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Recently two men esteemed in the business world pointed up one of the issues mentioned in Ian Bell's article on page 11. Should multinational corporations be controlled by the countries in which they do business, and if so, how? George W. Ball, former Assistant Secretary of State, spoke at the Harvard Business School Club of New York. Herbert C. Knortz addressed a symposium at the University of Virginia School of Law. The following are excerpted from their talks.

that present political institutions are too narrow. There are indications that a universal world needs an *economic* agency which reaches beyond the rule of individual countries. Other structures of society are internationalizing, and perhaps it is time that there be a world organization which will regularize operating discipline and encourage high moral standards in international business.

Various procedures currently exist for the investigatory review of many facets of international business. The existing system of reviews might be expanded to cover such things as publication of financial statements, disclosure of interlocking directorates or agreements, public reporting of imports and exports, existence of monetary guarantees for continuity of employment, registration of patents and licenses, and the nature of various funds for pension, training, and medical benefits. In general, such "openers" would not be opposed by the multinationals.

An international consulate service staffed by knowledgeable internationalists has been suggested. It could review and subsequently intercede with national governments to protect or comment on the business rights of the multinational trader. The multinational corporation customarily accepts responsibility for maintaining high standards of moral conduct and of economic efficiency. It asks only that it may proceed in a disciplined and effective manner to accomplish its mission in the worldwide community. ▵

WHAT ARE MIDDLE EAST BUSINESS OPPORTUNITIES?

By ADIB Y. KHOURY, Director, Touche Ross International, Lebanon

As the western world talks about the potential impact of a recession, the nations of the Middle East are experiencing a business boom. Surplus funds accumulating from the huge oil revenues are creating an Arab renaissance in trade and commerce. The Arab states that will benefit are Lebanon, Syria, Jordan, Egypt, Iraq, Kuwait, Bahrain, Qatar, Oman, the United Arab Emirates, and Saudi Arabia. The latter seven states and Iran are the oil producers.

With such revenues available to develop the area, these nations have won the interest of business people throughout the world. In putting an additional $65 billion a year to work, the Arab countries are giving top priority to industrial and agricultural projects on a massive scale.

In this boom, both industry and agriculture will be bottlenecked by shortages of skilled people. The Arab business community will need the services of consultants, personnel training firms, and middle managers.

Number one in the Middle East as far as requiring a business infra-structure is Saudi Arabia. Because of its inability to absorb the expenses of its annual budget, it would welcome, at a price, any services offered to it by the international business community.

The second country which is of great promise in the Middle East is Iraq. It has a well-balanced and structured economy. It has oil, water, vast areas of fertile agricultural land and is rich in mineral resources.

The third country of promise is the United Arab Emirates, which is a federation of several emirates: Abu Dhabi, Sharjah, Ras El Khaimah, El Fujarah, Ajmam, and Um El Quaiwam. United Arab Emirates recently has been expanding its oil explorations, and its discoveries are at a rate which would render the other countries envious. This country will need to import manpower, and even residents, to utilize its enormous wealth.

Lebanon, which has no oil resources, is one of the Arab countries which has enjoyed political stability. Its economy is run by the free enterprise system. It has an effective bank secrecy law and is becoming the financial and business center of the Arab world.

These countries of the Middle East, which are financially wealthy and materially poor, need to translate their oil and paper wealth into capital and consumer goods and projects. All this, together with either a very moderate taxation in some countries or no taxation at all in others, makes business opportunities in the area unlimited in scope and diversification. Moreover, the Arab government's attitude to private business varies from virtual non-intervention, as in Lebanon and Dubai, to moderate centralized planning, as in Syria and Egypt.

It is up to the industrial nations to offer the Arabs items that they would be willing to accept. Offers of genuine basic industrial projects, technology, export-oriented industry, and agricultural development projects would certainly be attractive to them. Foreigners planning to enter and do business in the area should be advised to enter the market with a local partner to be totally secure. The local partner offers markets, cheap labor, and capital, while the contribution of the foreign partner is technology. ▵