

accelerating the implementation of their agrarian reform programmes and in particular to make full use of the country programming procedures of the United Nations Development Programme;

4. *Determines* that the acceleration of the implementation of agrarian reform in the developing countries concerned deserves high priority in the further activities of the United Nations and its specialized agencies, particularly the Food and Agriculture Organization of the United Nations;

5. *Requests* that all competent agencies of the United Nations system consider effective means necessary for co-ordinated action to assist developing countries in the implementation of agrarian reform, including a more effective use of United Nations resources of technical assistance aimed at the acceleration of the implementation of agrarian reform, in accordance with the requirements of the Second United Nations Development Decade and, in particular, the improvement of training programmes for specialists from the developing countries, so as to make these specialists better acquainted with the basic elements of agrarian reform and thus to enable them to be more effectively involved in its implementation;

6. *Stresses* that in such co-ordinated action proper means must be found to enhance, through continuing education, the maximum participation of peasants and rural workers in the problems of the implementation of agrarian reform, as well as in economic, social, cultural and political activities;

7. *Stresses* the necessity of creating favourable conditions for the establishment and development of associations of peasants and rural workers;

8. *Requests* the Secretary-General to submit to the Council at its fifty-seventh session a progress report on the implementation of the present resolution;

9. *Further requests* the Secretary-General to submit to the Council in 1975 the sixth report on progress in land reform, together with the results of the further work of the Special Committee on Agrarian Reform and other bodies of the United Nations system concerned with agrarian reform;

10. *Decides* to take the reports mentioned in paragraph 9 above into account in the mid-point review and appraisal in 1975 of the International Development Strategy for the Second United Nations Development Decade and to consider goals for the further implementation of agrarian reform during the second half of the Decade;

11. *Recommends* that the General Assembly, at its twenty-seventh session, during its discussion of the report of the Economic and Social Council and of matters related to the Second United Nations Development Decade, devote particular attention to agrarian reform, give favourable consideration to the present resolution and take appropriate action in this field.

*1836th plenary meeting  
28 July 1972*

## **1708 (LIII). Report of the Industrial Development Board**

### *The Economic and Social Council*

1. *Takes note with appreciation* of the report of the Industrial Development Board on its sixth session<sup>11</sup> and transmits the report to the General Assembly at its twenty-seventh session;

2. *Recommends* to the General Assembly, for its approval, the guidelines for the operation of the special industrial services programme as contained in paragraph I of resolution 35 (VI) of the Industrial Development Board.<sup>12</sup>

*1836th plenary meeting  
28 July 1972*

## **1721 (LIII). The impact of multinational corporations on the development process and on international relations**

### *The Economic and Social Council,*

*Recalling* that, according to the Charter of the United Nations, the creation of conditions of stability and well-being is necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples,

*Recognizing* the growing interdependence of economic and social development in the various parts of the world,

*Aware* that economic and social conditions are continually undergoing changes which require regular scrutiny to ensure unimpeded and equitable progress towards the attainment of an integrated world economy within the framework of the International Development Strategy for the Second United Nations Development Decade,

*Taking note* of the statement in the *World Economic Survey, 1971* which says, with reference to the multinational corporations, that "while these corporations are frequently effective agents for the transfer of technology as well as capital to developing countries, their role is sometimes viewed with awe, since their size and power surpass the host country's entire economy. The international community has yet to formulate a positive policy and establish effective machinery for dealing with the issues raised by the activities of these corporations",<sup>13</sup>

*Noting also* the resolution adopted at the fifty-sixth session of the International Labour Conference, concerning the social consequences of the activities of multinational corporations<sup>14</sup> and the convening by the Governing Body of the International Labour Office of a meeting concerning the relationship between multinational undertakings and social policy,

<sup>11</sup> ID/B/113; transmitted to the Economic and Social Council by a note of the Secretary-General (E/5171).

<sup>12</sup> See ID/B/113, annex I.

<sup>13</sup> See E/5144 (United Nations publication, Sales No.: E.72.II.C.2), p. 10.

<sup>14</sup> See International Labour Conference, *Provisional Record No. 2, Fifty-sixth Session, Geneva, 27 May 1971.*

Noting further that, in resolution 73 (III) on restrictive business practices adopted at the third session of the United Nations Conference on Trade and Development,<sup>15</sup> considering the possible adverse impact of restrictive business practices, including among others those resulting from the increased activities of multinational enterprises, on the trade and development of developing countries, the Conference decided that an *Ad hoc* Group of Experts on Restrictive Business Practices should be set up to make a further study of restrictive business practices followed by enterprises and corporations which have already been identified and which are adversely affecting the trade and development of the developing countries, including among others such practices which may stem from cartel activities, business restrictions practised by enterprises and multinational corporations, export prohibitions, agreements on market distribution and allocation, the tying of the supply of inputs including raw materials and components, restrictions specified in contracts for the transfer of technology, arbitrary transfer pricing between the parent company and its affiliates, and monopoly practices,

1. *Requests* the Secretary-General, in consultation with Governments, to appoint from the public and private sectors and on a broad geographical basis a study group of eminent persons intimately acquainted with international economic, trade and social problems and related international relations, to study the role of multinational corporations and their impact on the process of development, especially that of the developing countries, and also their implications for international relations, to formulate conclusions which may possibly be used by Governments in making their sovereign decisions regarding national policy in this respect, and to submit recommendations for appropriate international action, the study group to consist of not less than 14 nor more than 20 persons;

2. *Recommends* that the study group appointed by the Secretary-General be informed of the conclusions of the *Ad hoc* Group of Experts on Restrictive Business Practices established by the United Nations Conference on Trade and Development at its third session, and the comments on them of the Trade and Development Board's Committee on Manufactures, so that, among the various aspects of the problem, the important one referred to the *Ad hoc* Group of Experts can be taken into account in the global study of multinational corporations envisaged in paragraph 1 above;

3. *Recommends further* that the study group take advantage of and take into account research being carried out in this field by other international organizations, particularly that of the Governing Body of the International Labour Office as a result of the resolution concerning the social consequences of the activities of multinational corporations adopted at the fifty-sixth session of the International Labour Conference;

<sup>15</sup> See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (to be issued as a United Nations publication), annex I.

4. *Further requests* the Secretary-General to submit the report of the study group, together with his own comments and recommendations, to the Economic and Social Council at its fifty-seventh session at the latest, and to inform the Council at its fifty-fifth session of the progress made in the implementation of the present resolution.

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## 1722 (LIII). Multilateral trade negotiations

*The Economic and Social Council,*

*Bearing in mind* the discussions and decisions on trade negotiations and monetary reform at the third session of the United Nations Conference on Trade and Development,

1. *Affirms* the need for a full participation of developing countries in all multilateral world-wide negotiations and decisions concerning international economic relations and having a bearing on their trade and economic interests;

2. *Stresses* the need, in this context, to make possible the full, effective and continuous participation of developing countries in the forthcoming multilateral trade negotiations within the framework of the General Agreement on Tariffs and Trade, and in the decision-making process in the reform of the international monetary system, as envisaged in resolutions 82 (III) and 84 (III) respectively of the United Nations Conference on Trade and Development;<sup>16</sup>

3. *Invites* the Secretary-General of the United Nations Conference on Trade and Development and the Director-General of the General Agreement on Tariffs and Trade, as requested in Conference resolution 82 (III), to continue their efforts and co-ordinate their activities to assist developing countries to prepare for and participate in the various stages of the multilateral trade negotiations arranged for 1973;

4. *Endorses* the view stated in paragraph 7 of Conference resolution 84 (III) that problems in the monetary, trade and finance spheres should be resolved in a co-ordinated manner, taking into account their interdependence, with the full participation of developed and developing countries;

5. *Invites* the Executive Secretaries of the regional economic commissions to co-operate fully with the appropriate international agencies in achieving the objectives of the present resolution.

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<sup>16</sup> *Ibid.*