

28. Mr. BRITO (Brazil) welcomed the Council's decision concerning the report and hoped that the Second Committee would devote adequate time to considering the resolutions of the Conference. While he agreed with the representative of Zambia that neither the Economic and Social Council nor the General Assembly should review decisions taken at the ministerial level, it might be prudent for the Council to consider the report of the Conference at a later session in the context of the mid-term review of the International Development Strategy for the Second United Nations Development Decade. He hoped that the report of the Conference would be available to the Preparatory Committee for the seventh special session of the General Assembly and to the Committee on Review and Appraisal, even if it was not the subject of a separate item on the Council's own agenda.

29. Mr. CHAVANAVIRAJ (Thailand), speaking in explanation of vote, said that his comments were prompted by the last-minute United States amendment to the draft decision.

30. Thailand had long held that a global policy and prompt action were needed to meet man's immediate and long-term food needs. His country also believed that in striving to ensure a fair balance of interests between food-exporting and food-importing countries, due account should be taken of the special needs of peoples beset by national disasters and economic crises and of the position of developing countries that were dependent on the production and export of agricultural commodities. In Rome, his delegation had expressed reservations concerning Conference resolutions XVII, particularly paragraph 4, and XVIII, particularly the first preambular paragraph. Thailand was not opposed to the main thrust of those resolutions and had given practical examples of its support for the concept of food aid on a grant basis. It could not, however, support concessional sales because they tended to inhibit the normal conduct of international commerce and to produce adverse effects on the trade of food-exporting developing countries. In that connexion, he pointed out that approximately 80 per cent of Thailand's export earnings came from agricultural products and that the country was suffering from a chronic and worsening balance-of-payments deficit.

31. His delegation agreed with the comment made at the World Food Conference by the representative of

a developed country to the effect that developing countries should trade rather than depend on aid. Thailand had long been making efforts to that end, but suffered constantly from commodity price fluctuations, the scarcity of essential inputs, and unfair and non-commercial competition by rich producers. In view of a number of unfortunate experiences with concessional sales in the past, it favoured the conduct of such trade on a triangular basis, a system under which a developed producer would buy agricultural products from a developing producer at the world market price and then sell them to another developing country on concessional terms.

32. Mr. MURIN (Czechoslovakia) said that his delegation's support of the decision to transmit the report of the World Food Conference to the Second Committee did not in any way change the position taken by his Government on certain points at the Conference itself. He agreed that it would be advisable for the Council to study the report of the Conference fully at a future session, but that did not imply that the Council should revise the report. Since the problem of providing adequate food supplies concerned not only the agricultural sector but also other branches of the economy and had social and socio-political aspects, advantage should be taken of the contribution towards a solution of the problem which could be made by relevant existing United Nations organs.

33. The PRESIDENT suggested that, as it had done in respect of the reports on the first and second sessions, the Council should take note of the report of the Preparatory Committee for the World Food Conference on its third session (E/5586).

The decision was adopted.

34. Mr. CORDOVEZ (Secretary of the Council), referring to the comment by the representative of China, expressed the Secretariat's regret that, owing to pressure of time, it had not been possible to provide copies of the report of the Conference in languages other than the working languages of the Council. The report would however, be available in all the working languages of the General Assembly in time for consideration of the item by the Second Committee.

The meeting rose at 5.40 p.m.

1931st meeting

Thursday, 5 December 1974, at 11.30 a.m.

President: Mr. Aarno KARHILO (Finland).

E/SR.1931

AGENDA ITEM 9

The impact of transnational corporations on the development process and on international relations (E/5592, E/5595 and Add.1-6, E/5599)

1. The PRESIDENT invited the Chairman of the Special Intersessional Committee on the impact of transnational corporations on the development process and on international relations, which had been convened pursuant to Economic and Social Council resolu-

tion 1908 (LVII), to report orally on the draft resolution that it recommended to the Council.

2. Mr. AKHUND (Pakistan), Chairman of the Special Intersessional Committee, said that he had been charged by the Committee to introduce draft resolution E/AC.61/L.4 which the Committee recommended to the Council for adoption (E/5599, para. 11). The Committee had adopted the draft resolution without a vote after consensus had been reached through informal consultations, and therefore recommended it to

the Council in the hope that it would be adopted unanimously.

3. The PRESIDENT drew attention to the statement of financial implications of the draft resolution submitted by the Secretary-General to the Intersessional Committee (E/AC.61/L.5). Since there had been no change in the draft resolution since that statement had been submitted, it could also serve as the statement of financial implications required by the Council in accordance with rule 34 of the rules of procedure.

4. If he heard no objection, he would take it that the Council wished to adopt the draft resolution recommended by the Special Intersessional Committee for adoption in paragraph 11 of its report (E/5599) without vote.

The draft resolution was adopted [resolution 1913 (LVII)].

5. Mr. HUME (United States of America) said that his delegation was pleased that the Special Intersessional Committee had been able to reach consensus on the draft resolution which the Council had just adopted.

6. The intergovernmental Commission and the Information and Research Centre which were to be set up would face great challenges in dealing with the issues associated with transnational corporations. It was therefore incumbent on the Governments selected for membership of the Commission to appoint highly qualified persons who were fully acquainted with the subject. The Commission, in turn, would have the important responsibility of selecting knowledgeable persons, who would serve in a private capacity, to assist it in its work. The active and regular participation of non-governmental representatives of business, labour, the academic world and consumer groups was an essential element in the Commission's work.

7. The influence and significance of the Commission would depend to a considerable extent on how it performed its functions under its terms of reference. A constructive and objective approach was essential if it was to avoid making decisions and recommendations on the basis of untested assumptions, rather than on the basis of carefully gathered and analysed facts.

8. The work of developing a non-binding code of conduct dealing with transnational corporations should not be carried out too hastily. In that connexion, his delegation interpreted the phrase "dealing with" in paragraph 3 (e) of the resolution as referring to the general subject of transnational corporations; it believed that any code to be developed should cover the responsibilities of Governments as well as those of transnational corporations. The consideration of possible international agreements or arrangements on specific questions relating to transnational corporations should also be a step-by-step process. A general agreement on the question of transnational corporations was, in the view of his delegation, simply not feasible in the near future.

9. The Information and Research Centre in the Secretariat should work in the same professional manner as the Commission and under its guidance. His delegation was confident that the Secretary-General would choose as Director of the Centre a person of recognized professional ability and objectivity.

10. A major function of the Centre would be the collection, analysis and dissemination of data, and his delegation believed that the most efficient means of obtaining reliable data was to request them from Gov-

ernments. The Centre would also have to organize and co-ordinate programmes of technical assistance for strengthening the capacity of host countries in their dealings with transnational corporations. In that connexion, his delegation believed that it would be highly inappropriate for any United Nations body to participate directly in negotiations between host Governments and transnational corporations.

11. The new Commission had rightly been given the responsibility of developing its own draft programme of work and statement of proposed priorities. Among the guidelines provided in the resolution, his delegation believed that high priority should be given to the definition of transnational corporations. The definition should be broad enough to include the international investment-type activities of all business enterprises, whether private, State-owned or mixed, and whether based in developed or developing countries.

12. The resolution that the Council had just adopted provided a good basis for continuing the dialogue on the issues associated with transnational corporations. It was for those who would serve on the Commission and in the Centre to ensure that the dialogue was productive.

13. Mr. CZARKOWSKI (Poland) expressed his delegation's satisfaction regarding the adoption of the resolution; it had supported the draft resolution as a modest advance towards shaping international economic relations for the benefit of the developing countries. It was nevertheless an important advance, since transnational corporations played a significant role in economic relations between highly industrialized and developing countries. His delegation was gratified by the content of paragraph 1 (d) regarding the intergovernmental Commission's right to call upon experts. The Information and Research Centre in the Secretariat should be staffed with highly qualified personnel recruited on the basis of broad geographical distribution so that the Centre's work would be useful to all countries.

14. Mr. SPRÖTE (German Democratic Republic) said that his delegation welcomed the adoption of the resolution without a vote. The establishment, within the framework of the Council of an intergovernmental organ which would regularly investigate and report on the activities of transnational corporations was a victory for the progressive forces which sought to prevent transnational corporations from interfering in the internal affairs of States, especially of developing States. Moreover, the establishment of the Commission was an important step towards implementing the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session (resolutions 3201 (S-VI) and 3202 (S-VI)).

15. It was regrettable, however, that neither paragraph 3 (e) nor paragraph 7 referred to certain fundamental principles that had earlier been accepted concerning the regulation of the activities of transnational corporations; nevertheless, his delegation had agreed to the wording of paragraph 3 (e) in order to make consensus possible. In any event, the provisions of Council resolution 1908 (LVII), particularly those of paragraph 2, should be taken as guidelines for the Commission's future activities.

16. In conclusion, he said that the adoption of the "All States" formula as the basis for the Commission's composition was an important step towards imple-

menting the principle of universality and eliminating the Vienna formula—a remnant of the cold war period. He expressed appreciation for the spirit of co-operation shown by all delegations during their work on the draft resolution.

17. Mr. STURKEY (Australia) welcomed the adoption of the resolution, which was the outcome of lengthy consultations. The new intergovernmental Commission's membership of 48 would allow for equitable geographical distribution and facilitate the representation of the particular interests and experience of host and home countries, both developed and developing. His Government believed that the representatives of developed host countries had a distinctive role to play in the work of the Commission. He stressed that any code of conduct dealing with transnational corporations should be of assistance to Governments in formulating their policies and arrangements for foreign investments, while ensuring that transnational corporations behaved as good corporate citizens in host countries, with both parties honouring their agreements.

18. Mr. MORDEN (Canada) associated his delegation with the remarks made by the representative of Australia.

19. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation supported the observations of the representatives of Poland and the German Democratic Republic. His delegation had not objected to the adoption of the draft resolution without a vote, because it felt that consensus would strengthen the hand of the Council in implementing the decision. His delegation had consistently championed the interests of developing countries vis-à-vis transnational corporations, and considered that the resolution marked a modest step forward.

20. The members of the intergovernmental Commission should be appointed on the basis of equitable geographical distribution; that issue had been the subject of lengthy discussions, and his delegation was satisfied with the results achieved in paragraph 1 of the resolution. He drew attention to the fact that the Russian version of paragraph 1 (a) stated that the Commission should be composed of 48 "Member States" instead of "members". He requested the Secretariat to have that mistake corrected. In his delegation's view, the consultations with the President of the Council referred to in paragraph 1 (b) were superfluous.

21. Turning to paragraph 3 (e), he said that any recommendations on a code of conduct should respect the principles endorsed by the Council concerning the supervision of transnational corporations and prevention of their involvement in the domestic affairs of States. It was regrettable that no reference to the interests of the developing countries and the harmful effects of the activities of transnational corporations had been included in that subparagraph. Paragraph 7 stated that the draft programme of the Commission should be without prejudice to the work undertaken within the United Nations system in related fields; that requirement should be borne in mind in implementing section V of the Programme of Action adopted at the sixth special session.

22. He reserved his delegation's right to speak on the financial implications of the resolution (E/AC.61/L.5) in the Fifth Committee. He had doubts about the estimates given in paragraph 5, and felt they might be reduced. It was regrettable that no specific reference was made in the statement of financial implications to

the cost of establishing the Information and Research Centre; perhaps those costs were to be met from funds allocated to the Department of Economic and Social Affairs.

23. The PRESIDENT assured the representative of the USSR that the Russian version of the draft resolution would be corrected.

24. Mr. FASLA (Algeria) said that the consensus reached on the draft resolution proved that the lengthy negotiations had not been in vain. Although the outcome was not entirely satisfactory to his delegation, it was acceptable. In paragraph 3 (e) his delegation would have preferred a clear statement that a code of conduct should be applied by the transnational corporations, since it could not agree that a transnational corporation, however powerful, should be considered on the same level as a State, however weak. All States should do their best to ensure that the code of conduct was applied by transnational corporations and that the intergovernmental Commission worked towards that end. Obviously the developed countries disliked the changes that were taking place in international economic relations, but those changes were necessary if progress was to be made towards international economic co-operation.

25. Mr. OLIVERI LOPEZ (Argentina) said that the consensus reached by the Special Intersessional Committee on the draft resolution after lengthy discussions had enabled the Council to adopt the resolution without a vote. His delegation had accepted the consensus because most of its views were reflected in the text. The intergovernmental character of the Commission established by the terms of paragraph 1 would ensure that those problems which had not yet been solved would remain under government control. His delegation agreed with paragraph 1 (b) on the understanding that the consultations with the President of the Council were optional; it favoured a flexible arrangement for the participation of experts from different sectors in their individual capacity, to which reference was made in paragraph 1 (d).

26. With regard to the interpretation of paragraph 3 (e), his Government had not changed its views since the subject of transnational corporations had been discussed at the sixth special session of the General Assembly. Section V of resolution 3202 (S-VI) envisaged the proposed code of conduct as being applicable to transnational corporations, and that was his delegation's view. That, of course, did not relieve the Governments of host or home countries of responsibility in connexion with transnational corporations.

27. His delegation found paragraph 4 entirely satisfactory. It had already spoken in favour of leaving the question of priority to the members of the intergovernmental Commission, and paragraph 7 was sufficiently flexible not to cause any difficulties for his delegation.

28. Mr. KOCH (Federal Republic of Germany) said that the resolution would form a useful basis for the work of the intergovernmental Commission and the Information and Research Centre. In his delegation's view, the highest priority should be given to the gathering of information in order to provide a second basis for the future work of the Commission and the Centre. He was glad to note that a compromise had been reached on the wording of paragraph 3 (e). The triangular relationship between home countries, host countries and transnational corporations should be borne in mind in the work on the code of conduct,

which his delegation assumed would be of a non-binding nature. With regard to subparagraph (f) of the terms of reference of the Commission, his delegation felt that work on a general agreement would be premature for some time to come and would require a great deal of preparation.

29. Mr. BARCELO (Mexico) said that his delegation had consistently maintained that transnational corporations should be controlled and governed by a code of conduct which would restrict their activities in the interests of the host countries by requiring strict observance of the legislative and other domestic measures applied by host developing countries. During the general debate at the fifty-seventh session of the Council, he had expressed his delegation's specific interest in the issue of transnational corporations and the establishment of the Centre and the Commission. His delegation accepted the consensus reached on the various controversial issues in the resolution. It did not feel that paragraph 3 (e) prejudged the substance or the form of the code of conduct, but merely gave priority to the formulation of a code. It would be for Governments in the intergovernmental Commission to decide upon the subject-matter, criteria for action, and philosophy of the code of conduct.

30. Mr. CAMACHO (Venezuela) said that his delegation welcomed the consensus on the draft resolution. Referring to paragraph 3 (e) he said that, in his delegation's view, transnational corporations usually distorted prices, evaded taxation and gave rise to imbalances in economic growth. Above all, they perpetuated the dependence of weaker countries by monopolizing resources, technology, administrative skills and foreign exchange. It was therefore essential to establish a code of conduct for transnational corporations at the world level as well as subjecting them to the laws of host countries. There was an urgent need to formulate, adopt and implement a code of conduct for transnational corporations to regulate their activities in host countries, particularly developing countries, as stated in section V of General Assembly resolution 3202 (S-VI). The adoption of the resolution was a step in the right direction, but much remained to be done.

31. Mr. ČABRIĆ (Yugoslavia) said that his delegation welcomed the consensus on the draft resolution, which was one of the most important decisions ever taken by the Council. Although it was only a first step and somewhat limited in scope, it was important for the developing countries as the first practical action to implement section V of the Programme of Action adopted at the sixth special session of the General Assembly. The task facing the intergovernmental Commission was a responsible and difficult one. The Governments represented in the Commission should therefore appoint experts who were of the highest calibre and well informed on the issues involved. He drew attention to the importance of paragraph 1 (d), which provided for the participation of private individuals in the work of the Commission. An important forum would thus be created for the dialogue needed to solve the problem in the interests of the developing countries.

32. Mr. SKOGLUND (Sweden) welcomed the consensus reached on the important issue before the Council. Referring to paragraph 1 (d), he said that his delegation felt that the persons selected should be able to participate in the work of the intergovernmental Commission on a continuous basis. His delegation in-

terpreted paragraph 3 (e) to mean that the Commission, in its work on recommendations for a code of conduct, should also deal with the role of Governments. Reference had been made in the Special Intersessional Committee to questions such as taxation, which were of direct relevance to the policy of Governments.

33. Mr. BERNIERE (France) also welcomed the consensus on the draft resolution on transnational corporations; it was an illustration of the success which could be achieved through dialogue. His Government wanted the host countries to be in a better position in future to control the activities of transnational corporations, ensuring that they kept out of domestic politics and helped to accelerate development and to strengthen international economic co-operation. Stable relations based on adequate guarantees were needed between the developing countries and transnational corporations to enable the former to benefit from external investment.

34. The intergovernmental Commission should have a balanced approach which took into account all interests, specifically those of the developing countries. He hoped that the Commission would adopt a logical work programme; it should first collect information and, where information was lacking, carry out its own investigations or consult experts. A doctrine would gradually emerge from that information and the Commission would then be able to draw up a code of conduct which took into account the interests of all concerned. Such a procedure would make it possible to maintain the spirit of co-operation which had prevailed during the discussions on the draft resolution. In his delegation's view, a universally recognized definition of transnational corporations was essential if the Commission was to determine the scope of its work. The sponsors of the draft resolution had laid down no specific order of priorities in paragraph 7, but had merely listed the subjects to be discussed in the Commission. His delegation felt that the logical first step was for the Commission to agree on a definition of transnational corporations.

35. Mr. MACKENZIE (United Kingdom) said that his delegation fully agreed with the objectives of the resolution. His Government attached great importance to the new machinery which had just been approved and looked forward to co-operating with it.

36. In the view of his delegation, representatives of trade unions and business could make a valuable contribution to the work of the intergovernmental Commission because of their first-hand knowledge of the full range of problems with which the latter would deal. His delegation would therefore have preferred the participation of non-governmental experts to be even more clearly integrated into the work of the Commission than was done in paragraph 1 (d). However, his delegation had joined in the consensus on the resolution in the expectation that the Commission itself would realize the importance of the collaboration of non-governmental experts. His Government's over-all views on the Commission and the Centre had already been conveyed to the Secretary-General and he was confident that they would be duly taken into account.

37. With regard to the code of conduct, his delegation believed that the neutral language of paragraph 3 (e) was appropriate, since there had not been time to consider the matter fully. The views of his delegation on the nature of the code of conduct were very simi-

lar to those of the delegations of the United States and other Western countries.

38. Mr. BRITO (Brazil) said that his delegation was pleased that a consensus had been reached on the resolution which had just been adopted although, as with any consensus, a number of points did not fully reflect the position of his delegation.

39. His delegation interpreted paragraph 3 (e) to mean that the code of conduct should establish principles to be observed by the transnational corporations themselves. Such an interpretation did not, of course, prejudice the content of any future code or the inclusion in it of other provisions, but the primary concern should be the protection of host countries in general and developing countries in particular. It was for that reason that the Council had taken up the issue in the first place.

40. Mr. GÖKSENIN (Turkey) said that his delegation was gratified by the adoption of the resolution by consensus. In the preparation of a code of conduct, priority should be given to regulating the operations of transnational corporations with a view to obviating any influence they might have on the exercise by States of their permanent sovereignty over natural resources. Efforts should be made to devise a mandatory code of conduct applicable to transnational corporations.

41. Mr. SCHWARTZ GIRON (Spain) associated his delegation with others which had expressed their satisfaction with the consensus that had been reached. He hoped that the intergovernmental Commission would receive the unqualified support of all delegations. His delegation had already communicated its views in the matter to the Secretary-General.

42. He asked whether the Secretariat has already selected a venue for the first session of the Commission and whether a decision had been made as to when its members would be selected.

43. The PRESIDENT said that the first session of the Commission was scheduled to take place at Headquarters. With regard to the selection of members of the Commission, the Council would take that decision at its organizational session in January 1975.

44. Mr. CAVAGLIERI (Italy) joined other delegations in welcoming the consensus on the resolution. With regard to paragraph 1 (d), his delegation hoped that the participation of experts in the work of the Commission would be ensured on a regular basis.

45. With regard to paragraph 3 (c) he said that the question of transnational corporations involved a triangular relationship between the corporations, the host country and the country of origin, which should be taken into account in the preparation of the code of conduct. His delegation understood the resolution to mean that the code of conduct would not be legally binding but have the force of a recommendation. It believed that for the moment the expectation of a general agreement, as expressed in paragraph 3 (f), was premature.

46. Paragraph 7 was flexible enough to be acceptable to his delegation. With regard to the suggested list of priorities contained in that paragraph, he agreed with the representative of France that logic required that two points should receive absolute priority, namely, the definition of transnational corporations and the development of a comprehensive information system so that further decisions would be taken on an equitable and objective basis.

47. His delegation was confident that the Commission would carry out its work in a spirit of objectivity.

48. Mr. ESSY (Ivory Coast) welcomed the fact that a consensus had been possible on the draft resolution and expressed the hope that the important decisions of the intergovernmental Commission itself would be taken on the same basis.

49. In spite of the drawbacks of transnational corporations, his country's experience had shown that corporations could have favourable effects. It therefore considered the resolution to be a good basis for the regulation of their activities.

50. The proposed code of conduct was urgently needed and should apply, first and foremost, to the transnational corporations themselves without, however, ruling out its application to States as well.

51. Mr. SHEMIRANI (Iran) expressed the satisfaction of his delegation that a consensus had been reached on such an important question as the activities of transnational corporations. The resolution which had just been adopted was a good beginning to an important endeavour. He hoped that the constructive spirit which had been manifest throughout the informal consultations in Geneva and New York would continue to prevail, so that the important objectives set out in the resolution would be achieved. His delegation would do all in its power to contribute to its successful implementation.

52. Mr. MWANGAGUHUNGA (Uganda) said that his delegation was pleased that the resolution had been adopted by consensus. His Government took great interest in the activities of transnational corporations and hoped that the machinery which had been approved would make it possible to devise a code of conduct for them. His delegation's interpretation of paragraph 3 (e) coincided with that outlined by the representatives of Algeria, Argentina and Brazil.

53. In staffing the Information and Research Centre, due consideration should be given to the adequate representation of the developing countries, especially since those countries were under-represented in many bodies of the United Nations.

54. Mr. HILARY (Liberia) said that the question of transnational corporation was of profound interest to Liberia as a developing country. The fact that the resolution had been adopted by consensus was gratifying, and he hoped that the objectives set forth in the resolution would be successfully achieved.

***Human rights questions: allegations regarding infringements of trade union rights (concluded)*
(E/5588 and Add.1 and 2)***

55. The PRESIDENT recalled that, at its 1925th meeting, the Council had considered a communication dated 25 July 1974 from the World Federation of Trade Unions (WFTU) containing allegations of infringements of trade union rights in Bahrain; that communication had been circulated under cover of a note by the Secretary-General (E/5588) in accordance with the procedures established by the Council in its resolution 277 (X) of 17 February 1950. Since Bahrain was not a member of the International Labour Organisation (ILO), the Secretary-General had sought the consent of the Government of Bahrain to have the allegations referred to the Fact-Finding and Conciliation

* Resumed from the 1925th meeting.

Commission on Freedom of Association of the ILO under the provisions of Council resolution 277 (X).

56. At the same meeting the Council had decided to transmit the communication from WFTU to the *Ad Hoc* Working Group of Experts of the Commission on Human Rights and to request it to include its findings on the matter in its report to be submitted to the Council at its fifty-eighth session. When taking that action, the Council had not had before it the reply of the Government of Bahrain to the Secretary-General's inquiry, but the reply had since been received and circulated as document E/5588/Add.1. The Government of Bahrain had stated, *inter alia*, that the issue was a domestic matter involving breaches of the peace and security of the island, and that it was unable to grant its consent for transmission of the communication to the ILO.

57. A further communication from WFTU had been received and circulated as document E/5588/Add.2; in it WFTU made a further appeal to the Commission on Human Rights to take urgent and effective action to help the workers of Bahrain who had allegedly been unjustly imprisoned.

58. In view of the new communications received, he suggested that the Council should transmit the two communications of WFTU and the reply of the Government of Bahrain to the Commission on Human Rights for consideration and appropriate action at its forthcoming session. The Council would thus receive the Commission's report at its fifty-eighth session and be in a position to carry out its functions under Council resolution 277 (X).

59. Mr. BYKOV (Union of Soviet Socialist Republics) requested the President to explain the procedure for the transmission of such communications to the Commission on Human Rights.

60. The PRESIDENT said that Council resolution 277 (X) established the procedure for dealing with such communications. When the country involved was a member of the ILO, the communication was to be transmitted in the first instance to the ILO. When the country involved was not a member of the ILO, the Secretary-General of the United Nations was directed to request the permission of the Government to refer the matter to the ILO. In the case under consideration, the Government of Bahrain had not given its consent and the Council had to decide what course it wished to follow.

61. Mr. SHARAF (Jordan) said that his delegation regretted that a domestic incident in a traditionally liberal-minded and stable country such as Bahrain should receive undue publicity and become open to distortion in the minds of delegations. Bahrain, a newly independent country, was pursuing a democratic course and should be encouraged. He therefore proposed that the Economic and Social Council take note of both WFTU communications and of the reply of the Government of Bahrain. His delegation was confident that the Government of Bahrain would handle the matter in accordance with the rule of law and in a democratic spirit.

62. Mr. SHEMIRANI (Iran), Mr. FASLA (Algeria), Mr. AKRAM (Pakistan) and Mr. HUTAGALUNG (Indonesia) supported that proposal.

63. The PRESIDENT invited the observer for Bahrain to comment on the item.

64. Mr. AL-SAFFAR (Observer for Bahrain) thanked the representative of Jordan for having made his proposal and also thanked the representatives who had expressed support for it.

65. He said that the arrested workers had been released once the investigation carried out by the authorities had been completed. As could be seen from the list of persons arrested annexed to document E/5588, a number of those persons were not workers at all, but had infiltrated the movement in order to instigate others to continue the strike.

66. Freedom of expression and the right to strike were guaranteed in Bahrain, provided they did not involve breaches of the peace or the destruction of property. A century and a half of colonialism had left many gaps in his country's legislation and his Government was taking steps to remedy that situation. A new Constitution had been adopted in 1972 and a bill to legalize the existence of trade unions was currently before Parliament. Bahrain was endeavouring to follow a democratic course, and he hoped that the members of the Council would take that circumstance into account in taking a decision on the matter.

67. The PRESIDENT said that, if there were no objections, he would take it that the Council decided to adopt the proposal of the representative of Jordan.

The decision was adopted [decision 56 (LVII)].

The meeting rose at 1.15 p.m.

1932nd meeting

Tuesday, 10 December 1974, at noon

President: Mr. Aarno KARHILO (Finland).

E/SR.1932

AGENDA ITEM 8

Establishment of an International Habitat and Human Settlements Foundation (E/5593 and Add.1, E/AC.24/L.506)

1. The PRESIDENT said that since the Policy and Programme Co-ordination Committee had just com-

pleted its work, the report of the Committee¹ was not yet available. The Council would not debate the matter; however, it could vote on draft resolution E/AC.24/L.506, which had been adopted by the Committee.

2. Miss PETIGURA (Deputy Secretary of the Council) announced that draft resolution E/AC.24/L.506, as it stood, would have no financial implications for the United Nations budget, as posts and the associated

¹ Issued on 16 December as document E/5601.