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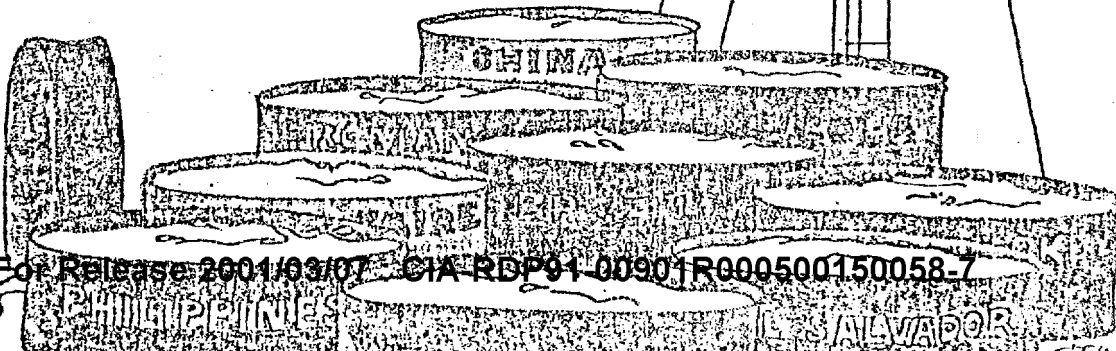
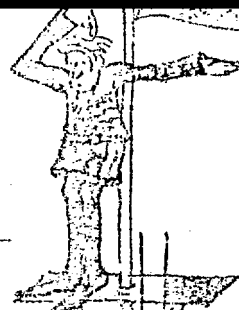
The Multinationals Get Smarter About Political Risks

by LOUIS KRAAR

Over the past decade, American corporations have been discovering one supposedly rich foreign market after another—only to have their hopes dashed or diminished by unexpected political changes or upheavals. But it remained for the revolution in Iran, which exposed U.S. companies to potential losses totaling \$1 billion, to drive home the lesson in global survival. Now even the most seasoned multinationals are looking for better means to assess—and manage—their political risks. As Stephen Blank, a political scientist with the Conference Board (the leading nonprofit research group for business), says: "Many chief executives got clobbered by winging into Iran without adequately understanding the country, and

they've gone into China the same way. Now a lot of them want to improve their grasp of the world."

Like the U.S. government, the nation's businessmen confront greater turbulence abroad and wield less power than in the past. The once-favored stratagems to shape or even topple a foreign regime—in the brash tradition of United Fruit in Central America—are no longer acceptable corporate practices. In lands where payoffs to gain leverage or win contracts are customary, Americans are bound—or at least inhibited—by the U.S. Foreign Corrupt Practices Act. As one executive remarks, "The time has passed when we could buy or rent governments."



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THE VILLAGE VOICE
17 March 1980

Sunshine Jimmy and of Darknes

By Nat Hentoff

The citizens of Chile clearly were too irresponsible to be left free. Why, Salvador Allende was about to come to power as the result of a democratic election. God knows the CIA had tried terribly hard to save these people from themselves. The Agency had secretly funded—with your tax dollars—huge propaganda campaigns in Chilean newspapers. It had paid workers to stay out on strike to further “destabilize” the situation, and it had spread bountiful anti-Allende bribes around. Nonetheless, the natives had insisted on making up their own minds.

And so, on September 15, 1970, CIA Director Richard Helms attended a meeting with President Richard Nixon, Attorney General John Mitchell, and National Security Advisor Henry Kissinger. The sole item on the agenda was “Track II”—the mounting of a military coup in Chile. (Not Afghanistan. Chile.) When he left, Helms quickly wrote down the essence of the Star Chamber resolution:

1 in 10 chances perhaps, but save Chile!

worth spending

not concerned risks involved

no involvement of embassy

\$10,000,000 available, more if

necessary

full-time job—best men we have

game plan

make the economy scream

48 hours for plan of action.

It didn't work then. Three years later, it did. Largely because of the CIA, American banks, and multinational corporations, Allende was killed, and the childishly free-thinking citizens of Chile were placed under the protectorate of a dictatorship. Many had to be murdered be-

cause of their incurable addiction to liberty, but what the hell, Chile had been saved.

This Helms document—both the handwritten original and a typewritten copy—can be found in the recently published *DOCUMENTS: A shocking collection of memoranda, letters, and telexes from the secret files of the American intelligence community*. Christy Macy and Susan Kaplan assembled and annotated the documents, and the publisher of this invaluable outside paperback is Penguin.

The book could not have been published without the Freedom of Information Act which, as Macy and Kaplan say, “is responsible for much of what we now know about the clandestine world of the national security apparatus.”

Also in *Documents* is a draft of the anonymous (actually, FBI) letter to Martin Luther King, Jr., in 1964 urging that he commit suicide to forfend the release of tapes made from bugs planted by the FBI in his hotel rooms: “There is but one way out for you. You better take it before your filthy, abnormal fraudulent self is bared to the nation.”

That's an FBI document, but the CIA also spied on King. Not only overseas, but here. As George Lardner, Jr., has pointed out in the *Washington Post*, not a trace of the CIA's surveillance of King appeared “in the extensive congressional or executive branch investigations of the agency conducted in recent years.” But, when Harold Weisberg, a writer from Frederick, Maryland, filed a Freedom of Information Act lawsuit to get the CIA documents on King, they finally made their way—much to the discomfiture of the Agency—into the light.

There is a long list of crucially instruc-



CIA Director Stansfield Turner:
Only the Shadow knows.

tive books that could not have been written without the FOIA. One is William Shawcross's *Sideshow*. Another is John Marks's *The Search for the Manchurian Candidate: The CIA and Mind Control*, just reissued in a McGraw-Hill paperback. In 1975, Marks noticed two sentences in the Rockefeller Commission report on the CIA. They had to do with a “CIA program to study possible means for controlling human behavior” and said that some of the studies had “explored the effects of radiation, electric-shock, psychology, psychiatry, sociology, and harassment substances.”

THE SPY WHO WENT OUT IN THE GOLD WAR

The problem of choosing wars wisely

by Thomas N. Bethell

Cold wars have a way of making people very nervous. "While we are sleeping," Dean Rusk once wrote, "two thirds of the world is plotting to do us in." For nearly 30 years—from the end of the second global war in 1945 until the first murmurings of detente in the early 1970s—Rusk and the other political householders of Washington slept fitfully, hearing burglars whenever the wind shifted, padding downstairs at all hours to check the locks, going out on the porch and peering anxiously into the darkness, listening for wolves and jumping when the cat rubbed up against their legs.

Dean Rusk's counterparts on the other side of the world slept the same way, afflicted with the same fears. When the chill night slipped silently across the steppes, it was assumed in Moscow that the fading light and the drifting snow were somehow engineered in Washington. Paranoia is the natural bedfellow of insomnia; together they became the basis for formulating foreign policy on both sides of the global community.

In such a place the streets are not safe. You never know when someone in a flapping bathrobe might come lunging off a porch, mistaking you for a bear or a bird of prey and filling you with nuclear buckshot. The cold war was a hard time for innocent bystanders living in a community

Thomas N. Bethell is an editor of The Washington Monthly.

where, in due course, *nobody* could get a good night's rest—a place where irritable neighbors snarled at each other's children and heaved bricks through each other's windows. Many people would have moved out if they could have, but there was nowhere to go; the zoning laws were very strict.

Nobody could figure out a way to make the principal householders resolve their differences. In the absence of communication, the adversaries took extraordinary precautions to protect themselves from the real and imagined terrors of the night. At vast expense, they maintained forces equipped with the latest tanks, planes, bombs, missiles and ships. They also surrounded their porches with plainclothesmen who went abroad under cover of darkness to do unmentionable deeds. These people were called *KGB* on one side and *CIA* on the other.

The initials stood for different words and, in theory, for different philosophies, but sometimes the distinctions tended to blur. Richard Helms was one of the plainclothesmen on our side, and Thomas Powers has written a remarkable book about Helms and the CIA* which goes a long way toward clarifying the blur. Flashes of insight flicker through the book,

**The Man Who Kept The Secrets: Richard Helms and The CIA.* Thomas Powers. Knopf (\$12.95).

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