

SUMMARY RECORD OF THE SEVEN HUNDRED AND EIGHTEENTH MEETING

held on Wednesday, 31 July 1974, at 3.25 p.m.

Chairman: Mr. AKHUND Pakistan

INDUSTRIAL DEVELOPMENT CO-OPERATION (agenda item 17) (continued) (E/AC.6/L.558 and Rev.1)

The CHAIRMAN said that, as a result of the consultations held during the informal meeting, agreement had been reached on the text of a revised draft resolution on industrial development co-operation. Since the consultations had, however, continued until quite late, the revised draft resolution was not yet ready for distribution. He therefore suggested that the meeting should be suspended and resumed when the text of the revised draft resolution was available.

The meeting was suspended at 3.30 p.m. and resumed at 5.30 p.m.

SECOND UNITED NATIONS DEVELOPMENT DECADE (agenda item 14) (continued)\* (E/AC.6/L.560)

- (a) DEVELOPMENT PLANNING AND PROJECTIONS
- (b) SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED COUNTRIES
- (c) SPECIAL MEASURES RELATED TO THE PARTICULAR NEEDS OF THE LAND-LOCKED DEVELOPING COUNTRIES
- (d) PREPARATIONS FOR THE MID-TERM REVIEW AND APPRAISAL OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE, INCLUDING FURTHER CONSIDERATION OF THE MACHINERY FOR REVIEW AND APPRAISAL OF THE STRATEGY

The CHAIRMAN invited the Committee to consider the draft decision E/AC.6/L.560 in order not to lose time while the revised draft resolution on industrial development co-operation (E/AC.6/L.558/Rev.1) was being distributed in the five working languages.

Mr. KACIMAIWAI (Fiji), speaking on behalf of the sponsors of the draft decision, said that, in preparing the draft decision, the sponsors had consulted delegations from all the regional groups and they therefore hoped that the Committee would be able to approve it by consensus. The draft decision was essentially procedural in nature because it requested the Secretary-General to prepare a report on the special economic problems and development needs of developing island countries and to present that report to the Committee on Review and Appraisal within the context of the mid-term review of the International Development Strategy. The problems of some developing island countries were greater than those of land-locked developing countries, particularly owing to transport costs. He therefore appealed to the members of the Committee to approve the draft decision unanimously.

---

\*/ Resumed from the 698th meeting.

Mr. MILLS (Jamaica) said that his delegation fully supported the draft decision and would like to join the sponsors. UNCTAD was carrying out studies on the question and other international bodies were showing an interest in it. It was therefore time to appeal for assistance for developing island countries. He pointed out that the establishment of the developing island countries as another category of developing country was not being advocated in the draft decision, which merely requested the Secretary-General to prepare a report on the economic problems and development needs of those countries.

Mr. PATHMARAJAH (Observer for Sri Lanka), speaking at the invitation of the Chairman, said that his country had all the problems of the developing island countries referred to in the draft decision. It depended heavily on seaborne trade to sustain its import-export economy and, although it was working on port development, freight rates considerably affected its transport costs. His delegation therefore fully supported the draft decision.

Mr. KHERBI (Algeria) said that his delegation, which had already expressed its views on the problems of developing island countries, fully supported the draft decision. He stressed that the problems of those countries should be placed in their true social and economic context and studied in great depth by the Secretary-General.

Mr. SANCHÍS MUÑOZ (Argentina) said that his delegation fully supported the draft decision. It was of the opinion, however, that the report to be prepared by the Secretary-General should take into account also the experience of the regional economic commissions. The Economic Commission for Latin America could certainly provide important information on the problems of developing island countries. His delegation therefore considered that the draft decision should refer also to the secretariats of the regional economic commissions.

Mr. MORDEN (Canada) said that his delegation had been much impressed when the representative of Fiji, at the 698th meeting, had raised the question of the special economic problems of developing island countries. It fully supported the draft decision.

Mr. CUMBERBATCH (Trinidad and Tobago) said that his delegation fully supported the draft decision and wished to join the sponsors.

Mr. GONZÁLEZ de COSSÍO (Mexico) said that his delegation fully supported the draft decision, but shared the view of the representative of Argentina that the experience of the regional economic commissions should be taken into account in the report to be prepared by the Secretary-General. It also felt that the countries in question should be fully identified in the report.

Mr. NAIK (Pakistan) said that, as a developing country, Pakistan sympathized with the development needs of the developing island countries and would therefore support the draft decision.

Mr. KASASA (Zaire) said that his country was extremely concerned about the problems of all developing countries. With regard to the draft decision, he would like to know why the words "independent and self-governing" in paragraph (a) had been used to describe the developing island countries. Such wording was rarely used in draft decisions or draft resolutions.

Mr. MWANGAGUHUNGA (Uganda) said that Uganda, which was a land-locked least developed country, had full sympathy for the problems of the developing island countries. At the third session of the United Nations Conference on Trade and Development, his delegation had urged strongly that more information should be made available on the developing island countries so that immediate action could be taken to alleviate their problems. His delegation supported the draft decision but agreed with the representative of Zaire that the words "independent and self-governing" in paragraph (a) should be deleted.

Mr. A.S. FRAZÃO (Brazil) said that his delegation supported the draft decision and agreed with the suggestion by the representative of Argentina that the experience of the regional economic commissions should be taken into account in the report to be prepared.

Mr. KHERBI (Algeria) said that his delegation agreed with the representatives of Zaire and Uganda that the words "independent and self-governing" in paragraph (a) should be deleted.

Mr. KACIMAIWAI (Fiji) said that the sponsors of the draft decision could agree with the suggestion by the representative of Argentina that account should be taken of the experience of the regional economic commissions. To that end, the words "the regional economic commissions and" should be inserted after the words "the executive heads of" in the introductory paragraph. With regard to the proposal by the representative of Uganda, the sponsors could agree to the deletion of the words "independent and self-governing" in paragraph (a).

Mr. NESTERENKO (Union of Soviet Socialist Republics) said that his delegation fully supported the draft decision but was of the opinion that the Secretary-General should prepare the report in question without recruiting outside experts, so that no additional expenditure would be entailed.

The CHAIRMAN said that, if he heard no objection, he would take it that the Committee approved the draft decision, as amended. 1/

It was so decided.

The CHAIRMAN said that the Committee's decision on sub-item (d) of agenda item 14 would form part of the draft omnibus resolution, negotiations on the text of which were under way.

He suggested that the Committee should approve the following decision on sub-item (a):

"The Economic and Social Council

"Takes note with appreciation of the report of the Committee for Development Planning on its tenth session (E/5478) and decides to transmit it, along with the comments made thereon at the Council's fifty-seventh session, through the General Assembly at its twenty-ninth session, to the Second General Conference of UNIDO".

---

1/ Subsequently adopted by the Council as decision 28(LVII).

Mr. A.S. FRAZÃO (Brazil) said that, much as his delegation appreciated the important work done by CDP, it had reservations on some of the conclusions reached by that Committee. He hoped that that point would be reflected in the Economic Committee's report.

The CHAIRMAN observed that the CDP report would be forwarded to the General Assembly and the Second General Conference of UNIDO together with the comments made on it by members of the Economic Committee.

In the absence of any further comments, he would take it that the Committee approved the decision he had read out. 2/

It was so decided.

The CHAIRMAN suggested that the Committee should approve the following decision on sub-item (b) of agenda item 14:

"The Economic and Social Council

"Takes note with appreciation of the report of the Secretary-General on special measures in favour of the least developed among the developing countries (E/5467) and decided to transmit it, along with the note of the Secretary-General on the question of a special fund for the least developed countries (E/5499), and the comments made thereon at the Council's fifty-seventh session, to the General Assembly at its twenty-ninth session". 3/

It was so decided.

The CHAIRMAN suggested that the Committee should approve the following decision on sub-item (c) of agenda item 14:

"The Economic and Social Council

"Takes note with appreciation of the note by the Secretary-General entitled 'Special measures related to the particular needs of the land-locked developing countries: study of a fund in favour of the land-locked developing countries' (E/5501) and decided to transmit it, along with the comments made thereon at the Council's fifty-seventh session, to the General Assembly at its twenty-ninth session". 4/

It was so decided.

INDUSTRIAL DEVELOPMENT CO-OPERATION (agenda item 17) (concluded) (E/AC.6/L.558/Rev.1)

The CHAIRMAN announced that Brazil and Indonesia had joined the sponsors of draft resolution E/AC.6/L.558/Rev.1

---

2/ Subsequently adopted by the Council as decision 29(LVII).

3/ Subsequently adopted by the Council as decision 30(LVII).

4/ Subsequently adopted by the Council as decision 31(LVII).

Mrs. TALLAWY (Egypt), introducing draft resolution E/AC.6/L.558/Rev.1, said that Kenya, too, had joined the sponsors.

The following corrections should be made to the text: in the second preambular paragraph, the word "a" before "New International Economic Order" should be replaced by "the" in order to bring the wording into line with that used in draft resolution E/AC.6/L.556/Rev.1; in operative paragraph 2, the words "inter alia" should be deleted. The sponsors were not altogether satisfied with the wording of operative paragraph 3: what they wanted was that the regular budget of UNIDO should be increased. Nevertheless, in a spirit of compromise, they had accepted the wording as given. Also in a spirit of compromise, they had omitted the reference, in the fourth preambular paragraph to the meeting of the Group of 77 which had appeared in the original text (E/AC.6/L.558).

She hoped that the draft resolution would be approved unanimously.

Mr. NEUHOFF (Federal Republic of Germany) said that his delegation would be prepared to join in a consensus agreement on draft resolution E/AC.6/L.558/Rev.1. It should be noted, however, that the second preambular paragraph referred to the relation between the work of UNIDO and the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202(S-VI)) without mentioning the reservations several delegations had entered on that Programme at the sixth special session of the General Assembly. The issue was under consideration in the Contact Group in connexion with the draft omnibus resolution. Since the outcome of the discussions in the Contact Group was not known, his delegation reserved the right to revert to the reference to the Programme of Action made in the second preambular paragraph when draft resolution E/AC.6/L.558/Rev.1 was taken up in plenary.

Mr. STIBRAVY (United States of America) said that his delegation was not opposed to the adoption by consensus of draft resolution E/AC.6/L.558/Rev.1. In as far as the second preambular paragraph and operative paragraph 2 were concerned, however, it would be recalled that, at the sixth special session of the General Assembly, the United States had entered reservations on the Programme of Action on the Establishment of a New International Economic Order. The question of how the reservations entered by the United States and other Governments were to be reflected in the so-called omnibus resolution was the subject of discussion in the Contact Group. Should agreement be reached in that Group, his delegation would wish to have it applied to all relevant resolutions adopted by the Council at its current session. Accordingly, his delegation reserved the right to return to that point when draft resolution E/AC.6/L.558/Rev.1 was taken up in plenary.

Mr. PATTISON (United Kingdom) thanked the representatives of the Group of 77 for the spirit of compromise they had shown in the informal discussions on the draft resolution. The position of his delegation on the second preambular paragraph was similar to that explained by the two previous speakers. That accepted, his delegation would be pleased to join in a consensus agreement on the draft resolution.

Mr. MADEY (Yugoslavia) said that he was surprised at the comments made by the previous speakers. At the time that the Programme of Action had been adopted no reservations had been entered on the sections and paragraphs dealing with industrialization to which reference was made in the draft resolution.

Mr. KHERBI (Algeria) said that his delegation, too, was surprised that certain delegations had stated that they must enter reservations on parts of the Programme of Action on which no reservations had been entered at the sixth special session.

Mr. KASASA (Zaire) said that his delegation regretted that, under the provisions of operative paragraph 3 of the draft resolution, UNIDO would not be guaranteed the necessary resources to increase its operational capacity. His delegation would join in the consensus on the text only because it realized that the sponsors had accepted the wording of that paragraph in order to achieve a consensus.

Mr. MISHRA (India), Mr. IMANGAGUHIGA (Uganda) and Mr. GERDASI (Venezuela) associated themselves with the comments made by the representatives of Yugoslavia and Algeria.

The CHAIRMAN said that, unless he heard any objection, he would take it that the Committee approved draft resolution E/AC.6/L.558/Rev.1, as orally amended by the representative of Egypt.

It was so decided.

Mr. NAIK (Pakistan), referring to the fourth preambular paragraph of the resolution, said that, as stated in its report, the Industrial Development Board at its eighth session had decided that its Permanent Committee, which was also the Preparatory Committee for the Second General Conference of UNIDO, should meet in Vienna from 2 to 14 December 1974 (E/5545-ID/B/144, para.221). The Board had also decided that the Permanent Committee would recess for a few days in order to allow the Group of 77 to hold consultations (ibid.). In that connexion, he referred to paragraph 220 of the report. The Group of 77 had held discussions on the matter during the current session of the Economic and Social Council and, as Chairman of the Group, he had consulted the President of the Industrial Development Board and the Executive Director of UNIDO on the question. As a result of those consultations and discussions, it had been agreed that members of the Group of 77 should recommend to their respective Governments that the Group's meeting should be held in Vienna from 5 to 10 December. As Chairman of the Group of 77 he was about to communicate that agreement to the Governments concerned. The Group hoped that the Executive Director of UNIDO would provide the necessary facilities to enable it to hold its meeting in Vienna.

He would like the statement he had just made to be reflected in the Economic Committee's report on the item.

The CHAIRMAN said that the Committee had concluded its consideration of agenda item 17.

THE IMPACT OF MULTINATIONAL CORPORATIONS ON THE DEVELOPMENT PROCESS AND ON INTERNATIONAL RELATIONS (agenda item 8) (continued) \*/ (E/AC.6/L.556/Rev.1, E/AC.6/L.559)

Mr. NAIK (Pakistan), introducing draft resolution E/AC.6/L.556/Rev.1, said that throughout the text, except in the title and in the fourth preambular paragraph, the words "multinational corporations" should be replaced by the words "transnational enterprises".

In a spirit of compromise, the Group of 77 had made many concessions in order to take account of the views of other Groups. In operative paragraph 2, for example, despite strong views on the subject, it had agreed that the word "control", which had appeared in the original text (E/AC.6/L.556), should be replaced by the word "supervision". In operative paragraph 5, it had accepted a compromise wording which would take account of the different views expressed on the subject. It was the understanding of the Group that in the Special Intersessional Committee which was to be established due regard would be given to the principle of equitable geographical distribution in any decision on the establishment of permanent machinery. In operative paragraph 6, the Group had agreed that, as a first step towards the establishment of an information and research centre, the Secretary-General should set up a nucleus of the centre. In a spirit of compromise, it had also agreed to the inclusion of the reference to Article 101 of the United Nations Charter. In operative paragraph 8, the Group had agreed that the Special Intersessional Committee should recommend priorities for a programme of work instead of, as in the original text, that it should evolve recommendations for the establishment of a programme of work. To take account of the suggestion that the words "to deal with", which had been used in operative sub-paragraph 11 (ii) of the original text, might have a pejorative connotation, the Group had agreed that they should be replaced by the words "in their dealings with". It would be seen, therefore, that, in their desire to produce a generally acceptable text and to facilitate consensus on the draft resolution, the members of the Group of 77 had done their utmost to accommodate the various opinions expressed during the discussions on the matter. He hoped that the Committee as a whole would accept the draft resolution in the spirit of consensus in which it was offered.

He announced that Mali had joined the sponsors of the draft resolution.

Mr. TUKAN (Jordan) said that he wished to make it clear that Jordan, which had erroneously been included in the list of sponsors of the original text (E/AC.6/L.556), was not a sponsor of the draft resolution.

Mr. SCHWEBEL (United States of America) agreed that there had been a genuine spirit of compromise in the Committee's work on the subject. His delegation was in favour of such efforts as might be necessary to enable the Committee to reach a consensus. The substance of the fifth and seventh preambular paragraphs caused his delegation particular difficulty and it would like to suggest two compromise formulae in the hope that the Committee would be able to reach agreement, ad referendum, on them at its current meeting. For its part, his delegation was prepared to recommend them to Washington.

---

\*/ Resumed from the 716th meeting.

He suggested that the words "within the framework of" in the fifth preambular paragraph should be replaced by the words "taking fully into account" and the words "and the principle of non-interference" deleted. In the seventh preambular paragraph, the words "in particular ... Establishment of" should be deleted and replaced by the words "taking fully into account". Discussions were in train on the substance of operative paragraph 3 and he hoped that, if the Committee could at its current meeting reach ad referendum agreement on those preambular paragraphs, it would be able to reach agreement on operative paragraph 3 at the following meeting.

Referring to the proposal of the Latin American delegations (E/AC.6/L.555), which the Group of 77 had apparently adopted, that the words "multinational corporations" should be replaced by the words "transnational corporations", he said that his delegation would prefer the decision on that question of terminology to be taken by the proposed Special Intersessional Committee. On the basis of a superficial consideration of the matter, his delegation had no substantial difficulty with the proposal, but it would like the question to be dealt with in a more considered manner. At a previous meeting, the representative of Mexico had asked whether delegations had received instructions on the matter. His delegation's instructions were as he had just indicated.

Mr. KASASA (Zaire) said that his delegation associated itself with the sponsors of the draft resolution.

Mr. NESTERENKO (Union of Soviet Socialist Republics) said that the Committee had made laudable progress towards reaching agreement on the difficult political and economic question under consideration. It was clear, however, that it had not yet reached full agreement. His delegation hoped that a text acceptable to all delegations would be worked out.

The sponsors themselves had amended their text. A decision on the changes they had proposed should not, however, be taken in haste. There did not seem to be any great difference between the terms "multinational corporations" and "transnational corporations". He was quite prepared to believe that, as the Mexican representative had said at the 715th meeting, in the Spanish language the word "transnational" was better than the word "multinational", but in the Russian language the meaning of the two words was approximately the same. What was absurd in Russian was the term "transnational enterprises". An enterprise was a physical object which had no influence and which merely polluted the atmosphere. A corporation, on the other hand, was a complex of financial, political and economic factors. It would seem, therefore, that the Committee was moving from a question of semantics to a substitution of notions, or a question of substance. His delegation could accept the word "transnational" provided it qualified the word "corporations".

His delegation would be prepared to accept some of the amendments proposed by the United States delegation. With regard to the words "within the framework of ... Economic Order" and the words "taking fully into account ... Economic Order", its position was neutral; it would accept the form of words accepted by the sponsors of the text. No hasty decision should be taken on the proposal to delete the reference to the principle of non-interference. It might be useful to await the outcome of the negotiations under way on operative paragraph 3 before taking any decision on the matter. He suggested, therefore, that it might be advisable to postpone a decision until delegations had had time to hold informal consultations, and if necessary consult their Governments on the questions which had arisen at the current meeting.



Mr. MISHRA (India) said that the amendments proposed by the representative of the United States to the fifth and seventh preambular paragraphs, in particular the deletion of the words "within the framework of the Declaration and Programme of Action on the Establishment of the New International Economic Order" would in fact take the Committee further away from agreement. That was a fundamental position, which the Group of 77 would find it difficult to give up. He therefore urged the United States delegation, if it was really desirous of obtaining agreement, not to propose the deletion of those words. The replacement of the words "within the framework of" by "taking fully into account", on the other hand, was merely a linguistic matter on which a compromise could no doubt be reached.

Mr. MORDEN (Canada) welcomed the revised draft resolution, in which significant changes, some of particular concern to Canada, had been made. His delegation had always believed that, in embarking on what was essentially a new United Nations activity, the Council should act with a real feeling of solidarity and agreement. He urged that the few apparently small steps should now be taken to reach final agreement.

In regard to the replacement of the word multinational by transnational, he was reluctant to see that change made too rapidly, since the former term was widely used. He supported the United States view that the matter should be referred to the Intersessional Committee for consideration and decision.

Mr. SCHWEBEL (United States of America) said that the remarks by the representative of India led him to believe that the Committee was now closer to a consensus than at the start of the meeting. He would give the utmost consideration to those comments.

Mr. BARCELÓ (Mexico) welcomed the effort made by the United States to reach a consensus. He pointed out that in raising the question of the terms multinational or transnational he was not proposing a change in terminology. Section V of General Assembly resolution 3202 (S-VI) was headed "Regulation and control over the activities of transnational corporations".

Mr. NAIK (Pakistan) agreed with the representative of India that some of the proposals in the revised draft resolution were fundamental and could not be given up. The Group of 77 would certainly consider the comments which had been made in the Committee and indicate their reactions at the next meeting.

The CHAIRMAN announced that the Congo had joined the sponsors of draft resolution E/AC.6/L.556/Rev.1.

The meeting rose at 7.10 p.m.