ports the activities of transnational firms overseas by openly encouraging the maintenance of a "favorable business climate" in those countries we consider to be our friends. We support regimes which encourage investment by U.S. firms. Relations are cooler with countries which place heavy restrictions on such investment. Our special relationship with Brazil, for example, is due in part to that nation's heavy reliance on, and strong encouragement of, U.S. private investment as opposed to the more restrictive attitude of the Andean Pact countries.

The crux of the problem is here. For most business a "favorable investment climate" means a minimum of government interference. Simplified rules and regulations, tax incentives, freedom to compete with (and/or buy out) local industries, a limit to price controls, plenty of cheap labor and little labor militancy—this in itself bespeaks a conservative, if not repressive, type of regime. But with the pharmaceutical industry there are added requirements. In their case, a "favorable business climate" also means: weakness of safety controls on labelling and advertising; no efforts to control the proliferation of brand names; freedom to locate research and development facilities wherever these are most profitable for the company; absence of adverse publicity; and freedom to produce and sell not necessarily what is most needed in the country but what is more economically efficient from