the companies or have been the areas in which several subsidiaries are located, the nations selected for the two samples are good choices for a study that wishes to tap attitudes and behaviors of nations toward the multinational corporations. For this reason, we have chosen the stratified, non-random sampling design which has resulted in the two samples of this study.
Measurement Techniques

The analysis proceeds as follows. The nations have been selected and now that the respective statements that deal with multinational corporations are identified, we have searched for various categories of themes devoted to the topic. Each statement has been made by a representative(s) of one of the nations of the samples. A numerical score is then given to each thematic category and every statement is classified under one of the following seven headings.

1) Moderately Friendly (MOD FRIEND)--Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being for and supportive of the multinational corporation, its subsidiaries, and direct private foreign investments. (e.g. "The Secretary claims that direct private foreign investments are good for Brazil's welfare improvements."). (+2 score)

2) Friendly (FRIEND)--Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being for and supportive of the multinational corporation, its subsidiaries, and direct private foreign investments by welcoming or inviting the expansion of the same in the respective country. (e.g. "President Nasser of Egypt announced that his country encourages multinational corporate investments."). (+4 score)

3) Very Friendly (VRY FRIEND)--Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being for and supportive of the multinational corporation, its subsidiaries, and direct private foreign investments through the government and/or its officials offering tax incentives, and other legal and governmental support to the
investing company(ies). (e.g. "The Prime Minister of Jamaica has announced that all private foreign investments will receive an additional eleven percent tax break."). (+6 score)

4) Neutral (NEU)—No visible statement(s) or behavior toward or about the multinational corporation, its subsidiaries, or direct private foreign investments, by the nation, or its representatives during a given period. This identifies a nation's yearly position and is not used to classify statements. (0 score)

5) Moderately Hostile (MOD HOS)—Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being against the multinational corporation, its subsidiaries, and direct private foreign investments through the government or its representatives expressing statements against foreign control of resources or economic sectors of the society. (e.g. "Prime Minister Trudeau has announced that Canada does not want American corporate domination of Canadian industry."). (-2 score)

6) Hostile (HOS)—Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being against the multinational corporation, its subsidiaries, and direct private foreign investments with specific laws, agreements, or statements limiting profits remitted abroad, control of stock, or corporate ventures. (e.g. "The Peruvian government's Minister of Finance has just announced that subsidiaries of foreign corporations will be permitted to remit abroad a maximum of 12.5 percent in profits."). (-4 score)

7) Very Hostile (VRY HOS)—Conceptually and operationally defined as statements and behaviors showing a nation's attitude as being against the multinational corporation, its subsidiaries, or direct private foreign investments, and the statement incorporates behaviors and/or anticipated action such as nationalization, expropriation, "takeover", or expelling (keeping out) foreign firms and/or investments. (e.g.
"Venezuela's President announced on May 15 that foreign oil companies will be expropriated and nationalized." (-6 score)

The following are code identification and scores for the statements to be used. They are:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Code Identification</th>
<th>Quantifiable Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Moderately Friendly</td>
<td>MOD FREND</td>
<td>= +2</td>
</tr>
<tr>
<td>2. Friendly</td>
<td>FREND</td>
<td>= +4</td>
</tr>
<tr>
<td>3. Very Friendly</td>
<td>VRY FREND</td>
<td>= +6</td>
</tr>
<tr>
<td>4. Neutral</td>
<td>NEU</td>
<td>= 0</td>
</tr>
<tr>
<td>5. Moderately Hostile</td>
<td>MOD HOS</td>
<td>= -2</td>
</tr>
<tr>
<td>6. Hostile</td>
<td>HOS</td>
<td>= -4</td>
</tr>
<tr>
<td>7. Very Hostile</td>
<td>VRY HOS</td>
<td>= -6</td>
</tr>
</tbody>
</table>

The reader should know that specific reasons were employed in developing the preceding scoring measurements. The initial thought of the researcher was to look at Hostile or Friendly statements according to:

1) **Support** of Hostile or Friendly attitudes and behaviors (score +2 or -2) Moderately Hostile or Friendly category.
2) **Expansion** of Hostile or Friendly attitudes and behaviors (score +4 or -4) Hostile or Friendly category.
3) **Institution** (through laws and so forth) of Hostile or Friendly attitudes and behaviors. (score +6 or -6) Very Hostile or Very Friendly category.

Each level or category represents a different degree of hostility or friendliness, and the score(s) given to the statements
will reflect this. Elsewhere, Burgess and Peterson (1971, p. 8) in discussing possible ways to operationalize external hostile behavior, suggest that the task might be done by computing the ratio of friendly to unfriendly public pronouncements made by foreign policy officials. The scheme made use of in this paper is close to that recommended by the authors.

The reader by now is aware that an objective of this thesis is to show a difference (in central tendency) between the two samples with respect to attitudes and behaviors toward the multinational corporations. In order to substantiate or deny the claims made in the earlier hypotheses of the paper, credible evidence is needed. Such evidence need show a difference in central tendencies (of attitude and behaviors toward multinational corporations) among the different nations of the two groups, as well as a difference in central tendencies between the two samples of the study.

Dixon and Massey (1969), Roscoe (1969), and Blalock (1960), as well as others, suggest that the arithmetic mean is a measure of central tendency. In fact, Blalock (1960, p. 66) further asserts that, "The mean is the most satisfactory measure (of central tendency of the sample) under most circumstances." The author goes on to say that the mean is an inappropriate measure when there are considerably more cases or scores in one direction. This is so because the mean may move in the direction of the large number of cases and under
these circumstances, distort the central tendency of the sample. Therefore, as scores tend to be in one direction, it might be best to make use of the mode or median—preferably the median—which is also a measure of central tendency. According to Blalock (1969, p. 49), the median is that number which has the property of having the same number of scores with smaller values as there are with larger values. Therefore, in a sample with scores 79, 89, 85, 67, and 59, the median is 79. However, when the N sample size is even, the median is computed differently. Accordingly, the value of the arithmetic mean of the two middle cases becomes the median. For example, with scores (+6, +6, +6, 0) the median becomes (+6, +6)/2 or +6. The mode would have resulted in the same figure.

A second concern in using the mean is that it is affected by extreme values, whereas the median will be unaffected—unless the value of the middle case is also changed. Let us illustrate. If we use the earlier figures of 79, 89, 85, 67, and 59, the median was 79 and the mean 75.8. Yet, when extreme values enter the calculations, the mean is affected significantly. If the scores become 100, 105, 79, 67, 59, and the median remains the same; but the mean works out to a value of 82 or larger had the extreme scores been higher. The result being that the mean has been significantly affected by the bigger cases in the sample.
Despite the two shortcomings of the mean, Blalock (1960, p. 55), and Roscoe (1969, p. 39) claim that the mean is generally a more stable measure than the median as it varies less from sample to sample. Furthermore, as noted earlier, except when the distribution is highly skewed, i.e., whenever there are many more extreme scores in one direction than the other, it is best to use the mean in preference to the median or mode. In addition, the mean uses more information than the median or mode in that all the exact scores are used in computing the mean, whereas the median uses only the score of the middle case and the mode only the score that appears more often. The mean is the sum of all scores divided by the total number of cases involved.

Since statements are identified with a given nation, it was simple to calculate the mean score for a nation over a given period of time. A nation's yearly mean score was calculated simply by adding up all the scores given to the statements made by the nation's spokesman during that year. This was done for each nation and for every year of the study (1963-1973). The outcome being that Total score for statements/Number of statements made during the year equals Nation's Yearly Mean score. (As an interpretation, it is the central tendency measure of a given nation's attitude and behavior towards the multinational corporations as reported for each one year period of the study.) In computing the Arithmetic Mean, we make use of the formula that appears on the next page.
First, statements were numbered consecutively. Next we coded all content statements obtained from the various sources. The range of the scores (as shown on pp. 93-94) is -6 to +6, with each statement receiving only one score. In addition, as a measure of intercoder reliability, we make use of the Pearson product-moment correlation coefficient and have set the acceptable standard of intercoder agreement of at least eighty percent. The use of $P_o$ is quite appropriate and in Chapter IV, we reveal the results of intercoder reliability check.

To get a measure of intercoder reliability, one hundred statements were randomly selected by the author to be coded by four other persons. As each statement was numbered, a table of random numbers was used to select the sample of one hundred statements. These statements were not identified by country or origin (who made the statement, etc.), and the previous score given to the statement by the author had been erased. Each coder was of at least junior rank at the University, and was given a verbal and written explanation of the coding system that appears on pages 93-94. The coders were instructed to give only one score per statement. Also, they were kept apart and were not allowed to exchange comments with each other.
Since all of the statements were in English, we did not encounter any problems related to language interpretation. However, an occasional question did arise regarding the content of a particular statement. Such questions were answered by the author—who most often instructed the coder to interpret the statement according to his/her perception of its contents.

After each coder had marked a score next to the respective statements, this information was collected. Calculations were made on intercoder reliability among the coders, including the author.
The reporting format used in the analysis is:

1963

<table>
<thead>
<tr>
<th>Nation</th>
<th>N-size (# of statements)</th>
<th>Yearly Mean</th>
<th>Yearly Standard Deviation</th>
<th>Category (FRIEND, HOS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Canada</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

(This format is used for each year through 1973)

Based on each nation's mean score for the year—and noting its standard deviation—it will be placed in the Friendly or Hostile category. Nations with fractional means (e.g. 2-1/3) are placed in the nearest (in this example, +2) friendly or hostile category. For any given year, we feel that a significantly larger number of developing nations will appear in the Hostile category, while more developed nations will fall in the Friendly category.

The next step will be to look at some basic trends in attitudes and behaviors toward multinationals during each of the two chosen five year periods. The mean score for attitudes and behaviors toward multinational corporations for each of the two samples—developing nations and developed nations, respectively—will be calculated for each of the five year periods. This is reported accordingly: (See next page).

As the data are examined in Chapter IV, Hypothesis I (p. 44) will be confirmed or denied on how developed and developing nations line up relative to their attitudes and behaviors toward multinational corporations.
First Five Year Period (1964-1968)

<table>
<thead>
<tr>
<th>Developed Nations</th>
<th>Nation Score</th>
<th>Developing Nations</th>
<th>Nation Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>. . .</td>
<td>Argentina</td>
<td>. . .</td>
</tr>
<tr>
<td>Canada</td>
<td>. . .</td>
<td>Brazil</td>
<td>. . .</td>
</tr>
</tbody>
</table>

Means for developed and developing nations are given, as well as standard deviations for groups are shown.

(This format is also used for the Second Five Year Period, 1969-1973)

While making use of the arithmetic mean is helpful as a measure of central tendency of national governments' attitudes and behaviors toward multinationals, other measures are also used. Dixon and Massey (1969) observe that the average does not in itself give a clear picture of the distribution. Different groups or samples with the same mean may have different distributions. In order to examine or clarify the shape of a sample's distribution, we need a measure of dispersion or spread. The larger the measure of dispersion, the more distant the spread is from the mean, while a smaller measure of dispersion will be closer to the mean. Two such measures of dispersion about the mean are the variance and the standard deviation.

The most commonly used definition for the variance is the mean of the squared deviations from the mean (Roscoe, 1969, p. 50), or more elaborately, it is the sum of squares of the deviations of the observations from the mean divided by one less than the total observations (Dixon and Massey, 1969, p. 27).
Generally, however, the variance and standard deviation are so much alike that they are used interchangeably.

The standard deviation is probably a more useful measure of dispersion, as it allows us to get rid of the square root sign which occurs in using the variance. Accordingly, the standard deviation is defined as the square root of the arithmetic mean of the squared deviations from the mean. We take the deviation of each score from the mean, square each difference, sum the results, divide by the number of cases (as a control for the number of cases), and then take the square root (Blalock, 1960, p. 67). The greater the spread about the mean, the larger the standard deviation. Intuitively, the standard deviation can be interpreted through use of the normal curve, such that the smaller the standard deviation, the more peaked the curve. In addition, after we have calculated the standard deviation, we can tell how far (in standard deviation units) each score is from the mean. For example, with a mean of three and a standard deviation of two, a person with a score of five is one standard deviation from the mean and falls within the .3413 area under the normal curve. Most cases will fall within three standard deviations of the mean (which represents about ninety-five percent of the area included under the normal curve). We will call attention to any of the cases that lie outside of our ninety-nine percent confidence level. However, we do not expect too many cases to fit outside three standard deviations.
from the mean. The formulas used to determine the standard deviations for each nation and each sample are:

\[ s = \sqrt{\frac{\sum_{i=1}^{N} (X_i - \bar{X})^2}{N}} \]

**OR**

\[ s = \frac{1}{N} \sqrt{\sum_{i=1}^{N} (X_i - \left(\frac{\sum_{i=1}^{N} X_i}{N}\right))^2} \]

Both reveal the same results, but the latter is employed in order to avoid using fractions, which often result when determining the mean. Our next task is to look at some differences between the two samples in order to confirm or deny Hypothesis II.

We have proposed in Hypothesis II (on p. 44) that at a specific year and periods (1963, 1964-1968, and 1969-1973) the two samples (developed nations—\(N_1\) and developing nations—\(N_2\)) are different relative to their attitudes and behaviors toward multinational corporations. Several statistical tests are available which allow us to examine the null of the preceding hypothesis—that there are no significant difference(s) between the two samples of our study relative to their attitudes and behaviors toward multinational corporations. Needless to say, most researchers face the common problem of deciding which particular statistical test to make use of in the study. One criterion, however, has proven to be a helpful model, according to Blalock (1960, p. 120), and that is,
"... the researcher should select a test which involves a single dubious assumption--his hypothesis."

Four tests were originally investigated as possible use in examining the proposed differences between the two samples. These included the 1) Wald-Wolfowitz Runs Test 2) Mann-Whitney Test 3) Difference of Means Test and 4) Kolmogorov-Smirnov Test. (See: Blalock, 1960, pp. 169-176, and 187-206; Roscoe, 1969, pp. 175-180, 209-213; and Dixon and Massey, 1969, pp. 114-119, and 342-343 for discussions of these tests). Although each test has similar properties to the other, and each is designed to examine the null of Hypothesis II in the present study, it was our decision to make use of the Smirnov Test to confirm or deny Hypothesis II of this research.

Blalock (1960, p. 203), Roscoe (1969, p. 175) and Dixon and Massey (1969, pp. 342-343) speak to the pros and cons of the Mann-Whitney and Runs tests. Blalock is more specific in recommending usage of the Smirnov test rather than the Runs or Mann-Whitney test whenever the number of ties, categories and N-size of the samples are unusually large. Roscoe also concedes that the Mann-Whitney test yields best results whenever the N-size of the samples is small. Because of the preceding reasons, and following the advice of Blalock (that one uses that statistical test which best fits his/her hypothesis) we have decided not to use either the Runs or Mann-Whitney Test. On the other hand, some reference will be made to the Difference of Means Test. Here we look at the difference
between the sample means. We use the t statistic which is computed by taking the difference between the sample value and the mean of the sampling distribution and divide by the standard error of the sampling distribution. Where--

\[ t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{N_1 S_1^2 + N_2 S_2^2}{N_1 + N_2 - 2} \sqrt{\frac{N_1 + N_2}{N_1 N_2}}}} \]

After we have computed t, we shall check its value at the .01 level with a corresponding level value in the "t tables." The value of this test statistic must be equal to or greater than that which appears in the tables in order to confirm Hypothesis II. However, if the value of t is less than that value (at significance level .01) which appears in the tables, we will accept the null hypothesis--that there are no significant differences between our two samples (developed nations--N1, and developing nations--N2) with respect to their attitudes and behaviors toward multinational corporations during the year and periods 1963, 1964-1968, and 1969-1973. It should be understood that we cannot predict the negative or positive attitudinal and behavioral levels of developed and developing countries. What we intend to show, however, is whether or not these levels are reasonably the same or different; thus, the samples are the same or different (Blalock, 1960, p. 169).

5While not disqualifying, our non-random samples violate the random assumption of the difference of means test.
As we mentioned above, the Kolmogorov-Smirnov is a major statistical test to be used in this study to closely examine Hypothesis II. The Kolmogorov-Smirnov test is a two sample nonparametric test—it does not require the assumption of population normality, and in some instances, may be weaker than the Difference of Means parametric test. Frequently, the test is used in cases where there are large numbers of ties and categories. Since the data of this research are grouped in more than three categories, the Smirnov test should prove helpful. Its major weakness is often cited as being that it does not require that assumption of normal distribution of the population that is being examined. Thus, we may only discover the differences in their sample distributions, not their shapes. But, we have chosen this test statistic because it takes advantage of the ordering of the seven categories without being made unusually cumbersome by the presence of the large numbers ties and categories, and because it is generally a strong, reliable test of the difference between two samples. We also use it for illustration purposes.

The principle behind the Smirnov test claims that if the null hypothesis—that samples have been drawn from identical populations is correct—then we would expect the cumulative frequency distributions for the two samples to be essentially similar (Blalock, 1960, p. 203). The Smirnov test uses the maximum difference between the two cumulative distributions (of the two samples). Note that if the maximum
difference is larger than would be expected under the null hypothesis, this would indicate that the gap between the distributions is so large that we reject the null hypothesis. The maximum difference can be examined in both directions or only one (if direction has been predicted). The formulas to be used depend upon the chosen significance level. For example, if each sample ($N_1$ and $N_2$) is greater than forty, we shall need a value of $D$ (our test statistic) at least as large as 

$$1.36 \sqrt{\frac{N_1 + N_2}{N_1 N_2}}$$

in order to reject at the .05 level. For the .01 and .001 levels the coefficient 1.36 can be replaced by 1.63 and 1.95 respectively. If direction has been predicted, we can use the chi-square approximation. Its formula is . . .

$$x^2 = 4D^2 \frac{N_1 N_2}{N_1 + N_2}$$

where the degrees of freedom associated with chi-square are two (for the two samples).

The calculations proceed as follows. As we know, the two samples of the study are developed nations--$N_1$ and developing nations--$N_2$. The categories of each sample range from Very Friendly to Very Hostile attitudes and behaviors, and the categories total seven. The $N$ for each of our samples equals the total number of statements, falling in each of
the seven categories for all developed nations and all developing nations, respectively—during the year and periods 1963, 1964-1968, 1969-1973. The D value (the least amount needed to reject at the .01 level) is calculated using the formula mentioned on page 108. Next, we obtain the cumulative frequency distributions—$F_1$ and $F_2$—for each sample, which is expressed in F values as proportions of the total sample sizes. We form a difference column $F_1 - F_2$ and locate the largest difference between $F_1$ and $F_2$ with a positive sign. This difference is entered in the chi-square formula to obtain a value of chi-square. Our decision to reject or accept the null hypothesis—that there are no differences between the two samples—is made through two checks. First, if the value of the largest difference between $F_1$ and $F_2$ is equal to or greater than that which we obtain from the D formula on page 108, we reject the null hypothesis that there are no differences between the two samples and confirm Hypothesis II that the samples are different at the .01 level for the specified year and periods. Our second check involves the chi-square statistic, and Hypothesis II is confirmed if the chi-square value obtained from the formula listed on page 108 is equal to or greater than that value which appears at the .01 level in the chi-square tables.

Finally, it should be clear to the reader that Hypothesis I (page 27), which claims how developed and developing nations will line up relative to their attitudes and behaviors
toward multinational corporations, will be confirmed or denied through a measure of each respective nation's mean. The standard deviation is also examined as a measure of dispersion about the mean. The mean was chosen (as mentioned earlier) because under most circumstances, it's a good measure of central tendency, and it is our hope to tap each nation's attitudinal and behavioral tendency vis-a'-vis multinationals. Moreover, the standard deviation was chosen because the study also hopes to look at a dispersion measure. The main reason for using this measure of dispersion is that it helps to clarify the shape of the distribution and indicates how the observations are spread out from the mean (Dixon and Massey, 1969, p. 26). Furthermore, while a group of distributions may have the same mean, their appearances may differ greatly.

As discussed a short time ago, Hypothesis II (page 28), which claims that the polarization between the two groups of nations (Developed vs. Developing) is increasing over time, and furthermore, that the two samples of the study are different at each measuring point and period of the research (1963, and the periods 1964-1968, and 1969-1973) it was decided that its confirmation or denial would occur through the use of the Kolgorov-Smirnov and the Difference of Means Tests. The reason(s) for their use have been recently explained.

The data for the research have been systematically collected according to the scheme elaborated earlier in this
chapter. Moreover, we have revealed the propositions to be tested and the anticipated results of the analyses of these data. Explanations have been given as to why certain tests are employed in the analyses. Now we move forward utilizing these tests to examine the data which have been gathered concerning the attitudes and behaviors of certain governments toward multinational corporations.
CHAPTER IV

EXAMINING AND TESTING THE DATA AND HYPOTHESES

Introduction

In this chapter, findings of the research are given. First, we reveal the number of statements taken from each nation and their respective samples. Next, we look at the nations' means for each year of the study—observing whether or not means of developed nations tend to be positive, while developing nations register negative means. Each nation's standard deviation is also given and is discussed in the body of the chapter. We have also provided a graph which depicts bipolarity between the developed and developing nations for the periods (1963, 1964-1968, and 1969-1973). Mean scores for the two groups of nations were used in arriving at the bipolarity.

In order to test the second hypothesis of the research—that the two groups of nations are different at various periods of the study—data obtained on the samples are made use of in the Smirnov and Difference of Means Tests. A summary is provided.
Individual Nation's Attitudes

Previously, we have discussed many reasons why developing nations have tended to express hostile feelings toward multinational corporations and their subsidiaries, while (until recently) developed nations have voiced an opposing viewpoint from that of the developing nations. It seems appropriate now to get on with presenting evidence to substantiate our claims. The next page shows the total statements provided by each nation.

To refresh the reader's memory, we briefly restate Hypothesis I: Developed nations will be generally for while Developing nations will most likely be against the multinational corporation, its subsidiaries, or direct private foreign investment for any given year or five year period. (See page 27 for the complete hypothesis.) As we stated in the research design, the arithmetic mean for each nation's score (from statements given) is used to decide whether or not a nation's attitude and behavior is friendly or hostile toward multinationals for a given year or five year period. The next several pages provide this data.

To begin with, for 1963, most (85.7%) of the seven developed nations, except Canada have positive mean values, with the United States obtaining the highest (+4.00). However, it should be noted that except for Belgium, Japan, and the United States, each of the developed nations had rather
TABLE 11
Total Number of Statements (N=1,089)

Developed Nations

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>18</td>
</tr>
<tr>
<td>Canada</td>
<td>50</td>
</tr>
<tr>
<td>France</td>
<td>27</td>
</tr>
<tr>
<td>Germany</td>
<td>29</td>
</tr>
<tr>
<td>Japan</td>
<td>40</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>52</td>
</tr>
<tr>
<td>United States</td>
<td>97</td>
</tr>
</tbody>
</table>

313 statements

South American Nations

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>51</td>
</tr>
<tr>
<td>Bolivia</td>
<td>23</td>
</tr>
<tr>
<td>Brazil</td>
<td>37</td>
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<td>+2.00</td>
<td>2.82</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>+5.00</td>
<td>1.00</td>
</tr>
<tr>
<td>U. K.</td>
<td>2</td>
<td>-1.00</td>
<td>3.00</td>
</tr>
<tr>
<td>U. S.</td>
<td>10</td>
<td>+1.60</td>
<td>1.95</td>
</tr>
<tr>
<td>Mexico</td>
<td>3</td>
<td>-3.33</td>
<td>0.94</td>
</tr>
<tr>
<td>Jamaica</td>
<td>4</td>
<td>-2.50</td>
<td>2.59</td>
</tr>
<tr>
<td>Argentina</td>
<td>7</td>
<td>-3.71</td>
<td>1.27</td>
</tr>
<tr>
<td>Bolivia</td>
<td>2</td>
<td>-1.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Brazil</td>
<td>5</td>
<td>-1.20</td>
<td>2.56</td>
</tr>
<tr>
<td>Chile</td>
<td>6</td>
<td>-1.66</td>
<td>2.68</td>
</tr>
<tr>
<td>Colombia</td>
<td>2</td>
<td>-2.00</td>
<td>0</td>
</tr>
<tr>
<td>Peru</td>
<td>3</td>
<td>-4.66</td>
<td>0.94</td>
</tr>
<tr>
<td>Venezuela</td>
<td>3</td>
<td>-4.00</td>
<td>0</td>
</tr>
<tr>
<td>Algeria</td>
<td>4</td>
<td>-2.50</td>
<td>2.59</td>
</tr>
<tr>
<td>Congo</td>
<td>5</td>
<td>-1.20</td>
<td>2.99</td>
</tr>
<tr>
<td>Egypt</td>
<td>6</td>
<td>-0.33</td>
<td>2.42</td>
</tr>
<tr>
<td>Ghana</td>
<td>2</td>
<td>-4.00</td>
<td>0</td>
</tr>
<tr>
<td>Kenya</td>
<td>3</td>
<td>-3.33</td>
<td>0.94</td>
</tr>
<tr>
<td>Libya</td>
<td>9</td>
<td>-4.66</td>
<td>1.33</td>
</tr>
<tr>
<td>Nigeria</td>
<td>3</td>
<td>-4.00</td>
<td>0</td>
</tr>
<tr>
<td>Uganda</td>
<td>4</td>
<td>-5.50</td>
<td>0.86</td>
</tr>
<tr>
<td>Iran</td>
<td>6</td>
<td>-1.66</td>
<td>2.68</td>
</tr>
<tr>
<td>Iraq</td>
<td>3</td>
<td>-4.66</td>
<td>0.94</td>
</tr>
<tr>
<td>Kuwait</td>
<td>6</td>
<td>-3.33</td>
<td>0.94</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>4</td>
<td>-2.50</td>
<td>2.59</td>
</tr>
</tbody>
</table>

Total 113
ILLUSTRATION 2
(of Bipolarity)
Graph of Arithmetic Means of the Two Samples

1963  1964-68  1969-73

+6

+4

+2

N_1 = +1.448  N_1 = +.833  N_1 = +1.015

0

N_2 = -.466

-2

N_2 = -1.254

-4

N_2 = -2.440

Developed Nations = N_1
Developing Nations = N_2
high standard deviation scores. This suggests that these nations had scores that were substantially spread about the mean. This information also indicates that the attitudes and behaviors of nations obtaining the large standard deviations are not consistent and often fluctuate for the 1963 period. In spite of this, the nations' attitudes and behaviors for the period are generally friendly. Accordingly, except for Canada\textsuperscript{6}, developed nations are friendly in their attitudes and behaviors toward multinationals during the period 1963.

The data for the developing nations was generally supportive of Hypothesis I; this was not disappointing. For 1963, we find that 61.9\% of the developing nations had negative mean scores. Eight developing countries had positive means. Generally, the latter group consisted of the larger developing nations, whose ties with developed nations (e.g. the United States and United Kingdom) had been well established. Developing nations with positive or negative mean scores had large standard deviations, which again reflect changing attitudinal and behavioral tendencies on the part of the nations' leaders vis-'a-vis the multinationals. As this was the period of "foreign aid", (which often came with some requirements) one could speculate that national leaders

\textsuperscript{6}In Chapter V, we thoroughly discuss the Canadian case, along with others. So, for now, though Canada deviated from the developed nations as a group, it has fallen in line with expectations of the corollary to hypothesis I.
of developing nations often "sang different tunes" to obtain the guns and butter from the developed nations. A sour note that probably would not fit the accepted tunes was that of Economic Imperialism, which may have resulted from the activities of large corporations operating in developing nations. Then again, as we spoke to in Chapter II, demands from populations within developing nations, have caused leaders to also wave the banner and preach the rhetoric of Nationalism. This may account for the large distributions about the means of the several developing nations.

The next few yearly means of the research follow a similar pattern as 1963, but this changes later in the study. The breakdown of the means for Developed Nations (N=7) and Developing Nations (N=21) is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th># of Developed Nations with + Mean</th>
<th>- Mean</th>
<th># of Developing Nations with + Mean</th>
<th>- Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>1965</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>1966</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>1967</td>
<td>4</td>
<td>2 and 1 zero</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>1968</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>1969</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>1970</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>1971</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>1972</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>1973</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>21</td>
</tr>
</tbody>
</table>

As can be seen from this data, more nations of the developing ranks begin to express hostile attitudes and behaviors toward multinationals as the study progresses. Until the latter part of the study, approximately 67 to 72% of the developing
nations maintain hostile attitudes and behaviors toward the multinationals. This percentage changes significantly during the second five year period of the study (1969-1973). During this time, we see 85.7 to 100% of the developing nations having yearly negative means. Moreover, we also observe significantly smaller standard deviations for the respective nations. This point conforms to our expectations that developing nations have become more uniform (and hostile) in their attitudes and behaviors about the large corporations. The result has been less deviation from this general attitude: A point that we will take up in the concluding chapter of this paper.

As for the developed nations, a definite pattern emerges. On one hand, the United Kingdom, Japan, Germany, and the United States are fairly consistent in their support of the multinationals—with France and Belgium joining their ranks occasionally. Negative attitudes and behaviors come from Belgium, France, and Canada. Similar to most of the other developed nations, the latter three have large standard deviations. Standard deviations for Canada and the United States are reasonably low, particularly toward the latter part of the study. As with the developing nations, the large standard deviations of the developed countries indicate some vacillation of attitudes and behaviors with regard to multinational corporations. The data also supports a conclusion that is presented in Chapter VI—That the
increasing polarization between developed and developing nations over the operations of large multinationals manifests itself not in a stronger support role from the developed nations, but instead in an expression of increased hostile attitudes and behaviors by the developing countries—while developed nations are moving toward a more neutral point. This can be seen in the graph on page 126.

Before moving on, we report the percent of intercoder agreement, as the scores assigned to each statement are important to the calculations that follow. The coding method is mentioned on page 99. As noted, five persons coded 100 randomly selected statements. There was intercoder agreement for a statement, if at least three coders agreed upon its score, and the remaining two coders did not code the statement in the opposite direction. For example, the first statement was coded \((-2, -2, -2, -2, -2)\) and was an agreed upon statement. This would have been the case too, had the statement received scores of \((-2, -2, -2, -4, -4)\). The opposite would have been true had it gotten scores of \((-2, -2, -2, +4 +4)\). The calculations revealed: \(P_o = \frac{2r_{ab}}{r_a + r_b} \quad \text{or} \quad \frac{5r_a - e}{r_a + r_b - e}\)

Where \(P_o\) is the percent of intercoder agreement, \(r_a\) is the number of statements coded by judge A, and \(r_b - e\) is the number coded by the remaining four judges. \(r_a - e\) is the number of agreed upon statements.

\[
P_o = \frac{5(82)}{100 + 400} = 82 \text{ percent intercoder agreement.}
\]
Investigating the Two Samples—Developed and Developing Nations

Hypothesis II and its corollary on page 28 claim that the two groups of nations (Developed and Developing) are different with respect to the attitudes of given members toward the multinational corporation, its subsidiaries, and private direct foreign investment. This difference, we contend, manifests itself in a widening bipolarity (see page 126) between the two groups for the periods (1963, 1964-1968, and 1969-1973). Our task in this section is to test this hypothesis.

What we actually wish to test, however, is the null hypothesis that there is no difference between the two groups of nations. The two groups or samples are: Developed nations ($N_1=7$) and Developing nations ($N_2=21$). In testing the null hypothesis, we cannot predict the negative or positive attitudinal and behavioral levels of developed and developing countries, but we can say whether or not these levels are the same or different. Thus, from this observation, we can say whether or not the samples are the same or different.

In Chapter III we present arguments to justify our reasons for selecting one statistical test over another. Presently, we wish to avoid a repeat of these arguments, and will mention only those points necessary to allow the reader to follow what is being done in this section.
We chose the Smirnov Two-Sample Non-Parametric Test to examine the null of Hypothesis II. Briefly stated, the test was chosen because it seemed to fit best the needs of the study (which Blalock, 1960, p. 120 claims is a valid reason for choosing a statistical test). The test was able to handle the large number of categories in which our samples have been divided, and it does so without becoming too cumbersome. The Smirnov test also accommodates the many x's included in each category without losing information by reducing the numbers or categories. Therefore, as each statement (or x) is included in the research, more information is retained. This characteristic of the Smirnov test adds to the credibility of its results.

The principle behind the Smirnov test claims that we would expect the cumulative frequency distributions between two samples to be generally similar, if the samples are the same or have been drawn from identical populations. In applying this principle, the test statistic used in the Smirnov test is the maximum difference between the two cumulative distributions for the samples. To reach our conclusion, we observe whether or not the maximum distance between the two samples' cumulative frequency distributions is larger than could be expected by chance under the null hypothesis. If the difference between the two distributions is greater than expected by chance, we reject the null hypothesis: Thereby claiming that the two samples are essentially different (Blalock, 1960, p. 203).
Initially, we had to include all statements from the various nations into each of the categories used in the paper, being careful to distinguish developed or developing nations' statements into separate counts. Statements appearing in each category were counted for the respective periods (1963, 1964-1968, and 1969-1973). In this way, we were able to observe the maximum difference between the cumulative frequency distributions for the two samples. The test statistic, D, represents the maximum difference between the two cumulative distributions.

The formula for D is given on the next three pages. As we can see, its value changes according to the N of each sample and the chosen significant level of investigation. For the purpose of this research, we have selected the .01 level. Choosing such a significance level increases the chances of confirming the null hypothesis and places the data under close scrutiny.

In tables 23, 24, and 25 we have listed the number of statements appearing in each category for each member of the respective samples. Next we look at the cumulative frequency distributions for each of the samples, and express these F values in proportions of the total sample. For example, the first value of F in the developed column is \(\frac{1}{29}\) or .034 and the corresponding value in the sample of developing nations is \(\frac{0}{90}\) or .000. This process continues throughout each category. In the \(F_1 - F_2\) column we find
TABLE 23 Computation for Smirnov Two-Sample Test

1963

<table>
<thead>
<tr>
<th>Attitudes &amp; Behaviors of Nations</th>
<th>Developed Nations # of Statements</th>
<th>Developing Nations # of Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>VRY FREND</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>FREND</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>MOD FREND</td>
<td>11</td>
<td>36</td>
</tr>
<tr>
<td>NEU</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>MOD HOS</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>HOS</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>VRY HOS</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL (N)</td>
<td>29 = N₁</td>
<td>90 = N₂</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nation's Identity (Developed or Developing)</th>
<th>Low F₁</th>
<th>High F₂</th>
<th>Cumulative Distribution Difference F₁ - F₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below FREND</td>
<td>1</td>
<td>0</td>
<td>.000</td>
</tr>
<tr>
<td>Below MOD FREND</td>
<td>10</td>
<td>9</td>
<td>.100</td>
</tr>
<tr>
<td>Below NEU</td>
<td>21</td>
<td>45</td>
<td>.500</td>
</tr>
<tr>
<td>Below MOD HOS</td>
<td>21</td>
<td>45</td>
<td>.500</td>
</tr>
<tr>
<td>Below HOS</td>
<td>26</td>
<td>66</td>
<td>.733</td>
</tr>
<tr>
<td>Below VRY HOS</td>
<td>29</td>
<td>84</td>
<td>.933</td>
</tr>
<tr>
<td>Total N</td>
<td>29</td>
<td>90</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Value of D at the .01 level must = $1.63 \sqrt{\frac{N_1 + N_2}{N_1 N_2}}$, OR

$1.63 \sqrt{\frac{29 + 90}{29 \times 90}}$ which = .348

Chi-square ($\chi^2$) = $4D^2 \frac{N_1 N_2}{N_1 + N_2}$, OR $4(.244)^2 \frac{29 \times 90}{29 + 90} = 5.223$

* .244 is the maximum difference between the two cumulative distributions.
### TABLE 24 Computations for Smirnov Two-Sample Test

1964-1968 (First Five Year Period)

<table>
<thead>
<tr>
<th>Attitudes &amp; Behaviors of Nations</th>
<th>Developed Nations</th>
<th># of Statements</th>
<th>Developing Nations</th>
<th># of Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>VRY FREND</td>
<td>9</td>
<td>0</td>
<td>38</td>
<td>23</td>
</tr>
<tr>
<td>FREND</td>
<td>47</td>
<td>101</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>MOD FREND</td>
<td>40</td>
<td>63</td>
<td>21</td>
<td>100</td>
</tr>
<tr>
<td>NEU</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MOD HOS</td>
<td>21</td>
<td>100</td>
<td>1</td>
<td>27</td>
</tr>
<tr>
<td>HOS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VRY HOS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL (N)</td>
<td>156 = N₁</td>
<td></td>
<td>314 = N₂</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nation's Identity (Developed or Developing)</th>
<th>Low F₁</th>
<th>High F₂</th>
<th>Cumulative Distribution Difference F₁ - F₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below FREND</td>
<td>9</td>
<td>0</td>
<td>.057</td>
</tr>
<tr>
<td>Below MOD FREND</td>
<td>47</td>
<td>23</td>
<td>.073</td>
</tr>
<tr>
<td>Below NEU</td>
<td>94</td>
<td>124</td>
<td>.394</td>
</tr>
<tr>
<td>Below MOD HOS</td>
<td>94</td>
<td>124</td>
<td>.394</td>
</tr>
<tr>
<td>Below HOS</td>
<td>134</td>
<td>187</td>
<td>.595</td>
</tr>
<tr>
<td>Below VRY HOS</td>
<td>155</td>
<td>287</td>
<td>.914</td>
</tr>
<tr>
<td>Total N</td>
<td>156</td>
<td>314</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Value of D at the .01 level must = 1.63 \(\sqrt{\frac{N₁ + N₂}{N₁N₂}}\), OR

\[1.63 \sqrt{\frac{156 + 314}{156 \times 314}} \] which = .159

Chi-square \((X^2) = 4D^2 \frac{N₁N₂}{N₁+N₂}\), OR  \(4(.263)^2 = 28.83\)

\[\frac{156 \times 314}{156 + 314} \]

* .263 is the maximum difference between the two cumulative distributions.
TABLE 25 Computations for Smirnov Two-Sample Test

1969-1973 (Second Five Year Period)

<table>
<thead>
<tr>
<th>Attitudes &amp; Behaviors of Nations</th>
<th>Developed Nations # of Statements</th>
<th>Developing Nations # of Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>VRY FRED</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>FRED</td>
<td>43</td>
<td>4</td>
</tr>
<tr>
<td>MOD FRED</td>
<td>30</td>
<td>71</td>
</tr>
<tr>
<td>NEU</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>MOD HOS</td>
<td>24</td>
<td>99</td>
</tr>
<tr>
<td>HOS</td>
<td>24</td>
<td>160</td>
</tr>
<tr>
<td>VRY HOS</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>TOTAL (N)</td>
<td>123 = N₁</td>
<td>372 = N₂</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitudes &amp; Behaviors of Nations</th>
<th>Nation's Identity (Developed or Developing)</th>
<th>Cumulative Distribution Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low F₁</td>
<td>High F₂</td>
</tr>
<tr>
<td>Below FRED</td>
<td>7</td>
<td>.054</td>
</tr>
<tr>
<td>Below MOD FRED</td>
<td>40</td>
<td>.312</td>
</tr>
<tr>
<td>Below NEU</td>
<td>80</td>
<td>.625</td>
</tr>
<tr>
<td>Below MOD HOS</td>
<td>80</td>
<td>.625</td>
</tr>
<tr>
<td>Below HOS</td>
<td>104</td>
<td>.812</td>
</tr>
<tr>
<td>Below VRY HOS</td>
<td>128</td>
<td>1.000</td>
</tr>
<tr>
<td>Total</td>
<td>128</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Value of D at the .01 level must = 1.63 \[ \sqrt{\frac{N₁ + N₂}{N₁ N₂}} \], or

1.63 \[ \sqrt{\frac{128 + 372}{128 \times 372}} \] which = .167

Chi-square (χ²) = \[ \frac{4D² N₁ N₂}{N₁ + N₂} \], or \[ 4(.424)^2 \frac{128 \times 372}{128 + 372} = 68.48 \]

*.424 is the maximum difference between the two cumulative distributions.
the largest difference with a positive sign. For 1963, this value is .244.

After we have obtained this result, we compare the value of D with the value of D obtained from the formula 
\[ D = 1.63 \sqrt{\frac{N_1 + N_2}{N_1 N_2}} \]. The value of D obtained from the \( F_1 - F_2 \) column must be equal to or greater than that obtained from the formula. If the value in the column is less than that value given from the formula, then we accept the null hypothesis. In other words, we would conclude that the two samples are the same or were drawn from identical populations. The result being that the cumulative frequency distributions for the two samples are essentially similar.

The outcome of the Smirnov test was quite informative. For 1963, (page 134) the \( F_1 - F_2 \) value was .244, while the minimum expected value derived from the formula was .346. The value for chi-square\(^7\) (obtained from the equation) is 5.223, while the theoretical value at the .01 level with two degrees of freedom obtained from the chi-square tables (Blalock, 1960, p. 452) is 9.210. Accordingly, we accept the null hypothesis that the two samples are basically similar and little difference exists between them for the 1963 period.

---

\(^7\) Chi-square is a general test which is used to evaluate whether or not frequencies that are obtained empirically differ significantly from those expected under theoretical conditions. If the value is larger than expected by chance, we reject the null hypothesis.
For the two five year periods, the results are somewhat different. The $F_1 - F_2$ value obtained for 1964-1968 (page 135) is 0.263, while the theoretical value obtained from the D formula is 0.159. The chi-square value calculated from the observed frequency distributions for the same period is 28.83. The theoretical value for chi-square at the .01 level for two degrees of freedom is again 9.210. The result is that we reject the null hypothesis and conclude that the two samples are different with respect to attitude and behavior toward multinational corporations for the 1964-1968 period. The difference between the two samples is significant at the .01 level.

Finally, for 1969-1973, we also observe a significant difference between the two samples. The maximum distance between the two frequency distributions ($F_1 - F_2$) is 0.24, and the theoretical difference (according to the D formula) is 0.167. The chi-square value obtained from the empirical data is 68.48, although the expected value at the .01 level remains 9.210. The result is that we witness an increasing "difference" between the two samples as the study progresses. The widening discrepancies between the empirical results of the $F_1 - F_2$ value and chi-square with that of the expected theoretical results of these two statistics reflects this expanding difference between the two samples.
Therefore, we would conclude that the empirical evidence as applied in the Smirnov Two-Sample Test generally confirms Hypothesis II, and we witness an increasing difference (bipolarity) between the two samples for the periods (1963, 1964-1968, and 1969-1973).

The Two-Sample Difference of Means Test

We begin this section by reopening our discussion of the standard deviation. This is done because the standard deviation is significant in the calculation of the difference of means test. The standard deviation is probably the most widely used measure of dispersion. It is defined as the square root of the arithmetic mean of the squared deviations from the mean (Blalock, 1960, p. 67). Simply put, this measure tells us about the dispersion of scores of a particular nation (or group of nations) about its mean. The connection between the standard deviation and the difference of means test will be made clear, as we introduce the formula used in calculating the difference of means.

Our first objective, however, was to obtain the standard deviations of the respective samples for each of the three periods (1963, 1964-1968, and 1969-1973). (The results appear on the next two pages.)

The formula for the difference of means test appears quite formidable, but when broken down, its components reveal what it is that we are seeking from the test. We look
TABLE 26 Computation for the Standard Deviation
Using Group Data

1963
(Developed Nations)

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_iX_i$</th>
<th>$f_iX_i^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6</td>
<td>1</td>
<td>6</td>
<td>36</td>
</tr>
<tr>
<td>+4</td>
<td>9</td>
<td>36</td>
<td>144</td>
</tr>
<tr>
<td>+2</td>
<td>11</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>-2</td>
<td>5</td>
<td>-10</td>
<td>20</td>
</tr>
<tr>
<td>-4</td>
<td>3</td>
<td>-12</td>
<td>48</td>
</tr>
<tr>
<td>-6</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>N=29</td>
<td>42</td>
<td>292</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 2.873

1964-68

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_iX_i$</th>
<th>$f_iX_i^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6</td>
<td>9</td>
<td>54</td>
<td>324</td>
</tr>
<tr>
<td>+4</td>
<td>38</td>
<td>152</td>
<td>608</td>
</tr>
<tr>
<td>+2</td>
<td>47</td>
<td>94</td>
<td>188</td>
</tr>
<tr>
<td>-2</td>
<td>40</td>
<td>-80</td>
<td>160</td>
</tr>
<tr>
<td>-4</td>
<td>21</td>
<td>-84</td>
<td>336</td>
</tr>
<tr>
<td>-6</td>
<td>1</td>
<td>-6</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>N=156</td>
<td>130</td>
<td>1,652</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 3.155

1969-73

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_iX_i$</th>
<th>$f_iX_i^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6</td>
<td>7</td>
<td>42</td>
<td>252</td>
</tr>
<tr>
<td>+4</td>
<td>43</td>
<td>172</td>
<td>688</td>
</tr>
<tr>
<td>+2</td>
<td>30</td>
<td>60</td>
<td>120</td>
</tr>
<tr>
<td>-2</td>
<td>24</td>
<td>-48</td>
<td>96</td>
</tr>
<tr>
<td>-4</td>
<td>24</td>
<td>-96</td>
<td>384</td>
</tr>
<tr>
<td>-6</td>
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<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>N=128</td>
<td>130</td>
<td>1,540</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 3.329

The Standard Deviation = $\sqrt{\frac{\sum f_iX_i^2 - (\sum f_iX_i)^2}{N}}/N - 1$

TABLE 27 Computation for the Standard Deviation Using Group Data

1963
(Developing Nations)

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_i X_i$</th>
<th>$f_i X_i^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>+4</td>
<td>9</td>
<td>36</td>
<td>144</td>
</tr>
<tr>
<td>+2</td>
<td>36</td>
<td>72</td>
<td>144</td>
</tr>
<tr>
<td>-2</td>
<td>21</td>
<td>-42</td>
<td>84</td>
</tr>
<tr>
<td>-4</td>
<td>18</td>
<td>-72</td>
<td>288</td>
</tr>
<tr>
<td>-6</td>
<td>6</td>
<td>-36</td>
<td>216</td>
</tr>
<tr>
<td>Total</td>
<td>N=90</td>
<td>-42</td>
<td>876</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 3.102

1964-68

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_i X_i$</th>
<th>$f_i X_i^2$</th>
</tr>
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<tbody>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>+4</td>
<td>23</td>
<td>92</td>
<td>368</td>
</tr>
<tr>
<td>+2</td>
<td>101</td>
<td>202</td>
<td>404</td>
</tr>
<tr>
<td>-2</td>
<td>63</td>
<td>-126</td>
<td>252</td>
</tr>
<tr>
<td>-4</td>
<td>100</td>
<td>-400</td>
<td>1600</td>
</tr>
<tr>
<td>-6</td>
<td>27</td>
<td>-162</td>
<td>972</td>
</tr>
<tr>
<td>Total</td>
<td>N=314</td>
<td>-394</td>
<td>3596</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 3.147

1969-73

<table>
<thead>
<tr>
<th>$X_i$</th>
<th>$f_i$</th>
<th>$f_i X_i$</th>
<th>$f_i X_i^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>+4</td>
<td>4</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>+2</td>
<td>71</td>
<td>142</td>
<td>284</td>
</tr>
<tr>
<td>-2</td>
<td>99</td>
<td>-198</td>
<td>396</td>
</tr>
<tr>
<td>-4</td>
<td>160</td>
<td>-640</td>
<td>2560</td>
</tr>
<tr>
<td>-6</td>
<td>38</td>
<td>-228</td>
<td>1368</td>
</tr>
<tr>
<td>Total</td>
<td>N=372</td>
<td>-908</td>
<td>4672</td>
</tr>
</tbody>
</table>

Standard Deviation(s) = 2.572

The Standard Deviation = $\sqrt{\frac{\sum f_i X_i^2 - (\sum f_i X_i)^2}{N}}/ N$

at the difference between the sample means $\bar{x}_1 - \bar{x}_2$, and then make use of the $t$ statistic, which is computed by taking the difference between the sample value and mean of the sampling distribution and then dividing by the standard error of the sampling distribution. The next two pages show the formula used to compute the $t$ test statistic. One additional observation is needed to fully understand the equation. The denominator is represented as $\sigma \bar{x}_1 - \bar{x}_2$, which is an estimate of the standard error of the difference between the sample means. The method for obtaining its value is given on page 143.

As with the non-parametric Smirnov test, we have set up the null hypothesis that there is no difference between the two samples. Briefly, the null of Hypothesis II asserts that there is no difference between the two samples with respect to attitudes and behaviors toward the multinational corporation, its subsidiaries and private direct foreign investment for the periods (1963, 1964-1968, and 1969-1973). What we actually want to do is reject the null hypothesis and show that there is actually a difference between these two samples during the specified periods of the study.

Similar to other tests that we have employed, a .01 significance level has been chosen. The appropriate empirical information is placed in the formula used to calculate the $t$ statistic. The value obtained from this formula is compared with that appearing at the .01 level in the "$t$" tables.8

---

8See Blalock, 1960, p. 442.


**TABLE 28 Computations for the Two-Sample Difference of Means Test**

1963

The test statistic for each period is $t$ where

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{N_1 s_1^2 + N_2 s_2^2}{N_1 + N_2 - 2}}},$$

such that

\[
\sqrt{\frac{N_1 s_1^2 + N_2 s_2^2}{N_1 + N_2 - 2}}
\]

Given that $\bar{x}_1 = \frac{42}{29} = +1.448$

$\bar{x}_2 = \frac{-42}{90} = -.466$

$N_1 = 29$ and $N_2 = 90$

$s_1 = 2.873$ and $s_2 = 3.102$

The result is: $t = 2.916$

1964-1968

Given that $\bar{x}_1 = \frac{130}{156} = +.833$

$\bar{x}_2 = \frac{-394}{314} = -.1254$

$N_1 = 156$ and $N_2 = 314$

$s_1 = 3.155$ and $s_2 = 3.147$

The result is: $t = 6.750$
TABLE 28 (cont.)

1969-1973

Given that \( \bar{X}_1 = \frac{130}{128} = +1.015 \)

\( \bar{X}_2 = \frac{-908}{372} = -1.440 \)

\( \bar{N}_1 = 128 \) and \( \bar{N}_2 = 372 \)

\( S_1 = 3.373 \) and \( S_2 = 2.572 \)

The result is: \( t = 12.015 \)
In order to find a significant difference between the two samples, the value obtained from the empirical information, which has been plugged into the formula, must be greater than the value which appears in the tables.

Looking at the information that we have provided in table 28, we see that the resulting $t$ value obtained from the 1963 data is $2.916$. The expected value for $t$ given in the $t$ tables for a one tail test, 119 degrees of freedom, at the .01 level is $2.358$. Since the figure that we have obtained empirically is larger than the expected value listed in the $t$ tables, we reject the null hypothesis and conclude that there is a difference between the two samples for the 1963 period.\(^9\)

For the first five year period (1964-1968), the outcome for the $t$ value was $6.750$ (on page 143). This figure is more than twice the value obtained for 1963. More important though, is the fact that the value obtained for this period is much larger than that which appears in the $t$ tables. The expected value at the .01 level is $2.326$, which, of course, does not match the result obtained empirically. Accordingly, since the observed empirical $t$ value is much greater than the theoretical value appearing in the tables, we are again inclined to reject the null hypothesis.

---

\(^9\)This observation conflicts with the those obtained from the Smirnov test for the 1963 period. Rather than discuss this point in detail in the present section, we'll reserve it for the concluding chapter.
hypothesis that there is no difference between the two samples for the period 1964-1968. Therefore, we conclude that the two samples are different with respect to their attitudes and behaviors toward the multinational corporation, its subsidiaries, and private direct foreign investment for the period 1964-1968.

The final observations were made for the second five year period (1969-1973). The reader will recall that our contention has been that the polarization between the two groups of nations is increasing. Another indicator of this point, perhaps, is the ever enlarging t values that are obtained from the empirical data. For the second five year period, the t value is 12.015, while the corresponding expected value in the t tables remains 2.326. We recognize that the empirical value is much greater than the theoretical table value for t, which prompts us to reject the null of Hypothesis II. Our conclusion is that the two samples are different with respect to attitudes and behaviors toward the multinational corporation for the period 1969-1973. Moreover, as we have observed the increasingly larger t values obtained from the empirical evidence, we again affirm Hypothesis II and its corollary that the difference between the two samples is expanding, such that we witness a larger distance between them as the study continues.

One final point remains before we move on to a few case histories. Throughout the paper, we have claimed that for
the periods of the study, developed and developing nations were moving further apart in their attitudes and behaviors toward multinationals. This claim should not be misunderstood, as it is not our intention to imply that all developed and developing nations share attitudes or demonstrate behaviors similar to those of members who comprise our samples.

We believe that the preceding point is quite important as we have presented evidence which appear to support the basic contention of the paper. Although others may want to make broad conclusions, and may undertake investigations that enable them to generalize their findings relative to attitudes and behaviors of all nation-states toward multinationals, we are not so bold.

We now move on to consider a few case histories, and in view of the data in Appendix I and analyses presented in this chapter, we will focus in on why certain members of the samples conformed to or deviated from expected results. Later, we draw some conclusions and make recommendations in Chapter VI.
CHAPTER V

THE NATIONS EXPRESS THEIR VIEWS

Introduction

The first task of this chapter is to look at some views offered by the developing nations. Since we have explored some of these concerns in Chapter II, we will try only to expand our comments on the basic conflict between developing nations and the corporations by linking up the present discussion with the observations of Chapter IV. Though familiar concerns of control of resources, political sovereignty, and economic destiny and development receive some attention, a few new perspectives and data are also included in order to sharpen the picture of the conflict between developing nations and multinational corporations (and home-based developed nations of the multinationals).

The discussion and data in this chapter also will reveal that some developed nations have concerns about the multinational corporations. From the sample of seven developed nations, we have selected five countries whose policies on direct foreign investments by multinational corporations are examined. Although each country expresses some concerns about the intrusion of foreign corporations into its domestic political and
economic sectors, responses by the five nations vary. Some comments are supplied by nationals of developed nations, who too, have added their voices to the long list of those concerned about the spread of the multinational corporations. What is revealed in this section will add more explanation to the outcome of our research data and findings. More specifically, though we have witnessed for the periods of this study, a polarization between developed and developing nations on the issue of multinationals, there is a uniqueness to the bipolar-ity. This section will help crystalize it.

A summary is given at the end of the chapter.
John Fayerweather (1972, p. 137) has commented that the task facing the developing nations is whether or not they can "... clip the wings of the golden goose of American enterprise without scaring the bird enough to reduce its egg production." However, the data in Appendix I and the analyses from the preceding chapter reveal developing nations offering the strongest opposition to the multinational corporations. Criticism has been levied most often at extractive industries, and in such nations as Chile, Venezuela, Peru and many other nations, the government has expropriated foreign extractive industries. Governments have defended their actions on the grounds of protecting their future resources. In May 1974, the Venezuelan government announced that it would nationalize twenty percent of the foreign-owned oil corporations, and took this action immediately to gain control of its oil rich reserves. In Appendix I, Bolivian officials make similar comments with respect to tin industries during the early 1960's. In 1972 the Chilean government nationalized Anaconda and Kennecott industries. The list of nationalized or expropriated industries is too long to present here, but Appendix I reveals many comments about expropriation of industries and the desire for domestic control over resources. Moreover, Fayerweather (1972, p. 139) points out that a major concern among developing nations is that "... an assortment of individual company actions may add up to a pattern contrary to a nation's interest."
Most of the developing countries are assuming a more dominant role in the industrialization of their countries, and while it is recognized that the multinational corporations may have the resources and capital to complement the industrialization process, few of these countries are willing to hand over the resources of their countries to "foreigners." In addition to this fact, as A. Kapoor (1972, p. 367) notes, "The willingness of developing countries to accept, and of the multinational corporations to offer resources, will largely depend upon a mutual understanding of the various forces influencing their decision-making process and approach toward negotiation." But negotiations between developing nations and the corporations will continue to be difficult, as the statements in Appendix I show developing nations more hostile toward multinationals during 1968-1973.

Property ownership is a very tangible desire; yet, some governments have voiced concern over the loss of ownership of other economic intangible measures within their societies. P. B. Evans (in Keohane and Nye, 1973, p. 333) observes that American manufacturing corporations were spending over $360 million on advertising aimed at shaping the consumptive habits of the citizens of developing nations, and that in Brazil advertising expenditures of American manufacturing affiliates alone are over one-third of the recurring public expenditures on all forms of education. The Brazilian government (and others, too) have expressed concern over the diffusion of
inappropriate patterns of consumption, which they assert, will eventually lead to a misallocation of resources from the standpoint of the welfare of the community as a whole. For example, foreign corporations, through advertising, often instill in the domestic population a desire for certain appliances and durable goods (e.g. cars, televisions, and other luxury items). The result has been an internationalization of the developing nations. National leaders have resented this internationalization of their societies, because, they argue, that societal development plans and directions become largely dependent upon the movements and policies of the large corporations. Moreover, while government leaders seek to instill a sense of nationalistic pride in their populace, internationalization of the people's taste reduces the impact of the leaders' efforts. In some ways, the leaders argue, nationalism may be the only remaining force to urge the developing nations and their populace(s) to accelerate their own economic plans.

Consequently, "In almost every developing country and new nation, there is strong opposition to the investment of foreign capital and to the employment of foreign scientific, technical, and managerial personnel, even though capital and professional people are scarce" (H. G. Johnson, in A. Kapoor and P. D. Grub, 1972, p. 327). This point is more acute today, as we see from the data on page 128 that as the study progressed, one hundred percent of the developing nations had negative yearly mean scores by 1973. This was true for Mid East,
South American, and African countries. What is new today, however, is that the nationalistic cues are now turned against the multinationals, but the echo is the same; a demand for ownership of economic destiny. Some spokesmen (Albert Breton, 1972) for example, claim that nationalism is a collective item which all members of a country may share and choose to substitute for the enjoyment of taste for material goods. Likewise, Gary S. Becker (The Economics of Discrimination, 1957) concludes that while persons seek to maximize their satisfaction, this satisfaction includes enjoyment of both psychic and material income. Though there may be desire among nationals within the developing nations to acquire much of the material benefits of the developed nations, strong psychic desires of members of the developing nations (and some developed nations, too) encourage the members to seek economic and political independence from international actors, such as the multinational corporation.

With a sense of political and economic independence, comes the urge for economic development and the desire to raise the living standards and further the material foundations of national identity and self-respect. Reginald Green (1968, p. 31) claims, in speaking about African development, that "Economic development is necessary for the attainment of social and political aspirations." However, the need for psychic well-being is not sequential. That is to say, it may happen that a desire for material welfare may surface before
nationals of the developing nation build a psychic sense of political and economic independence. In fact, many of the developing nations' people have demanded bread and butter, in a manner of speaking, before demanding independence. This was true in earlier colonial times, and in some areas recently granted independence. On the other hand, while large numbers of people within the developing nations are substituting the psychological need of political and economic independence for the material rewards offered by economic partnerships, the optimal situation would allow for a combination of the psychological benefits of political and economic sovereignty, and the material rewards of economic development.

In spite of this fact, as was noted above by A. Kapoor (1972), the willingness of developing nations to accept the multinational corporation or even for the leaders of the corporations to offer their resources, expertise, etc. will depend upon a mutual understanding between these two forces. But this understanding will require much negotiation. For Thomas Schelling (1960), the negotiation process is a series of interdependent decisions, which may be classified as, "The process in which explicit proposals are put forward obstensively with the purpose of reaching agreement on an exchange or on the realization of a common interest where conflicting interests are present" (quoted in A. Kapoor and P. D. Grub, 1972, p. 369). If we assume for a moment that a true desire exists between spokesmen for developing countries and leaders
of multinational corporations to reach some agreement for the realization of a common interest, what is that common interest?

Broadly speaking, the common interest would be, most likely, industrialization or economic development of the society. From the perspective of the developing nation, industrialization and economic development are desired so as to achieve (for the society) the status and material benefits offered from the attainment of this goal. The multinational corporation spokesmen see the advantages of industrialization and economic development in terms of more income for the population; thus bigger and better markets and profits, as well as, less pressure from the developing nations' constituents. Some of the increased number of joint ventures in the Vaupel and Curhan data (p. 50) may be accounted for by this point.

However, the preceding comments are a very narrow view of the negotiating process. In the first place, in most developing nations economic development and industrialization do not affect the general population. While the rich get richer, the poor have too often remained stagnant or get poorer. The end result is a lopsided development process, such that the process has most often benefited a few elite members of the society. Those who benefit from the development process are quick to support the corporation, but individuals who do not see any returns (or may become worse off) develop increased hostilities. While the corporation may contribute financial and capital benefits to the nation's elites, its failure to
benefit the general population results in further anti-colonial feelings. Furthermore, the critical conflict that needs negotiating remains unsolved.

To most Americans--owners of most multinational corporations--development is merely a matter of acquiring money, and with more money, it is assumed that economic advancement is brought. Another perspective is put forth by Heilbroner (1969), Robinson (in the Annals, Sept. 1972), Johnson (1967), and Green and Seidman (1968), who argue for a complete change of the society. Accordingly, "It is first and foremost a matter of changing an entire society in ways that must go to the roots of its ordinary life and that are bound to shake or topple its basic structure of power and prestige" (R. Heilbroner, in I. Isenberg, 1969, p. 153). Therefore, many of the above mentioned students suggest that to conclude that offering more economic aid or money to a society completes the development process is to have shortsighted knowledge of this process. Frequently, as we have mentioned above, few may benefit in the development process. The end result, according to R. Heilbroner, is "The Revolution of Rising Expectations."

Michael Hoffman (in Martyn, 1970) goes a step further and points out that while all policymakers of the West say that there is a need for business and growth in the developing nations, little is being done to promote this. Merely showing the developing nations how to be like the West, will not do, he claims. Furthermore, like others, Hoffman points
out that although profits and expanding markets may be the desire of multinational corporations, they often accomplish this end with minor benefits coming to the general population. In the final, the corporation is frequently unable to get rid of its colonial image.

As if the above descriptions did not offer enough obstacles for the corporations to overcome, Stephen Hymer (in A. Kapoor and P. D. Grub, 1972, pp. 438-439) offers another view on the conflict between developing nations and the multinational corporations. He insists that while the corporation is an important organ for international exchange and a great source of financial and technical energy, it is an imperfect solution to international cooperation. The corporation's objectionable characteristic, he exclaims, is that it tears at the social, political, and economic fibers that bind a society. Furthermore, according to Hymer, the multinational corporation establishes a pattern of control such that major centers of the world control the minor centers. In Appendix I, most statements made by developing nations in support of expropriation, etc. dealt with control of resources. This is an issue for conflict between developed nations (major center) and the developing ones (minor center). In the end, the major centers usually decide upon policy and allocation, and the process invariably leads to increased uneven development between (and within) the centers. Hymer's points bring the discussion back to the issue raised by Heilbroner (p. 156).
That is, in order for the development process to take roots, it must be conceived of as a long process through which the entire society must change. But then Hymer argues that the very process of overhauling the society undermines industrial and technical development and tears at the fibers of society of which the multinational corporation is a part. From all this, it appears that the corporations are labeled culprits if they do (Hymer), and failures if they don't (Heilbroner).

A third perspective is to have the corporations offer their expertise, financial capital, and so forth, but leave the direction and policy decisions of societal development up to the policy-makers of the developing nations. But there is a weakness to this point.

What is at stake here is the desire of the corporations to determine how their resources will be utilized and how (and what policies) will be formed to operate the corporation. On the other hand, the developing nations refuse to grant use of their resources and markets without requesting the users of these sources to conform to national and local laws. What emerges is a struggle over ownership of company and national resources all wrapped up in the issue of sovereignty. Without going into a historical sketch of colonial struggles, suffice it to say that the struggle for political and economic sovereignty has existed for many years.

African nations, some Latin American and Asian nations versus other developed nations have engaged in struggles to
achieve political and economic sovereignty. During the era of the big foreign aid programs, issues surfaced that rekindled the demand for political and economic sovereignty. Specifically, while many developed nations (most notably the United States) offered international economic aid to several developing nations during the 1950's and '60's, this aid often came with political and economic strings attached. After a short while, several developing nations began to demand the commanding voice in deciding how the aid was to be spent. In certain instances where their demands were ignored, they resorted to other strategic moves. Most notably was their ability to play off the super powers against each other. To some extent this process continues today.

The conflict of ownership and political sovereignty between multinationals and developing nations is settled somewhat differently than the old strategy of playing off one corporation against another. For one thing, while multinationals seek to out-do each other, few will actively seek to go where another corporation has received the short end of a deal. Instead, expropriation of properties is the general approach for developing nations to use in dealing with corporations found to be incompatible with the desires and laws of the nation.\textsuperscript{10} This approach has been very effective in encouraging corporations to tread lightly, when doing

\textsuperscript{10} This point should not be misunderstood. On several occasions, nations have expropriated foreign properties on pure nationalistic grounds.
business in another country. Still, this ultimate threat does not keep most corporations from wanting sole or majority ownership of the corporation. In short, ownership remains a key issue between multinational corporations and developing nations.

As we mentioned in Chapter II, a very large number of developing nations are requiring some sort of joint ownership venture between nationals and foreign corporations.¹¹ Until very recently, Japan required the joint ownership approach of all foreign corporate ventures. Mexico and many Latin American countries also require joint ownership of all foreign direct investment projects. But joint venture is not the only requirement. Many developing nations also require that the majority ownership be locally or domestically controlled. In this way, a sure control over local resources is anticipated.¹² To add more security to investment controls, several nations have adopted investment corporations to supervise all foreign direct investment. Many of these corporations have established (under government decree) certain investment areas that can receive capital

¹¹Joint ownership projects are being encouraged in developed nations, too; most notably are Canada and France. (See the Vaupel and Curhan data on page 50.)

¹²Some foreign corporations (e.g. in Mexico, 1972) have given majority control to banks or other financial institutions. Thereby, assuring themselves of having to deal with a generally conservative, one body group.
from domestic nationals only.

Finally, while our data have revealed hostility between developing nations and the multinationals, we cannot deny M. H. Hoffman's assertion (in Martyn, 1970, p. 202) that multinationals have spread technological and management know-how. In addition to this, in spite of current difficulties of persuading reluctant multinational corporations to accept the joint ownership approach, it appears to be the "wave of the future" for foreign direct investments by multinational corporations. The alternatives do not look promising. National governments will not relinquish control of their resources and their political and economic sovereignty to multinational corporations; nor will the multinationals undertake economic ventures involving millions of dollars without having some say-so in the policies and directions governing the program. The alternative of accepting local investors on a joint venture, according to Fayerweather (1972, p. 146) "... is better than being refused to set up a factory."

The final outcome, however, with respect to the Third World countries, is that the multinational corporation will continue operating within an international, institutional framework which can best be described as mercantilistic, (K. Levitt, paper, Forham University, 1973), but the developing
nations will continue to push for control over these operations. The conflict between the developing nations and the multinationals manifests itself, as in colonial times, between the developing host nations and the home-based nations of corporations that operate subsidiaries in the developing host nations. And though we have examined this conflict in detail, we have reserved our suggestions and conclusions for the last chapter.
The Developed Nations Voice Their Concerns, Too

Much has been said throughout this paper to point out that changes in the structure of the global economy have resulted in a withering of governmental control over certain activities presumed to be de jure within the domain of governments. In addition, as noted earlier, the international monetary crisis of the 1960's showed the nation-states that there were financial markets beyond the jurisdiction of even the most advanced countries (E. Morse, in Keohane and Nye, 1973, p. 23). Acknowledging this change was disturbing to leaders of the developed nations, who now had to recognize the antiquatedness of the simple state-centric view as it applies to the World economy. In short, it was established that the developed nations were also acutely affected by financial transactions of international (corporate) investors. The rude awakening for most developed countries was to see that their economic woes were largely attributed to the actions of other international actors—namely, large international corporate investors. Moreover, Peter Evans explains in his paper, "National Autonomy and Economic Development" (in Keohane and Nye, 1973, p. 326) that "Because the multinational corporations are private economic organizations, chains of command leading outside the state may multiply without ostensible loss of political sovereignty, (and yet) national autonomy, the ability of a nation-state as a collectivity to make decisions which shape its political and economic
future, has been diminished." Still, most of the opposition to the activities of the multinationals from the developed nations' camp began with less steam, though this does not suggest that there were not some valid economic reasons prompting leaders of the developed nations to limit the activities of the large international corporations. Yet, some developed nations, particularly the United States, found it very hard to argue against the spread of the large corporations, especially since over fifty percent of all multinational corporations are home-based in the United States. Other developed nations were in a similar situation, as most of these nations (e.g. Japan, France, and others) invest abroad a higher percentage of their Gross National Product than does the United States (U.S. Department of Commerce, 1972, p. 10). Clearly, most of the developed nations have had to express their concerns about multinational corporations without compromising their respective international economic policies.

The Canadian Example

Statements made in Appendix I and the analyses in the preceding chapter show Canada to be one of the staunchest opponents of the American multinationals. The Canadian government has demanded control of its industry and important corporations. At one point, it seemed as if the American and Canadian economies were best suited for a solid economic relationship, since the two countries were such close neighbors.
This concept was the apparent thinking of many American and Canadian business and government people. Then in 1963 the Canadian government approved the creation of the Canadian Enterprise Development Corporation, whose aim was to facilitate Canadian ownership of American held subsidiaries operating in Canada. From Appendix I, we note that when Minister Gordon and others in 1964 lobbied very diligently and tried to expand Canadian ownership of its industry by proposing a tax of twenty percent on dividends of corporations less than twenty-five percent Canadian owned, the Canadian government, through Parliament, quashed the move. It appeared that while some Canadian leaders were willing to speak out against American domination of Canadian industry, few were committed to stronger action to curb the American spread. Some government leaders, for example Minister Pearson, were very supportive of American industry operating in Canada.

Unfortunately, some of the Canadian supporters of the American multinationals were not listening to the concerns of others such as Gordon, et al., whose chief objective was not to ban American enterprises from Canada, but instead to increase Canadian ownership of Canadian industry. It was estimated by the Minister of Finance that during the 1960's, American-based corporations controlled over sixty percent of the Canadian manufacturing industry and accounted for over fifty percent of the country's Gross National Product. Even today, these figures have not changed significantly (U.S. Department
of Commerce, 1972, pp. 82-83). By controlling such a large part of the Canadian industry and economy, American corporations have become a dominant force in Canadian society. While the threat is real, indeed, until recently, few Canadian leaders were willing to take on the powerful American corporations. Finally, in frustration, Finance Minister Gordon resigned his post in 1965.

The appointment of Finance Minister Sharp in 1966 was accepted by many as a gesture by the Canadian government to heal some wounds with American industry that had occurred while Gordon was at the helm. In some respects this was true, as Sharp did have a more accommodating attitude toward American corporate investment, than his predecessor, Gordon. Sharp was determined to spur economic growth, but he was equally concerned about avoiding penalties against foreign (American) corporations. On the other hand, Sharp, while publicly supporting American corporate investments in Canada, he too, was expressing some personal fears of Canadian dependence on the United States.

It was not until the comeback of ex-Minister Gordon to Canadian politics in 1967, that a Royal Commission was set up to probe the influences of foreign investments on the Canadian economy. In spite of the commission, the Canadian government was still very hesitant to take decisive action, or impose controls on American corporations investing in Canada. Though it seemed as if the Canadian government wanted to achieve
control over its industries and economy, it wanted to do so without hindering foreign corporate investments. This kind of thinking plagued the Canadian government throughout the 1960's, and though several economic commissions (two separate ones headed by ex-Minister Gordon, and M. H. Watkins) urged radical new controls to curb alleged foreign (American) corporate encroachment on Canadian sovereignty, few actions were taken.

The newly formed Commons Committee (1970) urged Canadian control (fifty-one percent of stock) within foreign corporations. By the beginning of the 1970's, a new wave of nationalism seemed to take hold in Canada. While speaking to a group of American businessmen, Canadian Minister Greene suggested that American corporations must prepare themselves for nationalistic Canada that will have firm control of all foreign investments. Minister Greene's comments were more indicative of the Canadian public's sentiments than several members of Parliament. In spite of their positions, some members of Parliament remained concerned over tackling the large multinationals (See: Canada, 1970, Appendix I).

The government did take some actions against the American corporations. For example, in 1971 the government began purchasing stock of failing Canadian industries, in order to prevent a takeover by American firms. A new bill to curb U.S. dominance over Canadian industry was introduced in Parliament, but the provisions of the bill were merely to establish a
screening agency that would examine all requests for foreign investments in Canada, prior to approving such subsidiaries. Another negative blow was dealt to opponents of the multinationals, when in the same year (1971) the government refused to publish the Gordon Committee report which urged diminished U.S. political and economic role in Canada.

By 1972, the Canadian government could not escape the high tide of popular nationalism that was sweeping the country. Prime Minister Trudeau, reluctant to anger the Americans, cautiously announced government plans to resist growing Americanization by instituting selective controls that would screen applicants before they could do business in Canada. In addition, the government began talks with Japan and European nations, aimed at curtailing Canadian dependence on the American markets.

In Chapter III, Canada, along with Belgium are listed as host developed nations, and the corollary to hypothesis I expects such nations to express negative attitudes and behaviors toward the multinationals. We have discussed here reasons for the anticipated negative position by Canada, but were very surprised to see Canada with negative mean scores and small standard deviations for every year of the study (see pp. 115-125). Even among the developing nations Canada's negative position stands out, as only three (Libya, Iraq, and Kuwait) had consistent negative yearly mean scores. Though surprising, the

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13 Disregarding 1970 (because no statements were reported), Belgium had negative mean scores for six of the remaining ten years of the study.
Canadian case supports (and generally Belgium, too) the corollary to Hypothesis I. There is very little toleration of other foreign governments’ policies on the operations of resident foreign corporations (U.S. Commerce Department, 1972, pp. 82-83). Finally, Canadians have begun to demand control over their own resources, economic and political destinies, and control over the multinational corporations operating within Canada. We can expect stronger actions in the future, as Canadians try to regain ownership of Canada.

The Case of Japan

The recent history of the Japanese economy and Japan's relationship with multinational corporations is 180 degrees different from that of Canada's. Traditionally, Japan has kept control of its economy in Japanese hands. This policy has meant that foreign firms can enter the country, but must join Japanese companies in any economic venture and accept a minority position. Profits of foreign corporations have been tightly controlled, and Japanese economic sovereignty is without question. The Japanese economy has sought to develop through a close alliance between government and business, which deliberately excluded foreign capital and foreign control though Japan's yearly mean scores were consistently positive.

From statements made in Appendix I, the parochial attitude of the Japanese is giving way to the expanding demands from both Japanese and foreign businessmen and governments.
The focus of the demands is to encourage Japan to liberalize its foreign investment laws; thereby allowing foreign businesses access to Japanese markets. Most corporate spokesmen complain that Japan has benefited from the free access that she enjoys to most other national markets, while denying other nations the same opportunity (T. Aitkens, 1973).

During the early 1960's, the American government protested against the negative climate in Japan for American investments and those of other allies. Spokesmen, such as A. Z. Gardener, and R. C. Fenton, defended the American policy which advocated free access to Japanese markets. By 1966, Minister Fukuda announced plans for the Japanese government to ease curbs on foreign corporate investments, but this did not spell unlimited access to the Japanese market. Certain industries would remain closed to foreign corporations, and until further notice, the government planned to request all foreign ventures to undertake joint investments with Japanese firms. During this period, the Japanese government was experiencing some opposition from smaller Japanese businessmen who feared foreign intrusion into the economy. (This attitude was reminiscent of the "Infant Industry" argument that we spoke of in Chapter II). It asserts the rights and tendencies of governments to protect new or developing industries who face opposition from foreign firms. Most often governments will enact tariffs and other protective economic measures. But the Japanese government responded by requesting
its business industries to merge domestic operations in hopes of being better prepared to meet the onslaught of the expanding multinational corporations. This request was made because domestic and international pressures were being felt within the Japanese financial community for increased access to the Japanese market. (See Japan, Appendix I, 1966-1973.)

By 1969, Japan had begun to liberalize its investment policies. Minister Sato assured President Nixon of the United States that Japan would adopt a better policy on direct foreign investments. In following up on this policy, the Japanese government in 1970 raised to twenty-five percent the limit on foreign ownership of corporations in the non-restricted sector. This action was followed by a decision from the Japanese Foreign Investment Council to allow 323 industrial sectors to be open to foreign corporations (New York Times Index, 1970, p. 960). By 1971, five hundred industries were opened to foreign corporations. From the Japanese government's perspective, opening up this many industries to foreign participation was a significant change in policy.

However, the change in Japan's policy regarding direct foreign investments was not initiated through the efforts of the Japanese government. Instead, Japan began to open its economy to the international corporations as a result of pressures from foreign governments. As of 1972, the Japanese Finance Minister had lifted all curbs on Japanese purchase of
overseas property and capital investments abroad. Some nationals of foreign nations and their governments hoped that such behavior was an indicator of the Japanese government's plans to lift all curbs on foreign investors interested in Japan. The anticipation was only partially realized. By 1973, the Finance Minister of Japan announced a program that would permit most Japanese industries to be available to wholly owned foreign multinational corporations. The plan would be implemented within a given time-frame to be worked out by the Finance Minister.

The Japanese market has begun to open up, and all indication is that the new Japanese policy will allow wholly owned foreign firms to operate within Japanese sovereignty. For years, nations had complained about the encroachment of multinational firms on their political and economic sovereignty. Japan had escaped this predicament. Interestingly enough, now when most other nations (both developing and developed) are beginning to assert themselves from the controls of multinational corporations, Japan has begun a policy designed to give foreign investors a greater involvement in the Japanese economy. It remains to be seen whether or not the Japanese government will allow direct foreign investment, but maintain domestic control over its economy. Such an example could prove helpful to other nations that wish to solicit direct foreign capital. In Chapter IV, Japan showed positive attitudes toward international investments, but not foreign control.
The British Example

The British government has done little to discourage the expansion of multinational corporations into Great Britain. Throughout the 1960's, the British have sought closer ties with the European continent, including membership in the European Economic Community. Its chief opponent to such a move has been France. But the British have been persistent in their attempts to attract foreign corporations to Great Britain. During the past decade the Conservative Party issued its policy opposing any nationalization of additional industry. Such a move was seen as a green light to encourage more direct foreign investments. American businessmen were assured that their business activities would remain free from government interference. As early as 1964, Secretary Heath directed economic experts to find means of dealing with the balance of payments deficits, and in 1964, Britain had a negative mean score. Though the government was determined to curb the flight of British pounds from Great Britain, most leaders felt that this could be done by encouraging development activities of multinational corporations within the British economy. The policy was to attract more capital to the domestic economy and curtail the flight of profits to financial centers abroad—namely the United States. In 1966, the British government announced a new economic program with incentives of cash payments for capital expended to build factories in certain depressed areas of the economy. In addition to this move,
restraints were placed on domestic corporations to limit their expansion abroad. At this time it was known that British industry invested over six billion dollars in the United States alone. To stem the outflow of capital from Great Britain, the government felt that it was necessary to limit domestic corporate transactions with other nations.

By 1966, the Bank of England also initiated actions to attract direct foreign investors. Spokesmen for the Bank made known to potential investors that the Bank was willing to make funds available to foreign investors, who were interested in doing business in England. To gain more American investments, Brigadier General Doyle was sent to the United States to encourage American corporations to build more businesses in England. Doyle found out that his job was not to be an easy one.

For one thing, while officials of the government were eagerly putting forth efforts to attract direct foreign investments and spur development at home, some other governmental actions had tended to deter corporate investments. Most spokesmen for multinational corporations had traditionally feared nationalization and expropriation of corporate properties, and though this fear was typically levied at the policies of developing nations, certain developed governments had undertaken socialist policies which often included nationalization of industries. By this time, the British government had begun such policies, and when in 1967 the government nationalized fourteen steel corporations under the
National Steel Corporation, potential foreign investors developed a skeptical attitude toward British policy. Other business leaders charged "backdoor nationalization" when the government began asking for more public disclosures of foreign and domestic business operations.

Similar to the Canadian experience, popular support for nationalistic policies began to surface in Great Britain during the late 1960's. In 1968, J. McMillian and B. Harris published their book, *The American Takeover of Britain*. The general theme of the book was that large multinational corporations had brought American policies into British decision-making sectors. This intrusion was alleged to have filtered from the economic and political arenas to the cultural and consumption areas. In short, while the government had sought to maintain a friendly environment for international business, little strategy was planned to ease the spread of American multinational corporations into Great Britain. In response, the British government launched a program of encouraging domestic corporate mergers to overcome inadequacies between American and British firms. In 1969, Britain had a negative mean score.

For the most part, however, the government has chosen not to place strong controls on direct foreign investments. The reason being that the economy has continued to face a balance of payments problems since the 1960's. When in 1969, the United States' government threatened anti-trust action against Standard Oil (Ohio) and British Petroleum, which
sought to take over Standard Oil, spokesmen for the British government launched a strong protest to the Americans. The protest noted an apparent inconsistency in American economic policies. That is, the charge claimed that while American business was spreading around the globe, the United States government appeared unwilling to allow the spread of foreign corporate activities within its national boundaries. Subsequently, the anti-trust action was never carried forth.

Such a strong protest over the threatened anti-trust action from the British government may or may not serve as an indicator of the government's support for the spread of international corporations. On the other hand, after his election in 1970, Prime Minister Heath pledged to liberate all industry within the country from unnecessary intervention by government. Heath proposed that the government divest itself of $275 million in private investments. In addition, (in 1971) the Prime Minister urged Parliament to cut corporate taxes by $564 million per year, and that same year he met with Henry Ford to encourage further expansion of Ford business in Great Britain. Early 1972 British Chancellor Barker announced a policy of granting one hundred percent allowance for investments in new buildings. This meant that foreign corporations could invest large sums of money in construction of buildings for their businesses. During 1970-1972, Britain had positive mean scores, in part because of the government's efforts to expand the British economy. As domestic and foreign corporate profits began to rise in 1972,
the government hoped that this would encourage other direct foreign investments. The returns were positive as Persian Gulf nations began to invest in Great Britain in 1973. By mid-1974, Great Britain further modified its tax structure, in the interest of attracting more direct foreign investment. This was done, although Labor Party leader, Wilson, has promised to establish laws that would increase industrial control by the people. Presently, large multinational corporations account for about ten to fifteen percent of Great Britain's Gross National Product and over seventeen percent of its exports (U.S. Department of Commerce, 1972, p. 83). While smaller than its impact on Canada, multinational corporations remain strong in the British economy, but during years of economic chaos, efforts have been made to curtail their spread.

The Case of France

Since the end of the second World War, France has sought the top economic and political status among nations of Western Europe, and to some degree she has achieved this position. But the attainment of high strung political sovereignty has encouraged French government decision-makers to showcase national political independence. In the past this has meant the adoption of a hard-line philosophy against the membership of Great Britain in the Common Market. (Britain has been regarded as a potential threat to French leadership in the European Economic Community.) Furthermore, French political independence has been a potent force encouraging France's leadership
not to lose ownership nor control of its national economy. In this vein, the French government, while encouraging direct foreign investments, has continuously insisted upon control over corporations and subsidiaries operating within its national boundaries. At times, French spokesmen have had to assure potential foreign investors that the government will continue to operate under a free enterprise, with limited nationalization of domestic industries. On other occasions, the French government has not hesitated to assert its dominance in the national economy. For instance, in 1964, American-owned General Electric moved to acquire major interest in Cie des Machines Bull, but the government blocked the venture so that this type of major industry would remain domestically controlled. Similarly, for 1964 and 1965, the French received yearly negative mean scores, however in 1966 the large multinational corporations received a strong boost from the French government. For the first time since 1939, the government eased capital controls that had not permitted foreign corporations to raise funds directly in French capital markets. The move, although as asset to the expanding multinational firms interested in direct investments in France, was undertaken to lift the sagging French economy and improve France's balance of payments.

In spite of its friendly gestures toward the multinational corporations, in 1968 the de Gaulle government issued a warning (directed at the United States) that subsidiaries
in France would be considered as legal French corporations and are not bound by any foreign regulations. The point was clear, French politicians would not allow themselves to submit to the dictates of foreign-owned corporations, and as the data in Appendix I and Chapter IV show, France had a negative mean score for 1968. In spite of this fact, most of the French economic policy-makers could not neglect the spread of multinationals, nor their influence on the World economy. By 1970, the government had instituted a program of encouraging French corporate mergers, so that domestic firms could hope to compete with the highly sophisticated American multinational corporations. This approach was also used because it showed other nations that France wanted expanding private enterprise, while at the same time the move protected French ownership of national industries. President Pompidou played both sides of the fence by asking the American, Henry Ford, to modernize and build up the French auto industry, and by sending Minister M. M. Steckel to the United States to seek U.S. corporate investments for France, while at the same time he made frequent public speeches about French economic and political sovereignty. (See France, Appendix I, 1971-1972.)

As the British entered the European Community in 1972, Minister Giscard d'Estaing was concerned over the apparent thinking of Great Britain's political leaders that France would allow some takeovers of her domestic firms. His remarks were emphatic and they clearly stated France's economic policy.
to maintain control over its direct foreign investments as well as firms operating in France. In addition, there would be no British takeovers of French corporations, although Great Britain was now a member of the Common Market. Giscard d'Estaing's assertion of France's political and economic sovereignty was an accurate description of French attitudes from a nationalistic and legal standpoint, but it did not depict a very real situation for the nation. As far as Great Britain was concerned, French policy-makers were determined to retain their status and leadership in continental affairs, but Giscard d'Estaing had to admit the influence of American industry on the French economy. As Edward McCreary puts it in his book, The Americanization of Europe, "In France, blue jeans are now a standard teen-age garb and guitar sales are booming." (E. McCreary, 1964, p. 248). In July 1973, Giscard d'Estaing requested the American government not to devalue the dollar any further—citing the close ties between French and American corporations and the negative affects that further devaluation of the dollar could have on the French economy. Again, citing McCreary, "It is along with the spread of jukeboxes and ducktail haircuts, that Europeans refer to, when they speak of the Americanization of Europe." (E. McCreary, 1964, p. 252).

The point was quite clear. Publicly, French leaders had rallied to the call of nationalism and its parochial, domestic interests. But the showcase image of absolute political and
economic independence was laid to rest by Giscard d'Estaing's admission. The impact of foreign (American) multinationals on the French economy was real, indeed.

The Case of the United States

Generally speaking, the United States has been the home base for an overwhelming majority of the multinational corporations operating in the World economy. Frequently, the American government has been called upon by spokesmen for the large companies to mediate differences between the multinationals and foreign governments. More than enough, the United States government has been branded as the "hidden hand" behind the operations of its international firms. This has been true whenever American firms have been at odds with another country. Likewise, American firms have been suspected by other nations as an extension of United States' economic, political, and cultural policies and norms.

In 1964 (but retroactive to 1963) the interest equalization tax was passed by the United States Congress to make the cost of obtaining U.S. capital on a comparable level with European money markets. It was expected to discourage the outflow of private capital by raising the costs to other nationals who borrow capital in the United States. In spite of this action, we see from the data in Chapter IV and Appendix I that officials in the United States have been the strongest supporters of foreign investment.
A new twist is developing in the continuing world controversy over the activities of multinational corporations. Whereas the past has witnessed disputes between multinational firms and developing countries and some host developed nations, the United States has recently released a slightly altered agenda—namely to examine the economic giants rather than take a one-sided defense of them against other national critics. The depth of interest of the United States government concerning the behavior of multinational firms may be indicated by the attention given the corporations before the subcommittee on International Trade of the Committee on Finance—United States Senate. A compendium of papers on the activities of the firms was presented at the 93rd Congress, February, 1973. Other discussions centered around "Implications of Multinational Firms for World Trade and Investment and for U.S. Trade and Labor" given during the 93rd Congress, February 26, 27, and 28. Generally speaking, testimony taken from Labor during the Senate hearings was critical of the activities of subsidiaries of American multinational corporations. Chief lobbyist for the AFL-CIO, Andrew J. Bremiller argued, "We believe (speaking for Labor) that the unregulated activities of U.S.-based multinational firms are a major factor in the worsening position of the United States economy ... we are convinced that American-based multinational firms export American jobs, export American technology, and export American capital." (The Congressional Quarterly, March 10, 1973, p. 550). Bremiller
cited the sale of the Thor-Delta launch rocket to the Japanese as an example of export of American technology. His several other examples offered sharp criticism of the economic impact of the multinational corporation on the American economy. Bremiller's comments were more critical than opinions offered by official government spokesmen. (U.S., Appendix I, 1973.

The friendlier witnesses who appeared before the Congressional hearings were from the business community and some representatives from the Executive Branch of the government. On February 26, 1973 Peter Flanigan, then Executive Director of the President's Council on International Economic Policy, told the Senate Finance Subcommittee on International Trade that "It is difficult to find much evidence that multinational corporations, as a group have damaged the U.S. economy or its workers. In fact, the hard evidence gathered to date would indicate the reverse." (The Congressional Quarterly, March 3, 1973, p. 478). Flanigan received support from Secretary of Commerce, Frederick B. Dent, and both insisted that corporations contributed to the growth of domestic employment and exports, and that U.S. import competition came mostly from foreign-owned companies. In response to questioning from Chairman Abraham Ribicoff about the role of multinational corporations in the monetary crisis which led to the February 12, 1973 dollar devaluation, Flanigan could not say whether the multinational firms had precipitated the crisis, but added that it did not appear to be the case. In sum,
the spokesmen for the Executive Branch of the United States Government generally defended the activities and role of American multinational firms before the Senate hearings; while the Congress probed, Labor pointed a guilty finger, accusing the multinational firms of behavior not seen to be in the interest of the United States (or at least, not in the interest of Labor and its constituents).

Public attention was gained from the Senate hearing, as evidence slowly leaked into the American press linking International Telegraph and Telephone Corporation (ITT) and the Central Intelligence Agency (CIA) with clandestine operations aimed at influencing the election of Salvador Allende as president of Chile. According to reports of correspondence published in March 1972 by columnist Jack Anderson, representatives of the CIA and ITT met during late 1970 to discuss means of creating economic chaos in Chile to influence the election. Testimony taken before the Senate subcommittee revealed that the highest levels of the CIA and ITT were informed of the meetings. It was also learned from testimony "... that an officer of ITT proposed to Peter Peterson, then special assistant to the President for International economic affairs, an eighteen-point plan designed to ensure that (if elected) Allende does not get through the next six months. The plan was never acted upon." (The Congressional Quarterly, July 14, 1973, p. 1901).
The findings of the subcommittee generally substantiated the earlier claims made by Jack Anderson, but the official status given the report was more significant, as it had the backing of the United States Senate. The report concluded that ITT had overstepped the line of acceptable corporate behavior and that its attempts to manipulate the outcome of the Chilean election could not be condoned. Furthermore, the report insisted,

If ITT's actions in seeking to enlist the CIA for its purposes with respect to Chile were to be sanctioned as normal and acceptable, no country would welcome the presence of multinational corporations... (and that pressures ITT placed on the government for CIA intervention) is incompatible with the long-term existence of multinational corporations, and incompatible with the formulation of U.S. foreign policy in accordance with U.S. national, rather than private interests" (The Congressional Quarterly, July 14, 1973, p. 1901).

A new policy for American enterprises was being developed. The law-makers had stated emphatically that multinational corporations were not to interfere with the internal politics of a country, and they noted that in doing so, ITT had exceeded the jurisdiction of acceptable corporate behavior.

The result of the Senate inquiry is that legislation has been proposed by the Senate subcommittee to make it a criminal offense for a U.S. citizen or resident to make or offer a contribution to a government agency or an officer to influence a foreign election. In addition, the new law would make it a crime for a government agency to solicit a contribution for the same.
Although the Senate bill\textsuperscript{14} sought to limit American multinational corporations from interfering in foreign elections, the hearings and subsequent testimony and questioning taken throughout also indicate some official government concern about multinational corporations. For the most part, this concern was expressed because of public disclosure of ITT involvement in the affairs of Chile. But other issues did surface in earlier Senate hearings, which showed increasing support from Labor and the Congress to investigate the influences of multinational firms on exports, financial crises, employment levels, and the general society. It was alleged by Labor spokesmen that the American society was suffering because jobs and technology were being transferred abroad. The result being, according to Labor spokesmen, a loss of American competitiveness in the international arena. But the Administration officials argued contrasting views from Labor.

As the reader may recall from the Canadian case, Parliament showed some initial interests in the activities of foreign corporations operating in the Canadian economy. Next, the public heightened its curiosity; then the Prime Minister (Trudeau) showed late signs of nationalistic fever. In the United States, though from an entirely different perspective—\textsuperscript{14}The bill (S2239) was passed by the Senate July 26, 1973 without debate.
turned towards the activities of the large multinational corporations. Congress appears willing to act (cautiously) to limit the corporations' scope of activities, and perhaps next, the Executive Branch will assume a more active role.

It is quite possible that the U.S. Administration's hand will be forced to advocate curtailment of the activities of multinational firms. American public demands for explanations about the oil shortages and "Energy Crisis" of late Fall 1973 and Winter 1974 prompted some disclosures by large oil companies and closer scrutiny of these firms by the Congress and Administration. The public also demanded explanations from large oil companies about their large "wind-fall profits." At the time of the crisis, it was also revealed that Congress and the Administration had little information nor control over the activities of the big multinational oil companies. Unfortunately, as the "crisis" passed, so did widespread public and government interest, and less emphasis is now being placed on the United States government to secure, where appropriate, further controls on the activities of large multinational oil firms. Yet, the government's hand may still be forced by the general public.

In its July 8, 1974 issue, U.S. News and World Report carried an article entitled "Made in U.S. Isn't Always What It Seems." The article examines what it calls the tide of foreign investments in the United States, and went on to say that the tide is affecting Americans in ways they little suspect,
such as disappearance of very well established brand names and replacing them with foreign brands. Several reasons are given for the increase in direct investments in the United States. Two reasons cited in the article were devaluation of the dollar in 1971 and 1973, and secondly the selling of American securities at very low prices. A chief concern expressed in the article is the apparent ignorance of the American government about the true number of foreign firms operating in the United States. While the government estimates one thousand foreign-owned firms actively engaged in business in the country, independent studies at Ohio State University and Georgia State University estimate between 1,200 to 1,400 of them (U.S. News and World Report, July 8, 1974, p. 65).

As stated earlier, the response on Capital Hill has been to hold Congressional hearings from which some legislation has emerged. The article in U.S. News spoke of pending legislation called the Foreign Investors Limitation Act that would prevent foreign companies from acquiring more than five percent of the voting stock in a U.S. company. In response to the pending bill, Administration officials, Peter M. Flanigan, most notably, has warned that there is no national security or sound economic reason for additional restrictions on foreign corporate investments in the United States. Moreover, he has claimed that such nationalistic behavior would lead to a breakdown in other aspects of international relations. In addition, the dilemma facing the United States government is that the
Americans are generally accepted as the most staunch supporters of the multinational firms, and for American policy to change, which would limit corporate activities may precipitate a chain-reaction from other nations, whose attitudes toward multinational firms may be less friendly than the United States. Also, American businessmen are likely to be the heaviest losers if nationalistic or expropriation tendencies toward foreign corporations spread beyond present limits. In spite of this real situation, the Senate has approved a bill calling for a massive 2½ year study on direct foreign investments in the United States. The results could produce findings that may lead to a change in United States' policies with regard to foreign multinational corporations. For now, however, the U.S. has conformed highly to hypothesis I.

Other Voices Within Developed Nations

The literature is ever expanding with works devoted to an examination of the multinational corporation. Many names have been mentioned in earlier parts of this paper, so the reader's patience will not be tested by further repeats. However, a few comments from influential students, who have examined multinationals and direct foreign investment, may shed some additional light on our present discussion.

One name seems most important to this inquiry, and that is the French journalist-politician Servan-Schreiber, who argues in his book, The American Challenge, that American firms
are buying into and gaining control over the highly technological sectors of the European societies. Moreover, as American multinational firms continue to gain control over the highly skilled areas of most European economies, they continue to exercise some influence on the future growth of these nations, claims Servan-Schreiber. The other side of the coin, of course, is that if the motive of the corporations is profit and growth, then all corporate efforts will be directed to ensure growth within these European countries. Yet, the central theme of Schreiber's work closely parallels the issue raised in this section of the study, and that being, "Not only U.S. business but business everywhere is out-growing national boundaries" (U.S. Department of Commerce, op. cit., p. 4). The outcome has been that both developing and developed nations now feel the impact of the multinational corporations. The impact is alleged to have caused the loss of natural resources in Latin America and Africa; the transference of technology from the developed areas to the developing ones; and the flight of capital from the United States and Great Britain—which some say may have caused the monetary crises in these nations during 1971 and 1973.

At any rate, the issue is loud and clear—the task of finding suitable policies to deal with the operations of multinational corporations is no longer the sole responsibility of the developing nations. The activities of the giant firms have also been felt by developed countries and sometimes the
national economies of these nations have been adversely affected. The result has been—as in the developing sphere—a growing sense of nationalism, whose roots lie deeply in the policies of organized Labor and various Congresses, as well as the general publics of these developed countries.

Anthony W. Benn has said that,

The first concern of governments in dealing with the multinational enterprise lies in the areas of industrial and economic policy where the multinational firm has a built-in advantage deriving from its international status, permitting it to escape more easily from domestic legislation of all kinds" (Aitkens, 1973, p. 156).

From this we might ask, Is the nation-state capable of dealing successfully with activities of the multinational corporation? In answering this question, Benn suggests that the role of the United Nations should be to supervise the activities of some multinationals. He goes on to say that the U.N. may go as far as giving diplomatic recognition to multinational firms when they have reached a certain size. In this way the firms become directly accountable to the United Nations for their international behavior. The result is a supranational organization that oversees the activities of an international actor.

Finally, Anthony W. Benn seems to agree with the points raised in this section: That the multinational corporation is no longer (if it ever was) a burden or luxury of the developing nations alone. In addition, we believe that more developed nations will have their chance to learn from the histories
of developing nations or develop their own ways of coping with the rewards and/or problems incurred from the increasing influences of the multinational corporations on their economies and societies as a whole. We may conclude by presenting Louis T. Wells' argument, who declares that, "The multinational corporation has been formed to frustrate the traditional nation-state . . . it is an extension of U.S. corporate expansion for planned exploitation of foreign markets (L. Wells, in Keohane and Nye, 1973, p. 100). If he is correct, and the evidence presented here seems to bear him out, then the creators of the multinationals (mainly the developed nations) must now assume a more active role in shaping destinies and activities of the large enterprises, consistent and compatible with the existing developing and developed nation-states. Perhaps then, will the conflict between developed and developing nations over the multinationals be minimized or disappear entirely.
CHAPTER VI

SOME CONCLUSIONS AND
RECOMMENDATIONS FOR FURTHER RESEARCH

Introduction

This chapter will be a summary of what the author has attempted to do throughout the paper. Unlike the novel and short story, however, no villain(s) will be eliminated nor will a hero win his/her spoils. Instead, we intend to present the findings of our research in an orderly fashion, and coupled with this task, we have provided some recommendations and approaches for future research on the topic of multinational corporations.
Some Findings of the Study and Recommendations for Further Research on Hypothesis I

The basic premise from which we started asserted a difference in attitude and behavior between developed and developing nations vis-a-vis the multinational corporation, and that developed nations would be for and the developing nations most often against multinational corporations, subsidiaries of the corporations, and direct private foreign investments. Furthermore, it was claimed that such differences could be discovered and empirically measured by a systematic content analysis of official government statements that were concerned with the topic of multinational corporations and direct private foreign investments. Finally, we hypothesized that the differences separating the two groups is increasing, and that the attitudinal and increased distance at (1963, 1964-1968, and 1969-1973) between the developed and developing nations will reflect this widening gap.

A number of sources were researched in order to discover various statements about multinational corporations. From the six original sources: 1) New York Times Index, 2) African Recorder, 3) Middle East Journal (Chronology), 4) Hispanic American Review, 5) Asian Recorder, and 6) the Arab World, the former three were used, because they provided the essential data. By utilizing multiple sources, we wanted to avoid the "Source Coverage Problem", spoken to by E. Azar. et al., 1972. Moreover, as guidelines to identify other
sources used in events research (and also suggested by E. Azar and others) our sources were: 1) In English, 2) Publicly available, 3) Used by previous scholars, and 4) Compiled in different nations. Additionally, we made use of an intercoder reliability check (the results of which are reported on p. 130).

We were able to identify 1,089 statements that reflected some attitudinal or behavioral content related to the operations of multinational corporations. Each statement was coded according to a classification scheme (which appears on pp. 93-94) and as mentioned in the previous paragraph, an intercoder reliability check was performed by the author and one other person.

The research covered the period 1963-1973 and its design is most accurately described as longitudinal. In making use of this type of design we were able to observe changes in behavior and attitudes of nations regarding multinationals. Additionally, as the various hypotheses (pp. 27-28) predicted certain directions of the nations' attitudes and behaviors, we were able to examine such directional changes at specific points and for a given period (1963, 1964-1968, and 1969-1973). In this manner, we gathered data to confirm or deny Hypothesis II and its corollary. That being that the poles between the two groups of nations are widening, and the attitudinal and behavioral distances between the developed and developing nations would reflect this widening bipolarity.
On page 82 we begin our discussion to justify the selection of the two samples of the study. We chose to divide our samples into two categories: 1) Developed and 2) Developing nations. Development was used as a physical control between the two groups of nations, and on page 79, certain variables are given which explain the bases for placing a nation in one category versus the other.

The two samples consisted of twenty-eight nations. Seven were drawn from the developed category and twenty-one from the developing nations. For the developed nations, our selection criterion was Direct Foreign Investments, Accumulated Assets by Major Countries of Ownership at the end of 1966. We reasoned that since the developed nations were the homebases for an overwhelming majority of the multinationals, direct foreign investments would be a useful measure of the ownership of multinational corporations. As we have provided in-depth information on this segment of our study (beginning on p. 85) suffice it to say that the seven nations chosen for our study accounted for over ninety-one percent of the International Direct Investments. Each of the seven nations had investments greater than any other nation in the world (excluding some communist nations, which were not included). Finally, the data gathered on the sample of developed nations reflect how governments that are major homebases for large multinational corporations act and relate toward them. Certain other developed nations
may show similar or completely opposite profiles from those of the seven developed countries chosen for this study.

In selecting the developing nations, our major concern was the destination of the Direct Foreign Investments. One criterion that we made use of was United States' Net Capital Flows (1966), as an estimate of World Net Capital Flows. For certain Middle Eastern nations, the Value of 1966 Exports in Current Prices was used to identify countries. We decided to make use of national exports of nations of this area, reasoning that since the area has little "native" industry, most of the Middle East Exports probably result from the actions of large multinational corporations. (See pages 88-92 for a discussion of the reasons employed in deciding the twenty-one developing nations.)

Now that we had identified the nations that would be used in the study, the next task was to select the statements from each of the nations. Each statement was classified according to the scheme that appears on pages 93-94. The scale allowed statements to range from Very Friendly (+6 points) to Very Hostile (-6 points). Though an appropriate definition is given for each category, the researcher (see p. 95) looked at hostile or friendly statements according to support, expansion, or institution of the attitude or behavior being expressed in the statement. Each category represented a different degree of hostility or friendliness and the respective score given to the statement reflected this fact.
Part of the research task was to look at how nations lined up according to attitudes and behaviors toward the multinationals and direct foreign investments (Hypothesis I). In order to get at this question, we chose the mean and standard deviations as a measure of central tendency (of attitude and behavior) and dispersion, respectively. Calculations were made of the measures for each nation during each year and for the two samples for 1963 and each five year period. As revealed earlier, we expected most, if not all, developed nations’ attitudes and behaviors to reflect a central tendency of support for the multinational corporation, its subsidiaries and direct foreign investments. The opposite was expected of developing nations.

In Chapter II we examined some theoretical explanations aimed at giving some support to Hypothesis I. More specifically, we claimed that a growing sense of nationalism; the spread of literacy; and the fight for political and economic sovereignty, destinies, and ownership of resources were reasons prompting the developing nations to take very negative stands against the multinational corporations, subsidiaries of the corporations and direct foreign investments. Moreover, we explained that as the study progressed, more intense, hostile attitudes and behaviors would emerge from the developing camp. This point is explained by witnessing the growing power of the developing nations, through independence and greater numbers of developing nations; through
the spread of education and opportunity to the developing nations via the multinationals, according to J. Fayerweather (1972); and through the general world concern over the multinationals. Accordingly, we expected to find developing nations expressing hostile attitudes and behaviors toward multinationals throughout the study with increasing hostile feeling approaching Very Hostile, -6, toward the latter part of the study. The opposite was expected for developed nations.

In Chapter V (p. 115) we began looking at the mean score and standard deviation for each nation. In 1963, thirteen (62 percent) of the developing nations recorded negative mean scores, and while eight (38 percent) of the twenty-one developing nations had positive mean scores, most of these nations (e.g. Mexico, Jamaica, Bolivia, Chile, Colombia, etc.) were closely aligned with the larger developed nations and were receiving foreign aid from them. Though it was anticipated throughout the research that developing nations would have negative mean scores, we also speculated that this would become more pronounced as the study continued. On page 128, evidence is presented which show more developing nations receiving negative mean scores (depicting hostile attitudes or behaviors). In the first part of the study (1963, and 1964-1968) 67 to 72 percent of the developing nations had negative mean scores. For the second part of the study (1969-1973) 85.7 to 100 percent of the developing countries had yearly negative means. Likewise, the standard deviation scores for the developing nations
became smaller as the research continued. As this measure of dispersion declines, it reflects a lesser amount of fluctuation about the mean of a nation's attitude and behavior toward multinational corporations. This observation is consistent with our expectation that developing nations have become more uniform (and hostile) in their attitudes and behaviors toward multinational corporations.

Of the seven developed nations, four (United Kingdom, United States, Japan, and Germany) were most often the ones with positive mean scores. France and Belgium joined this group during certain years, while Canada retained a negative mean score throughout most of the research. As we tried to explain in Chapter V, we expected a negative mean score for Canada because many government leaders in Canada believe that their nation's economy, and to some extent political sovereignty, have been taken over or compromised by the large American multinational corporations. In the same chapter we spoke to the various political and economic moves that have been offered by several Canadian politicians and organizations, aimed at reducing the strength and influence of multinationals operating on Canadian soil. Much of the negative Canadian attitudes and behaviors toward the large industrial giants has been prompted by the alarming fact that American industry has controlled or accounted for over sixty percent of Canada's gross national product. This overwhelming control of Canadian resources by American multinationals
was seen by many Canadian leaders, most notably Minister Gordon, as a direct challenge to Canadian economic and political sovereignty and destiny.

We also pointed out, while discussing the Canadian case, that a growing nationalism among the Canadian population had accounted for much of the new wave of interest that Canadian leaders were showing toward multinationals throughout the study. Even Prime Minister Trudeau, who had been reluctant to take on the large American firms, was willing to advocate selective controls that would screen foreign applicants desiring to do business in Canada. In sum, we expected Canada to have negative mean scores for most years of the research. It is also noteworthy that Canada retained relatively low standard deviation scores, which would indicate a rather stable position in attitude and behaviors during the years that had these low scores. Finally, we would conclude that while Canada is indeed a developed nation, it is most accurately described, as a host developed nation, and conform to the corollary of Hypothesis

Two other nations, Belgium and France, also recorded negative mean scores for several years of the study. Though Belgium, like Canada, is a host developed nation, work by J. Boddewyn (in A. Kapoor and P. D. Grub, 1972, pp. 434-435) point to somewhat of a different attitude between the two nations regarding direct foreign investments. G. R. Thoman's case study of Belgium shows that the Belgian government
and business community have consistently sought after foreign investments from both European, American and other nationals.

He goes on,

> In the decade from 1958 to 1968 the Belgian government attempted to encourage the installation of modern industries that would update the country's industrial structure and enable it to compete more effectively with Common Market partners and with international producers of competitive products who benefited from lower domestic costs. The result of this policy . . . was to precipitate a large flow of foreign (primarily American) investment into Belgium. (G. R. Thoman, 1973, p. 3).

Consequently, by the mid-1960's over twenty percent of the total gross industrial capital formation in Belgium was made by foreign investors, according to Thoman. Shortly thereafter, in order to deal with inflationary pressures, the government began actions to curtail the expansion of its economy.

Thoman's assertion that the Belgian government began to curtail foreign investments in the mid-1960's is reflected in our data. We observe from the data (beginning on p. 117) that except for 1968, 1969, and 1973, Belgium had negative mean scores for other years of the study. Standard deviation scores were not convincingly stable, although a few zero scores were reported. However, on four occasions, the low standard deviation scores resulted from the single statement made for that year—not because several of the same type of statements were being expressed for a given year. From another perspective, J. Boddewyn observes that when the Schlitz Brewing
Company withdrew from Belgium (in the 1960's) after only two years of unprofitable operations, many Belgians felt that the action was "... only too representative of American 'financial mentality' and lack of consideration for employees, suppliers, and customers." (J. Boddewyn, in A. Kapoor and P. D. Grub, 1972, pp. 434-435). Although we are not certain, one might conclude that the action by this American firm may have been another factor encouraging negative Belgian attitudes regarding the operation of multinational firms on Belgian soil. We would conclude, therefore, that although the Belgian government sought foreign investments during several years of this study, and applied brakes to halt the expansion of its economy in order to deal with inflation, actions of this host developed country were consistent with the theoretical framework of this study. That being, nations, particularly developing nations that have been most affected and host developed nations for similar reasons, will often permit multinationals to come into their economies to do business, but only if the firms obey local policies and act in the interest of the nation. Foreign control or domination by large industrial giants will not be tolerated, and efforts are most often undertaken to curtail the actions of multinational corporations that do not live up to the above expectations.

Finally, nations like the United States and Japan, which have controlled their economies through policies, and
in the case of the United States, most often through modern or superior technology, we witness an absolute support for the multinational firms. The same is generally true for West Germany and the United Kingdom. But, France, because of its political and economic competition with other Western nations, including the United States and the United Kingdom, and Canada and Belgium for reasons already discussed, have chosen at various times to take a very hard line against multinational corporations, whose subsidiaries operate in the respective countries, and may threaten to or in fact do control economic sectors of the nation. Thus, what we have witnessed is that some developed nations have begun to look closely at the operations of the multinational corporations and their influences on national economies and sovereignty. This point alone may account for the outcome of the graph of the arithmetic means of the two samples as shown on page 126. Clearly, we can see the increasing negative attitudes and behaviors of the developing nations toward multinational firms as measured at the respective poles (1963, 1968, and 1973). While not expected, we observe a definite decrease in positive attitude and behaviors of the developed nations during the periods of the study. For the developed countries, we witness a decline in mean score for the group from point A (1963) to point B (1968), and although some positive rise is seen from point B to C (1973), the mean score for the developed nations at point C is less than that at point A. (We will
reserve our final comments about the increasing distance until a discussion of Hypothesis II.)

Our observations show that Hypothesis I and its corollary are generally confirmed by the data, and hopefully, the comments that we have offered in this section crystalize the findings of the study. Moreover, so that we might make other empirical studies of the findings of this section of the research and some of its underlying reasons, comments, and conclusions, the following is offered for future testing.

We propose a cross-national survey research approach, so that we might look further into Hypothesis I, the data of the hypothesis, and some of the reasons and comments that have been presented in defense of the findings; most notably, that developing nations will line up against multinational corporations or subsidiaries of the corporations, and developed nations will be more supportive of the multinational firms or subsidiaries. Again, we make use of development as a physical control, and the definitions of the term that have been supplied in this study may be used in the future research. Each nation that has been a part of the present paper on multinationals should also be a part of the recommended study. In future research, however, other countries should be included. In this manner, additional nations could be added to the future study, so that we might be able to extend the conclusions of the research beyond the present twenty-eight countries. It is suggested that two samples of nations
be drawn, using the same selection criteria, as the present research. This time the next twenty-eight nations (or a little more or less) should be included. What we mean here is that since we have selected the top seven, the next seven or so developed nations with the highest Direct Foreign Investments, Accumulated Assets, end of 1966 (or choose some other recent year) are now added to the sample of developed nations. Likewise, for developing countries, we would choose the twenty or so with the next highest United States' Net Capital Flows, end 1966 (or some other recent year) and where appropriate, select those nations with the next highest Value of 1966 Exports (or some other recent year).

Now that the nations are identified, we intend to confirm or deny that:

I. H1: The more a developing or host developed government perceives that it does not control its resources or foreign multinationals operating within its national boundary, the more negative its attitudes and behaviors toward the foreign multinationals become.

In hopes of looking at the above hypothesis in some systematic manner, a preliminary survey questionnaire has been drawn up. Unlike the present study on multinationals, the proposed one is non-longitudinal and will apply only for the year in which the survey is taken. Although several sources may be available from which we might draw our data, two sources
ILLUSTRATION 3

Survey on National Governments' Attitudes and Behaviors Toward Multinational Corporations or Subsidiaries

This questionnaire has been put together for the purpose of soliciting your government's attitudes and behaviors toward multinational corporations, subsidiaries of the firms, and foreign direct private investments.

Please place an X in box depicting your best response.

1. Name of your country ____________________________

2. Describe the present relationship between your country and the nation from which it gained its independence.
   a. Very good ( )
   b. Good ( )
   c. Fair ( )
   d. Poor ( )
   e. Does not apply ( )

3. When did most foreign multinational corporations or subsidiaries enter your country?
   a. Within the last year ( )
   b. Within 1-5 years ( )
   c. Over 5 years but less than 10 years ago ( )
   d. Over 10 years ago but since World War II ( )
   e. Before World War II ( )

4. Are the foreign multinationals or subsidiaries from the nation which your country gained its independence?
   a. Yes ( )
   b. No ( )
   c. If yes or no, what other nation(s) have foreign multinationals or subsidiaries in your country?
5. How much of a role has foreign multinational or subsidiaries played in the relationship that now exists between your country and the homebased country of the multinational?
   a. No role ( )
   b. Some role, but negligible ( )
   c. A small role, but it's increasing or decreasing:
      Which? (Underline one)
   d. A definite role ( )
   e. Does not apply ( )

6. What type of foreign multinationals or subsidiaries operate in your country?
   a. Manufacturing ( )
   b. Non-manufacturing ( )
   c. Insurance and Banking ( )
   d. Other, explain please ( )

7. How would you describe the affect of foreign multinationals or subsidiaries on your nation's
   A. Economy
      a. Very good ( )
      b. Somewhat good ( )
      c. Average ( )
      d. Negative ( )
      e. Does not apply, explain please ( )

   B. Labor Force
      a. Very good ( )
      b. Somewhat good ( )
      c. Average ( )
      d. Negative ( )
      e. Does not apply, explain please ( )

   C. Political Sovereignty
      a. Very good ( )
      b. Somewhat good ( )
      c. Average ( )
      d. Negative ( )
      e. Does not apply, explain please ( )
8. Does your government favor foreign multinational corporations or subsidiaries operating in your country?
   a. Yes ( )
   b. No, explain please ( )

9. Have members of your population expressed negative or hostile attitudes and/or behaviors toward foreign multinational corporations or subsidiaries operating in your country?
   a. Yes, often ( )
   b. No ( )
   c. Yes, sometimes ( )
   d. Yes, but very seldom ( )
   e. Can not say ( )

10. Does your government have adequate cooperation from foreign multinationals or subsidiaries operating in your country?
    a. Yes ( )
    b. No, explain please ( )

11. How would your government characterize the value of multinationals to the World Economy?
    a. Contributive ( )
    b. Negative ( )
    c. Slightly beneficial ( )
    d. No real measure of it ( )
    e. Other, explain please ( )

12. Are multinational corporations controlled enough by present laws and organizations?
    a. Yes ( )
    b. Yes, but needs improving ( )
    c. No ( )
    d. Somewhat, but far from the best ( )

13. For operational and organizational purposes, should subsidiaries of multinational corporations accept as top jurisdiction the laws of their homebased nations or laws of the nations in which they operate?
    a. Homebased nation ( )
    b. Nations in which subsidiary operates ( )
14. Other than what presently exists, should any other organization have jurisdiction over multinational corporations?
   a. None other ( )
   b. United Nations ( )
   c. International Chamber of Commerce ( )
   d. Regional Group--which? ( )
   e. Other--name ( )

15. Are foreign multinational corporations or subsidiaries a political and economic extension of their homebased nations?
   a. Yes, definitely ( )
   b. Yes, somewhat ( )
   c. No ( )
   d. Cannot say ( )

16. Is there any type of foreign multinational corporation or subsidiary that your government will not allow within its national boundaries?
   a. Yes ( )
   b. No ( )
   c. If yes, what type
      1. Manufacturing ( )
      2. Strategic (military, etc.) ( )
      3. Extractive ( )

17. The primary function of the multinational corporation or subsidiary should be to:
   a. Benefit or make a profit for the corporation ( )
   b. Serve the interest of the country in which it operates ( )
   c. Serve the interest of the homebased nation ( )

18. Is your country seeking to expand foreign investments?
   a. Yes ( )
   b. No ( )

19. What is your position? __________________________
20. How long have you been in your present position, department, or government service?
   a. 1-5 years ( )
   b. Less than 1 year ( )
   c. 10-15 years ( )
   d. Over 15 years ( )

21. How would you characterize the department or organization in which you serve. Its primary function is:
   a. Economics ( )
   b. Political ( )
   c. Social ( )
   d. Other, explain please ( )_____________________________
are recommended, from which only one should be selected, for gathering the responses. Administer questionnaires to:
1) United Nations' representatives for the respective countries or 2) Ambassadors of the countries to the United States. Where neither of these sources is available, delete the nation from the study, unless some other consistent source of information is found. Answers to questions 1, 7, and 8 could be gotten through other sources (e.g. U.N. materials, etc.).

Where appropriate, cross tabulation of responses and factor analysis are means of organizing and analyzing some of the data. John E. Mueller (1969, p. 309) explains that factor analysis "... examines the intercorrelations among a group of variables and can be made to suggest a number of underlying statistical factors or dimensions, each of which seems to explain the behavior of a different subset of the original variables." For example, in our survey research on multinationals, we might find Factor I to be "Non-Control of Resources" and such a factor might very likely have high loadings from questions or variables 10, 11, 15, 20, and 21. We could expect Factor II to be "Non-Control of Multinational Corporations" and variables 7, 9, 10, 11, 12, 14, 16, 18, 19, and 21 might load highest on this factor--depending upon the response to each of the questions. Other Factors could be hypothesized and might be tapped in this questionnaire, but the two that have been suggested begin to get at some of the aspects of Hypothesis I of this section.
While results of this survey could add some additional credibility to the findings of Hypothesis I of this present research on multinational corporations, what we have proposed here is, at most, a very small start to any survey research. Its infant stage is obvious, but it may serve as a beginning.
More Findings of the Study and Recommendations for Further Research on Hypothesis II

The data of this study have been supportive of Hypothesis II. More specifically, we have witnessed an increasing distance between our two samples on the issue of multinational corporations or subsidiaries operating within national boundaries. The illustration on page 126 is a graph of the arithmetic means of the two samples, and bears out the contention of Hypothesis II. From the graph, we can see a widening gap between developed and developing nations. That is, the distance (as measured by mean scores for the two samples) between the two groups at point C (1963) is greater than point B (1968) or point A (1973), while the distance between the two samples at point B is greater than that at point A. Although reasons have been given which we feel account for the widening distance between the two groups, some review of the findings is in order.

While separate composite mean scores for the two samples of nations at the various points were very useful in depicting the widening distance between the two groups, we decided to provide more evidence of this fact by showing that the two samples were indeed different for each period of the study (1963, 1964-1968, and 1969-1973). Two tests were selected which we felt would be able to tell us whether or not there were any significant difference(s) between the
two samples of our study relative to their attitudes and behaviors toward multinational corporations during the specific periods of this research. We chose the Kolmogorov-Smirnov Test and the Difference of Means Test in hopes of answering the preceding question. (A discussion of the selection criteria begins on page 105.)

On page 131, we began a preliminary discussion of the Smirnov Test. As we observe on page 134, the maximum difference between the two groups' (developed and developing nations') cumulative distributions is \(2.44\), while the theoretical value of \(D\) (maximum difference between the cumulative frequency distributions of the two samples) obtained from the formula on page 134 is \(3.48\).

To confirm Hypothesis II for 1963, the observed maximum difference between the two samples had to be greater than or equal to the value of \(D\) obtained from the formula listed on page 134. As this was not the case, and the same was true for 1963 computations involving the chi-square, our preliminary conclusion was that there was no significant difference between developed and developing nations with respect to attitudes and behaviors toward multinational corporations for 1963.

On the other hand, the results of the Two-Sample Difference of Means Test for 1963 differed from what we obtained for the 1963 data using the Smirnov test. The question that now remains is, how do we decide which of the two tests is
more accurate? Rather than discuss the strengths and weaknesses of each test relative to the other (as we begin to do so on page 105), some other observations are offered. First, of all, we have decided to report both observations, although our leaning is toward the findings of the Difference of Means test. In the case of the Smirnov test (see p. 134) we observe that the distribution of the statements (with the exception of MOD FREND and HOS) appearing in each category of developed and developing nations is quite similar, which obviously accounts for the fact that this test reported no difference between the two samples. On the other hand, if we look at developed nations' distribution, we see a very large number of friendly statements, and a small number of hostile statements for the same group of countries for 1963. We also note for the developing nations (with total N statements=90), that the distributions between hostile (N=45) and friendly statements (N=45) is fifty-fifty. In other words, there are no leanings toward hostile or friendly attitudes and behaviors regarding multinational corporations on the part of this developing group of nations for the 1963 period.

We would speculate, therefore, that since the developing nations appear both for and against the multinationals, and the developed countries lean favorably toward (or for) the multinational firms, the Smirnov test is unable to detect any noticeable difference between the two samples. The result
has been that whenever the two groups of nations are compared using the Smirnov test, they appear basically similar. Hence, the above point explains our earlier conclusion of the Smirnov test that we reported on page 137, but spoke to (on page 145) as being in conflict with the findings of the difference of means test for the 1963 data. Finally, we would caution others on what appears to be a shortcoming of the Smirnov test. That being, whenever the distribution of one sample takes on a neutral character (e.g. fifty-fifty split between hostile and friendly statements), and although a definite pattern may emerge from the other sample, differences between the two samples may not be detected by the Smirnov test because one sample's distribution may not lean in one direction or another.

As for the results obtained from the difference of means test for the 1963 data, we do observe a significant difference between the two samples. As we reported on page 145, the value of t obtained from the data was 2.916, and the value obtained from the t table was 2.358. Since the value of t obtained from the data was larger than the table value, we decided to reject the null of Hypothesis II and concluded that there was a difference between the two samples relative to their attitudes and behaviors toward multinational corporations for the 1963 period. Presently, we would conclude according to the difference of means test, that the two samples do differ (as was expected).
Yet, in line with some of our earlier comments, are the findings of the Smirnov test, whose results suggest that many developing nations of this study's sample were quite hesitant or did not wish to express negative attitudes and behaviors toward developed nations' multinational corporations during 1963. This fact may have been true because developed nations were so powerful; had all the purse strings; and controlled "foreign aid." Moreover, as we know, many developing nations had just won or were in the process of winning their independence, and frequently were not prepared to speak out against the foreign firms. On the other hand, even during a period when few spokesmen for developing nations would venture comments about the large industrial giants, negative attitudes and behaviors were being expressed in other developing camps. We have verified this fact by counting the number of negative statements made during 1963.

In all, while the questionable results of the Smirnov test place the developing and developed nations in the same camp during 1963 but for reasons that we spoke to, the illustration on page 126 and the computations for the difference of means test show the two samples to be different. Accordingly, we have decided to report the findings of both tests, but accept the findings of the outcome of the difference of means test for the reasons discussed above.

Results of the findings for Hypothesis II, using the Smirnov and the difference of means tests during the 1964-1968
and 1969-1973 periods were less complicated than the observations for 1963. One point should be raised immediately and that is the findings of the two statistical tests were in agreement. The outcome for both the Smirnov and difference of means tests showed a widening difference between the two samples, relative to their attitudes and behaviors toward multinational corporations.

On pages 135 and 136, we reported the computations of the Smirnov test for each of the respective five year periods. The first observation for 1964-1968 was that the observed or computed maximum difference between the two cumulative distributions was .263, while the theoretical value obtained from the $D$ formula (p. 135) was .152. This point alone indicates that the difference between the two samples' cumulative distributions was significant and did not occur by chance. Moreover, the findings also indicate that the samples, by virtue of the significant difference between their respective cumulative distributions, were also different with respect to attitudes and behaviors toward multinational firms. The second point supporting this conclusion was the chi-square value computed from the observed frequency distributions of the scores for statements from the two samples. The test tells us whether or not frequencies that were obtained empirically differ significantly from theoretical expectations. Like the Smirnov test, the chi-square value obtained from the observed data must be equal to or greater than the
figure which appears in the chi-square tables. The empirical results of the chi-square were 28.83 and the theoretical value was 9.210. Obviously, the observed value was quite larger than the theoretical one, suggesting that there was a significant difference between the frequency distributions of the two samples.

More support for the claim that the two samples were different regarding the issue of multinationals was seen in the results that we got from the difference of means test for 1964-1968. As stated previously, the empirical results of the t test for the difference of means must be equal to or greater than the theoretical value obtained from the t tables (pages 105-106 have a discussion of this test). Respectively, we obtained t values of 6.750 from the empirical data, and 2.326 from the t tables. Since the former observed value was greater than the latter theoretical one, by definition of the difference of means test, we conclude that the samples are different.

As the observations of the preceding paragraph agree with the findings of the Smirnov test for this period, there is no need to discuss reasons for accepting or rejecting the conclusions of one test over the other. We might also note that the difference between the empirical results and the theoretical table values for both the Smirnov and difference of means tests were much larger for 1964-1968 than the 1963 period. (The table on page 221 sums up our findings.)
### TABLE 29

Test Results

<table>
<thead>
<tr>
<th>Year</th>
<th>Smirnov e</th>
<th>&quot;D&quot; t</th>
<th>$X^2$ e</th>
<th>$X^2$ t</th>
<th>Diff. of Means e</th>
<th>Diff. of Means t</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>.244</td>
<td>.348</td>
<td>5.223</td>
<td>9.210</td>
<td>2.916</td>
<td>2.358</td>
</tr>
</tbody>
</table>

*e = Empirical results of the test  
t = Theoretical values of the test*

As we discussed earlier, the empirical results of any of the test employed in this research must be equal to or greater than the theoretical value in order to confirm the hypothesis under study. Moreover, except for the Smirnov test for 1963, and chi-square (1963), we can see that the values of the empirical results of the difference of means test and the Smirnov test, and the chi-square to be much greater than the theoretical or table value. What's more, the difference between each of these values increases as we move from 1963 to the first five year period to the next five year period. This observation is certainly in line with the claims of Hypothesis II. We therefore conclude that the widening gap between the obtained empirical and theoretical values of both of the statistical tests used in this study is a strong indicator that the gap between the two samples is widening, too.
From Table 30 on page 223, we see that the number of hostile statements made by developing nations for the periods (1963, 1964-1968, 1969-1973) were: 45/90 or 50%; 190/314 or 60.5%; and 297/372 or 79.8%. For the developed nations, the figures were: 8/29 or 27.5%; 62/156 or 39.7%; and 48/128 or 37.5%. Again looking at the table, we observe that fifty percent (1963), then 39.5% (1964-1968), and then approximately twenty percent of the developed nations' statements exhibited friendly behaviors and attitudes toward multinationals for the last five year period (1969-1973). Conversely, 72.5% (1963), 60.3% (1964-1968), then sixty-two percent of the statements made by developed nations during 1969-1973 were in the friendly categories. It is important to note, however, that the percentage number of hostile statements made by developing nations did increase dramatically from period to period, such that during the last period close to eighty percent were in the hostile categories. However, for the last period, 62.5% of the developed nations' statements remained friendly. The difference between the two samples is obvious, and as we have tried to explain in other sections of this paper, much of the difference (increased hostility from the developing nations) can be accounted for by the growing number of developing nations during the study who won independence and were willing to speak out against the developed nations and their firms. We also have discussed how control of economic and political destinies have prompted the developing countries to take hard line stands
TABLE 30

Number of Friendly and Hostile Statements Made by Developed and Developing Nations

1963

<table>
<thead>
<tr>
<th></th>
<th>FRIENDLY</th>
<th>HOSTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Developing</td>
<td>45</td>
<td>45</td>
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</table>

1964-1968

<table>
<thead>
<tr>
<th></th>
<th>FRIENDLY</th>
<th>HOSTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>94</td>
<td>62</td>
</tr>
<tr>
<td>Developing</td>
<td>124</td>
<td>290</td>
</tr>
</tbody>
</table>

1969-1973

<table>
<thead>
<tr>
<th></th>
<th>FRIENDLY</th>
<th>HOSTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>80</td>
<td>48</td>
</tr>
<tr>
<td>Developing</td>
<td>75</td>
<td>297</td>
</tr>
</tbody>
</table>
against multinational firms operating in the developing nations, under rules of the homebased country. Another point that was discussed had to do with the spread of the multinationals and the ingredients (e.g. educational opportunities, economic advantages, etc.) which often came with corporate expansion, and which also led to chances of a nationalistic wave among the populace, some, who being equipped with better opportunities and background, often formed the Vanguard in expressing hostile attitudes toward multinationals.

In sum, however, what we have observed in this section regarding the increasing bipolarity was suggested earlier (on page 130). That is, the increased distance between developed and developing nations over the operations of large multinationals manifests itself not in a stronger support role from the developing nations, but instead in an expression of increased hostile attitudes and behaviors by the developing countries—while developed nations have moved toward a more neutral point.

Presently, many feel that the thing to do is to speak out against bigness and its ramifications. On the other hand, it is speculated that as developed nations continue to lose outside resources (e.g. subsidiaries of multinationals) and as the drive for more energy resources continues, multinationals (especially oil, gas, and similar concerns) will gain more and more support from the governments of developed countries. In this manner, the difference between
the developed and developing nations will increase on the issue of multinational corporations.

For further research on this section, we offer the following:

I. As indigenous members (including national leaders) of developing nations become more literate, attitudes and behaviors toward foreign multinational corporations operating in the respective countries become more negative.

Samuel P. Huntington (1970, p. 142) has argued, "The overthrow of entrenched traditional interests often requires the mobilization of new social forces into politics ... in many instances these will be new social groupings (e.g. entrepreneurs or urban workers, which did not exist in traditional society)." If we take off from Huntington's point, perhaps we can relate it to the above hypothesis. What we are saying is that the new social forces emerging into the political and social arenas of some developing nations are the recently educated, growing numbers of everyday people and their leaders. Moreover, often this group emerges from the modern educational opportunities provided by the foreign multinational corporations, and as the educational spread continues more and more members of this group and their leaders express negative attitudes toward foreign multinational firms. This expression probably results from increased group consciousness; "wanting a piece or all of the pie", and so forth.
We would propose that the present study on multinationals be duplicated. Only this time, a Literacy Dimension for developing countries be added, so that we might observe whether or not there is a correlation between increased literacy and increased hostile behaviors and attitudes on the part of this group of countries. Accordingly, we could examine the yearly attitudinal and behavioral scores for each developing nation, along with its "Literacy rating" for the given year. Variables of the Literacy Dimension might include: 1) the number of high school graduates as a percent of the population, 2) the number of students in primary and secondary schools, 3) the number of individuals, as a percent of the population, who cannot read or write, or 4) all of the preceding.

Each nation should be categorized as hostile or friendly for the given year based upon criteria used in the present study. Next, we could examine the nations' literacy levels for the specific year, and check to see whether or not it is a hostile developing or some other type of nation. We would speculate that developing nations would become more hostile as their yearly literacy levels increased. Such that by 1973, most developing nations would fall in the Hostile to Very Hostile categories, and their respective literacy levels would have increased significantly over the 1963 base year.

Although we doubt that the Literacy Dimension would explain all of the changes or variance in hostile attitudes and
behaviors from nation to nation, it would offer a beginning to further test some of the claims of this present research on multinational corporations.
APPENDIX I

Statements Made by the Nations of the Research
Belgium 1963

New York Times Index

1. The government acknowledges the influence of Benelux and EEC links for its growth; Apr. 19, 56:1. +2

2. Government seeks U.S. dollars on G.B. market; May 14, 51:2. +2

3. Government acknowledges U.S. investment of $138 million in Belgium; Sept. 17, 49:2. +2

1964

New York Times Index

1. Government expresses interest (concern) over increased foreign investments and U.S. corporations in Genk area; Jan. 13, 58:6. -2

1965

New York Times Index

1. Government takes, under advice, EEC request for government to relax its economic restraint program, including restraint on foreign corporations; Mar. 31, 47:4. -2

1966

New York Times Index

1. Government seeks to attract foreign corporations, particularly from the U.S.; prepares tax concessions, etc.; Feb. 1, 45:5. +6

2. Prince Albert travels to U.S. to attract foreign corporations; Apr. 22, 29:1. +4

3. Minister van Offelen seeks U.S. corporations investments; says Belgium government will pay for interest on loans needed by corporations; Apr. 23, 35:2. +6

4. Government strengthens incentives to spur foreign corporations' investments in underdeveloped areas; July 19, 49:2. +4

5. Minister van Offelen asks for more investments in form of joint ventures with Belgians, rather than U.S. exclusives; Oct. 5, 61:2. -2
Belgium 1967

New York Times Index

1. Government welcomes Amoco Chemical to Belgium to restore South Area; Mar. 7, 57:2. +2

2. Government moves to limit U.S. economic penetration as a decree goes into effect requiring any prospective foreign corporations to get authorization from Economic Affairs Minister; Nov. 14, 71:3. -4

1968

New York Times Index

1. Belgium government expresses fear over possible cut-back in U.S. corporations' investments, especially under Johnson's program of dollar cut-backs; Jan. 5, 47:6. +2

2. Government concerned about curb on U.S. corporation investments. Thus, government decides to lend U.S. corporations starting new businesses in depressed regions up to 100 percent of their capital needs; Feb. 20, 63:3. +6

1969

New York Times Index

1. Government discusses possible tax on foreign corporations' profits; Nov. 28, 39:1. -4

1970

No statements reported.

1971

New York Times Index

1. Belgians angry (but corporations happy) over price rises because government decides to convert to EEC's system of indirect value added taxation. -2

1972

New York Times Index

1. Belgian government welcomes Rothchild's large holding company; under Belgian conditions; Sept. 30, 39:3. -2
Belgium 1973

New York Times Index

1. Government is pleased with decision by Iranian officials to build oil refinery in Liege (some Belgians object). Need for oil spurs government on; Nov. 18, III, 3:2. +2
New York Times Index

1. Minister Macaulay says Canada needs and will continue to invite U.S. capital investment, but with measures to increase Canadian share; Apr. 23, 47:4. +2

2. Government offers tax program to speed "Canadianization" of industry and to check take-over of Canadian corporations by U.S. corporations; Jun. 14, 1:1. -4

3. Government supporters call efforts to restrict U.S. corporations as Nationalism and says fear of U.S. exaggerated; Jun. 18, 36:2. +2

4. Government withdraws tax measures against foreign corporations; Jun. 20, 1:2. +2

5. "Canadian ownership" debate issue in government circles; Jul. 9, 38:4. -2


7. Commons passes amendment to income tax law designed to increase Canadian ownership of subsidiaries of foreign corporations; Nov. 18, 49:7. -4

1964

New York Times Index

1. Schlitz acquires Labatt Brewery, stirs comments that Minister Gordon will revive legislation to curb foreign control of Canadian industry; Feb. 10, 39:4. -4

2. Proposed tax (twenty percent) on dividends of corporations less than twenty-five percent Canadian-owned (Minister Gordon's move); Feb. 18, 44:4. -4

3. Canadian government rejects Gordon's plea for increased ownership of Canadian industry by Canadians through income tax on foreign corporations not twenty-five percent Canadian owned; Mar. 18, 57:4. +2

4. Minister Gordon fears loss of Canadian independence because of U.S. control of industry; Apr. 21, 28:2. -2

5. Government leader, Pearson, stresses importance of U.S. industries now in Canada; May 29, 2:7. +2
New York Times Index

6. National Northern Development Conference urges government to allow American corporations expansions under Canadian rules; Note: Foreign investments account for sixty-four percent of GNP; Nov. 1, III, 7:5. +4

1965

New York Times Index


2. Government avoids U.S.-Canadian union because fear of dominance, but Canadian stock exchange urges economic union; problem is dominant U.S. investments; Feb. 25, 50:3. -2

3. Secretary Connor bars cut in U.S. direct investments but urges U.S. corporations to give more money to Canadian subsidiaries; Mar. 17, 65:3. -2

4. Minister Gordon proposes Canadian Development Corporation to prevent take-overs by U.S. corporations; Apr. 27, 5:3. -2

1966

New York Times Index

1. Canadian leaders acknowledge desires to avoid U.S. corporations' domination of Canadian economy; Jan. 28, 49:1. -2

2. Liberal government leader, eg. Minister Sharp, appear more amenable to U.S. investments; holds U.S. capital vital, but fear dependence on U.S.; Jan. 28, 51:1. +2

3. Canada's Minister Sharp urges bill to use foreign capital to protect national interest; Feb. 9, 60:7. -4

4. Premier Lesage urges American investments in Quebec; Feb. 10, 15:1. +2

5. Government to ask American-owned Canadian subsidiaries to buy in Canada; Mar. 11, 43:2. -2

6. Minister Sharp to spur economic growth, but not hinder or penalize U.S. corporations; Oct. 12, 16:3, and Oct. 13, 3:2. +2
Canada 1967

New York Times Index

1. Ex-Minister Gordon will carefully scrutinize role of foreign capital in Canadian economy; Jan. 11, 24:3. -2

2. Gordon returns to government post and heads special committee to study implications of U.S. and other foreign investments on Canadian economy; Jan. 25, 65:3. -2


4. Royal Commission proposes new levies, including capital gains tax to slow U.S. investments; Feb. 27, 1:6. -4

1968

New York Times Index

1. Government concerned that U.S. curbs on foreign investments will mean U.S. will try to exert pressures on Canadian industry (owned by U.S. corporations) to curb; Jan. 6, 39:3. -2

2. Government task force under M. H. Watkins urges radical new controls on U.S.-owned corporations to curb alleged U.S. encroachment on Canadian sovereignty; Feb. 16, 28:1. -4

3. Trudeau asks Canadians to invest in future of Canada to prevent U.S. domination of Canadian economy through its corporations; Dec. 3, 46:1. -2

1969

New York Times Index

1. Government lauds development of Western provinces, but fear economic domination. Trudeau says such investments somewhat inevitable; Jan. 6, 10:3. -2

2. Government acknowledges shift in seeking capital from U.S. to European market; Jan. 20, 52:1. +2

3. Government discusses concern over American capital and penetration in northern areas; May 11, IV, 16:1. -2
Canada 1969 (cont.)

New York Times Index

4. Minister Benson says those who fear erosion of Canadian independence may have some basis for concern; hints at extension on ban of foreign ownership; Jun. 2, 63;1. -2

5. Trudeau ponders on what to do about U.S. corporations investments; prompted by public awareness of control of Canadian economy by American corporations. -2

1970

New York Times Index

1. Government shows nationalistic tendencies in not permitting U.S. corporations to purchase controlling interest in Denison Mines; Mar. 4, 64;3. -4

2. Minister Greene says U.S. corporations must prepare for nationalistic Canada that will have firm control of all foreign investment, particularly in resource industries; May 31, 2:3. -4

3. Commons Committee recommends new agency to oversee acquisitions of Canadian corporations; seen as guidelines to narrow American corporations chances to buy out Canadian industries and exploit; Jul. 20, 37;3. -4

4. Commons Committee urges control over foreign corporations, advocates giving Canadians fifty-one percent or most of corporations shares; Jul. 29, 60;5. -4

5. Commons Committee urges action against "foreign take-over" (two-thirds of manufacturing and mining owned by U.S. corporations); Aug. 23, 59;4. -4

1971

New York Times Index

1. Government delays program to diminish U.S. corporations' influence on Canadian economy; Jan. 11, 41;1. +2

2. Government introduces in Parliament bill to set up apparatus to curb U.S. dominance over Canadian industry. Apparatus is a screening agency; Jan. 26, 43;2. -4

3. To avoid U.S. take-overs, government purchases or helps Canadian corporations purchase other Canadian corporations that are in financial trouble; Apr. 23, 49;7. -2
Canada 1972

New York Times Index

1. Trudeau and Minister Bensen prepare Canadians for a more restrictive approach to foreign corporations' investments; (New twist for Trudeau); Jan. 3, 41:1. -2

2. Trudeau advocates that Canada can now resist growing Americanization without curtailing progress; Jan. 28, 47:4. -2

3. Trudeau weighs selective controls aimed at preventing U.S. take-over of Canadian corporations; (Issue is a hot one in elections); Jan. 28, 48:1. -2

4. Canadian government announces plans to curb take-overs by U.S. multinational corporations; to screen all take-overs before granted; May 3, 74:2. -4

1973

New York Times Index

1. Minister Trudeau announces notice that his government will take steps to curb foreign, largely U.S. take-overs of Canadian owned businesses; Jan. 5, 2:7. -2


3. Canadian House of Commons passes bill imposing strict controls on broad range of foreign investments in Canada. Foreign corporations now need approval by Cabinet to establish business venture; Nov. 27, 1:1. -4
France 1963

New York Times Index


2. Deputy Minister Schweitzer assures Americans of expansion and that French economic planning aids free enterprise; May 15, 58:3. +4

1964

New York Times Index

1. Government moves to block General Electric's acquisition of interest in CIE des Machines Bull, seen as a sign of hostility to entry of U.S. capital; Feb. 5, 44:6. -4

2. De Gaulle travels to Venezuela to spur economic ties and investments; Sept. 21, 12:5. +2

1965

New York Times Index

1. President De Gaulle urges public work harder to resist U.S. economic penetration; Jan. 1, 1:7. -2

2. Government expresses concern over U.S. economic domination through corporation investments; Jan 10, IV, 5:1. -2

3. Government acts to stem flood of American investments, but permits those that bring new jobs. Take-overs are curbed; Feb. 4, 41:3. -2

4. Cabinet issues bill to encourage private investment of certain industries; eases stockholders tax burden, but government rejects foreign ownership of French corporations; Mar. 27, 31:2. +2

5. Government still acknowledges expansion of American corporations; controls uncertain; Sept. 17, 7:3. +2

1966

New York Times Index

1. Government lauds French investment in Canada; greater than Canadian investments in France; May 1, III, 5:3. +2
France 1966 (cont.)

New York Times Index

2. Government launches program to ease economic frictions with U.S. corporations; May 6, 1:6. +2

3. Government merges four leading banking houses and government owned banks to bolster economy; Jun. 9, 68:7. +2

4. Government will back forced sharing of ownership in certain key industries; Oct. 13, 69:2. -4

5. Government eases capital control plans to allow foreign corporations to raise funds directly in French capital markets; first time since 1939. (Real boost for multinational corporations); Nov. 10, 79:7. +4

1967

New York Times Index

1. Government eases bans against U.S. investments; Jan. 16, 48:1. +2

2. Government lauds Quebec's pact with France to study reciprocal investments; May 23, 94:8. +2

3. Government announces new decree to allow workers to share in profits and ownership of industry; Jul. 13, 1:1. -4

1968

New York Times Index

1. Government warns U.S. that subsidiaries in France are legally French corporations. Does not want U.S. regulations on them; Jan. 7, 32:2. -4

2. Government and business do not want cut in foreign investments from abroad; Jan. 3, 74:1. +2

1969

New York Times Index

1. Pompidou in charge; government devalues franc and freezes prices. Negative affect on foreign corporations. -2
France 1970

New York Times Index


2. Cabinet states that new liberal guidelines will be set for foreign corporations investments, Pompidou will seek U.S. capital. Government to ask Ford in to build up economy; Feb. 24, 59:5. +4

3. Minister M. M. Steckel travels to U.S. to seek American corporate investments; Jul. 26, III, 20:5. +4

1971

New York Times Index

1. President holds fast to policy and will not accept U.S. threats for monetary reform. -2

1972

New York Times Index

1. French Minister Giscard d'Estaing expresses concern over British corporations entering French market (on eve that British go into EEC). The Minister warns that France will maintain control over investments in France, though a free flow is to exist inside EEC; Nov. 20, 59:7. -4

1973

New York Times Index

1. Giscard d'Estaing calls for steady growth to spur private corporation investments which could lead to jobs and more development; Feb. 28, 3:1. +4

2. Giscard d'Estaing concedes to close ties between France and American corporations and requests no further devaluation of dollar; Jul. 7, 1:8. +4
Germany 1963

New York Times Index

1. Government acknowledges business communities' concern over foreign investments by corporations, particularly U.S. (put at fifteen percent); Sept. 15, 27:1. -2

2. Government sees optimism in GNP considering expanding big use in foreign corporations; Jul. 14, 11:1. +4

1964

New York Times Index

1. Government to stop the heavy inflow of foreign money and capital; Feb. 7, 41:4. -2

2. Chancellor Echard sees properties threatened by "imported inflation" and plans to end the dangerous influx of foreign capital; Mar. 17, 3:2. -2

3. Government proposes tax to stem input of foreign capital; Mar. 27, 30:6. -4

4. Government acknowledges (interest and concern) over fifty corporations growing more dominant; Jun. 11, 50:7. -2

5. Ambassador McGhee defends U.S. investments in Germany. Says concentration of U.S. funds in certain industries best use of funds; Oct. 21, 65:5. +2

1965

New York Times Index

1. Government had nationalized Verba Corporation, but the parliament approved partial denationalization of it; Jan. 2, 26:3. -2

1966

New York Times Index

1. Government selects U.S. corporation, J. W. Thompson, to sell $500 million bonds; (This angers some German businessmen); Jan. 17, 86:3. +2

2. Government expresses concern over Texaco's take-over of West German corporation; Jun. 1, 59:7. -2
Germany 1966 (cont.)

New York Times Index

3. Ambassador McGhee lauds American-West German business ventures; Jul. 1, 56:1. +2

4. Industries President Bergs asserts that West Germany is not opposed to American corporations' investments; Nov. 5, 49:4. +2

1967

New York Times Index

1. Delegation in New York to spur U.S. corporations' interest to direct investments in German industry; May 3, 90:5. +4

2. Executive Committee hails the investments of $2.65 billion in Germany as helping German economy; Jul. 26, 54:4. +2

3. Minister Kiesinger, says West Germany wants U.S. participation and investments but does not want U.S. control of German industry; Aug. 12, 9:2. -2

1968

New York Times Index

1. Government spokesman says U.S. plan to restrict direct investment outlays will not have grave consequences for West Germany; Jan. 3, 74:4. +2

2. Government lauds foreign investments and their rise in the economy; Oct. 28, 72:1. +2

1969

New York Times Index

1. Government states a policy of economic independence to protect nation from foreign inflation as is occurring in U.K., U.S. and France; Jan. 13, 56:5. -2

2. Government to force Litton Industries to divest itself of West German typewriter corporation; Apr. 11, 63:1. -4

3. Minister Strauss says nation must expand overseas capital investments (corporations) as a means of creating future customers; Apr. 30, 65:1. +2
Germany 1969 (cont.)

New York Times Index

4. Government discusses cartel law to prevent acquisition of small West German corporations by multinational corporations; May 4, III, 5:3. -2

5. Chancellor Brandt to sponsor law to prevent large multinational corporations from dominating the smaller corporations and the market; Oct. 29, 59:2. -4

1970

New York Times Index

1. Chancellor Brandt announces that he will set up an independent Monopoly Commission to enforce law restricting abuses of large corporation domination; Jan. 3, 40:1. +2

1971

New York Times Index

1. Government supports measures to restrict take-overs and mergers of German corporations by foreign corporations; Jan. 16, 37:1. -4

2. Government takes measures to limit the flow of speculative money into the country from large multinational corporations (and large German corporations, too); Jul. 22, 51:2. -4

1972

New York Times Index

1. Finance Minister resigns to protest the limitations placed on foreign exchange (of corporations) policy; Jul. 7, 2:1. +2

1973

New York Times Index

1. Brandt maintains his center posture, but promises action on domestic reforms "to control multinational corporations." Done in the face of massive protests by Young Socialists. -2

2. West German policy announced as encouraging foreign participation in West German banking industry; Jul. 30, 39:1. +4

3. German government spokesman announces to lift all restrictions on corporate investment. Concern over energy and oil shortages (to lift eleven percent tax); Dec. 18, 61:5. +4
Japan 1963

New York Times Index

1. Minister Ohira urges U.S. exempt Japan from tax on American purchases of foreign securities; fears it will harm Japanese efforts to raise capital abroad; Aug. 4, III, 1:1 +2

2. Government to move to liberalize foreign exchange transactions; Dec. 1, III, 21:1. +2

3. Government requires that fourteen items be purchased from domestic suppliers only; Dec. 13, 49:4. -2

1964

New York Times Index

1. Government acknowledges trend toward corporation mergers; Jan. 13, 41:2. +2

2. Japanese government to float $30 million bond issue on German market to attract capital; Jun. 1, 41:7. +4


4. Businessmen seek to go abroad to raise capital and funds. Fear raise of U.S. discount and English bank rate; Nov. 25, 51:3. +2

1965

New York Times Index

1. Government's Tanaka, pleased that U.S. economic policy will not reduce U.S. capital to Japan; Feb. 12, 39:4. +2

2. Government to launch Tech Tourism Program, to make all visitors (corporations, etc.) potential investors; Feb. 28, XII, 45:1. +4

3. R.C. Fenton defends U.S. investments in Japan; Dec. 16, 79:3. +2
New York Times Index

1. Government acknowledges further growth of big business; Jan. 25, 37:2. (Sought by government). +2

2. Speculation is that government will end or curb restrictions on foreign investments and corporations; Mar. 25, 63:2. +2

3. Government urged to lower barriers to foreign investments and corporations; Apr. 15, 52:3. +2

4. Government spurs overseas campaign to show Japan as nation of investment opportunities, modernity, and industry; Jun. 11, 3:1. +4

5. Minister Fukuda indicates government will ease curbs on foreign capital investment; Jun. 16, 69:4. +2

6. Fukuda says government may announce plans in October for program to encourage more foreign investments, etc., but not unlimited access to Japanese market; Sept. 23, 55:1. +4

7. Japan asserts Texas Instruments (U.S. corporations) must have joint venture in Japan; Nov. 14, 65:3. -2

New York Times Index

1967

1. Finance Minister aid, Y. Kashiwage, says government will liberalize foreign capital investment for corporations, etc. by next summer; Feb. 5, III, 5:1. +4

2. Government stands on policy that bars over fifty percent ownership of Japanese corporations by foreign corporations--protested by Unilever and Heinz; Feb. 22, 47:3. -4

3. Government allows H.J. Heinz to acquire majority stock in joint venture with a Japanese company; May 29, 36:3. +6

4. Minister Kanno says 100 percent ownership would be permitted in seven industries; fifty percent in thirteen, and additions may come later; May 31, 57:4. +6

5. Foreign Investment Council requests controls be lifted in fifty industries by 1971; Jul. 3, 41:3. +4

6. Japanese government begins liberalized policy for direct foreign investments--move towards open economy; Jul. 4, 31:1. +4
Japan 1968

New York Times Index

1. Government backs plans for business to merge to compete with onslaught of multinational corporations; May 2, 67:2. +2

2. Government announces an additional 250 industries will be free for foreign corporations' investments; Aug. 26, 55:5. +4

3. Government assures Americans that liberalization of capital investment by Americans is in progress; Dec. 1, III, 14:3. +2

1969

New York Times Index

1. Government announces program (policy) to all direct foreign capital investment in wide range of industries beginning March 1; Feb. 6, 52:6. +4

2. Finance Minister relaxes curb on foreign direct investments; limits raised to $200,000; Oct. 4, 6:1. +4

3. Sato assures Nixon of government intention to expand liberal policy on direct foreign investments; Nov. 22, 14:7. +4

1970

New York Times Index

1. Government again announces plans to liberalize foreign corporation investment laws in Japan; Apr. 7, 61:3. +4

2. Sato assures Secretary Rogers that Japan will liberalize its policy on U.S. corporation investments; Jul. 9, 9:1. +4

3. Government to raise limit on foreign ownership of corporations in non-restricted sector to twenty-five percent (now is twenty percent); Aug. 15, 90:5. +6

4. Foreign Investment Council allows 323 industrial sectors to be open to foreign corporations; Aug. 18, 47:6. +4
Japan 1971

New York Times Index

1. Ambassador to U.S. says Japan will have 500 industries open to foreign corporations by September; Mar. 24, 57:3. +4

2. Japanese Foreign Capital Council approves joint venture by U.S. multinational corporation and Japanese trading corporation to prevent U.S. take-over; Apr. 10, 30:1. -4

3. Japanese Cabinet Council of Economic Ministers agrees to complete liberalization of policy on foreign corporations' investments to cope with pressure from revaluation of yen; Jun. 5, 37:5. +4

1972

New York Times Index

1. Japanese Finance Minister lifts all curbs on Japanese purchase of overseas property and capital investments abroad (perhaps a hint that the government will do the same for foreign investors interested in Japan); Jun. 9, 47:3. +4

2. Announcement from U.S. and Japanese government that three Japanese securities firms will open offices in New York. Seen as possible gesture of the future economic flows between U.S. and Japan; Aug. 21, 1:2. +4

1973

New York Times Index

1. Japanese government issues statement of twenty-seven strong recommendations to liberalize curbs investments; Feb. 28, 53:1. +4

2. Finance Minister announces the plan to open most Japanese industries to wholly-owned foreign corporations beginning May 1. Plan to permit wholly-owned foreign corporations for the first time; Apr. 26, 69:5. +6
New York Times Index

1. Government moves for closer ties with Western Europe through membership in EEC, but De Gaulle vetoes it; Jan. 15, 1:1. (Appears Great Britain wants foreign corporate ties, etc.). +2

2. Government acknowledges Scotland's desire for more U.S. corporations' investments; Sept. 29, III, 11:3. +4

3. TUC urges more nationalization of industry; Sept. 6, 6:1. -4

4. British Industrial President points out to U.S. businessmen that Labor victory next year should not bring wave of nationalization; Sept. 27, 39:1. +2

New York Times Index

1. Wilson seeks to assure business community of economic policy and no nationalization; Jan. 26, 18:4. +2

2. Government seeks to curb BOP crisis by curbing foreign business expansion; Feb. 17, 41:1. -2

3. Government (through Secretary Heath) intends to stiffen anti-monopoly legislation (seen as a curb on expansion of corporations); Mar. 6, 5:5. -2

4. Government acknowledges increasing use of foreign financing to help local governments; Mar. 16, 49:1. +2

5. Government acknowledges benefit to economy by U.S. corporations; May 25, 53:3. +2

6. M.P.H. Wilson challenges Douglas-Home to guarantee that major British corporations will not pass to foreign control if Conservatives elected (refers to Chrysler acquisition of interest in Rootes Motors); Jun. 7, 18:1. -2

7. Secretary Heath asserts "hands off" for U.S. style antitrust legislation inappropriate in Great Britain; Jul. 7, 56:1. -2
New York Times Index

1. Government relies upon U.S. corporations, converts some of its holdings to liquid U.S. Treasury bills; Wilson defends Great Britain overseas investments as defense of the pound; Apr. 15, 45:2,3. +2

2. In Scotland, with over eighty U.S. corporations, English resentment against U.S. corporations grows; Blames Americans for Great Britain aircraft cutbacks, and Great Britain failure to win overseas business, and for increasing take-over of Great Britain corporations; Apr. 19, 45:2. -2

3. Government intervenes to stop merger of British Motors and Pressed Steel (seen as control on spread of large corporations); Aug. 22, 12:1. -2

4. Government moves to help multinational corporations, from economic troubles, Fairfields Shipbuilding Corporations. First move in British history; Dec. 23, 54:3. +6

New York Times Index

1. Government announces new economic program to spur industry investments with incentives of cash payments to build factories in certain areas; Jan. 18, 47:6. +6

2. Government supports efforts of Hess Oil to buy ten percent stock of Amerada Petroleum; May 13, 58:3. +4

3. Government does tighten controls on anti-trust actions against corporations; May 28, 30:7. -4

4. Government restrains corporations from moving abroad to escape higher taxes at home; Jun. 25, 41:1. -4

5. Government acknowledges investments by U.S. corporations as very strong; Oct. 10, 63:8. +2

6. Minister Callaghan asserts that government will seek to expand investments in corporations; Oct. 21, 6:1. +4

7. Bank of England announces at home and to foreign corporations that it has available funds for investments in England; Nov. 2, 3:5. +4
United Kingdom 1967

New York Times Index

1. Government sends Brig. Doyle to U.S. to spur U.S. corporations to build corporations in Great Britain and Scotland; Sept. 18, 69:6. +4

2. Business fears government will initiate "backdoor nationalization" by asking more disclosure of business operations; Oct. 9, 75:1. -2

3. Government nationalizes National Steel Corporation to run fourteen other steel corporations; Jul. 28, 61:3. -6

4. Government moves of devaluation seen to attract foreign investments and expansion; Nov. 20, 75:2. +4

5. Great Britain claims compensation for property and corporations seized by USSR; Feb. 14, 15. +4

1968

New York Times Index

1. Government lauds U.S. decision not to have restrictions on U.S. investments to hurt Great Britain; Jan. 2, 16:1. +2

2. U.S. plant closes down after angry dispute with left-wing labor leaders; Jan. 4, 47:5. -4

3. Government to raise taxes to cut down on private spending of individuals and corporations; Jan. 17, 1:8. -4

4. House of Commons (304 to 9) opposes moves to reduce government and private corporations world role; Jan. 19, 1:5. +4.

5. Labor government appears to back mergers of large corporations; Jan. 31, 51:6. +4

1969

New York Times Index


2. Government still maintains watchful eye over mergers. Sends two merger projects to Monopolies Committee for review; Jan. 29, 49:2. -4
New York Times Index

3. Government to urge nationalization of industries to make borrowing in foreign markets to benefit BOP; Feb. 15, 47:2. +4

4. Government, according to Ambassador Freeman, will continue to encourage corporate merger trend to overcome inadequacies between U.S. and Great Britain corporations; Apr. 25, 69:1. +4

5. London acknowledges the role of international corporations in its development; Aug. 7, 47:4. +2

6. British react negatively to U.S. threats of anti-trust action against Standard Oil (Ohio) and British Petroleum. Say U.S. has free hand in Great Britain; Oct. 7, 61:3. +4

1970

New York Times Index

1. Minister Heath wants to "liberate industry from unnecessary intervention by government." +2
Nothing but strikes.

1971

New York Times Index

1. Speculation is that Heath government will sell off part of nationalized corporations to private industry. Thinks private corporations could be more efficient in certain areas; Jan. 5, 116. +2

2. Government under Heath will give up nationalized industry not seen to be important or could be run more efficiently in private sector; Jan. 10, IV, 5:4. +2

3. Minister Heath confers with H. Ford and encourages his support to bring more Ford business to England; Mar. 16, 51:2. +4

4. Heath to ask for tax package to spur economy and advantage of taxes given to the businessmen and foreign corporations and investors; Apr. 4, IV, 12:2. +4

5. Government to divest itself of $275 million in private investments--denationalization seen; Jul. 10, 29:3. +4

6. Heath government to cut taxes by $564 million per year to spur corporation investment incentives; Jul. 20, 1:2. +6
United Kingdom 1972

New York Times Index

1. Heath acknowledges government's role to help failing corporations. Corporations seen as aid to country's development; Mar 18, 39:1. +4

2. British Chancellor Barker announces that cuts of $3.14 billion to joint economy and 100% allowance for investments in new buildings; Mar. 22, 1:1. +6

3. Government eases controls on foreign corporations to borrow money in Great Britain; Mar. 23, 63:3. +4

4. Corporations show higher profits in Great Britain, government feels this will attract other corporations; May 10, 65:5. +2

5. Government continues to grant tax allowances to businesses; Nov. 19, III, 3:4. +4

1973

New York Times Index

1. Government drafts laws to control corporation monopolies. To make corporations more responsive to public needs; Feb. 5, 41:1. -4

2. Government welcomes investment of six Persian Gulf Arab oil producing corporations into the British economy. To have positive effect on BOP; Oct. 18, 71:5. +2
United States 1963

New York Times Index

1. Administration sees British as prime investors in U.S.; value at $2.5 billion. Government appears pleased to attract foreign investors; Dec. 14, 26:6. +4

2. U.S. government takes position to penalize countries receiving aid if they expropriate property of U.S.-based corporations; Feb. 16, 6:2. +4

3. President Kennedy offers tax incentives to corporations investing in developing countries; Apr. 3, 1:3. +6

4. U.S. government supports position of World Conference on Peace through Law; no expropriation of corporations without just compensation; Jul. 6, 3:1. +4

5. Senator Hickenlooper bill offered to ban aid of countries expropriating U.S. corporations without prompt compensation; Aug. 1, 1:6. +4

6. Kennedy says long range direct investments by U.S. corporations, outweigh short range capital outflow. Asks corporations to go to developing countries; Sept. 1, III, 1:1. +2

7. Kennedy forms task force to spur foreign investments in U.S. (and U.S. abroad); Oct. 3, 56:7. +4

8. Expansion abroad continues and is urged by the administration; Nov. 17, III, 10:7. +4

New York Times Index

1964

1. U.S. Supreme Court rules U.S. may not question validity of a foreign governments' expropriation of property within its own borders; Mar. 24, 1:8. -2

2. U.S. government encourage UN conference to tell developing countries to shake off cliches about private foreign investments in their countries; Mar. 26, 1:2. +2

3. Under Secretary Ball encourages developing countries to open doors wide for private foreign investments; Apr. 4, 5:3. +2

4. Under U.S. pressure, Great Britain eases currency exchange regulations on sale of direct investments; Apr. 4, 32:3. +4
New York Times Index

5. Secretary Rusk stresses role of private business investments in developing countries development. +2

6. Assistant Secretary Surrey proposes to liberalize tax treaties and rules to spur private investments in developing countries; Sept. 22, 55:6. +4

7. American government acknowledges, with little alarm, that British corporations have more investments in U.S. than U.S. has in Great Britain (U.S. = $5 billion and Great Britain in U.S. = $6 billion). +2

New York Times Index

1965

1. President Johnson asks voluntary restraint by banks and businesses on investments abroad to help BOP deficit; Feb. 11, 56:2. -2

2. Secretary Dillon urges corporations to borrow abroad to finance overseas construction. Congressional committee urges that investments abroad return more than they cost; Feb. 26, 37:2. -2


4. Senator Javits and five other senators to offer bill to encourage investments abroad by U.S. corporations and provide guarantees against expropriation (to go to less developed nations); May 20, 18:2. +4

5. Congress supports U.S. corporations by extending the depreciation rules; Feb. 18, 25:5. +6

6. Secretary Fowler backs Administration legislation aimed at cutting tax barriers to foreign investment in U.S.; Jul. 1, 44:7. +4

New York Times Index

1966

1. The President (Johnson) says countries must create climate to attract foreign corporations investments. Seen as a direct emphasis on important role of international investments on World development; Feb. 2, 1:4. +4
United States 1966 (cont.)

New York Times Index

2. Secretary Petersen sees restrictions on investments abroad by corporations as hurting payments balance by cutting future earnings; Apr. 26, 64:3. +2

3. U.S. Secretary Connor urges U.S. corporations to continue their investments abroad but to continue to borrow abroad; May 12, 65:2. +4

4. U.S. Senate (in a move to protect U.S. corporations) ratifies pact to set up center with IBRD for settlement of foreign investment disputes; May 17, 75:4. +6

5. Government spokesmen urge U.S. corporations to allow local partnerships when investing abroad; May 26, 67:7. -2

6. Ambassador Goldberg stresses gains in foreign living standards as a result of U.S. private investments (of corporations) abroad; Jun. 17, 72:5. +2

7. U.S. representative to sit on International Center for Settlement of Investment disputes (seen as aid to U.S. corporations); Aug. 12, 41:3. +2

8. U.S. Senate Anti-Trust subcommittee to hear debate on strengthening application of anti-trust laws to overseas operations of U.S. corporations; Aug. 26, 49:6. -4


10. Representatives from the U.S. have urged French to start businesses in the U.S.; Feb. 19, 31:4. +4

11. U.S. government invites thirty-six European financial experts (of corporations) to hear of investment opportunities in the U.S.; May 28, 30:2. +4

12. Secretary Connor exploits (positively) U.S. policy of encouraging Japanese (corporations) to invest in U.S. and urges reciprocity; Jul. 9, 30:6. +4

1967

New York Times Index

1. U.S. Export counsel urges government to develop new tax incentives to spur investments (especially in developing countries) also calls for liberalization of government guarantees for private investments by (corporations) in these areas; Apr. 4, 66:1. +4
United States 1967 (cont.)

New York Times Index

2. Administration defends legislation to guarantee investments of corporations that invest in developing countries; Jul. 14, 314. +4

3. AFL-CIO urges congressional investigation of U.S. corporations' investments abroad and urges need for regulation; Sept. 13, 32:7. -4

4. U.S. announces tightening of voluntary curbs on corporations investments abroad; Nov. 17, 71:3. -4

5. G.W. Ball stresses role of private corporations to Japanese; Sept. 11, 67:2. +4

1968

New York Times Index

1. President Johnson announces mandatory curbs on most U.S. corporations' direct investments abroad; Jan. 2, 1:8. -4


3. House of Representatives Foreign Affairs Committee urges Federal Government to create a quasi-public corporation to promote private American investments in developing countries; Apr. 1, 1:3. +4

4. Commerce Department to raise to $200,000 limit on foreign investments permitted without authorization; Aug. 15, 54:7. +4

5. U.S. Commerce Department proposes to liberalize rules under which corporations holding cash overseas would be permitted to use it for direct investments; May 22, 68:7. +4

6. G.W. Ball urges "denationalization" of large corporations through some form of international law, so that national governments cannot interfere with the corporations' operations abroad; May 3, 67:2. +4

7. U.S. Commerce Department eases rules for direct investments abroad by U.S. corporations; Nov. 16, 1:2. +4

8. M.H. Stans, economic advisor to Nixon, says Nixon will lift curbs on private investments abroad "as quickly as possible"; Nov. 19, 71:2. +2
1. Advisory Committee to the President (on Foreign Investments) urges creation of Federal Overseas Investment Corporation to takeover and expand investment guarantee; Jan. 10, 1:7. +4

2. Congressional subcommittee supports phasing out controls over private corporations investments abroad; Jan. 17, 40:4. +4

3. U.S. Commerce Department official, J.G. Morton, urges U.S. to end curbs on investments ventures abroad; Mar. 27, 63:5. +4

4. Secretary Stans says curbs on investments abroad must continue because of anticipated 1967 BOP deficit; Mar. 31, 52:7. -2

5. President Nixon announces easing of controls of foreign investments by U.S. corporations, and calls for eventual end to controls; Apr. 5, 1:8. +4

6. To help multinational corporations, Nixon proposes creation of Overseas Private Investment Corporation. +4

7. U.S. Commerce Department continues ease on private investments abroad; allows more flexible use of foreign borrowing; Jun. 11, 64:8. +2

8. U.S. Senate supports establishment of the Overseas Investment Corporation, to protect private corporations investments (vote, 53 to 34); Dec. 13, 20:7. +6

9. M. Stans (Commerce Secretary) invites foreign corporations' investments; May 4, 76:5. +4

10. Justice Department announces intention to file Anti-Trust suit against British Petroleum Oil (that wants to acquire Standard Oil-Ohio); Britons and Europeans see this as U.S. discrimination against foreign investments. U.S. has free hand in Europe and Britain; Oct. 7, 61:2. -4

11. State Department sends letter to British Foreign Office stressing firm policy of U.S. encouraging foreign corporations' investments; Oct. 9, 69:3. +4
New York Times Index

1. U.S.' A.F. Brimmer says market techniques to replace direct investments regulations should be encouraged; Feb. 12, 51:4. +2

2. Budget Director Mayo links price stability and rise in export surplus to rate which curbs are lifted on direct foreign investments by corporations; Feb. 19, 69:2. +2

3. President Task Force encourages American corporations to support economic development; Mar. 1, 19:1. +2

4. Assistant Secretary Newson urges American corporations to enter new types of arrangements that increase stake of local participation; Mar. 20, 78:8. -2

5. U.S. Congressional Joint Economic Committee to lift restrictions on multinational corporations and lift minimum investment in developing countries requirement; Mar. 20, 65:8. +2

6. Nixon proposes new agency to coordinate overseas investments by corporations and should have guarantee investments against expropriations by IBRD; Sept. 16, 7:1. +4

7. McNamara announces meeting to guarantee the investments of multinational corporations in developing countries; Sept. 26, 7:1. +4

8. General McLaren urges barriers taken down against multinational corporations; Mar. 6, 55:7. +2

1971

New York Times Index

1. Government announces ease of foreign investments by private corporations; can now invest up to $2 million per year without falling under controls; Jan. 8, 39:6. +6

2. U.S. government survey applauds multinational corporations' role in offsetting the effects of domestic recession; Jun. 6, III, 2:1. +2

3. R. Wieczorowski, U.S. executive director of IBRD, gives warning to Bolivia and Guyana about nationalizing U.S. corporations; Jun. 28, 47:3. +2

4. U.S. Senate Finance Committee votes to cut off sugar imports from any nation engaging in uncompensated expropriated U.S. corporations; Jul. 21, 14:4. +4
New York Times Index

5. U.S. Treasury notes refusal of Export-Import Bank to finance purchase of Chilean jets as application of firm law against expropriated of U.S. corporations. U.S. government notifies countries of termination of loans, and credits if they expropriate U.S. corporations and property; Aug. 14, 3:1. ±4

6. Treasury Department takes tough line on expropriated U.S. corporations; State Department expresses easier diplomatic approach; Aug. 22, 11:1. ±4

7. Committee on International Trade and Investment Policy notes that foreign investments by U.S. corporations serves interests of U.S. and should not be impeded; Sept. 14, 24:1. ±2

8. Commerce Department notes that flow of dollars to U.S. corporations showed unfavorable balance; Sept. 20, 41:6. -2


10. U.S. Senate passes (47 to 33) amendment to foreign aid bill making it mandatory for the President to cut off aid to any country that expropriates U.S. property without compensation; Oct. 29, 12:1. ±6

11. National Foreign Trade Council asserts that investments made by U.S. multinational corporations have not hurt domestic production and lessened exports; Nov. 14, III, 1:8. ±2

12. P.G. Peterson calls for code of conduct for multinational corporations and their foreign investments; Dec. 30, 34:1. ±4

1972

New York Times Index

1. National Foreign Trade Council urges termination of all restraints on U.S. corporations' investments abroad, renews support for continued U.S. investments abroad; Jan. 3, 41:7. ±4

2. U.S. Secretary Connally urges strong opposition to Senator Hartke's bill of restricting operations of U.S. multinational corporations; Jan. 22, 37:1. ±2
New York Times Index

3. Government argues that jobs are intricately linked to operations of multinational corporations; Jan. 22, 37:2. +2

4. Senators Humphrey and Muskie acknowledge support for Hartkey-Burke bill. Seen to say multinational corporations are adverse to U.S. interest; Jan. 23, III, 5:1. -4

5. Commerce Department rejects claim that multinational corporations cost jobs at home; shows impressive efficiency of multinational corporations; Jan. 31, 33:3. +4

6. Nixon announces U.S. will follow very strong attitude toward countries that expropriate U.S. corporations and properties without swift compensation; Jan. 20, 1:1. +4

7. Connally and P.G. Peterson lash out at the Hartke-Burke bill and get strong support from multinational corporations (bill to impose heavy penalties on American foreign investments); Feb. 1, 36:1. +2

8. Nixon and Connally studying anti-trust laws (to liberalize them) to allow U.S. corporations to compete fairly with foreign (domestic) corporations; Feb. 9, 51:1. +4

9. Senator Javits speaks up against Hartke-Burke bill and warns of its economic consequences to multinational corporations; would start trade wars, etc.; Mar. 5, III, 16:4. +4

10. U.S. Secretary Connally recommends that U.S. give more support to American corporations that are threatened with expropriation of their properties by foreign countries; Apr. 19, 7:1. +4

New York Times Index

1973


2. U.S. Commerce Department announces important relaxation of rules involving credit extended to U.S. parent multinational corporation to finance export or lease of U.S.-made goods and services to foreign affiliate; Jan. 3, 64:6. +4
New York Times Index

3. Senate Finance Committee Sub-committee hearings on activities of multinational corporations say: 1) Employment of multinationals in U.S. has grown faster than for corporations generally, 2) Outflow of capital for investment abroad is only six percent of private domestic business investment, 3) Elimination of multinational corporations would not result in increased U.S. output and employment but in replacement of output by foreign competitors (a very good support for multinational corporations; Feb. 27, 47:8. +2

4. Secretary Dent praises performance of multinational corporations before the Senate Finance Sub-committee of International Trade; multinational corporations have helped societies immensely--social mobility and economic progress; Mar. 1, 57:4. +2

5. Nixon asks Congress to tighten laws that apply to corporations operating overseas; but do not impose taxes on the corporations; Apr. 11, 1:6. -2

6. U.S. government applauds Japanese willingness to come to U.S. to invest; Apr. 16, 59:1. +2

7. Senate Sub-committee of Foreign Relations Committee to send questionnaire to U.S. and foreign-owned affiliates to learn more about their currency operations, particularly during the international monetary turmoil one year earlier; May 8, 67:1. -2

8. Devaluation of the dollar looked upon as favorable gesture by U.S. government to get foreign corporations to invest in U.S.; Jun. 18, 28:1. +2


10. Secretary Shultz urges the free investment of private capital and government should welcome it; Sept. 26, 5:3. +2.
Argentina 1963

New York Times Index

1. Dr. Illia, Popular Radical party candidate for president, welcomes Alliance for Progress aid; criticizes arrangement for foreign investments as unfavorable to Argentina; Jun. 16, 28:2. -2

2. Dr. Illia says he opposes any agreement which limits full government sovereignty in economic matters; press conference on relations with IMF; Aug. 18, III, 6:3. -2

3. Government still plans to cancel contract with U.S. oil companies even if it means loss of Alliance for Progress Aid; Oct. 25, 41:2. -4

4. Import duties to be imposed on machinery and other capital goods hitherto exempt as foreign capital investments; Nov. 14, 54:3. -4

5. Government stresses its obligation to compensate owners of seized properties; Nov. 17, IV, 8:1. +2

6. Scores concept of foreign investments as aid, says they are profit-making ventures; Nov. 20, 1:5. +2

1964

New York Times Index

1. Government plans to reconsider foreign debt; asks private companies to report extent of debts abroad; Jan. 16, 47:2. -2

2. Five Popular Radical senators urge immediate expulsion of U.S. Ambassador McClinton for alleged statements that cancellation of contracts with U.S. oil companies would bar future U.S. investments; May 7, 11:1. -4


4. Government representatives leave for U.S. and Europe and Japan seeking $1.5 billion to finance a five year plan; Jun. 28, 23:1. +4

5. Government to depend upon private domestic and foreign investors to finance eighty percent of five year development plan. Minister Pugliese holds private capital key to success; Sept. 28, 33:7. +2
New York Times Index

1. Opens drive to modify Senate approved tax reform—scored by business people as deterrent to foreign investment; Jan. 7, 41:7. +2

2. Reportedly fears U.S. delays foreign aid spending for government to settle dispute with U.S. oil companies; a delay in a $21.7 million AID loan cited. Illia is dismayed by apparent efforts by oil companies' representatives to benefit from Argentina's political situation; Feb. 10, 53:2. -2

3. U.S. Ambassador Martin in conference with Minister Pugliese, denies U.S. delays aid to force government to settle disputes (contract) with American-owned oil companies. Some government party officials want to make the dispute an election issue; Feb. 26, 37:2. -2

4. Peronists and Workers Conference to demand government to set up nationalization of basic industries and give workers more control over means of production; Jun. 28, 2:6. -4

5. Government asks foreign subsidiaries to accept its five percent bonds to cover $20 million in foreign exchange remittance; Sept. 14, 56:2. -4


1966

New York Times Index

1. Illia cites administration's economic gains to counter foreign financial institutions criticism; May 3, 16:3. +2

2. Government representatives end ten day talks, Washington; representatives say U.S. pledges new aid; negotiated credits equals $200 million; Jun. 26, 24:3. +4


4. Government raises export taxes and business very angry; Aug. 10, 3:1. -4

5. Ongania announces sweeping economic reforms including return of several state-owned companies to private business; Nov. 8, 18:1. +2
Argentina 1966 (cont.)

New York Times Index

6. Government announces "open door" policy on foreign investments in most fields; Nov. 8, 18:1. +4

1967

New York Times Index

1. Government extends three mile limit to 200 miles; Feb. 3, 3:5. -2

2. Government hopes forty percent peso devaluation will encourage foreign investments and will spur exports—Minister Drieger. +4

3. Government signs $100 million loan accord with twelve major U.S. banks, part of $400 million credit package; Jun. 6, 50:6. +4

4. Minister Gelly Obes, and three junior ministers resign to protest pending law to grant foreign companies oil concessions; Jun. 11, 12:1. -4

5. Liberals back law to speed foreign capital influx; Jun. 11, 12:1. +2

6. President Ongania is reportedly ousting many ultra-nationalists who oppose granting foreign companies concessions; Jun. 11, 12:1. +2

1968

New York Times Index

1. To attract investments and improve image, government buys stock in domestic Telam News Agency to send its own news abroad; Apr. 28, 27:1. +2

1969

New York Times Index

1. Government sells $25 million bond issue in U.S. to attract corporations; May 24, 49:4. +2

2. Nine supermarkets owned by Rockefeller family controlled by International Basic Economic Company burned after bombs explode. Damage three million; Jun. 27, 1:2. -4
Argentina 1970

New York Times Index

1. Public Works Minister Ferrer named new Economic Minister to resolve economic crises. He presses for rapid economic development to reduce foreign investments and limits profits sent abroad by foreign companies; Oct. 18, 7:1. -4

2. T.V.'s exhort nations to help reduce dependency on foreign technology, capital and industrial initiative; Oct. 28, 7:1. -2

3. New President Levengston outlines five year plan; provides for "Argentinization" of economy and cutting role of foreign interests, law supports domestic concerns; Dec. 25, 47:2. -4

1971

New York Times Index

1. Argentina government uses Nationalism to fight economic problems; Jan. 25, 71:1. -4

2. Rumors of devaluation noted to adversely affect U.S. $1 billion investments in Argentina. -2

3. Minister Ferrer's strong stand against foreign investments noted and his status remains unclear; May 28, 6:3. -2

4. New President (Lanusse) to widen door to foreign investors (policy reversal to be embodied in revised foreign investment code); May 31, 23:1. +2

5. President Lanusse outlines moderately nationalistic economic program which calls for high degree of state intervention but with guarantees for domestic and foreign private investments in certain areas. Radios, television; Jul. 9, 4:3. -2

6. Will issue special regulations to prevent purchase by foreigners of enterprises in key economic sectors; Jul. 9, 4:3. -4

1972

New York Times Index

1. Political leaders don't want President Lanusse to postpone announcements of oil company curbs on foreign companies because it will severely damage Argentines chances to obtain foreign loans. -4
Argentina 1972 (cont.)

New York Times Index

2. Government to issue a June 3 decree curbing all operations of private petroleum companies; Jun. 1, 61:4. -4

3. Foreign investment has been scared away by government refusal to acknowledge ills in economy. -4

1973

New York Times Index

1. Bills for increasing amounts of foreign raw materials; remittances, royalties, and manufactured items erase gains causing economy to remain stagnant; Jan. 28, III, 50:1. -4

2. Campora's presidency campaign is seen marked by only muted reference to growing American Economic penetration in Argentina; May 27, 18:4. -2

3. Financial Minister J. Gelbard has letters from U.S. Ambassador Krebs, warns of adverse effect on foreign investments in Argentina if draft legislation in Congress is passed. It proposed restrictions on foreign investments; Aug. 1, 11:2. -2

4. Proposed legislation would nationalize several banks; limit access by foreign concerns; set maximum limit of 12.5 percent on profit remittance abroad by foreign companies; Aug. 2, 9:1. -6

5. Legislation as adopted in the Andean Pact, contract establishing all details to be signed with government before any investment can be made; Aug. 8, 10:4. -4

6. Profit remittance abroad limited to 12.5 percent; Aug. 8, 10:4. -4

7. Forbid foreign investment in several areas as finance and banking, advertising, domestic trade, defense and public service, and oil is controlled under state organization that would grant foreign contracts; Aug. 8, 10:4. -4
Bolivia 1963

New York Times Index

1. President Paz Estenssoro deepens conflict with miners and anti-corporate and U.S. groups in his party. Union says U.S. embassy did this; Aug. 5, 8:4. +2

1964

New York Times Index

1. Lechen, presidential candidate, says foreign funds welcome for national development and there is security for all investors; Nov. 5, 1:2. +2

1965

New York Times Index

1. Mines are taken over by troops to keep them open though people fight against foreign corporations; May 24, 1:6. +2


1966

New York Times Index

1. Chile and Bolivia seek economic cooperation and outside resources. +2

1967

New York Times Index

1. Asks for governmental economic support from U.S.; Apr. 1, 7:1. +2

1968

New York Times Index

New York Times Index

Bolivia 1969

1. U.S. aid at standstill and government angry because it has refused to accept loans with clause that aid U.S. BOP, that requires funds to be used to purchase U.S. goods; Feb., 9:1. -2

2. Government makes new offer to service defaulted bonds; Apr. 1, 70:5. +2

3. Rectors of eight universities say N.A. Rockefeller and corporate executives are not welcome for fact-finding trip; May 30, 4:3. -2

4. Political leaders in President Ovando’s camps want foreign interest nationalized. -4

New York Times Index

1970

1. New government will honor pacts, including the one with U.S. Gulf Oil, seen as disinclined to nationalize industry or socialize private industry or hasten nationalization of foreign companies; Oct. 10, 7:1. +2

2. Torres announces he will promote foreign confidence in investments and maintain relations with all governments; Oct. 11, 32:1. +2

3. American-owned mines likely to be nationalized; Oct. 17, 5:4. -4

4. Government expropriates social research and training Institute of North American Dominican Priest; Nov. 17, 12:3. -6

New York Times Index

1971

1. Business and some government leaders afraid of President Torres pledges to masses; thinks he will take over Gulf Oil; Jan. 25, 56:2. -2

2. Politicians (Radical Left) want virtual end to U.S. private investments; May 30, III, 3:1. -2

Bolivia 1971 (cont.)

New York Times Index

4. One hundred Delegates of Popular Assembly of Union Leaders adopt resolution; call for expulsion of U.S. military, Peace Corps, and nationalization of major U.S. corporations. -6

1972

New York Times Index

1. Nationalization of economy continues, Brander (president) and his followers not too well-liked. -4

2. Tin has been nationalized. The whole policy of nationalization has to continue to please the populace; Jan. 28, 62:3. -6

1973

New York Times Index

1. New cabinet is named to develop new socialist economic programs; Apr. 25, 5:3. -4

2. Party of Suarez reshuffled and many leave because feel it will only benefit private enterprise (foreign and domestic). +2
Brazil 1963

New York Times Index

1. New cabinet formed and foreign minister plans better deal for U.S. investors. Seeks to settle difficulties with U.S. companies; Jan. 26, 9:3. +2

2. Law passed governing remittance of profits abroad; Mar. 28, 2:1. -4

3. Federal Anti-Trust commission set up to curb domestic and foreign abuses of power; control creation of new business; May 20, 45:5. -4

4. Goulart says he wants remittance of profits laws applied vigorously to limit transfers of dollars abroad; Oct. 29, 45:2. -4

5. More re-invested in Brazil by foreign companies, less to go abroad; Oct. 29, 45:2. -4

1964

New York Times Index

1. Goulart (president) signs bill to curb profits sent abroad by foreign investors in Brazil; Jan. 18, 28:2. -4

2. Bell Telephones signed $150 million loan to spur recovery; Dec. 15, 11:1. +2

1965

New York Times Index

1. Editorial from the government on signing of investment-guarantee accord with U.S. holds joint U.S.-Brazilian ventures; best protection for American profits; Feb. 13, 20:2. +4

2. Ambassador to the U.S., Magalhaes, sees rise in foreign investments result of government reform; Feb. 25, 47:4. +2

3. Minister Campos softens credit program to strengthen domestic and foreign investments; Jun. 4, 53:1. +4

4. President Castelo Branco gives Congress $3.5 billion Federal spending plan, 1966; stress all kinds of investments; Aug. 13, 59:1. +4

5. U.S. business contributes $150 million loan to help finance government's $2.32 billion public investment plan. +4
Brazil 1966

New York Times Index

1. Minister Campos requests additional American investments; Feb. 13, IV, 4:1. +2

2. Minister Campos calls for cutting government spending and encourage both domestic and foreign private investments; Feb. 21, 63:3. +2

3. Government announces that it will encourage foreign investment and private loans to finance many of its national projects; Sept. 17, 33:2. +2

4. Castelo Branco announces Operation Amazonia which will encourage foreign and domestic investments; Dec. 4, 32:3. +2

1967

New York Times Index

1. Government continues support drive for the Amazonia project; Jan. 23, 54:1, 3. +4

2. The government has encouraged (through President Costa e Silva) First National City Bank and nine other banks in the U.S. to form a private investment bank in Brazil to facilitate project Amazonia; Feb. 6, 43:3. +4

3. Senator Vianna demands expulsion of U.S. and other foreigners from Amazonia Project; May 4, 3:2. -4

4. Government plans a decree barring the sale of land to non-resident foreigners; Aug. 26, 3:3. -2

1968

New York Times Index

1. Criticism from national leader, Camara, of government’s ties with foreign nations at the expense of national sovereignty; Dec. 17, 1:5. -2

2. Costa e Silva continues to receive the backing of the foreign and domestic business communities; Dec. 20, 9:1. +2

1969

New York Times Index

No statements reported.
Brazil 1970

New York Times Index

1. U.S. economic support remains unchanged and Brazil will receive $5 million increase. Possibly done because of government economic policy. +2

2. The government announces tax cuts to allow for expansion of foreign companies' auto production; Aug. 3, 47:3. +2

1971

New York Times Index

1. Brazilian government signs accord with five other nations to recognize sovereignty by foreign governments and corporations up to 200 miles off coast; Jun. 6, 12:1. -4

2. President Medici presents his three year development plan that calls for $800 million per year of private investment based upon a closely guided strategy of capitalism and foreign investment; Sept. 17, 11:1. +2

1972

New York Times Index

1. Economic progress expected for the year in light of government's encouragement of foreign capital investments (billions of dollars); Jan. 28, 64:5. +2

2. Minister Velloso gives endorsement of Japanese project; Feb. 3, 40:1. +2

3. Brazil government urges foreign companies to find export outlets and seek markets in U.S.; Mar. 14, 58:3. +2

4. Companies in U.S. see Brazil as logical "factory" with which to supply their normal markets; Mar. 14, 58:3. +2

5. President Medici signs new trading company law. The guidelines call for creation of new trading companies like post-World War II Japan; the trading companies will be Brazilian controlled but will be open to foreign partnership; Jul. 30, III, 15:1. -2

6. Japan plans to expand (more) in Brazil; now has 700,000 Japanese community. Welcomed by Brazilian officials. +2
Brazil 1973

New York Times Index

1. Country encourages foreign investments in most fields; Jan. 28, III, 57:3. +2

2. The country's vast labor force and raw materials have led U.S. and other companies to establish plants there; Jan. 28, III, 57:3. +2

3. Brazil is under attack from other Latin American countries; says "Imperialism" is tribute to Brazilian growth; Apr. 9, 17:1. -2

4. Argues with U.S. companies over attempted tax evasion; Apr. 10, 10:14. -4

5. Finance Minister, A. Delfim Netto, announces to reduce Brazil's foreign exchange reserves, so that foreign credit will be as expensive as domestic; Sept. 4, 50:5. -4
Chile 1963

New York Times Index

1. President Rodriguez wants economic powers to develop Northern Area. May seek foreign investments. +2

1964

New York Times Index

1. Candidate Allende says he will nationalize U.S. copper mines if elected; May 20, 21:7. -4

1965

New York Times Index

1. The American and Foreign Power Company has reinvested $29.38 million; an act that was urged by and accepted by the government; Feb. 19, 47:2. -2

1966

New York Times Index

1. President Frei pledges official support for foreign investors in industrial development; May 22, 32:1. +2.

2. Congress by a vote of 131 to 11 approves sweeping expropriation powers for Congress and President Frei, who had sought the power through several speeches; Oct. 17, 3:8. -4

3. Copper prices are raised by the government and foreign companies; Dec. 22, 24:5. -2

1967

New York Times Index

1. Congress votes not to allow President Frei to visit U.S.; Bad relations with U.S. over treatment of corporations. -2

1968

New York Times Index

1. President Frei wins confidence vote. View negative by U.S. and corporations. -2
Chile 1969

New York Times Index

1. Communist party leader in Chile, P. Neruda, urges Chile to move faster in re-claiming national resources from foreign interests; Apr. 8, 12:4. -4

2. President Frei makes his annual state of the nation address; consciously tries to moderate economic role of U.S.-owned companies. Warns that government wants partnership with foreign countries--not control; May 22, 5:4. -4

1970

New York Times Index

1. Campaign--Allende promises to nationalize foreign businesses, especially American monopolies; Aug. 23, 16:1. -6

2. Allende declares government will shortly propose legislation to nationalize U.S. interests, and foreign banking, insurance, and unidentified industrial properties; Nov. 27, 7:1. -4

3. Government disclosed plans to create expropriation and nationalization in direction of banking, trade, and agriculture; Nov. 28, 1:4. -4

4. At the Congressional Committee meeting, Minister of Welfare, Zorilla, blames foreign (U.S.) investors for the economic problems of the nation; all future investments to be controlled; Nov. 28, 1:4. -4

1971

New York Times Index

1. Allende (President) says Chile will take-over two American companies for alleged "under-capitalization"; will also ask businessmen who refuse to comply with Chile's laws to return home; Jan. 7, 4:7. -6

2. U.S. Senator Javits warns that Chilean "discriminatory" take-over of American companies will harm Chilean economy and scare off investments; Allende unconcerned (U.S. investments in Chile equals $1 billion); Feb. 7, IV, 3:1. -4

3. Allende announces that his economic policies are reasonable and not based upon sweeping expropriation; Feb. 15, 1:1. -2
Chile 1971 (cont.)

New York Times Index

4. Under Secretary Garreton says Chile wants foreign enterprises that do more for Chile than what they take away, and welcomes those that are willing to work within Chilean laws. New plan calls for minority participation by foreign companies in business ventures in Chile; Feb. 21, 23:4. -4

5. Allende announces plan to seize part of U.S. mines in Maria Elena; Feb. 21, 23:4. -6

6. U.S. Congress wants amendment to Foreign Assistance Act to cut off Chile for nationalizing U.S. businesses; Nov. 10, 12:5. -4

7. Chilean Socialist Party leaders declare that Chile has the right to refuse to pay debts of over $2 billion to U.S. in response to U.S. imperialism; Dec. 19, 5:1. -4

1972

New York Times Index

1. President Allende is also ordering the nationalization of private Chilean businesses; Jan. 28, 62:1. -6

2. Chilean government agreed to repay forty-four banks some $300 million over the next five years for nationalized properties; Jan. 27, 5:1. +2

3. Chilean President Allende at U.N. charges Chile has been the victim of serious aggression initiated by U.S. companies, U.S. banking interests, and the U.S. government agencies since his election in 1970. (eg. anti-government activities of ITT and Kennecott Corporations); Dec. 5, 1:4. -4

4. Chilean Under Secretary of Foreign Affairs, Palma, accuses U.S. companies of trying to block loans for Chile in multinational lending agencies; Apr. 15, 4:3. -2

5. Nationalizes Kennecott Copper Company and government announces that no compensation will be paid for expropriated copper mining properties; Sept. 8, 45:5. -6

6. Nationalizes Anaconda Company and government announces that no compensation will be paid to Anaconda for its expropriated assets; Sept. 9, 29:3. -6

7. Chilean government seizes $216 million from Overseas Investment Corporation. -6
1. Allende claims economic problems result from economic blockade by U.S. and its multinational corporations; Mar. 3, 11;4. -2

2. ITT Vice President, W. R. Merriam, testifies before the Senate Foreign Relations Committee that ITT and CIA had planned to prevent Allende's election in 1970; Mar. 21, 1:4. -4

3. ITT Chairman Greene says he may have offered CIA money to prevent Allende's election; Apr. 3, 1:2. -4

4. Senate Foreign Relations Sub-Committee on multinational corporations said ITT and CIA overstepped line of acceptable behavior in 1970 clandestine operation in Chile, 1970; Jun. 22, 1:2. -4

5. Military government President Ugarte announces that the government will return the more than 300 Chilean and foreign companies that were taken over without payment under the Allende regime (except Kennecott, Anaconda, and Cerro--whose take-over came from legislature); Oct. 20, 9:3. +2

6. President Ugarte also announces resumption of talks to repay lost investments by foreign companies; Oct. 20, 9:3. +2
Colombia 1963

New York Times Index

1. The government agrees upon favorable tax measures for companies or plants involved in development program; May 30, 14:6. +4

2. Government is favorable about foreign economic support but needs new plan for absorption; +2

3. Government recognizes need for foreign capital in economic planning system; Dec. 29, 13:1. +2

1964

New York Times Index

1. Government encourages foreign investments to increase production; Feb. 2, 25:3. +2

2. Through urging from the government, International Finance Corporation will invest $700,000 in private funds to aid development; Apr. 1, 58:3. +2

1965

New York Times Index

1. The Finance Minister, Arbelaez, rejects devaluation, which is seen as an attempt to spur foreign investments; Jul. 19, 37:2. -2

1966

New York Times Index

1. C. Lleras Restrepo is elected president. Seen as a potential asset to foreign corporations and investment; +2

1967

New York Times Index

1. Foreign investment down because IMF wants government to devalue its currency. Government says no; -2

2. Government has announced a program of domestic land expropriation of large uncultivated land. May affect corporations. -4
Colombia 1968

New York Times Index

No statements reported.

1969

New York Times Index

1. In talks with Rockefeller, President Lleras requests expansion of U.S. private investments in Colombia; 1262

2. President Lleras and Nixon declare that democracy and development through private investments can be advanced together; Jun. 16, 4:4. +2

3. In a radio speech, President Lleras urges his people not to blame American (nor its companies) for international injustices; Jun. 4, 5:1. +2

1970

New York Times Index

1. The president is inaugurated and declares that efforts must be made toward self-economic development; Aug. 8, 5:1. -2

2. President Pastrana urges tighter controls on private foreign investments, and that foreign capital should not compete in the field with domestic capital; Aug. 10, 43:4. -2

3. The president warns that the nation must be cautious of foreign holdings (of U.S.—said to be $800 million); Aug. 10, 43:4. -2

1971

New York Times Index

1. Government laws on foreign investments (as announced) seen as easy; Jan. 25, 58:1. +2

2. Minister Valencia defends Andean trade association rule that majority of ownership of private enterprises must pass to local interests within fifteen years. Says foreign investment not so important to Colombia; Mar. 29, 49:5. -4
Colombia 1972

New York Times Index

1. Government welcomes foreign investments and approves thirty-two applications, putting foreign investments at $450 million; Jan. 28, 61:2. +2

2. Most of economic gains, as announced by the government, (in a favorable light) comes from the domestic and foreign private investor; Sept. 4, 21:1. +2

1973

New York Times Index

1. Michelsen promises to distribute the wealth of companies, etc. to the people; -2

2. President Michelsen will advocate trade with Cuba and China and is critical of U.S. and its companies' policy toward Latin America; Apr. 23, 2:4. -2
1963

New York Times Index


2. Belaunde does seek foreign aid but no strings from the U.S. and the Alliance for Progress; Aug. 31, 4:4. +2

3. Belaunde seeks internal economic reform through backing from foreign sources and Alliance for Progress; Sept. 21, 20:1. +2

4. Government threatens to nationalize U.S.-owned oil company; Dec. 26, 8:4. -4

1964

New York Times Index

1. President Belaunde lauds growth rate of U.S. and European investments in Peru; Aug. 2, 22:1. +2

2. Government seeks both domestic and foreign private funds for economic development (in public sectors); Aug. 3, 3:1. +2

1965

New York Times Index

1. Government welcomes loans and investments from the U.S. and other foreign governments (companies, too); Aug. 18, 15:5. +2

2. Government tries to encourage foreign investments by making climate seem more stable than it is; Sept. 20, 1:3. +4

3. Peruvian government continues its debate on whether or not to nationalize U.S. oil company. U.S. law drawn up to withhold aid; Mesa Pelada, minister, deplores clause; Sept. 23, 4:2. -4

1966

New York Times Index

1. Government (President Belaunde) bars currency devaluation in order to attract and maintain foreign investors; Mar. 28, 52:2. +2
Peru 1966 (cont.)

New York Times Index

2. President sends G. Ganoza to U.S. to urge foreign investment; May 15, 1:8.  4

1967

New York Times Index

1. Government orders fifty percent cut in commercial bank credit to twenty large corporations to force them to use credit facilities outside of country and bolster Peruvian economy; May 29, 35:3.  2

2. Belaunde almost decided to nationalize Standard Oil Property (New Jersey); Jul. 28, 8:4.  4

1968

New York Times Index

1. Government advocates increase in foreign investments.  2

2. Military junta announces that it will nationalize $200 million in companies' installations (leader Velasco announces the seizure of Standard Oil properties); Oct. 10, 1:2.  6

3. Minister Mercado confirms the expropriation and Peru's sovereignty to act within its borders; Oct. 27, 26:1.  4

1969

New York Times Index

1. The present junta uses the seizure of American oil properties as a nationalistic issue; Jan. 31, 14:2.  4

2. Government denies hint of further expropriations; Feb. 1, 3:2.  2

3. President Velasco assures foreign companies that 1968 action against the International Petroleum Company was "a unique and singular case." Government says that it reserves the right to take whatever measures are necessary to perserve its economy; Feb. 14, 7:1.  4

4. Government advocates end to traditional economic dependence on U.S.; Feb. 18, 1:2.  4
New York Times Index

5. Berkenmeyer issues statement declaring payment for expropriated properties on deposit in Lima Bank; Mar. 28, 40:5. +2

6. Government announces (under Velasco) that it will expropriate all major tracts of privately owned land and divide them among the people (move aimed at foreign companies, eg. W. R. Grace Company, Rockefeller Companies, etc.). -6

7. Government announces it will occupy offices of foreign banks to prevent flight of capital and major foreign land-owning companies; Jun. 28, 6:3. -4

New York Times Index

1. Debate in the country is over nationalization and restriction of U.S. business; Apr. 23, 55:1. -2

2. Military regime announces its economic activities have affected the foreign interest positively; May 31, 20:1. (The president is Velasco). +2

3. Minister Faura asserts that the government will defend all foreign investments as long as investors respect country's laws and economic policies; Jun. 14, III, 11:3. -2

4. To speed up development, government completes $94.1 million financing agreement with eleven member U.S. bank consortium; Jun. 27, 37:3. +2

5. Velasco introduces a law to give workers ten percent of profits and fifty percent of stock. State to direct basic industries and direct industrialization and that foreign companies must sell fifty-one percent of capital to Peruvians after making reasonable profits (not defined); Jul. 29, 9:1. -4

6. Government to give tax incentives to help new domestic industries (from the president); Jul. 29, 9:1. -2

7. Some major foreign companies withdraw Peru operations because of government's nationalistic laws; Oct. 31, 39:1. -4
Peru 1971

New York Times Index

1. President Velasco's course is between Capitalism and Socialism. -2

2. The government (President Velasco) in his State of the Union Address argues that he will pursue an economic policy which is more left than right; but not Communist. Seen as a continuation of expropriation and nationalization, if necessary. -4

1972

New York Times Index

1. Government states that it will lengthen its "fade-out" period for most operations run by foreign investors, to avoid dislocating the economy; Jan. 28, 62:7. -4

2. Government issues a decree to expropriate both foreign and domestic news sources (televisions, radio stations, and newspapers); Apr. 30, 8:1. -6

3. Peruvian government still attempts to attract foreign credit, but within Peru law; Sept. 21, 93:4. -2

1973

New York Times Index

1. Government begins program under the military regime of expropriating large estates and land from both domestic and foreign (wealthy) concerns; Apr. 13, 4:1. -6

2. Government allows executives of U.S. Ceno Corporation to stay on, though corporation is expropriated; Apr. 13, 4:1. -4

3. Law passed (in 1970) to allow Peruvians to participate in business owned by foreigners; receives criticism, but supported by government; Apr. 27, 16:1. -4
Venezuela 1963

New York Times Index

1. Growth in foreign investments lauded by the government; Apr. 8, 49:7. +2

2. Government supports Creole Petroleum for investing in areas not related to petroleum; Jun. 16, III, 1:3. +2

New York Times Index

1. Government urges and gets businessmen from foreign countries to pledge two to five percent of their profits to develop community projects; Oct. 11, III, 11:2. -4

New York Times Index

1. Anti-American feelings are running high as American-owned companies are burned. -4

New York Times Index

1. Government has sought and now has control of Venezuelan self-help programs, many of which were financed by American-owned companies; Jan. 28, 70:7. -4

New York Times Index

1. More attacks on Sears and other U.S.-owned companies. -2

2. Government supports U.S. companies efforts to pay two-thirds cost of $3.3 million program to train management executives. +2

3. Government accepts $7.5 million loan from International Corporation to maintain supply of industrial credit for economic expansion; Sept. 29, 78:1. +2

New York Times Index

Venezuela 1969

New York Times Index

1. The government expresses its concern over the growing economic penetration of its economy by Japan and its companies; Jun. 16, 2:4. -2

2. Government receives $85 million loan from an eighteen bank syndicate, but loan is granted under strict policies of the government; Aug. 26, 62:5. -2

1970

New York Times Index

1. Government received $100 million loan from sixteen bank U.S. syndicate; Apr. 1, 61:3. +2

1971

New York Times Index

1. Government notes rising economic nationalism as part of desire to speed economic development. Government has initiated an oil tax rise, new banking (control) reform law and pledges to seek control over other foreign industries; Jan. 17, III, 1:2. -4

2. Government announces new Venezuelan law limiting foreign equity and will allow domestic control of banking; Jan. 25, 56:2. -4

3. New government Foreign Investment Bill will have severe restrictions on profits and remittances; Feb. 21, III, 1:1. -4

4. Government urges Chase Manhattan to drop its interest charges from eight percent to six percent. Chase complies; Apr. 10, 28:4. -4

1972

New York Times Index

1. To spur the Venezuelan economy, the government raises (two times) levies on major foreign concerns and companies; Jan. 28, 61:1. -4

2. President Caldera hints that new foreign investment curbs are forthcoming, and he also seeks to end dependence on oil; Jan. 28, 61:1. -2
Venezuela 1972 (cont.)

New York Times Index

3. President Caldera expresses that he is under increasing pressure to assume greater control over country's oil resources; Jun. 9, 36:1. -2

1973

New York Times Index

1. Enters Andean Common Market; signal of official policy limiting action of foreign corporations; Feb. 21, 9:1. -4

2. President and presidential candidate advocate nationalizing U.S. oil companies within next few years; Dec. 8, 9:3. -4

3. Other officials advocate take-over of oil companies before original treaty date of 1983; Dec. 11, 11:1. -4
New York Times Index

1963

1. Groups organize anti-U.S. government and corporate movements. -2

2. Four million dollars sought and received from U.S. (private sector); May 19, 42:1. +2

3. In order to attract U.S. foreign investment, the Mexican government offers $40 million bond issues; first bond issue in fifty-three years; Jul. 17, 36:2. +4

4. Small industries in Mexico receive five million dollars from American bank at urging of U.S. corporations; Nov. 2, 35:2. +4

1964

New York Times Index

1. The Mexican government announces that it will tighten control over foreign industry; Jan. 1, 32:1. -2

2. President Lopez pledges closer ties with France and agrees to seek and accept French investments in Mexico; Mar. 26, 6:4. +2

3. Mexican government acknowledges the role of private investors in industrial development especially U.S. private investments; Aug. 9, III, 2:4, 7, 8. +2

1965

New York Times Index

1. Mexican government assumes stronger role in industry and creates a National Properties Secretary; Feb. 28, 20:4. -4

2. Government announces plans to spur industrial growth in the areas near U.S. border; attract more Mexican and American investments; May 30, III, 5:1. +2

3. Mexican Nationalists are alarmed by foreign investments. Urges that foreign investments be allowed in proportion to total national investments to prevent foreign control of production; Jun. 6, III, 7:4. -2

4. Mexican government begins its appeal to foreign investors (and domestic) to open 370 industrial units to spur economic development; Economic Minister Campos expresses need for $1.28 billion; Jul. 26, 33:1. +2
Mexico 1966

New York Times Index

1. Mexican official warns that injecting Mexican capital into existing foreign-owned companies decreases funds available for expansion; Jun. 27, 51:2. -2

2. The Mexican government announces that it is discouraging private foreign investments in an effort to achieve economic independence; pressures companies to give Mexican majority control; Nov. 8, 55:2. -2

1967

New York Times Index

1. The Mexican government sells $25 million in bonds in Europe to attract capital and improve B.O.P.; May 4, 53:2. +4

2. Mexican official lauds success of joint venture by Mexican and foreign investors; mainly U.S.; Jun. 8, 69:1. +2

3. President Diaz warns about inflation, and notes role of the foreign private investments; Sept. 17, 21:1. -2

4. Government allows U.S. companies to establish operations in Mexico with duty-free privileges provided they export from Mexico; Nov. 6, 54:1. +4

1968

New York Times Index

1. General Electric Company subsidiary offers ten percent of stock at public sale. It had been urged by the Mexican government to "Mexicanize" and other companies, too; Jul. 5, 36:4. -4

1969

New York Times Index

1. Government announces policy of "Mexicanization", policy of extending Mexican control over foreign-held businesses as soon as possible; Ministers Carrillo, Ortiz, and Campos elaborate policy; Apr. 17, 71:2. -4

2. Government signs accord with Brazil to promote joint industrial ventures and stimulate trade; Sept. 1, 6:1. +2
Mexico 1969 (cont.)

New York Times Index

3. Presidential nominee, Echeverria, states that he will increase foreign investment to spur new technologies; Nov. 17, 11:1. -2

1970

New York Times Index

1. An election period, Echeverria Alvarez, a Revolutionary Institutional party candidate, wins the Presidential election (seen as asset to corporations). +2

2. In his national address, President says that foreign investments should not displace Mexican capital; Dec. 2, 12:1. -2

3. Echeverria makes clear that Mexico wants foreign capital from corporations, etc., but stresses that foreign capital must increase Mexican exports (foreign investment $2.2 billion); Dec. 20, 22:1. -2

4. Hot issue is national control over investments and B.O.P. difficulties arising from foreign investments; Dec. 20, 22:1. -2

1971

New York Times Index

1. The Mexican government announces that its policy has changed from foreign loans and investments to domestic savings and enterprise; concern over U.S. plant "satellites" employing Mexicans at very low wages; Jan. 31, III, 1:2. -4

2. Mexican government announces that it will push economic development plan along U.S. border; includes development of more foreign companies, but under Mexican policies; May 24, 47:2. -2

3. President Echeverria relaxes law governing foreign property holdings in Mexico's Baja California; done to expose U.S. holdings in the area; Aug. 16, 8:4. -2

4. Mexican leaders, C. Fuentes and O. Paz, urge nationalization of basic industries, and control of foreign investments, and end to Mexican dependence on U.S.; Sept. 24, 6:4. -4
Mexico 1972

New York Times Index

1. Mexican government expressed grave concern that protectionist (corporate) pressures in U.S. will damage border industrialization program; Jan. 31, 29:1. -2

2. Mexican government announces (quietly) take-over of some country's leading business enterprises; No policy announced; Apr. 15, 39:1. -4

3. President Echeverria has ordered new curbs (policies) on contracts involving sale of foreign technology, U.S. take-over of Mexican companies, and sale of Mexican names for illegal use abroad; Nov. 20, 57:5. -4

4. Mexican government announces greater participation with foreign investors; U.S. investors apparently accepting this "Mexicanization" as announced by Under Secretary Zapata; Nov. 24, 59:3. -4

1973

New York Times Index

1. President Echeverria sends bill to Senate setting guidelines for foreign investments; to establish limits on businesses foreigners can invest in, and violations result in heavy fines. Bill to bar equity over forty-nine percent by foreigners; Jan. 2, 51:7. -4

2. President Echeverria contends that his new policy on trade and investments is aimed at getting balance abroad, in Mexico's interest; Feb. 28, 41:2. -2

3. Echeverria "fights" several businessmen over his new economic policy. Concern is over government take-over. Echeverria defends his policies; Nov. 7, 2:40. -4
Jamaica 1963

New York Times Index

1. The government announced that it will move to attract foreign industrial investment for economic development; Apr. 30, 42:8. +2

2. Minister Seaga announces five year development plan and will abolish the inheritance tax (seen as a move to attract foreign investments); Apr. 30, 42:8. +4

1964

New York Times Index

1. U.S. gives up its Portland Ridge base, last defense area in Jamaica. People and government see imperialist forces leaving. -2

1965

New York Times Index

1. Prime Minister Bustamante re-elected president of ruling Jamaican Labor party. May be negative for foreign investors and corporations. -2

1966

1. The interest today is in the mural figure of Banjo Billy, freed slave who fought in American Revolution. It is causing racial tension by being allowed to hang in a local bank. Government and people resent the presence of this foreign bank. -2

1967

New York Times Index

1. Government leaders applaud and defend devaluation of Jamaican pound; seen as done to attract foreign investments and spur exports; Nov. 24, 71:5. +2

1968

New York Times Index

1. The government held conference to inform U.S. companies of new investment incentives. Result was thirty-four new industries to start production; Apr. 30, 63:1. +4
Jamaica 1969

New York Times Index

No statements reported.

1970

New York Times Index

1. Minister Lightbourne receives recommendation from Caribbean Free Trade Association that Jamaica nationalize banks, mining and other foreign and domestic enterprises; Jul. 14, 48:3. -4

2. Meeting held for the President (Nixon) and Prime Minister Shearer on ways to maintain political stability and secure foreign investments; appears very pro-investments; country seen as developing into a major center of U.S. investments in Caribbean; only economic ideology and Black nationalism (among populace) are seen as threats. U.S. investments over $600 million; Dec. 19, 13:3. +2

1971

New York Times Index

1. Conflict with Kennedy Airport over dumping jet fuel and oil into Jamaica Bay. Government expresses resentment toward large international corporations. -2

1972

New York Times Index

1. M.W. Manley wins Jamaican general election and succeeds Prime Minister Shearer. Seen as possible problem for outside investors. -2

1973

New York Times Index

1. Prime Minister Manley wants U.S. Ambassador, V.W. DeRoulet removed because of unfounded allegations he made before Senate Foreign Relations Sub-committee on Multinational Corporations. DeRoulet had testified that Manley said that bauxite industries would not be nationalized, if U.S. would not interfere in national elections; Manley says no!; Jul. 21, 8:3. -4
New York Times Index

2. Manley declares that he had given some personal and public comments to the idea of nationalizing bauxite companies; Jul. 22, 7:1. -4

3. Nationalization of American bauxite was such an issue that DeRoulet was recalled by Nixon; Aug. 17, 37:3. -4

4. Jamaican officials have opened the door for an American Enterprise, Harvey Stores, to acquire Jamaica Gas and Electric and Joe Enterprises; Nov. 15, 67:1. +2
Algeria 1963

New York Times Index

1. President Bella has promised that seized properties from Europeans will be turned over to workers; Mar. 30, 5:5. -2

2. Ben Bella asserts that France should recognize right of Algeria to make its own decisions, including property seizures; Apr. 7, 2:3. -2

3. Minister Boumaza sees "big place" for foreign private investments despite move toward socialism; Sept. 23, 7:1. +2

4. President Bella says nationalization will aid cooperation; Sept. 24, 1:6. -2

5. Minister Boumaza says government will guarantee private U.S. investments against nationalization; Sept. 27, 43:4. +2

African Recorder

1. Mr. Khemisti, Foreign Minister, announces that the economy will be based upon public and private investments, outsiders welcome, but external non-alignment; Jan. 14. +2

2. Government accepts 10,000,000 sterling pounds from Japanese industrials, includes boats, cold storage facilities, etc; Feb. +2

3. Prime Minister announces plans to collect properties once owned by the French; Apr. 23. -4

4. One of the largest and richest French-owned vineyards is nationalized; Apr. -6

5. Government allows U.A.R. companies to establish bank and insurance businesses; Aug. +2

6. The government nationalizes foreign cinemas, newspapers, and hotels; Oct. 1963 (government moves toward state ownership of private enterprise). President Bella announces, "To place all means of production in hands of workers."; Oct. -6

7. Government nationalizes cigarette firms under the "progressive nationalization of private industry" act; Dec. -6

New York Times Index

1. President Ben Bella argues to enlarge the socialist industrial sector; seen as another move towards nationalization of foreign industries; Apr. 13, 44:2. -2
New York Times Index

2. Ben Bella assures the U.S. that properties taken from U.S. companies will receive compensation; Dec. 12, 2:7. +2

African Recorder

1. Government opens retail stores to prevent the large private stores from exploiting the consumer; Feb. -2

2. Government sets up the Algerian State Shipping Corporation to regulate foreign subsidiaries of shipping companies. -2

3. Government announces to foreign oil firms that fifty percent of their total business turn-over would have to be kept in Algeria; Sept. -4

4. President Bella announces Algerian plan to gain full control over Sahara oil company (now owned by French). -4

5. Algerian government announces large step toward "Algerianization" of French oil corporations; Dec. -4

1965

New York Times Index

1. President Bella hails nationalization of former French factories; Mar. 21, 15:3. -4

African Recorder

1. The government approves of radical financial changes which would probably result in further nationalization of foreign interest; May -4

2. Government allows French oil corporation to participate fifty-fifty on an oil exploitation deal; Aug. +2

3. The government announces that it was revising its 1963 investment code to seek capital from U.S. and other countries and their corporations; Sept. +2

4. Government signs fifteen year agreement with French corporation to search for oil; Sept. +2

5. Government announces drive to reduce "Ben Bella's active non-foreigners attitude". Wants U.S. and West capital. +4
Algeria 1966

New York Times Index

1. Government announces that recent nationalization of mines will be followed by nationalization in all sectors of the economy. Government will not sign investment guarantee with U.S.; May 22, 21:3. -4

African Recorder

1. Government agrees to allow French corporations to share equally in oil venture. +2

2. Government modifies Sahara Oil Code so that higher tax rates and new provisions are placed on foreign (French) corporations; Feb. -4

3. Government announced new attempts to get foreign corporations to exploit the natural gas reserves; May +2

4. President Boumedienne announced that the government had decided to nationalize country's mines; June. -6

5. On May 28, government announced state monopoly of insurance corporations; June. -4

6. French bank taken over—all branches of Credit Foncier de L'Algerie et de Tunisie; July. -6

7. Government establishes national bank; July. -2

8. Government orders foreign corporations to pay bank taxes of 107,000 sterling pounds; Dec. -4

1967

New York Times Index

No statements reported.

African Recorder

1. Government allows American firm joint venture in oil explorations. +2

2. Government announces the nationalization of import of iron, steel, and non-ferrous metals of foreign corporations; June. -6

3. Government announced plans to take over marketing all finished petroleum products inside the country; June. -4
Algeria 1967 (cont.)

African Recorder

4. Minister Salam warns foreign corporations to aid Algerian industry, if they want to stay in business; June. -2

5. Government decreed on August 30, 1967 that assets of five American oil corporations would be taken over; Sept. -6

1968

New York Times Index

No statements reported.

African Recorder

1. President Boumedienne disclosed that the government was taking over the operation of marketing of oil and gas products of a foreign corporation; July. -6

2. Government announces that eighteen companies in food, chemical, and mechanical industries will be taken over (includes Lesieur and Unilesier); July. -6

1969

New York Times Index

1. The government invites U.S. trade and investment group to visit the country; Jan. 2, 49:1. +2

African Recorder

1. Government announces favorable controls to two West German firms to build an engineering complex, but the firms will be under state rule. -2

2. Government requests French oil companies to pay higher taxes for exploration and development. -4

3. President Boumedienne said in Algiers that a genuine revaluation in Africa or the third world demanded that foreign interest be eliminated; Aug. -4
Algeria 1970

New York Times Index

1. Government announces that trade and business with U.S. flourishes despite break in diplomatic ties since Arab-Israeli war of 1967. The number of U.S. technicians and businessmen have nearly tripled since 1967. +2

African Recorder

1. Government asserts independence and "no strings" with foreign corporations in its economic development; Feb. -2

2. Government announced that six oil corporations would be nationalized and their interests expropriated for the nation; May. -6

3. Government signs accord with other Arab nations to ward off foreign economic control; July. -4

4. Government notified French oil corporations that oil royalties would rise higher, tighter controls; Aug. -4

5. Finance Minister, Mr. Mahroug announces steps to be taken to slow down flow of currency by corporations and individuals from the country; Oct. -2

1971

New York Times Index

1. Government takes firm stand on Algerian oil company (largely affects France); Jan. 13, 12:1. -2

2. Algerian government makes strong efforts to attract foreign industry and technology; Jun. 24, 14:1. +2

African Recorder

1. President H. Boumedienne issued decrees nationalizing Mobil and Newmont Oil Corporations. -6

2. Government moves to have French companies pay back taxes due 1960-1970; Feb. -4

3. President Boumedienne announced that the government would take-over fifty-seven percent of two French corporations (Sahara Oil and OSD); Mar. -6

4. Government announced that Renault corporations' assets would be frozen; May. -4
Algeria 1971 (cont.)

African Recorder

5. Government asserts big oil corporations on the run, and if Algeria and Libya can win their fights against them, the era of oil imperialism may be over; May. -4

1972

New York Times Index

1. Finance Minister Mahroug asserts that customs duties will rise, foreign private companies will be carefully scrutinized, and tax deductible items carefully checked; Jan. 9, 47:3. -4

2. President Boumedienne appears open to the idea of U.S. company purchasing Algerian natural gas; Mar. 28, 6:1. +2

3. Trade policy is to encourage technological cooperation, not domination; Nov. 19, 4:1. -2

African Recorder

No statements reported.

1973

New York Times Index

1. French banks agree to loan of $300 million over ten years. Seen as effort to attract outside investors; Mar. 29, 71:1. +2

2. Mexico's president supports Algeria sovereignty of Zone; Sept. 2, 4:1. -4

African Recorder

1. The government announced that it would abolish all tariff preference to corporations and countries of the EEC; Jan. -4

2. Western oil companies were asked to raise their oil prices and invest in government sponsored oil explorations; Nov. -4
Republic of the Congo 1963

New York Times Index

No statements reported.

African Recorder

1. Plans to immobilize the government. The people want to be independent of U.S., Belgians, and other imperialists; Jan. -2

2. Action to take over the Katanga Bank by the central government, but only a protective action; Feb. -2

3. The government monetary council places strong currency curbs on Europeans to prevent money from going abroad; Oct. -4

4. Government announces guarantee of foreign investments in country; +4

1964

New York Times Index

No statements reported.

African Recorder

1. Government ratifies treaty with Common Market (EEC) to allow more trade and foreign investments; May. +2

2. Congo government receives from Belgium $760 million for latter's properties in Congo. Negative feelings towards foreigners; June. -4


1965

New York Times Index

1. Government does receive $1.8 million in Union Miniere dividends; appears to be an act of exerting sovereignty; Feb. 8, 6:4. -2

2. Government relies on foreign experts for technological and economic help; Apr. 24, 5:5. +2

3. Government seizes businesses of foreigners; Oct. 9, 3:4. -6
Republic of the Congo 1965 (cont.)

African Recorder

1. President Kasavubu announces government strong nationalistic stances—to organize all segments of the population toward the same; Nov. -6

2. Government to seek foreign help from African neighbors in economic matters; Nov. +2

3. Government orders newspaper people out for interferring in internal affairs; Dec. -2

1966

New York Times Index

1. Mobutu conceals concessions held by foreign oil, mining, and forestry corporations in an effort to bring natural resources under government control, also signs decree giving government right to take over concessions and set conditions for renewal; Jun. 8, 7:1. -6

2. President Mobutu pledges to free Congo from economic colonialism; directed at large corporations operating in country; Jul. 1, 2:5. -2

African Recorder

1. Government imposes strict currency controls on foreigners and corporations to curb trafficking in foreign exchange; Jan. -4

2. President Mobutu announces that his government has no plans for nationalization and the government welcomes foreign investments; Mar. +2

3. President Mobutu asserts "the time is over when orders in the country were dictated from the rooms of big hotels and private companies in Belgium"; May. -2

4. President Mobutu cancelled concessions held by oil, mining, and forestry foreign corporations; July. -6

5. New law requires foreign business to transfer businesses to government if business in operation before 1960; July. -6

6. Government announced that it will take over full control in a foreign oil corporation; Aug. -6
Republic of the Congo 1967

New York Times Index

1. Government invites U.S.' IBM to install computer system, but under government direction. +2

African Recorder

1. Government demands foreign corporations operating in Congo to have headquarters in country; Jan. -4

2. Government decides to hold fifty percent of Union Miniere du Congo corporation; Jan. -4

3. Government replaces Union Miniere with state-owned corporation in the copper business; Jan. -6

1968

New York Times Index

1. Mobutu and foreign-born Ahladeff urge more foreign (U.S.) private corporations investments in Congo; Aug. 12, 49:2. +2

African Recorder

1. Government announced that a Japanese firm will help (jointly) to mine copper; agreement signed by Mr. Mushiete, Minister of Finance; Jan. +2

2. Government assumes prime role in foreign mineral company and arrests twelve directors; Apr. -4

3. President Mobutu at a mass rally says he favors a mixed economy and welcomes foreign business enterprise; July +2

4. Mr. Bomboko, Foreign Minister, announced in Belgium that Belgian investments and future foreign investments would be guaranteed and profits transferable. +2

1969

New York Times Index

1. Speaking for the government, National Bank of Congo assures foreign investors that the time to invest (and it is welcomed) is now; Jan. 10, 65:2. +2

2. Government invites Belgian industrialists to Congo for look at possible investment opportunities; Mar. 16, 16:4. +4
Republic of the Congo 1969 (cont.)

New York Times Index

3. Government introduces investment code aimed at attracting foreign capital by providing tax concessions and guarantees that non-residents will be allowed to transfer profits freely out of country; Jul. 22, 54:4. +4

African Recorder

1. Government acknowledges find of diamonds in Kilembe and role of foreign British corporation in marketing them. +2

2. Government signs agreement to allow Japanese corporations to mine copper in the country. Also, involves Belgian and British corporations; Oct. +2

3. Government moves to encourage business development and threatens to expel all foreigners "without adequate business"; Oct. +2

4. Government agreed to compensate Union Miniere for nationalized industries; Nov. +2

5. Government asks for fifty percent compensation for oil found in its area; Dec. -4

1970

New York Times Index

1. S. Conger, leader of U.S. trade mission, says U.S. investments are welcome but Africans want major management roles; Jun. 20, 37:2. +2

2. Country wants foreign investors willing to participate with local investors; Jun. 20, 37:2. +2

3. Asks three Japanese banks to invest $100,000 in the Congo Finance Corporation for Development; Feb. 24, 62:4. +4

4. Government says there are opportunities for foreign investments; Aug. 16, 10, p. 4. +2

African Recorder

1. Government announced nationalization of two main ports and railways linking them; Jan. -6

2. Congo's General Gowan asserts he will tolerate no more interference by only foreign organizations in Nigerian affairs; Feb. -2
Republic of the Congo 1970 (cont.)

African Recorder

3. Government takes moves against two Belgian banks for tax evasion; Dec. -2

1971 (Zaire)

New York Times Index

No statements reported.

African Recorder

1. Mobutu affirms at his swearing-in ceremonies that the nation's efforts are turned to rid the country from the grip of foreign monopolies, which would raise the standard of living; Jan. -2

2. Government asserts that Belgian industrial group must come under control of the economic ministry until further notice; Jan. -4

3. Government denied Japanese firm right to build major development project in the area, to keep in line with government control over specific areas; Oct. -2

1972 (Zaire)

New York Times Index

1. In order to Africanize Zaire, President Mobutu renames many organizations and places in his country; Jan. 2, II, 3:1. -2

2. Government announces plans to ease its dependence on foreign corporations and sale of copper and other mineral production; Jan. 31, 58:1. -2

3. Government orders people to drop their baptismal names, orders Roman Catholic Church to accept his Africanization policy or get out; Mar. 8, 3:1. -2

4. Foreign businessmen are being expelled; Sept. 17, IV, 10:4. -6

African Recorder

No statements reported.
Republic of the Congo (Zaire) 1973

New York Times Index

1. Government decides Goodyear to operate within country and help diversify economy; Feb. 4, 31:1. +2

2. Mobutu asserts "decolonization", even from the Roman Catholic Church; May 17, 51:3. -2

3. Mobutu describes all changes (towards corporations, etc.) another step to decolonization; Jul. 18, 43:1. -2

4. Government announces plans to undertake pre-investment studies aimed at protecting foreign investments; Oct. 24, 2:5. +2

5. President Mobutu announces nationalization of all foreign agricultural corporations operating in Zaire; will provide compensation. Also, Zaire citizens will take over previous expropriated foreign corporations; Dec. 1, 3:1. -6
United Arab Republic 1963

New York Times Index

1. Seen as year of critical development and aid; government leaders go abroad seeking aid from China, etc.; Apr. 24, 6:6. +2

2. Government decides to compensate foreign companies for their nationalized properties; Sept. 4, 62:3. +2

African Recorder

1. Government solicited and received machinery and fertilizer from Germany and her companies; Jan. +2

2. Government announces the nineteen pharmaceutical firms will be nationalized. -6

3. Government signs agreement with U.S. to facilitate the current negotiations for further American corporations' investments in oil and pharmaceuticals; Aug. +2

4. The government seeks and receives economic agreement with Hungarian firm to supply six flour mills to operate in Egypt; Sept. +2

5. Minister of Industry, Dr. Aziz Sidky, announced full nationalization of a number of companies under Decree 72; Sept. -6

6. Government signs agreement with Phillips Oil to prospect for oil; Nov. +2

7. Government decreed that 177 companies would be nationalized. (Includes both foreign and domestic corporations); Dec. -6

New York Times Index

1. Government says it will settle claims for properties taken in 1961 socialization process; Mar. 21, 5:4. +2

2. IBRD says no loans to U.A.R. because of inadequate compensation for seized foreign properties; Sept. 11, 43:5. -2


1964
United Arab Republic 1964 (cont.)

African Recorder

1. Government awards oil concession to Pan American Oil Corporations, and seeks other prospective investors. +2

2. Government establishes Arab-African Bank and funds are available to help struggling domestic corporations and other Arab countries; May. -2

3. Government announces additional nationalization of 199 corporations which would be organized under three joint stock companies; May. -6

4. New constitution signed which advocates state ownership of corporations, etc.; deemed necessary for the development plans. The government follows up by nationalizing the Shell Oil Companies. -6

5. Government allows fifty-one percent of Salt Corporation to be owned by Yemen; Sept. +2

6. Minister Khalil asserts government's aim is to promote foreign investments; Oct. +2

1965

New York Times Index

No statements reported.

African Recorder

1. Government orders twelve foreign airlines to cut excursion fares from New York to Cairo (shows government interference); June. -2

2. Government permits East German companies in petroleum and heavy industries access to favored areas; Oct. +2

3. Government agrees to repay French citizens for properties lost in 1956 in French-British conflict. +2

4. Government agrees to pay for nationalized Sudanized properties; Nov. +2

1966

New York Times Index

1. Nasser states government will nationalize more foreign private corporations; Jun. 25, 2:5. -4
African Recorder

1. French enterprises affected by socialists decrees in 1961 will be compensated; Apr. +2

2. Foreign and domestic land are confiscated by the government for land reform; June. -6

3. Government demands allocation of fifty percent of the profits realized by foreign corporations operating in area; July. -4

4. Government announces Arab Oil Corporation to compete with foreign corporations; Sept. -2

New York Times Index

1. Nasser takes firm stand on not repaying corporations or debts to countries applying pressure to do so; Feb. 23, 19:4 and May 14, 16:4. -2

African Recorder

1. Government announced nationalization of Helwan Iron and Steel Corporation; Feb. -6

2. Government signs oil agreement with Phillips to exploit Alamein oil fields; Mar. +2

3. Government proposes foreign oil corporations to build more operations and to be reimbursed from production sales; Apr. +2

New York Times Index

No statements reported.

African Recorder

1. Government allows British pipe company to build large pipeline; Nov. +2

2. Government takes steps to spur Japanese investments and eliminates double taxations policies; Dec. +4
United Arab Republic 1969

New York Times Index

No statements reported.

African Recorder

1. Government agrees to pay Pakistan for its mills that were nationalized; +2

2. Government intervenes to distribute land owned by large land owners and corporations; Oct. -4

1970

New York Times Index

1. Sadat is elected president and says U.A.R.'s goal is "socialism"; Oct. 21, 6:4. -2

2. Sadat orders Premier Fauzi to return private foreign property that was confiscated years ago (the threat of confiscation has been a threat on U.A.R.'s economy for years); Dec. 29, 1:7. +2

African Recorder

1. Government announced that it would move against foreign economic imperialism; Jan. -2

2. Government forms economic union to combat foreign corporations economic imperialism and promote socialism; Dec. -4

1971

New York Times Index

1. Government declares industrialization, under its own policies, is priority; Jan. 29, 69:4. -2

African Recorder

1. Government allows American oil corporations to drill for oil. Makes large strike; May. +2

2. Government agrees to repay British for nationalized industry; Sept. +2
United Arab Republic 1972

New York Times Index

1. Egypt asserts its independence from Russians and corporations but says economic ties are great; Aug. 27, 17:1. -2

2. Minister Abdullah advocates open door policy on foreign investments; new law states guarantees of foreign investments, but under Egyptian law, aimed primarily at the Arab countries. Not open door to multinational corporations; Jul. 23, 3:1. -2

3. Object, according to Sadat, is to increase investments from the oil-rich Arab countries, and technology from the West under Arab (Egypt's) laws; Aug. 27, 17:1. +2


African Recorder

1. Finance Minister notes "the shocking spectacle of big foreign firms trying to be our (Egyptian) exchange controls"; Feb. -4

1973

New York Times Index

1. Sadat moves to attract foreign investors; Nov. 12, 21:4. +2

2. Sadat begins new policy (abolishes import licenses, currency controls lifted and) to attract foreign investments; Aug. 19, 11:1. +2

3. New policy of Sadat of attracting foreign corporations is also seen to raise his popularity; Sept. 26, 5:3. +2

African Recorder

1. President A. Sadat called for Arab action against U.S. corporate and economic interests in the Middle East; Jan. -2

2. President Sadat informed U.S. sources that its economic interests in Egypt would not be protected if (U.S.) continues to defy the Arab nation; July. -2

3. The Minister of Petroleum, Mr. E. Hilal, told newsmen that two U.S. petroleum corporations had agreed to allow government to sit in an "advisory" capacity to decide oil drilling procedures (new for oil corporations, seen as added influence by government); Aug. -4
New York Times Index

No statements reported.

African Recorder

1. Government passes Companies' Code Bill to require disclosures in published accounts, and limit the gulf between ownership and control. -4

2. Government tells nine dealer companies that it (government) will control diamond market. Government Board set up to do trading. -4

3. Nkrumah argues against Ghana and other African nations binding themselves to the economic domination by Europe or other colonial agents (See: Africa Must Unite) -2

4. Kwame Nkrumah announced that the Ghana government would no longer require foreign corporations to reinvest sixty percent of their net profits in Ghana. +4

1964

New York Times Index

No statements reported.

African Recorder

1. President Nkrumah asserted in his seven year development plan, "We welcome foreign investors in a spirit of partnership ... They can earn their profits here, provided they leave us an agreed portion ..." +2

1965

New York Times Index

No statements reported.

African Recorder

1. Government leader, Nkrumah, requests extended credit from large British Corporations; action revealed as putting firms in a "serious dilemma." -4

2. Under the new Income Tax Bill, commercial firms would be required to pay tax at the rate of fifty percent. -4
312

Ghana 1965 (cont.)

3. Nkrumah demands "fair-share" increase from foreign cocoa corporations doing business in Ghana. -4

1966

New York Times Index
No statements reported.

African Recorder
1. Government took over store chain belonging to A. G. Levents, and transferred its operations under state-owned Ghana National Trading Corporation. -6

2. Lt. General Ankrah urges foreign investments and "guarantees all foreign investments within the limits of our laws." -4

3. Mr. Silva Amegashie, Chairman of Capital Investment Board, said foreign corporations could benefit from income tax relief up to ten years and exemption from all indirect taxes. +4

1967

New York Times Index
No statements reported.

African Recorder
1. All foreign mining companies have been directed to submit to the Chief of Mines for approval to develop a mine. -4

2. Government allows Norwegian corporation to manage state-owned fishing company. +2

1968

New York Times Index
No statements reported.

African Recorder
1. The government has asked all foreign firms to report when they expect senior posts to be taken over by Ghanians. -4
African Recorder

2. Government allow several international firms to explore for oil along its coast. +2

3. On July 6, the government announced that it will allow non-Ghanian interests in "protected fields" a reasonable period of time to turn over interest to Ghanians or risk takeover. -4

4. Foreign corporations in retail, wholesale, taxis, and other small-scale businesses must have sixty percent of their businesses held by Ghanians. -4

New York Times Index

1969

1. Government bars foreigners from operating businesses with yearly trade of over $480,000. Jan. 2, 52: 1. -4

African Recorder

1. Government allowed American firm, Calbiochem, to establish business jointly. +2

2. Chairman of National Liberation Council, Lt. General J. A. Ankrah, claims efforts to attract foreign corporations. +2

3. Government signs agreement with international corporation to lease gold mines for fifty years. +2

1970

New York Times Index

No statements reported.

African Recorder

1. Bill passed by government on April 29 to promote Ghanian control and involvement in business affairs, according to Minister of Finance, Mr. J. H. Mensah. -4

1971

New York Times Index

No statements reported.
Ghana 1971 (cont.)

African Recorder

1. Ghanian Business Promotion Act passed to prohibit even "partnerships between Ghanians and aliens (corporations, etc.)."

1972

New York Times Index

No statements reported.

African Recorder

1. Government passes new law on foreign insurance businesses where at least forty percent of the shares must be owned by Ghanians.

2. Chairman of the National Redemption Council, A. K. Achyeampong, told a group of Ghanians that the government would gain a firm grip on foreign corporations to ensure Ghanian participation.

1973

New York Times Index

1. Col Achyeanpong warns that foreign industrialists who "sabotaged" mining and timber industries may face complete nationalization of their companies. Jan. 14, 14:1.


African Recorder

No statements reported.
Kenya 1963

New York Times Index

1. Minister Murumbi assures group of U.S. businessmen their investments will not be nationalized— but welcomed. Dec. 20, 43:5 +2

African Recorder

1. Minister of Commerce, Dr. J. G. Kiano stresses government's position "to create a climate that is favorable to both new investment from overseas and to the expansion of existing industries." +2

2. Minister of Justice and Constitutional Affairs, Mr. Tom Mboya defends Africanization policy saying Europeans had enjoyed preferential treatment in the past. -2

3. Government opens door for West German corporations to participate in the new Development Corporation. +2

4. Government permits first foreign oil refinery to be built, and is to be operated by Shell Petroleum. +2

1964

New York Times Index

No statements reported.

African Recorder

1. Minister of Industry and Commerce, J. Kiano expressed delight and enthusiasm for the massive investment program proposed by Toyo Rayon Corporation of Japan. +2

2. Prime Minister Kenyatta praises the building of oil refinery by foreign corporation as largest capital commitment to Kenya. +2


4. The Prime Minister Kenyatta told a news conference that the government did not consider nationalization would serve to advance African socialism. +2
Kenya 1965

New York Times Index

1. Minister Mboya sees Kenya attractive to investors at new conference in tour of Italy and France. Jun. 19, 13:3. +2

African Recorder

1. Minister Gichuru asserted the desire of several large corporations to invest in Kenya and acknowledged their welcome. +2

2. Mr. Joseph Murumbi, Foreign Minister, said in an interview, Kenya wants real foreign investors to promote its economy. +2

1966

New York Times Index

No statements reported.

African Recorder

1. The Planning Minister, Mr. Tom Mboya, warned European business that unless they encouraged African participation, they might be in danger of having their businesses taken over by the government. -2

2. The Home Affairs Office has adopted measures to prompt Africanization of industry and allow Africans to move into jobs with non-Africans in corporations, etc. -4

1967

New York Times Index

1. Government claims Nairobi booming as result of sharp rise in U.S. business investments. +2

African Recorder

1. Minister Mboya supports Kenya's strong bid for international participation in its tourist program. +2

2. Government issues decree barring foreign persons and corporations from purchasing land. -4

3. Government takes over cinema trade. -6
Kenya 1967 (cont.)

African Recorder

4. Government spokesman, Minister of Labor, Dr. J. Kiano, officially opens Kenyanization Bureau to gain domestic control of economy. -4

1968

New York Times Index

No statements reported.

African Recorder

1. Mr. L. M. Kabetu, Director of Trade Supplies, announced that several strategic categories of business are closed to foreigners, foreign business, and all non-Kenyans. -4

1969

New York Times Index

No statements reported.

African Recorder

1. Government Minister of Finance, Kibaki, gives support to Kenyanization of Trade. Seen as strong stance in favor of government control in this area. -4

2. Minister Kibaki announced that all goods would eventually become "specified goods" to be traded only Kenyans. -4

1970

New York Times Index

No statements reported.

African Recorder

1. President Kenyatta asserted Kenyans desire to "attain the fullest control over our economic destiny, with the complete involvement of our people in all forms of enterprise." -2

2. President Kenyatta announced that there would be a big reduction in the number of non-Kenyan executives in banking, insurance, and oil industries. -4
Kenya 1971

New York Times Index
No statements reported.

African Recorder
1. Government allows foreign bank to open but under agreement which government has sixty percent of stock. -4
2. President Kenyatta announced that the government would take fifty percent of the shares from the foreign bank owned by Barclays and Standard Bank. -4

1972

New York Times Index
No statements reported.

African Recorder
1. Government tightens control over foreign corporations, requires fourteen directors to register for work in the country. -4
2. President Kenyatta approves of joint venture with Indian paper mill. +2
3. November 16, decree issued ordering more non-Kenyans (foreigners) to sell their businesses. -4

1973

New York Times Index
No statements reported.

African Recorder
1. Government Minister, Mr. Osogo, issues "Quit Notice" to over 400 non-Kenyans and firms. -4
2. Government Commerce Minister, Dr. J. Kiano tells foreign community that foreign business should be in the hands of Kenyans on schedule—no appeals for delay. -2
3. An additional 1,000 "Quit Notices" were given to British and Asian firms operating in Kenya. -4
Libyan Arab Republic 1963

New York Times Index

No statements reported.

African Recorder

1. Government under Royal decree, receives ratification of law amending constitution to allow government to control all aspects of country's economic life and total control over companies, taxation, and exploitation of material wealth. Strong stance against outside companies exploiting wealth; Jan. -4

2. Government lauds French company's discovery of oil; July. +2

3. Government expresses thanks to discovery of oil that a position of economic stringency and complete reliance on foreign subsidies was now over; July. -2

1964

New York Times Index

No statements reported.

African Recorder

1. Government contracts with Mobil Oil Corporation for crude oil pipeline and manufacture; Jan. +2

2. Government announced that it would expect a fifty-fifty split with oil companies on royalties. -4

3. Government blacklists forty-nine British corporations from doing business in the country; Feb. -4

4. Government acknowledges that its favorable trade balance is due to foreign corporations export of oil; Aug. +2

1965

New York Times Index

No statements reported.
Libyan Arab Republic 1965 (cont.)

African Recorder

1. Government announces new law to regulate foreign corporations "only a Libyan firm registered as a commercial agency may carry on business in Libya as a representative of foreign commerce or industrial interests. Libyan firms--fifty-one percent Libyan-owned"; Jan. -4

2. Government cuts tariff rates seen as attractive to foreign corporations; Feb. +2

3. Government allows Standard Oil of Indiana to purchase new oil field area for long-term production. +2

4. Government announces plans to convert British Bank of Middle East to Bank of North Africa in order to "Libyanize" foreign banks; Oct. -4

1966

New York Times Index

1. Spread of mounting oil wealth seen by government, foreigners and corporations as increasing national solidarity; Jan. 26, 2:3. -2

African Recorder

1. Government announced amendment to the Petroleum Law to increase the royalties received by government; Jan. -4

2. Government demands oil corporations to comply with new oil laws and raise government's share of oil revenues. -2

3. Government grants oil bids to nineteen foreign corporations; Mar. +2

4. Government signs agreement with insurance corporations where government owns fifty-one percent of corporation. -4

1967

New York Times Index

No statements reported.
Libyan Arab Republic 1967 (cont.)

**African Recorder**

1. Government signs agreement with nineteen oil corporations guaranteeing government larger share in the oil profits; Mar. -4

2. Government grants new oil field drillings; Mar. +2

3. Government grants license to the Arab Nahda Bank in which fifty-one percent of the shares are owned by Libyans; Oct. -2

4. Libya's government announced that foreign oil corporations had agreed to pay more in taxes and royalties; Nov. -4

**1968**

**New York Times Index**

1. Libyan government announced that it plans foreign investment legislation to attract diversified industries under Libyan law; May 31, 9:1. +2

**African Recorder**

1. Moves against foreign domination are seen in governments actions to liquidate foreign bases of U.S. and British; Nov. -4

2. Government pledges stronger "African" ties with Sudan and other nations to ward off foreign economic and imperialist control; Dec. -2

**1969**

**New York Times Index**

1. Government assures U.S., Great Britain and France that it will respect the properties of foreign corporations. Operations by U.S. oil companies continue; Sept. 3, 1:6. +2

2. Libyan government says foreign companies will be respected as long as they respect Libyan interests; government demands rise in prices and removal of non-Arabic signs; Oct. 3:6. -4

3. The military regime nationalizes foreign banks; Dec. 29, 16:4. -6
Libyan Arab Republic 1969 (cont.)

African Recorder

1. King Idris asserts Libya's intention to play more direct role in oil exploitation; Jan. -4

2. Government allows French to participate in oil development; Oct. +2

3. Oil Minister, Mr. Anis Shteiwy, announced that "nationalization at the present time is out because government does not have the man-power or the market outlet for oil"; Nov. +2

4. However, government, Mr. Shteiwy announced, said that employment priority in oil industry must be given to Libyans; Nov. -4

5. Government announced that American Chappaqua Oil Corporation's contract was being cancelled for violating "joint venture" regulations; Nov. -4

1970

New York Times Index

1. Private property, etc. owned by the Italians and Jews (foreigners and domestics) is confiscated; -6

2. The government holds secret door meetings to discuss U.S. oil companies' holdings; Nov. 10, 2:4. -2

African Recorder

1. Libyan government announced that its agreement with the British American Tobacco corporation since 1957, was cancelled; Jan. -4

2. Prime Minister Gaddafi asserted Libya's right for higher oil royalties for multinational corporations; Feb. -2

3. Prime Minister Gaddafi demanded Libyan's proper role in oil corporations as "owners of the land and the rights"; Feb. -2

4. Government announces new oil pact to "free Arab oil resources from foreign monopolies"; Feb. -4

5. Col. Gaddafi warned that his revolutionary regime was getting ready to fight the next round of battle with foreign oil corporations; May. -2
Libyan Arab Republic 1970 (cont.)

**African Recorder**

6. Government announced that foreign corporations could no longer be partners in collective or simple companies; Jun. -4

7. Government takes over Italian corporations' properties; Aug. -6

**1971**

**New York Times Index**

No statements reported.

**African Recorder**

1. All foreign banks operating in Libya are ordered nationalized by the Revolutionary council; Jan. -6

2. State assumes role to control at least sixty percent of foreign insurance corporations' assets; Jan. -4

3. Government demands seventy cents surcharge on oil output per barrel as far back as 1967 (protested by oil multinational corporations); Feb. -4

**1972**

**New York Times Index**

1. Libya stresses its laws to foreign oil companies; Feb. 6, VI, p. 10. -2

2. Libyan government pushes and gets agreement with some corporations to develop and refine its own oil; Mar. 5, 111. -2

**African Recorder**

1. British Petroleum Corporation was nationalized by the government decree; Jan. -6

2. Because of "excessive demands" from the government, Philip's Petroleum gave up its producing field; Feb. -4

3. The government announced today that all drugs and medicine trade is nationalized and would be handled by a state-owned company--National General Company for Medicine; Jun. -6
Libyan Arab Republic 1973

New York Times Index

1. Qaddafi takes his cultural revolution further; establishes people committees oil boards of foreign owned oil corporations; Jun. 4, 3:5. -4

2. Local committees formed to participate in decisions of foreign owned banks, to rid Libya of exploiters, etc.; Jun. e, 7:1. -4

3. Under threat of nationalization, Occidental, Oasis, and Amoseas foreign oil corporations have offered new concessions to Qaddafi; Jun. 26, 72:1. -6

4. Qaddafi demands more participation in the affairs of oil corporations; fifty percent in Bunker Hunt Corporation; Feb. 4, III, 3:1. -4

African Recorder

1. Col. M. Qaddafi announced the nationalization of the Bunker Hunt Oil Company. "No power in the world can mar our right to nationalize our oil fields."; Jul. -6

2. The Revolutionary Command Council issued a decree nationalizing fifty-one percent of the American Oil Corporation, Occidental Company of Libya; Aug. -6

3. The Revolutionary Council obtained a fifty-one percent concession from Oasis Oil Corporation; Aug. -4

4. On September 1, the government announced that it was taking over a number of oil corporations (fifty-one percent of assets) in the country; Sept. -6

5. Col Qaddafi asserted in an interview, "We are breaking up the foreign oil monopolies and acquiring control of our own assets and resources."; Oct. -2
Nigeria 1963

New York Times Index

No statements reported.

African Recorder

1. Prime Minister, Mr. O. Okpara urged more outside private investment. Visits Canada and U.S. to attract it. Says he approves of British investment expansion. Appoints Ambassador to EEC to attract foreign capital; Feb. +4

2. Government seeks aid of German corporation to build an ammunition factory which will supply the German government; Jul. +2

3. Government announced diplomatic ties with the EEC; Jul +2

4. Government sends trade mission to Europe for private investments; Sept. +4

5. Government dismisses British official for criticizing nationalization of coal; Sept. -2

1964

New York Times Index

No statements reported.

African Recorder

1. Government welcomes Japanese textile firm to do business in the country; Feb. +2

2. Government announces bill that requires foreign insurance corporations should invest all their profits from life policies and forty percent of their profits from other insurance transactions in Nigeria; Jul. -4

3. Members of Congress demand nationalization of foreign insurance corporations; Jul. -4

4. Foreign corporations provide funds for power and electric company in Nigeria and an Italian corporation will do the work; Jul. +2
Nigeria 1965

New York Times Index

1. Government expresses concern over the discovery of oil and invasion of foreign corporations, etc.; Jan. 25, 50:5. -2

African Recorder

1. Finance Minister asserts that taxation on foreign corporations not bringing in due share of revenue; May. -4

2. Government allows Turner and Newell to set up cement plants in country; Jun. -2

3. Federal government claims need of foreign firms to withdraw from Federal and Regional governments to "Nigerianize" the country; Jun. -4

4. Government permits Indian corporation to take over oil seed mill industry. +2

1966

New York Times Index

1. Government pledges its drive to attract foreign corporations and investments; Jan. 29, 5:4. +2

African Recorder

(General A. Ironsi comes to power)

1. Government issues decree to investigate private and individual bank accounts; Mar. -4

2. Government seeks foreign aid and investment; Apr. +2

3. Government to grant tariff preferences to foreign corporations of six nations; Aug. +2

4. Government announces "Nigerianization" moves, but short of nationalization of oil, etc.; Sept. -4

1967

New York Times Index

No statements reported.
Nigeria 1967 (cont.)

African Recorder

1. Government to re-examine new tax laws placed on oil corporation; Feb. 4

2. Foreign investment welcomed but at a standstill because of government fighting; Dec. 2

1968

New York Times Index

No statements reported.

African Recorder

1. Government announced that it will permit a joint Hungarian-Nigerian enterprise; Nov. 2

2. Government asserts independence and decides not to join EEC, does not want neo-colonial arrangements. 2

3. In the "Companies Decree", all foreign companies are ordered incorporated to expose their accounts, and reports (orders from Gen. Gowon); Dec. 4

1969

New York Times Index

1. Eastern leaders express concern that Mobil Oil Corporation sponsored visit of Nigerian transportation commander, Tarka, in order to offset pro-Eastern (Nigerian) sentiments; Jan. 29, 4. 2

African Recorder

1. Government continues efforts to tighten control over foreign corporations, receives opposition from foreign governments; Jan. 4

1970

New York Times Index

1. Gowon announces four year $4.5 billion development plan to promote "meaningful Nigerianization" of foreign companies. The plan is to give the government commanding heights of countries booming economy but pledges not to embark upon indiscriminate nationalization; Nov. 12, 1011. 4
Nigeria 1970 (cont.)

African Recorder

1. Mr. R. A. Dikko, Commissioner of Mines and Power, announced that fees are payable for licenses and applications and higher royalties from foreign corporations wanting to do business in oil; Apr. -4

2. M. Dikko announces strict controls for "Nigerianization" of economy; Apr. -4

1971

New York Times Index

No statements reported.

African Recorder

1. Gowon issues statement that government will hold fifty percent of shares of all foreign corporations in strategic areas--petro, iron, and steel; Jan. -4

2. Government decides to establish National Oil Corporation to scrutinize all foreign oil investments; Jan. -2

3. Government concerned about negative BOP and takes measures to stop flight of currency from nation. Belt tightened around foreign corporations; May. -2

4. Government set up under national decree a National Oil Corporation that could acquire or take over all assets of any foreign corporations prospecting for oil; Jun. -4

5. Military council lists twenty-six categories of business reserved for Nigerians only, no foreign multinational corporations; Aug. -4

1972

New York Times Index

1. Nigerian government sees oil as its major industry and wants more control of it; Jan. 31, 44:5. -2

2. Government through "indiginization" and "Nigerianization" programs has decreed that certain businesses can only be operated by Nigerian citizens and that the government or its citizens will be able to purchase percent of major industries that are now owned by foreign corporations; Aug. 27, 11:1. -4
Nigeria 1972 (cont.)

New York Times Index

3. Government announces that Nigeria will move towards controlling its own economy through "indiginization" and "Nigerianization"; seen as a warning to foreign corporations; Sept. 2, 27:1. -4

4. The government plans to increase Nigerian ownership of vast foreign owned business operations; Dec. 31, 10:1. -2

African Recorder

1. Financial Commissioner Shagari announced financial liquidation of foreign debts; Apr. -4

2. Gowon issues decree to insure that Nigerians participate (more) fully in development and that efforts of the Nigerian Bank would be so as to help Nigerian businessmen take over from foreigners in fields affected by the decree; Dec. -4

1973

New York Times Index

1. Government gives foreign businessmen until March 31, 1974 to dispose of the holdings in various banks, to let Nigerians take over; Oct. 2, 17:1. -4

2. Government decree declares fifty-five foreign businesses and services restricted to Nigerian ownership; Feb. 4, III, 21:8. -4

African Recorder

1. Government completes agreement with Shell Oil which gives Nigerians the option to acquire fifty-one percent of corporations' holdings. -4
Uganda 1963

New York Times Index
No statements reported.

African Recorder

1. Agriculture Minister, Mr. Mathias Ngobi, urged all foreign parties to sell their cotton spinning businesses to Africans or risk losing their investments. -4

2. For first five year plan, government calls for Ugandization of the economy and enter partnerships with foreign private industries. -2

1964

New York Times Index
No statements reported.

African Recorder

1. Government welcomes Indian corporations in setting up four large size sugar mills. +2

1965

New York Times Index
No statements reported.

African Recorder

1. Government announced the Foreign Investment Protection Act to guarantee protection to foreign corporations operating in Uganda. +4

2. Government cabinet permits Indian corporation to set up joint venture in a sugar industry. +2

1966

New York Times Index
No statements reported.

African Recorder
No statements reported.
Uganda 1967

New York Times Index
No statements reported.

African Recorder
1. Second five year plan calls for substantial increase in foreign corporate investments. +2

1968

New York Times Index
No statements reported.

African Recorder
1. Government Committee urges all foreign corporations to Africanize senior posts within five years. -4

1969

New York Times Index
No statements reported.

African Recorder
1. Government places restrictions on foreigners, prohibiting them from dealing in specific goods, reserved for Ugandans. -4

1970

New York Times Index
No statements reported.

African Recorder
1. President M. Obote announced on May 1 takeover of certain foreign industries and sectors of the economy. (Mainly import and export trade, except petroleum). -6

2. The National Assembly on May 6, approved a bill to allow the government to acquire sixty percent of the shares of eighty-five major foreign corporations. -4
Uganda 1971

New York Times Index

No statements reported.

African Recorder

1. New President Amin cancels citizenship applications for 12,000 British Asians; act interferes with foreign corporate activity. -4

1972

New York Times Index

No statements reported

African Recorder

1. Government signs accord to gain forty-nine percent control of three foreign corporations. -4

2. President Amin orders takeover of several foreign agricultural concerns. -6

1973

New York Times Index

1. President Amin announces that 500 British companies in country will be taken over by Ugandans. Jan. 5, 16:1. -6

2. Amin announces takeover of all remaining British concerns in Uganda. May 23, 16:1. -6

African Recorder

1. General Amin issues orders to takeover subsidiaries of world-wide Bata shoes. -6

2. Amin issues orders that all businesses to be run by black Ugandans--no foreign control. -4
Iran 1963

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Shah asks all Iranians to vote for forest nationalization; Jan. 10, 1963. -4

2. Government receives from British and American oil corporations assurances to build large oil refinery (seen as government involvement in this area); Jun. 2, 1963. -2

3. Government not pleased with oil companies' offer of concessions; Nov. 29, 1963. -2

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government orders all influential positions in local banks which have foreign capital, should be held by Iranian nationals; Apr. 10, 1964. -4

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government allows Compania Espanol de Petroleos to establish a subsidiary in Iran; Jun. 4. +2

2. Government announced agreement with West Germany to guarantee investments in Iran even in the event of nationalization; Nov. 11. +4

New York Times Index

No statements reported.
Iran 1966 (cont.)

Middle East Journal (Chronology)

1. Parliament held that the maximum period for mineral resource exploitation is up to fifty years on approval of government and landowners. No unlimited time; May 20. -4

2. Government gets seventeen percent increased payment from foreign oil corporations; Dec. 11. -4

New York Times Index

1. Invites greater U.S. private industrial corporations, but limited role; Nov. 30, 13:1. +2

Middle East Journal (Chronology)

1. Ministry of Finance instituted five percent tax on contracts and three percent tax on earnings of corporations operating in the country; Jul. 10. -4

2. Government notified all corporate concerns that it will handle all future transactions involving wheat; Ju. 27. -2

New York Times Index

1. Government takes a dim view of oil companies for apparent involvement in the election comeback (try) of A. Amini; Mar. 9, 10:3. -4

2. U.S. corporation to send volunteer executives and management trainees to aid in new five year program. Seen as attempt to improve foreign corporation (and U.S.) image; Mar. 18, 67:7. +2

3. Shah notes important role of oil corporations in development; Dec. 9, 71:1. +2

Middle East Journal (Chronology)

1. The Majles Plan Commission banned use of foreign loans (corporate, etc.) for anything except development projects; Apr. 23. -4

2. Four U.S. corporations sign $1 billion project with government; Nov. 18. +2
Iran 1969

New York Times Index

1. Applying its laws, the government demanded of international oil companies to expand their output in order to help pay for the $11 billion five year development plan; Apr. 16, 7:1. -2

2. Shah says government accord with oil foreign companies meets his demands for $1.01 billion over next year, but does not give any long range assurances; May 16, 67:3. +2

Middle East Journal (Chronology)

1. Shah states, "Future of foreign oil corporations in the country depends upon how they behave." (Seen as a warning); Feb. 7. -2

1970

New York Times Index

1. Big drive to get nationals to come home from abroad and help deal with corporations. -2

Middle East Journal (Chronology)

1. The Shah was quoted by L'Express as saying, "the whole present system of exploiting by foreign corporations must disappear." June 8. -2

2. Shah warned oil corporations "increase production or face the legal consequences." Oct. 6. -2

1971

New York Times Index

No statements reported.

Middle East Journal (Chronology)

No statements reported.

1972

New York Times Index

1. Government received support from the Bank of America, and Hanover Trust Company to attract foreign investments; Dec. 19, 69:3. +2
Iran 1972 (cont.)

Middle East Journal (Chronology)

1. Shah gets seven foreign corporations to open up operations to public—forty-five percent of shares; May 20. -4

2. Because of government action, six more foreign corporations put shares up for public participation; Oct. 28. -4

1973

New York Times Index


2. Government (Shah) hopes economic stability will attract capital investments from U.S., Japan, and European sources; Apr. 21, 27:1. +2

Middle East Journal (Chronology)

1. Shah said oil corporations "hand over to us total and real operation of the oil industry of Iran with the ownership of all installations." Mar. 16. -4

2. West oil corporations sign agreement giving full ownership of the south operations to the National Iranian Oil Company; May 24. -4

3. Government signs agreement with Ashland Oil for joint venture in oil and gas stations; Jul. 25. -2

4. Shah orders ten percent increase in wages for oil corporations' workers; Dec. 26. -4
New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. It was decreed that importing corporations operating in Iraq must be owned by Iraqi nationals; Jan. 1. -4

2. President Arif announced new goals of the government to include socialism; Feb. 13. -2

3. Foreign Minister Shabib said Iraq will not tolerate any foreign interference in its internal affairs (warns governments and corporations). Says the country will pursue socialism; Feb. 13. -2

4. Premier announced the banks, insurance corporations, and private industries would not be nationalized; May 26. +2

5. Government Minister Zaki says government will guarantee credit of British firms who wish to invest in agriculture, forestry, and industrial areas; Aug. 3. +4

6. Kamuni, Minister of Industry, stated that the government will protect foreign corporations, if they do not engage in monopoly and exploitation; Dec. 2. -2

New York Times Index

1. President Arif and his government announce that it has nationalized all private and foreign banks, and insurance companies and thirty industrial and commercial concerns; Jul. 15, 1:3. -6

2. Nationalization is viewed as the direction for all economic plans--hailed in Cairo, too; Jul. 16, 2:7. -6

Middle East Journal (Chronology)

1. Government announced formation of new state-owned National Iraqi Oil Company. (Foreign corporations protest); Feb. 8. -4

2. Government announced that agreements recently signed with foreign corporations would be terminated; May 23. -4

3. Government announced that it was nationalizing banks, insurance companies, and thirty-two leading firms; Jul. 14. -6
Iraq 1964 (Cont.)

Middle East Journal (Chronology)

4. Government officials announced import of tea, pharmaceutical and veterinary products made into a state monopoly; Aug. 11. -4

5. Government announced import of all cars made a state monopoly; Aug. 31. -4

6. Oil corporations agree to increase royalties to the government (demands); Sept. 1. -4

1965

New York Times Index

1. President Arif assures foreign investors that the nationalization program will be modified to reconsider socialist measures; Nov. 9, 12:3. -2

Middle East Journal (Chronology)

1. President Arif told a conference that Iraq will never surrender her oil rights and that the government wanted to achieve "nationalist direction."; Feb. 7. -4

2. Government demands increased royalties from oil corporations; May 12. -4

3. Government issues decree of domestic policy "judicious Arab Socialism"; Nov. 7. -4

1966

New York Times Index

1. Government demands and receives from Iraq petroleum company, $93 million in royalties; Dec. 20, 8:1. -4

Middle East Journal (Chronology)

1. Premier Talib said, "The government has no plans for further nationalization."; Sept. 16. +2

2. Government demands oil royalties from corporations; Dec. 11. -4

3. Higher Supply Commission boycotts three American firms; Dec. 19. -4
Iraq 1967

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government demanded Iraq Petroleum to shut down its oil operations; Jun. 6. -4

2. President Arif suspends (under Law 97) the oil concessions given all London-based corporations; Sept. 13. -6

3. President Arif accused the Iraq Petroleum Corporation of "trying to drain the country of its wealth"; Nov. 18. -2

4. Government decree that sixteen privately owned newspapers will cease publication and be replaced by five state-owned dailies; Dec. 3. -6

1968

New York Times Index

1. Foreign Minister claims government will honor all foreign pacts, oil and all; Jul. 23, 5:3. +2

2. Government asserts that it will abandon all unsuccessful socialist practices, but will adopt new nationalist-socialist policies; Jul. 26, 3:1. -2

Middle East Journal (Chronology)

1. Foreign oil corporations are asked to (and comply with) paying royalties to government because currency devalued; Feb. 4. -4

2. President of INOC, Jadir, announced that a new oil field will be exploited by a state-owned corporation because all outsiders' offer "fell short of benefits Iraq can obtain by direct development."; Apr. 10. -4

3. Minister of Oil, Rifai, issues a statement saying, "that the government is determined to obtain Iraq's acquired rights from the (foreign) companies within a short period of time."; Aug. 3. -4

4. President Bakr warned foreign oil corporations that the nation's policy was "free from oil monopolies"; Aug. 29. -2
Iraq 1969

New York Times Index
No statements reported.

Middle East Journal (Chronology)

1. Minister of Culture, Sallun, said the country would pursue a firm oil policy insuring strict control over foreign oil companies; Feb. 7. -4

2. Minister of Oil, Rashid al-Rifai, said to oil companies that Iraq will not tolerate increases in oil elsewhere at the expense of Iraqi oil; May 17. -2

3. Revolutionary Command Council issued a decree stopping all compensation for land (of foreign corporations, etc.) expropriated; May 21. -2

4. President Bakr said that the nation would safeguard national socialist aims and make the country free of foreign influence exploiting its native natural resources; Jul. 14. -2

5. Minister Rifai accused foreign oil corporations of maintaining output at a level which conformed "only to their plans and objectives" and warned further action if the actions did not cease; Sept. 25. -2

1970

New York Times Index
No statements reported.

Middle East Journal (Chronology)

1. Use of national resources, according to the government, would be the responsibility of the central government (not foreign corporations) "because the laws and sovereignty of the State of Iraq is indivisible."; Mar. 15. -2

2. Vice President Ammash said the country would adopt a policy of "a united oil front against foreign monopolies."; May 8. -2

1971

New York Times Index

1. President Bakr announces new national charter to pave way for permanent constitution and assembly to free Iraq's economy from foreign control, especially from oil; Nov. 16, 12:8. -4
Iraq 1971 (cont.)

New York Times Index

2. National policies, including expropriation of foreign properties, are taken to receive wide support from populace; Nov. 18, 6:1. -4

Middle East Journal (Chronology)

1. Minister Hammudi announced government's revival of its claim to a twenty percent share in the Iraq Petroleum Company; Jun. 19. -4

1972

New York Times Index

1. Iraq defends its decision to nationalize Western-owned Iraq Petroleum Company, although the decision has caused some economic turmoil. Decision based upon domestic politics; Jun. 3, 37:2. -6

2. Government notes seizure of Western-owned consortium is a high risk gamble, but defends sovereign right to do so; Jun. 6, 40:2. -6

3. Iraq takes stand on nationalization as positive; Jun. 8, 69:1. -4

4. Foreigners are welcomed for technological aid, but Iraqi law prevails; Jul. 22, 3:1. +2

Middle East Journal (Chronology)

1. Government demands (in an ultimatum) to the Iraq Petroleum Company, a full restoration of output or "else the government would take all legislative measures it deems necessary."; May 17. -4

2. Minister of Oil, Hammudi, appealed to Iraqi experts abroad to return home to help "confront the (foreign) oil corporations."; Jun. 13. -2

3. Three oil corporations agree to twenty percent participation by government; May 19. -4
Iraq 1973

New York Times Index
No statements reported.

Middle East Journal (Chronology)

1. Government announced settlement with the Iraq Petroleum Company for the nationalization of the Kirkuk field; Feb. 28.

2. Government passed laws reserving right of State only to import 212 items--part of nationalization program; Apr. 23.

Kuwait 1970 (cont.)

Middle East Journal (Chronology)

2. Nation Assembly to impose tax on profits of foreign oil corporations to cover one-half of defense budget; Jun. 16.  -4

3. Premier Jabir requested foreign oil corporations to invest part of the profits in domestic national objectives; Jun. 24.  -4

1971

New York Times Index


Middle East Journal (Chronology)

No statements reported.

1972

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government gets Kuwait Oil Corporation to allow twenty percent participation by government; Mar. 14.  -4

2. Foreign Kuwait Oil Corporation agrees to pay for Kuwait's share of oil usage; Nov. 25.  -4

1973

New York Times Index

1. Pressure on corporations that will lead to say in when oil to be sold or shipped abroad; May 27, 22:1.  -4

Middle East Journal (Chronology)

1. Parliament passed a resolution urging government to freeze all commitments to oil corporations; Jan. 6.  -4

2. Finance Minister reports new oil agreement with corporations will result in participation, and $100 million in revenues; Jan. 20.  -4
Kuwait 1973 (cont.)

Middle East Journal (Chronology)


4. Minister Hammud admits government's intention to seek fifty-one percent participation from foreign oil corporations, "Previous agreements null and void."; Jul. 9. -4

5. The Amir announced that Kuwait would seek a new relationship with giant foreign corporations "more suitable for serving the supreme interests of the country"; Oct. 31. -2
Kuwait 1963

New York Times Index

1. Government invites banking leaders and foreigners who are experts in investments; Apr. 7, 36:1. +2

Middle East Journal (Chronology)

1. Government calls for "merging into Arab structure." (Seen as possible threat to corporations); Apr. 16. +2

2. Government forms Kuwaiti National Petroleum (fifty-one percent owned by government and forty-nine percent by foreign firm) to undertake all aircraft refueling; Jun. 1. -4

3. Government moves to establish large $6 million petro-chemical firm (seen as opposition to foreign oil corporations); Jul. 23, -2

1964

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Under Article 27 of Commercial Law, government announced that no foreign businesses may now carry on commercial business except through a Kuwaiti agent, who must own fifty-one percent of the corporation; Jan. 22. -4

2. Government announces Petroleum College to assure future Kuwaiti "more responsible role in the oil industry"; Jan. 29. -4

3. Finance Minister announces policy to establish corporations owned by government and private investors; Feb. 9. -2

4. Government orders all corporations to stop exporting to South Africa (further government control); Mar. 6. -2

5. Government requires oil corporations to pay taxes in same year of tax, not next year. (Seen as a definite blow to foreign corporations); Jun. 5. -4

1965

New York Times Index

1. Government begins to move; Minister Duarge says aim is to mix economy blending socialism and capitalism, a possible future warning to foreign corporations; Jan. 8, 4:4. -2
Kuwait 1965 (cont.)

Middle East Journal (Chronology)

1. Government ruled that establishment and operations of industries is to be confined to Kuwaiti nationals; Jun. 11. -4.

2. Government asks Japanese corporations to expand chemical fertilizer corporation in Kuwait; Oct. 15. -2

3. Government monopolizes British Bank of the Middle East; Oct. 22. -4

1966

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. The Amir expressed his "good will" toward foreign corporations who keep their commitments; And who show greater understanding of Kuwaiti needs; Mar. 5. +4

2. Government's corporation first in Middle East to retail its own oil in Europe; Sept. 23. -2

1967

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. All oil corporations placed under the direct rule of military government (may be temporary); Jun. 5. -4.

2. The Amir issued a decree extending territorial waters to twelve miles, and all governments and corporations to recognize Kuwaiti sovereignty to this limit; Dec. 24. -4

1968

New York Times Index

No statements reported.
Kuwait 1968 (cont.)

Middle East Journal (Chronology)

1. Government supports workers strike to protest oil corporations failure to implement labor law on working conditions; Sept. 16. -2

2. Oil and Finance Minister Atiqi said Kuwait would participate in all foreign corporations operating in its boundaries and "place foreign oil corporations on firmer ground"; Oct. 7. -2

3. In State of Nation message the Amir stated government's intention to increase country's share of foreign corporations' revenues; Oct. 29. -2

1969

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Minister of Oil, Atiqi, announced government policy in oil matters: 1) expand revenues from oil, 2) exercise national sovereignty over oil, 3) eventual control over oil and resources; Feb. 18. -4

2. Crowned Prince warned oil corporations operating in the country that if they increased oil production elsewhere, their concessions would be "reconsidered"; May 10. -2

3. Finance Minister Atiqi receives assurances from foreign oil corporations (demanded it) that Kuwait would not suffer because of corporations' commitments elsewhere; Jun. 3. -2

4. Arabian oil corporations agree to higher tax payments to government; Aug. 8. -4

1970

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Parliament approves draft law to accelerate tax payments by foreign oil corporations; Jan. 23. -4
Saudi Arabia 1963

New York Times Index

1. Pressure from King Faisal ends in Aramco agreeing to pump $88,267,778 into the economy; Nov. 12, 62:3. -2

Middle East Journal (Chronology)

1. Government signs agreement with Aramco to receive larger tax concessions from its profits; Mar. 24. -4

2. Government signs bill and appropriate money to compensate confiscated property of large landowners and corporations; Aug. 8. +2

3. Government negotiates with Aramco to relinquish certain drilling rights in "Preferential Areas"; Sept. 23. -4

4. Minister Yamani, in a press conference, stated the government's principle of free enterprise and non-nationalization; Nov. 8. +2

1964

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. In Foreign Capital Investment Regulation, foreign corporations to stay out of political and religious matters and conform to all labor laws (corporations also get tax break for five years); Feb. 26. -4

1965

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government requests (and receives) from Aramco an agreement, "Progressing Expensing", to spend royalties in the country; Jan. 25. -4

1966

New York Times Index

1. Government attracts British company; May 1, 8:2. +2
Saudi Arabia 1966 (cont.)

Middle East Journal (Chronology)

1. Royal decree issued to control foreign operations of banks and protest nationals; Jun. 18. -4

2. All banks brought under central authority; Jun. 18. -4

3. Government signs contract to benefit by requiring Aramco to eliminate discounts on sale of crude oil to non-affiliates; Oct. 1. -4

1967

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Government announced that it has closed all Coca Cola plants operating in the country; Sept. 7. -6

2. Government officials announced, "There has been a financial dispute between Saudi Arabia and Aramco concerning oil sales."; Sept. 16. -2

3. Ministry of Commerce announced that foreigners may not act as commercial agents for foreign corporations--only Saudi Arabians; Nov. 30. -4

1968

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. Oil corporation established--government seventy-one percent and Mobil Oil twenty-nine percent of stock; Feb. 24. -4

2. Oil Minister, Zaki, said the government was seeking a share in the concessions of Aramco; Jun. 3. -2

1969

New York Times Index

No statements reported.
Saudi Arabia 1969 (cont.)

Middle East Journal (Chronology)

1. A royal decree was issued to "regulate" petroleum trading corporations operating in the country; Apr. 11. -4

2. Minister Yamani said his country would promote the growth of National oil corporations to insure their increasing role in the oil industry; May 30. -2

1970

New York Times Index

No statements reported.

Middle East Journal (Chronology)

1. A royal decree was issued which forbade to foreigners ownership of houses or real estate under the Foreign Capital Investment Act; Sept. 18. -4

2. Tax rate from fifty to fifty-five percent on net income of Aramco; -4

1971

New York Times Index

1. Government report expresses appreciation for role of oil in development of the country; Feb. 18, 6:4. +2

Middle East Journal (Chronology)

No statements reported.

1972

New York Times Index

1. Sheik A. Z. Yamini proposes that U.S. exempt Saudi Arabia from oil import quotas and Saudi Arabia will invest in U.S.; Oct. 3, 6:1. +2

Middle East Journal (Chronology)

1. Arabian-American Oil Corporation gets warning from government; agree to Saudi participation or "measures would be taken to implement participation"; Feb. 25. -4
Saudi Arabia 1972 (cont.)

Middle East Journal (Chronology)

2. Aramco agrees to twenty percent participation by government; Mar. 11.  -4

1973

New York Times Index

1. Government spokesman acknowledges a multi-million dollar contract to British foreign corporations to develop Saudi air defense; May 11, 11:1. +2

2. Government assumes strong posture; planning direction states increased oil production to U.S. and corporations if the U.S. and companies seek to help Saudi Arabia develop its economy; Sept. 12, 65:8. -4

3. Japanese corporations are given strict guidelines under which Saudi Arabia will follow in supplying oil; Oct. 15, 58:7. -4

Middle East Journal (Chronology)

1. Royal decree ratifies General Agreement on Participation; government to participate in all oil ventures of Aramco; Feb. 23. -4
BIBLIOGRAPHY

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