

SUMMARY RECORD OF THE SEVEN HUNDRED AND FIFTEENTH MEETING

held on Thursday, 25 July 1974, at 3.30 p.m.

Chairman:

Mr. AKHUND

Pakistan

INDUSTRIAL DEVELOPMENT CO-OPERATION (agenda item 17) (continued)
(E/5478, E/5545, E/5546, E/5547, E/5548)

Mr. NAIK (Pakistan), speaking as chairman of the Group of 77, said that the Group was preparing a draft resolution on agenda item 17.

The CHAIRMAN suggested that further discussion on the item should be postponed pending the submission of the draft resolution.

It was so agreed.

THE IMPACT OF MULTINATIONAL CORPORATIONS ON THE DEVELOPMENT PROCESS AND ON INTERNATIONAL RELATIONS (agenda item 8) (continued)*(E/AC.6/L.555)

Mr. NAIK (Pakistan) said that informal consultations were taking place and that the Group of 77 was at the final stage of preparing a draft resolution on agenda item 8.

The CHAIRMAN invited the representative of Mexico to introduce draft resolution E/AC.6/L.555.

Mr. BARCELO (Mexico) said that all the Latin American countries represented in the Council were sponsors of the draft resolution (E/AC.6/L.555), which was an attempt to find a precise term to designate the enterprises under discussion. The term proposed was based on etymological principles and for that purpose the Spanish language was one of the richest. The term "multinational corporations" had been applied both to enterprises operating in all parts of the world without a home base and to those which had a main office in one country and branches in other countries, for which the term "transnational corporations" was more descriptive. In Latin America enterprises had been established whose concerns were different from those of multinational corporations, as normally understood, but whose structures were similar; for example, the members of the Andean Pact had created multinational corporations enjoying identical freedom of action within the area concerned; other groups of countries in Central and South America had formed similar multinational corporations. In EEC, too, various views had been expressed regarding the concept of multinational corporations established under the aegis of the Community. It would clearly be desirable to use the term "transnational corporations" for enterprises operating from their home bases across national borders and reserve the term "multinational corporations" for those established by agreement between a number of countries and operating in accordance with prescribed conditions.

*/ Resumed from the 710th meeting.

Mr. MORDEN (Canada) said that members would need time to study the draft resolution, which had only just been circulated. The subject of multinational corporations was perhaps the most important question under discussion at the present session and it was necessary to obtain a real consensus on any decisions taken by the Council. He wished to ensure that there would be no loss of impetus following the report of the Group of Eminent Persons to study the Impact of Multinational Corporations on Development and on International Relations (E/5500/Add.1 (parts I and II)).

Mr. TEMBOURY (Spain) said that the draft resolution was an attempt to provide terminological precision which would be of benefit to the Council. The Latin American countries, which for the most part shared the same language with Spain, demonstrated a mastery of the Spanish language, together with terminological precision, from which his fellow-countrymen had much to learn. He shared the Mexican representative's concern for precise definition and supported the draft resolution.

Mr. A.S. FRAMAO (Brazil) said that he would refrain from commenting on the draft resolution. The Spanish representative was correct in stating that the Latin American countries were for the most part Spanish-speaking. As the representative of a country not part of that majority but whose language - Portuguese - had the same Latin roots, he appreciated the etymological principles on which the term "transnational" was based.

Mr. SCHWIBEL (United States of America) agreed with the Canadian representative that the aim was to obtain a genuine consensus so that the important work of the United Nations in the field of multinational corporations could proceed. He would like to examine the draft resolution with care; he was not sure if it was wise for the Council to try to legislate in the field of terminology, particularly in view of the widespread use of the term "multinational corporations" in business and other fields. The appropriate course might be to refer the draft resolution to an inter-sessional committee and consider the matter further at a future meeting.

Mr. NESLERENKO (Union of Soviet Socialist Republics) said that the subject of multinational corporations was most important and should be considered seriously by the Council. Unfortunately, he had the impression that the Committee had not yet embarked upon a business-like discussion of the question, different approaches were being adopted but a constructive decision was needed which would help in the establishment of the new international economic order decided upon by the General Assembly at its sixth special session (resolution 3201 (S-VI) and 3202 (S-VI)).

Statements had been made about the Spanish language which applied equally to Russian. It was not worth while arguing about what the enterprises in question should be called; the Committee, as well as the Group of Eminent Persons, knew perfectly well what kind of enterprises it was discussing. It was important not to lose sight of the main aim, namely, to stop interference by multinational corporations in the domestic affairs of host countries and to control their activities.

He urged the Group of 77 to prepare their draft resolution with expedition. Some members might be interested in delaying a decision but he was sure there were others ready to reach a solution to the problem.

Mr. AZEVEDO BRITO (Brazil) said that the Council had a heavy agenda which included many important questions needing careful consideration. The Group of 77 had had to give its attention to a number of different issues, and one reason for the delay in drafting its resolution had been the desire to discuss the contents with other groups, including the socialist countries. The Group of 77 had given strong leadership to the United Nations in the field of economic advance, and there was no lack of will to proceed as rapidly as possible with the subject under discussion.

Mr. HEMANS (United Kingdom) agreed with the Soviet representative concerning the need for expedition. It would be helpful if the Group of 77 could seek the views of other groups informally before submitting the draft resolution to the Committee.

Mr. MAIK (Poland) said that the Group of 77 would take into account the views expressed by members of the Committee.

The meeting rose at 4.30 p.m.