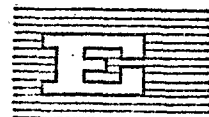


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FIRST (ECONOMIC) COMMITTEE

SUMMARY RECORD OF THE 16th MEETING

held at the Palais des Nations, Geneva,
on Monday, 23 July 1979, at 10.30 a.m.

Chairman:

Mr. MATTAR

(Jamaica)

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The meeting opened at 10.55 a.m.

INTERNATIONAL CO-OPERATION IN THE FIELD OF HUMAN SETTLEMENTS (item 8 of the Council's agenda) (continued) (E/1979/C.1/L.2)

1. The CHAIRMAN stated that, if he heard no objection, he would take it that the Committee was prepared to adopt draft resolution E/1979/C.1/L.2 without a vote.

2. Draft resolution E/1979/C.1/L.2 was adopted without a vote.

TRANSNATIONAL CORPORATIONS (item 9 of the Council's agenda) (continued) (A/34/38, vol. II; E/1979/38, E/1979/104)

3. Miss EVANS (United Kingdom) confirmed the support of her delegation for the work of the Commission on Transnational Corporations and for the Centre. She hoped that the work would contribute to an improvement in the climate for the operation of transnational corporations and enable them to contribute to world development. To achieve that, the Commission would have to adopt a balanced approach, based on accurate information, to both the positive and the negative aspects of the activities of transnational corporations bearing in mind the position of both host and home countries.

4. Her delegation agreed with the priority assigned, in the work of the Commission, to the preparation of a code of conduct and welcomed the progress already made. It hoped that the draft code would be ready for the sixth session of the Commission. It was a difficult task, for it was important that the Code should be acceptable to all parties.

5. Her Government also approved of the establishment of an Intergovernmental Group of Experts on International Standards of Accounting and Reporting and hoped that it would soon be able to start work.

6. Technical co-operation was an important development in the work of the Centre. Her delegation therefore welcomed the increased use of the services of the Centre and the request by the Commission that countries benefiting from the Centre's technical co-operation programme should if possible contribute to the cost of those services. In the context of technical co-operation, her delegation fully agreed with the view of CPC that the practical arrangements worked out between the Centre and the Department of Technical Co-operation for Development for the execution of UNDP projects concerning transnational corporations should in no way infringe the over-all responsibilities of the Department for managing the United Nations regular programme of technical co-operation.

7. If it was to function effectively, it was essential for the Commission to have before it accurate information and studies. That information must therefore be verified, if necessary through contacts with the corporations concerned. The preparation of a manual for users of the information system would certainly be extremely useful.

8. The research function of the Centre was equally important. The studies placed before the Commission at its last session had been uneven in quality and had left something to be desired in the accuracy of the information and the methods adopted.

The Centre would have to eliminate those faults if it wished in the future to obtain the co-operation it required for its work. It would be in the interests of the Centre for it to consult Governments and interested parties before making such studies available to the public. Finally, it should not embark on an over-ambitious programme of studies but should seek to ensure the very highest quality in the studies already in progress.

9. In conclusion, she noted that progress was being made on an international agreement on illicit payments; that would supplement the efforts being made by countries to combat fraudulent practices in the field of international trade. There were still, however, some complex questions of law and national and international practices to be settled in the matter. In addition, her delegation did not think that there was any reason to establish a link between the agreement on illicit payments and other matters, such as the Code of Conduct for Transnational Corporations; the two agreements were of an entirely different character and should be dealt with separately.

10. Mr. NELLI FEROCI (Italy) remarked that, owing to a series of unfortunate circumstances, the Commission on Transnational Corporations had concluded the work of its fifth session only a few days previously. That situation was detrimental not only to the good functioning of that intergovernmental body, composed of experts from various countries, but also to the programming and planning of the activities of the Centre on Transnational Corporations, which were to a great extent based on the deliberations of the Commission. To overcome the difficulty, it might be possible, as the representative of the Federal Republic of Germany had suggested, to ask the Commission to prepare and publish its draft report in stages, as the consideration of each item of the agenda was concluded.

11. Several delegations had voiced concern about the slow progress being made in the elaboration of the Code of Conduct for Transnational Corporations and had pointed out that the Intergovernmental Working Group on a Code of Conduct was behind schedule. His delegation, for its part, thought that, considering the complexity of the issues at stake and the differences of opinion on many points, the progress made so far was quite satisfactory. In its opinion it was important to ensure a satisfactory equilibrium between the two basic purposes of the code; to regulate the activities of transnational corporations and to improve the climate for national investments.

12. In that context, the problem of the legal nature of the code should be considered secondary to the basic question of its effectiveness. It would be better to concentrate on devising means of implementing the Code rather than to discuss whether or not the Code should be legally binding. It went without saying that the effectiveness of the Code would depend very much on the degree of acceptability of its provisions, and that would be achieved only by efforts of compromise. His delegation was willing to contribute to all efforts for an early completion of the work on the Code.

13. On the subject of the comprehensive information system, his delegation was satisfied with the work done by the Centre, but it was a little concerned about the absence of a precise definition of the way in which the system itself would function. In his opinion, priorities should be established to guide the Centre in its collection of data; data should be subject to verification both by the transnational corporations concerned and by Governments; data should be subject to periodic updating; finally, co-operation with Governments should be increased so as to ensure the accuracy and reliability of the information collected.

14. It was regrettable that the Commission had not been able to reach agreement on precise guidelines for the future activities of the Centre in the field of research. Nevertheless, the Commission would have to set up at least a preliminary programme of activities and his delegation hoped that it would focus its attention on the finalization of studies already in progress and on those matters which did not fall within the competence and responsibilities of other international organizations.

15. The question of expert advisers, their mandate and participation in the work of the Commission would be considered at the Commission's next session, but he wished to underline that, in his opinion, the appointment of expert advisers should in future be the subject of consultation between the Centre and States members of the Commission.

16. Finally, with reference to the report of the Committee on an International Agreement on Illicit Payments, he expressed his delegation's appreciation of the progress made. In the view of his delegation, the agreement should be confined to penal jurisdiction and mutual juridical assistance among States, to the exclusion of the administrative implications of some of the proposed provisions. Most of the problems pending were of a technical nature; consequently it did not seem necessary to have further meetings of the preparatory committee, for the diplomatic conference which would have to be convened to perfect and adopt the agreement would be able to overcome those difficulties.

17. Mr. DIETZE (German Democratic Republic) drew attention to the increasing influence of transnational corporations on the development of international political and economic relations. The corporations took advantage of their economic, financial and technological power to oppose the independent development of developing countries. The formulation of a code of conduct was therefore the Commission's most important task. Unfortunately, the work was progressing very slowly and the main problems had yet to be solved. Among the obstacles encountered were the attempts by some States to place transnational corporations on an equal footing with States and to ascribe to them the same rights. In future, the Intergovernmental Working Group on a Code of Conduct should concentrate on issues that were basic for the formulation of several provisions of the code; namely, those guaranteeing every State's unrestricted right to exercise full permanent sovereignty over its natural resources and economic activities, including its right to control and regulate the operations of transnational corporations.

18. As was borne out by the reports of the Centre, the collaboration of transnational corporations with the racist régimes of southern Africa was constantly increasing. The corporations were becoming more and more the decisive pillars of racism and oppression in the area. The German Democratic Republic therefore supported wholeheartedly the resolution adopted by the Commission on Transnational Corporations at its fifth session condemning the collaboration of transnational corporations with the racist régimes. It hoped that the home countries of the transnational corporations would take effective action, as requested, to put an end to such collaboration. It considered that a thorough analysis of all the negative effects of transnational corporation operations on international relations and the political situation in developing countries should be of primary importance in the work of the Commission and of the Centre. Those questions should also be given a greater place in the information and research activities of the Centre. Owing to the resistance of some States, the Commission had not been able at its fifth session to determine priorities for the future research work of the Centre. Some had even demanded that no research should be undertaken into the negative effects of the operations of transnational corporations on the political and social situation in developing countries. In his opinion it would be a violation of the Commission's mandate to abandon those studies.

19. In conclusion, he drew the Committee's attention to another problem, that of the negative effects of the activities of transnational corporations on the struggle of the peoples for disarmament. The beneficiaries of the arms race were the transnational corporations which manufactured armaments and the reactionary political forces associated with them. It was therefore important that the Commission should examine the role of transnational corporations in the armaments race.

20. Mrs. SIKRI (India) observed that the Centre on Transnational Corporations was becoming an important component of the United Nations system. Under its mandate, it had to deal with significant issues of international economic relations. If the Centre was to achieve the many goals it had been set, it must be given the means to continue to function effectively.

21. The realities of global interdependence and the close links between the development of developing countries and world economic growth showed the need for a code of conduct, firstly to harmonize the activities of transnational corporations with the policies of the developing countries where they operated and, secondly, to improve the investment climate in those countries. It was with that in mind that India had always urged that the international community should define such a code without delay.

22. Her delegation regretted the fact that at its fifth session the Commission on Transnational Corporations had been unable to reach agreement on an order of priorities for new research activities for the biennium 1980-1981. In view of the limited resources available to the Centre, such a decision would have helped to strengthen its efficiency.

23. Her delegation supported the building up of a comprehensive information system in the Centre on Transnational Corporations. The system would be effective if the data it collected were accurate, reliable and well-chosen. The joint units constituted an essential component of the system and their mandate should be so enlarged as to enable them to deal with important questions relating to transnational corporations in the regional context.

24. It was regrettable that the Commission had been unable, at its fifth session, to examine the report of the Committee on an International Agreement on Illicit Payments (E/1979/104). In the opinion of her delegation, the Committee should devote itself to reconciling differences of opinion on some important aspects of the matter before it was examined by a higher body.

25. In conclusion, she said that her country supported the resolution on the activities of transnational corporations in southern Africa, which were prejudicial to the interests of the oppressed peoples of that region and deprived them of their inalienable right to self-determination and permanent sovereignty over their natural resources and all their economic activities.

26. Mr. WU Naiwen (China) said that the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, had recommended the formulation and implementation of a code of conduct which would prevent transnational corporations from interfering in the internal affairs of the countries where they operated and would regulate their activities in host countries, so that they eliminated restrictive business practices and conformed to the national development plan. His delegation supported the formulation of the code, which should guarantee that the activities of transnational corporations would have positive rather than negative effects on the economic development of developing countries. It hoped that the Commission on Transnational Corporations would endeavour to formulate the text of the Code of Conduct as quickly as possible.

27. The Chinese Government and people wholeheartedly supported the peoples of Azania, Zimbabwe and Namibia in their just struggle and strongly condemned the racist régimes of southern Africa. His delegation was therefore in favour of the adoption of the draft resolution on the activities of transnational corporations in southern Africa and their collaboration with the racist minority régimes in that area, which appeared in the report of the Commission on Transnational Corporations on its fifth session.

28. Mr. PICHUGIN (Union of Soviet Socialist Republics) said that studies and debates on the activities of transnational corporations since the establishment of the Commission on Transnational Corporations showed that those corporations, which placed their interests above national interests, prevented any improvement in the world economic situation. All the economic difficulties experienced by the market economy countries - unemployment, inflation, collapse of the monetary system - reacted on the developing countries through transnational corporations, which, moreover, exploited the working masses of the developing countries. Responsibility for the fact that the essential needs covered by the Declaration and Programme of Action on the Establishment of a New International Economic Order and by the Charter of Economic Rights and Duties of States were not always satisfied lay with the transnational corporations, which had blocked the process of the restructuring of the world economy, accumulating ever-increasing profits for themselves to the detriment of many countries, particularly developing countries. It was true that in recent months transnational corporations had had to forgo a good part of their profits in the commodities sector, but they maintained their stranglehold over the greater part of operations for the transport, processing and marketing of commodities. In addition, they formed the material basis of a system founded on

exploitation, inequality, neo-colonialism and the maintenance of an unjust economic order; they were also at the base of the arms production of racist régimes which applied apartheid and they reflected the interests of militarist circles. They derived immense profits from the arms race, which constituted a threat to the entire world.

29. The role of the Commission on Transnational Corporations was therefore particularly important because it was the main United Nations organ responsible for formulating specific measures to eliminate the negative effects of the activities of transnational corporations on the world economy. Within the context of its mandate, the Commission could contribute to the maintenance of peace and security, a fundamental aim of the United Nations, by facilitating implementation of the SALT II Agreement concluded between the United States and the Soviet Union: to that end, it must ensure that the provisions of that agreement were applied to the activities of transnational corporations in the area of armaments production, which would slow down the arms race.

30. His delegation wholeheartedly supported the draft resolution proposed by the Commission on the activities of transnational corporations in southern Africa and their collaboration with the minority racist régimes in that area. That was a priority question which should be kept on the Commission's agenda.

31. The Commission had produced some positive results at its fifth session, but it must intensify its efforts in certain areas. For instance, the mandate of the Working Group on a Code of Conduct had had to be extended, since the Group had not made sufficient progress in its work. That was attributable to the attitude of certain countries in which the transnational corporations had their headquarters. Some countries would like to modify the nature of the Code while it was in preparation and to turn it into an investments code which would give transnational corporations new preserves and would no longer be of any use to the developing countries. The Commission must pay particular attention to the essential objectives of the Code of Conduct: to reduce the negative effects of the activities of transnational corporations and to strengthen the sovereignty of host countries. For its part, the Council should recommend that every effort should be made to complete formulation of the Code as soon as possible.

32. The work of the Commission was hampered by the efforts of some countries to go back on the mandate of the Commission and to replace the study of genuine problems by that of secondary questions of a technical nature. Those countries tried, for example, to change the order of priority of work, to minimize the Commission's role and to transfer its responsibilities to the Centre on Transnational Corporations. The Centre had certain useful activities and documents to its credit, but it had not paid sufficient attention to the question of the effects of the activities of transnational corporations on the national sovereignty of host countries. It had spent too much time and energy studying problems which were only of a cyclical nature or which concerned transnational corporations rather than the developing countries. That trend was not without danger: for example, if, as some countries proposed, transnational corporations had access to the comprehensive information

system, the Centre might well become a United Nations centre for transnational corporations, which would be absolutely contrary to the principles of the United Nations and would seriously jeopardize the Commission's activities. It was regrettable, too, that the Centre had not made a sufficiently detailed study of relations between transnational corporations and racist régimes. Finally, it was regrettable that the efficiency of the work of the Commission should be compromised by organizational problems, in particular by delays in the publication of documents. For instance, the Commission had been unable, at its fifth session, to study the report of the Committee on an International Agreement on Illicit Payments; it was important that it should be able to do so at its next session.

33. Mr. BORDEWIJK (Netherlands) said that the debates at the fifth session of the Commission had related mainly to the information system of the Centre, which should have a twofold purpose: to strengthen the negotiating capacity of the developing countries vis-à-vis the transnational corporations and to make the corporations better known. Nevertheless it was necessary to verify the data collected on transnational corporations with those corporations, so that the information disseminated was accurate, up to date and comparable. Erroneous information could lead Governments to take wrong decisions, thus damaging their own interests as well as those of the transnational corporations.

34. His delegation drew attention to the fact that the programme of technical co-operation, which was appreciated by all countries, depended to a large extent on the voluntary contributions of a few countries; it hoped that other countries would become donors in their turn.

35. He hoped that the Ad Hoc Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting would be set up at the present session of the Council, because, as the Executive Director had said, the results of its work could constitute an important input into the information system.

36. His Government considered that the work of the Committee on an International Agreement on Illicit Payments had reached the point where only a plenipotentiary conference would produce further results; it hoped, therefore, that a consensus on the convening of such a conference in the first half of 1980 would be reached at the present session.

37. Finally, he welcomed the fact that in its evaluation report (A/34/38/Part II) the Committee for Programme and Co-ordination had emphasized the work of the Centre in formulating the Code of Conduct and strengthening the negotiating capacity of host countries, particularly developing countries.

38. Mr. EFFAH-APENTENG (Ghana) said that the issues relating to transnational corporations formed the core of the New International Economic Order and the new International Development Strategy. In the coming months, the Centre on Transnational Corporations should concentrate on assisting the Intergovernmental Working Group on a Code of Conduct, which was still faced with a number of contentious issues. His delegation hoped that the Code that was finally adopted would not put the transnational corporations on the same footing as States and would not compromise the principle of national sovereignty.

39. His delegation had noted the efforts made by the Centre to develop a comprehensive information system and it considered that such a system should cover the whole range of activities of transnational corporations and their impact on all areas of international co-operation, and that Governments, which would be the primary users of the system, should be more directly involved in defining requirements for information. The work of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting would be a useful contribution to the information system, because it would make it possible to verify the implementation of the Code of Conduct by transnational corporations.
40. His delegation was glad to note the rapid expansion of the Centre's technical co-operation programme, as evidenced by the large number of requests received from developing countries. It hoped that further resources would be made available to the Centre and that the fullest use would be made of experts from the developing countries. With regard to the research activities of the Centre, priority should be given to strengthening the negotiating capacity of host countries, particularly developing countries, to enable them to conclude effective international agreements with transnational corporations.
41. He wholeheartedly supported the resolution adopted by the Commission on the activities of transnational corporations in southern Africa and their collaboration with the racist minority régimes. It would be in the interests of the Centre to collaborate more closely with the other joint units and United Nations agencies in the preparation of reports on the activities of transnational corporations in southern Africa, on the understanding that the information so obtained should be given the widest possible circulation.
42. His delegation was following with interest the work of the Committee on an International Agreement on Illicit Payments, which complemented that of the Intergovernmental Working Group on a Code of Conduct.
43. Mr. JODAHL (Sweden), speaking on behalf of the Nordic countries, said that they had already had occasion to state their position on several matters referred to in the report of the Commission on Transnational Corporations.
44. The transnational corporations, which controlled enormous resources in terms of capital, manpower and technology, appeared less sensitive than domestic enterprises to the corrective measures at the disposal of Governments. Such corporations had been accused of directly influencing the development of countries, particularly the developing countries. Those concerns were valid and called for governmental action; nevertheless it should be recognized that the transnational corporations were frequently accused when they were simply carrying out their basic task - that of organizing the exploitation of productive resources efficiently - too well and too obviously. It was for Governments to formulate long-term strategic policies at the national level for industrial, economic and social development so as to maximize the benefits and minimize the problems to which the activities of the transnational corporations gave rise. Effective regulations and controls were required, nationally and internationally, to bring the operations of transnational corporations into line with government policies. Once the concerns of Governments had been alleviated, a more favourable climate for investment could be created. The drafting of an international Code of Conduct would provide a useful supplement to national law and would express the political will of the international community. It could serve as a source of inspiration to national legislators and politicians and provide

authoritative guidance for the transnational corporations themselves. Far from being the international community's last word on the subject, however, the Code should be an evolutionary instrument which would be gradually developed in the light of experience and of circumstances. To be effective, the Code must be adopted by the largest possible number of countries, it must be consistent and practical and capable of being applied strictly at the national and international levels. There should also be effective follow-up mechanisms and opportunities for consultation with the parties concerned. The success of such an undertaking would depend on the political courage of the Governments concerned and a thorough understanding of all the economic and legal intricacies involved. The Intergovernmental Working Group on a Code of Conduct had already done commendable work and it should be given the opportunity to conclude its work without interruptions; when the calendar of meetings of the Council and its subsidiary bodies was arranged, the Working Group should be given sufficient time to complete its important task.

45. Mr. GONZALEZ (Mexico) said that his delegation supported the activities of the Centre on Transnational Corporations, which despite certain shortcomings had fulfilled its mandate admirably in difficult circumstances and in spite of various pressures. The Centre's task would be facilitated by an increase in its budget, which was too small.

46. Furthermore, his delegation felt that the Intergovernmental Working Group on a Code of Conduct should fulfil its mandate by submitting to the Commission at its next session a final draft Code. Progress had been made with regard to the framework and machinery for implementation of the Code but the Working Group should be given the assistance it had requested, namely permission to hold three more sessions before the sixth session of the Commission.

47. His delegation supported the Centre's activities with regard to information, and had no doubt that Governments would reply rapidly to the questionnaires which had been sent to them and that priority would be given to the collection of data on transnational corporations already established in developing countries. It also approved of the establishment of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting. Furthermore, it supported the technical co-operation programmes carried out by the Centre but wished to point out that the distribution of projects should not be based on discriminatory criteria.

48. He regretted that the Commission had not been able, at its fifth session, to consider the report of the Committee on an International Agreement on Illicit Payments. The position of the Group of 77 on that point was that such an agreement should not enter into force before the Code of Conduct. His delegation would, however, agree to the simultaneous adoption of the two instruments at a special United Nations conference. He hoped that the Economic and Social Council would adopt the Commission's resolution on the activities of transnational corporations in southern Africa and their collaboration with the racist minority régimes in that area without a vote.

49. Mr. de OGERIN (Spain) considered that the activities of transnational corporations had a considerable impact on the countries with a moderate level of development which imported capital, such as Spain. That was why his delegation attached great importance to the drafting of the Code of Conduct and understood

perfectly the legitimate impatience shown in that regard by a number of delegations. It was necessary, however, to choose between two courses: either to be content with an appearance of effectiveness, to shelve the difficulties and to submit a watered-down draft, assured of a consensus, to the General Assembly, or to choose the straight and narrow way of a really effective Code, the drafting of which would take longer.

50. He reminded the Committee that his delegation had spoken in favour of the binding nature of the Code. That, however, gave rise to a legal difficulty; transnational corporations were not subject to international law. Since States alone were able to legislate on transnational corporations, the only way of legislating was for States to conclude an international agreement. Thus the binding nature of the Code could be approached in the context of a voluntary agreement; in other words, the Code of Conduct would be binding for States which voluntarily announced their accession to it. Obviously, it was possible that some States, and not the least among them, would not accede to the Code immediately - a frequent occurrence with international agreements of that type - but sooner or later they would do so.

51. Furthermore, the Code of Conduct was an instrument that was so obviously legal in character that it would have been desirable to associate the Sixth Committee of the General Assembly in its drafting and to have recourse to a larger number of legal experts.

52. The search for a definition of transnational corporations had occupied the Commission on Transnational Corporations on several occasions. Sooner or later, that question must be resolved, for it was impossible to conceive of a Code of Conduct concerning an undefined entity.

53. Finally, it was frequently stated that the Code of Conduct concerned transnational corporations and not States. It should first be made clear that the Code of Conduct related to the activities of transnational corporations in States other than their countries of origin and not to transnational corporations as such. And since transnational corporations undertook activities in States other than their country of origin, it was not surprising that the Code should concern those States. Fear of infringement of the sovereignty of States should not be allowed to become an obstacle. Any international agreement restricted the sovereignty of States and it was an attribute of sovereignty to be able to restrict itself by concluding an international agreement.

54. His delegation reserved its position on the draft resolution on the activities of transnational corporations in southern Africa until it had received the Spanish version of the report of the Commission on Transnational Corporations.

55. Mrs. FAUCHERE (World Confederation of Labour) said that the present international economic order, permeated with economic liberalism, enabled the transnational corporations to establish and increase their power by playing to their own advantage the trump cards of their development: research, transfer of technology, credit, trade, raw materials, the international division of labour, inter alia. Their mobility enabled them to hold out better where there were weak points, but their decision-making and management centre was always in the countries where the machinery

of dependence originated. Faced with the crisis of the capitalist system, the transnational corporations had three objectives: to lower the costs of production in order to make larger profits; to increase their share of the market by diversifying products and areas of production and sale; and to find a more favourable balance of power vis-à-vis the working classes in the industrialized countries and viz-à-vis the third-world countries.

56. The transnational corporations controlled world trade flows to such an extent that it could be asked what had become of free trade. It was not unusual to find that fewer than ten transnational corporations controlled the entire production and processing of certain raw materials on a world-wide scale. In the agro-industries, infiltration of the authorities of the capitalist countries by transnational corporations enabled the latter to manipulate prices and create the shortages which gave rise to profits. Moreover, in the UNCTAD negotiations on manufactures, the governmental delegations of the capitalist countries included representatives of large transnational corporations, which explained the opposition of the industrialized countries to any equitable solution.

57. It was therefore a matter of urgency that the Code of Conduct should enter into force and that it should include compulsory provisions on respect for trade union law, wage negotiations, the financing of local social security, guaranteed employment for national manpower at all levels, respect for national planning, annual publication of the real results of the subsidiaries and the corporation as a whole, publication of real wages, interest rates, cost prices and selling prices, and the establishment of a degressive rate of repatriation for dividends and profits and of a compulsory rate of reinvestment in the country.

58. The World Confederation of Labour was opposed to the transnational corporations being a party to the United Nations system in any way whatsoever, and expressed its concern regarding the current manoeuvres by those corporations, particularly within UNDP.

59. Mr. ZYSS (United Nations Educational, Scientific and Cultural Organization) drew the Committee's attention to two resolutions adopted by the General Conference of UNESCO at its twentieth session. In resolution 9.1 the General Conference had invited the Director-General to continue to take part, in UNESCO's fields of competence, in the work of elaboration of the Code of Conduct. In a further resolution, the Conference had referred to UNESCO's co-operation with the Centre on Transnational Corporations, in particular with regard to the elaboration of a Code of Conduct. UNESCO had been represented at the fifth session of the Commission on Transnational Corporations; on that occasion it had provided information on studies and research in progress on the role and influence of transnational corporations within UNESCO's fields of competence and certain preliminary proposals concerning social and cultural aspects of the activities of transnational corporations.

60. Since no mention of either the resolutions or the proposals had been made in the report of the Commission on Transnational Corporations, it had seemed desirable to bring that information to the Committee's attention. UNESCO hoped that the Commission on Transnational Corporations and its Intergovernmental Working Group on a Code of Conduct would respond positively to his Organization's offer of co-operation.

The meeting rose at 1 p.m.