Regional and International Activities

I. Zanotti

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The fifth regular session of the General Assembly was held in Washington, D.C., from May 8 to 19, 1975. Member State Governments participated in the session, and with a few exceptions were represented by their Ministers of Foreign Affairs as heads of delegations. Observers from two American States, Canada and Guyana, and from eight non-American States, Belgium, France, Germany, Israel, Italy, Japan, Netherlands and Spain, were present. Also, there were observers from the United Nations and several of its agencies, five OAS specialized agencies, several inter-American organizations and other international entities.

As provided for in its Rules of Procedure, the work of the Assembly was distributed among the following Committees: First Committee (Juridical-Political Matters); Second Committee (Economic and Social Matters); Third Committee (Educational, Scientific and Cultural Matters); Fourth Committee (Administrative and Budgetary Matters); General Committee, Committee on Credentials, and Style Committee. Some of the Committees established working groups to cooperate in the consideration of the topics assigned.

During the session the Assembly approved thirty-seven resolutions, i.e., AG/RES. 173 (V-O/75) to AG/RES. 209 (V-O/75). The resolutions have been published by the General Secretariat in the four official languages of the Organization.

*The opinions expressed in this report are those of the author in his personal capacity.
A report on some of these resolutions adopted by the General Assembly during its fifth session follows:

**Election of the Secretary General and Assistant Secretary General**

The General Assembly elected Ambassador Alejandro Orfila, of Argentina, and Dr. Jorge Luis Zelaya Coronado, of Guatemala, as Secretary General and Assistant Secretary General of the OAS, respectively, for a five-year term beginning July 7, 1975.

**Membership of Grenada in the OAS**

By Resolution 173 the General Assembly authorized the Secretary General to accept, for the appropriate purposes, the signature on behalf of Grenada of the Charter of the OAS and its deposit of the corresponding instrument of ratification. The Government of Grenada participated in the fifth regular session of the Assembly.

**Final Report of CEESI**

By Resolution 178 the General Assembly took note of the final report of the Special Committee to Study the Inter-American System and to Propose Measures for Restructuring It (CEFSI), which had been established by Resolution AG/RES. 127 adopted at the third regular session of the Assembly in 1973.

The Resolution also carried the following provisions in order to reach final agreements on the various aspects of the process of restructuring the Inter-American System:

1. **Convocation of a Conference of Plenipotentiaries for the Amendment of the Inter-American Treaty of Reciprocal Assistance (The Rio Treaty)**

The Assembly decided to convoke a Conference of Plenipotentiaries for the amendment of the Rio Treaty to:

a) decide on the proposed amendments to that treaty;

b) revise and coordinate the texts; and

c) prepare a Protocol of Amendment to the Rio Treaty and to sign it.
It thanked the Government of Costa Rica for its offer to be host to this Conference, and entrusted the Permanent Council with the preparatory work for the Conference. The Conference was scheduled for San José from July 16 to 28, 1975.

The Permanent Council approved the Rules of Procedure for the Conference and made other preparatory work.

II. AMENDMENT OF THE OAS CHARTER

Under this chapter, Resolution 178 instructed the Permanent Council:

a) To revise and coordinate the texts of the proposed amendments to the Charter of the OAS approved by CEESI;

b) To continue the study of the matter pending revision in the light of the proposed amendments presented and to take decisions in regard to them;

c) To select the economic principles and standards that will be kept in the Charter and those that should be transferred to other instruments; and

d) To present the corresponding report to the Member States by the end of October 1975 with any recommendations believed appropriate.

III. COLLECTIVE ECONOMIC SECURITY AND COOPERATION FOR DEVELOPMENT

In this part of Resolution 178 the Permanent Council is instructed:

a) To study the texts prepared by CEESI on the subjects of collective economic security and cooperation for development;

b) To attempt to harmonize the existing points of view; and

c) To present a report to the Member States by the end of December 1975 with the conclusions reached and the corresponding recommendations.

IV. AMERICAN TREATY ON PACIFIC SETTLEMENT (PACT OF BOGOTA)

Resolution 178 instructed the Permanent Council to complete its study of the proposed amendments to the American Treaty on Pacific Settlement (Pact of Bogotá) that have been presented and to act on them by the end of October 1975.
V. SPECIAL SESSION OF THE GENERAL ASSEMBLY

In this part, Resolution 178 instructed the Permanent Council to convene a special session of the General Assembly to be held during the first few months of 1976 or on the occasion of the next regular session of the Assembly, to consider and sign the agreements that may be reached with respect to the Charter of the OAS, the American Treaty on Pacific Settlement and the instruments on collective economic security and cooperation for development.

Draft Inter-American Convention on Extradition

By Resolution 183 the General Assembly returned to the Inter-American Juridical Committee the draft Inter-American Convention on Extradition that the Committee had prepared in 1973. The Assembly requested the governments of the OAS Member States to send to the General Secretariat before September 15, 1975 any observations that they may wish to make on this draft convention, for transmittal to the Committee.

The Assembly also requested the Committee to conduct an exhaustive and systematic study of this draft convention, taking into account any observations thereon that the governments of the Member States have already made or that may wish to make, as well as any developments that may have taken place in other forums regarding extradition. Also, the observations by a Working Group of the Committee on Juridical and Political Affairs of the Permanent Council which were made in 1974. Furthermore, it was recommended to the Committee that it prepare a statement of reasons on the draft convention, explaining in detail the background on which its provisions are based. Finally, the Assembly requested the Permanent Council to offer its observations on the new documents prepared by the Inter-American Juridical Committee on the subject and to present the draft to the General Assembly with a recommendation on the most appropriate procedures to be followed for consideration of the documents in a final stage, by representatives of the governments of the Member States accredited to decide on the matter.

Draft Instrument to Define Violations of the Principle on Nonintervention

This topic has been on the agenda of different organs of the OAS for several years. At its last meeting the General Assembly, through its Resolution 184, submitted to the governments of the Member States for their consideration the following documents of the Inter-American Juridical Committee:
a) Draft instrument on violations of the principle of nonintervention, and the corresponding report, approved October 23, 1959;

b) List of instances of violation of the principle of nonintervention, approved on February 12, 1974; and

c) Statement of reasons regarding the instances of violations of the principle of nonintervention, approved on October 15, 1974.

The Assembly further requested the governments of the Member States to send any observations they may wish to make on these documents to the General Secretariat of the OAS before September 30, 1975. It requested the Permanent Council to prepare a study of the topic, in the light of the observations of the governments, requesting, if it deems this advisable, that the Inter-American Juridical Committee reexamine its documents.

Procedure for Dealing with Draft Conventions and Other Studies Prepared by the Inter-American Juridical Committee

Resolution 186 of the OAS General Assembly deals with this topic. The Inter-American Juridical Committee has been concerned for some time with the final destination of its draft conventions and other studies. For this reason it presented a report to the General Assembly indicating its concern on the matter and requesting that a statement of policy on this point be made by the Assembly.

The Committee stated in the said report that the most suitable method for considering draft conventions and one frequently used in the international field—especially since the establishment of the United Nations—is that of holding specialized legal conferences or congresses, which are very useful for the final negotiation of conventions and treaties, following the conclusion of the preliminary or preparatory work by the competent organs. In the same report the Committee stated that since the Bogotá Charter has been in effect only two inter-American specialized conferences have been convoked on the recommendation of the Committee.

In the conclusions of the report the Committee recommended that, in order to stimulate the evolution of positive law in the inter-American context, the General Assembly should permit the convocation of official specialized legal conferences more frequently than has been the case in the last twenty-six years, provided that they represent the final stages of preparation of texts of inter-American conventions that will contribute to the overall development of the American countries.
The Permanent Council, after studying the report of the Committee, made some observations for submission to the Assembly. The Council pointed out that in certain cases, if the topic or topics so warrant, the General Assembly could convene inter-American specialized conferences, and in this regard emphasized the importance of the Inter-American Specialized Conference on Private International Law (CIDIP), held in Panama in January 1975, the results of which were very satisfactory. On the other hand, the Council stated that in certain cases and according to the nature of the subject matter, the Assembly could consider the draft conventions of the Committee and make decisions in that regard.

These facts are mentioned in the preamble of Resolution 186. In the operative part of the Resolution, the Assembly accepted the recommendation of the Inter-American Juridical Committee and requested that in accordance with the provisions of the last part of Art. 106 of the OAS Charter and in compliance with certain provisions of Resolution AG/RES. 146 (IV-0/74), it suggest to the Assembly the holding of specialized juridical conferences for the final drafting and approval of the texts of inter-American conventions or treaties that, because of their technical or specialized nature, require the use of that method.

Convocation of CIDIP-II

By Resolution AG/RES. 187, the General Assembly convoked the Second Inter-American Specialized Conference on Private International Law (CIDIP-II). In the preamble it is stated that as a result of its deliberations, the first Inter-American Specialized Conference on Private International Law (CIDIP) approved six conventions on the following topics: conflict of laws concerning bills of exchange, promissory notes and invoices; conflict of laws concerning checks; international commercial arbitration; letters rogatory; taking of evidence abroad, and, the legal regime of powers of attorney to be used abroad. It is also stated that the approval of these conventions represents a great success for the inter-American system which in this way has begun to update the rules of private international law. In the operative part of Resolution 187 the Assembly convoked CIDIP-II, and instructed the Permanent Council to set the date of the Conference and to prepare its draft agenda and the rules of procedure. It instructed the Inter-American Juridical Committee to prepare, as it did for the first conference, reports, draft conventions and corresponding statements of reasons that may be required, according to the topic of the agenda. It further requested the General Secretariat to prepare, as it did for the first conference, the technical and information documents on the
agenda topics, for the purpose of expediting the work of the second conference, and also to provide secretariat services. Finally it requested the General Secretariat to include in the proposed program-budget of the Organization for fiscal 1976-78 the necessary items for holding the second CIDIP and for the preparatory work involved. CIDIP-II will be held in Uruguay.

Course on International Law

This Course was established by the Inter-American Juridical Committee in 1973 and the first course was held in September-October 1974. The Second Course is scheduled for July-August 1975.

The OAS Fellowship Program granted twelve fellowships for the first course and another fifteen for the second course. In its annual report to the fifth session of the General Assembly the Committee suggested that the number of fellowships be increased.

The General Assembly agreed with this suggestion and in its Resolution 185, dealing with the annual report of the Committee, the Assembly accepted the initiative of the Inter-American Juridical Committee to organize the course on international law. It further decided that this activity shall be conducted on a permanent basis through the holding of one such course every year. The Assembly also instructed the General Secretariat to include in the program-budget of the OAS for the 1976/78 biennium the funds needed to hold the course every year, as well as enough fellowships to enable at least one fellow from each member State to participate each year, and funds for the administration of the course and publication of the texts of lectures given therein. This represents a great achievement and a significant support for the Inter-American Juridical Committee.

The first course held in 1974 was a great success, and it is expected that the second course scheduled for July-August 1975 will also be a success. The 1975 course will deal with the question of multinational enterprises; the legal aspects of economic integration; analysis of the results of the Inter-American Specialized Conference on Private International Law held in Panama in January 1975; the Inter-American System and proposals of amendments to its basic instruments; and the results of the Geneva meeting of the U.N. Conference on the Law of the Sea.

The author of this report has been the Director of the Course on International Law.
Convocation of Specialized Conference on Economic and Social Matters

By Resolution AG/RES. 196 the General Assembly convoked the following inter-American specialized conferences:

a) Fifth Inter-American Conference of Ministers of Labor, to be held in Guatemala in November 1975;

b) Second Inter-American Telecommunications Conference, scheduled to be held in Brazil in November 1975;

c) Fourth Inter-American Port and Harbor Conference, to be held in Mexico in October 1975;

The General Secretariat, in agreement with the governments of each host country, will set the exact dates for these conferences.

In Resolution 198, the General Assembly authorized the Permanent Council to convocate the Seventh Inter-American Conference on Agriculture, if the Permanent Committee of CIES so recommends.

U.S. Trade Act of 1974

By Resolution AG/RES. 199, the General Assembly, took note that the Latin American countries:

a) Regard with interest the position of the Government of the United States is taking on amending the Trade Act of 1974 to eliminate the exclusion of Venezuela and Ecuador from the benefits of the Generalized System of Preferences established in that Act; and, any other type of discrimination against the developing countries being unacceptable, it is of great importance and meaning for effective application of the standards and principles of the Charter of the OAS and the inter-American system for the United States of America to amend the provisions of the Act that the Latin American countries consider discriminatory and coercive, most of which were the object of the Latin American Declaration of CECON of December 12, 1974, and

b) Urge the Government of the United States of America to continue and complete the process of its amendment of the Trade Act of 1974, in conformity with the principles and standards of the Charter of the OAS.
The U.S. Trade Act of 1974 was also dealt with in Resolution AG/RES. 201, through which the Assembly accepted the report of the Permanent Council on the Trade Act (AG/doc. 544/75) and the report of CIES on the same Act (AG/doc. 543/75). These lengthy documents were published as documents of the fifth regular session of the General Assembly.

Also in Resolution 201, the Assembly took note of the concern of the Latin American countries about the rigidity, restrictions and the discretionary provisions contained in some chapters of the Trade Act of 1974. It expressed the political will of the Member States to make operative in the multilateral trade negotiations the principles of the Declaration of Tokyo. It also noted with satisfaction the stated intentions of the United States to reaffirm its recognition of the importance of maintaining and improving the generalized system of preferences, as expressed in the Declaration of Tokyo; to seek to implement the system as soon as possible; and once it is put into practice, to use the experience gained from its application to improve the system, paying particular attention to the interests of Latin America.

Cooperation for OAS Developing Countries Most Affected by the Present International Situation

By Resolution AG/RES. 200, the General Assembly agreed to seek the effective cooperation of international and regional economic financial agencies, through appropriate action by the representatives of the Member States, to improve the position of the most seriously affected OAS developing countries. It recommended to the Member States that they establish agreements, arrangements, and other bilateral or multilateral formulas enabling the most affected developing countries of the OAS to overcome this unfavourable situation, primarily through complementary agreements, opening of nondiscriminatory markets, and medium and long-term credits. It also instructed the General Secretariat to promote the establishment of a specific inter-agency group to study solutions to short-term problems and to improve the coordination of all efforts which benefit the most affected developing member countries, including consideration of "packages" of broadly conceived measures.

Furthermore, the Assembly requested CIES, through its Permanent Executive Committee (CEPCIES), to analyze, evaluate, and adopt recommendations for the creation of a special financial fund to meet the most immediate needs of the most affected OAS developing member countries.
Recognition of Women’s Role in the Integral Development of the American Nations

In Resolution AG/RES. 182 the General Assembly expressed that greater participation by the women of the Hemisphere in the task of national and hemispheric development is desirable, and recommended to the General Secretariat that in preparing the development programs to be carried out by the Organization in the Member States, these programs be oriented toward increased support for and promotion of the integration of women into all spheres of life in their countries.

International Children’s Year

By Resolution AG/RES. 181, the General Assembly approved the proclamation of an “International Children’s Year,” in accordance with the proposal of various international organizations that 1976 be declared “International Children’s Year.” The Assembly recommended that the organs, agencies, and entities of the inter-American system include in their activities, initiatives supporting this celebration and adopt effective programs for the integral protection of children and their families.

Sixth Regular Session of the General Assembly

By Resolution AG/RES. 179 the Assembly set April 14, 1976 as the opening date of the sixth regular session of the General Assembly, to be held at the headquarters of the General Secretariat, and authorized the Permanent Council to change the date should circumstances so warrant it.

INTER-AMERICAN JURIDICAL COMMITTEE

Studies on Multinational Commercial Enterprises

In its report to the fifth regular session of the General Assembly the Inter-American Juridical Committee gives an account of the studies made by several of its members, as rapporteurs of different aspects of the topic on multinational commercial enterprises (AG/doc. 512, pages 49-59).

The following five members of the Committee had already prepared papers on the subject: Drs. Reynaldo Galindo Pohl, Seymour Rubin, José Joaquin Caicedo Castilla, Jorge A. Aja Espil, and Alberto Ruiz Eldredge.

Dr. Galindo Pohl prepared a paper of one hundred pages on international enterprises, in which he analyzes, among other matters, the
political and economic aspects; the phenomenon of these enterprises; their origin, evolution, structure and functions; the question of centralization or decentralization of the decisions; the transfer of technology; the legal and political problems, and the question of terminology.

Mr. Rubin, who is a known authority on multinational or transnational enterprises, presented to the Committee, among other contributions, a memorandum in which he suggested the creation of an Inter-American Center for Transnational Enterprises. The Center would be, within the inter-American system, the primary focus for discussion of issues of transnational enterprises. It would discuss, on a regular basis, issues concerning transnational enterprises, its formation and activities, its relationship to governmental pronouncements and policies, and its contribution to such matters as the transfer of technology, economic integration and the improvement of the standard of living.

In his paper, Dr. Caicedo Castilla suggests that in regard to definitions the best thing would be to adopt a simple formula that would not give rise to complications and difficulties when applied. His paper is divided into the following chapters: Introduction, definitions; the problem in the world context and in the inter-American context; North American investments, magnitude of multinational enterprises; advantages and disadvantages; savings in foreign currency; inconveniences and dangers; participation in domestic politics; measures for defense; international public companies; the multinational company and the Andean Group; the questions of Government authorization, centers of decisions, nationality, domicile.

The paper by Dr. Aja Espil deals with the multinational enterprises and the transfer of technology. He elaborates at length on the subject, and finally presents to the Committee, for consideration, several conclusions setting forth the procedures that could be adopted:

1) That the national legislations contemplate the new operational modalities of the multinational enterprises in relation to the circumstances prevailing in the national economics, and the need for antimonopoly laws.

2) That the national legislations bear in mind the need for regulating the concentration and merging of enterprises, especially insofar as they may involve restrictive trade practices imposed by multinational enterprises.
3) That in regard to transfer of technology there be international regulation of the “licensing contracts,” eliminating restrictive clauses and practices.

4) The need for the developing countries to have administrative agencies, at the national and international levels, that will provide data on the evaluation and real cost of the technology that is being marketed.

5) In the international order, the advisability of preparing a Code of Conduct to regulate the transfer of technology by multinational enterprises.

6) Taking into account the possibilities that can be derived from the “Kissinger proposal” on the creation of an Inter-American Commission on Science and Technology, to establish new bases for improving the flow of technology from the United States to Latin America.

7) The advisability of institutionalizing the Inter-American System of Transfer of Technology, on the basis of the Mexican proposal presented to the first meeting of the Working Group on Science and Transfer of Technology in Brasilia (June 1974).

In a lengthy seventy-page document, Dr. Ruiz Eldredge discusses the interference of transnational enterprises with the sovereignty of states. After analyzing the activities of the transnational enterprises in the Americas, the author formulates a series of guidelines of behavior to which those enterprises should be subjected.

At the end of its last meeting in February-March 1975, the Committee appointed Dr. José Eduardo do Prado Kelly, a member of the Committee, to be the coordinator of the papers presented on the subject.

The Committee will continue with its studies at its next meeting scheduled to begin July 14, 1975.

PERMANENT COUNCIL OF THE OAS

Decision on Transnational Enterprises

At its meeting held on July 10, 1975, the Permanent Council approved Resolution CP/RES. 154 (167/75) on the behavior of transnational enterprises and need for a code of conduct to be observed by such enterprises.
In the Resolution, the Permanent Council took into account the resolution approved by the General Assembly at its fourth regular session held in Atlanta (AG/RES. 167 (IV-0/74); Resolution 3281 adopted by the United Nations General Assembly in 1974, by which it approved the Charter of Economic Rights and Duties of States; the statements made at the meetings of Foreign Ministers held in Tlatelolco and Washington, D.C.; as well as the studies made by the Inter-American Juridical Committee.

The Permanent Council also took into account the news stories that "recently have come to public light concerning actions constituting manifestly immoral conduct, as well as interference on the part of some transnational enterprises in the domestic affairs of some countries of the Hemisphere."

It is declared that "transnational enterprises should be subject to the legislation and to the jurisdiction of the competent national courts of the countries in which they carry out their activities and should conform to the development policy of those countries."

In the operative part of the Resolution the Permanent Council RESOLVES:

1. To request the Member States to cooperate in the exchange of information for the purposes of achieving effective control of the activities of transnational enterprises, so that such enterprises conform to the economic and social goals of the host state.

2. To study the principles that should govern the activities of transnational enterprises for the purposes of preparing a draft code of conduct which such enterprises must observe. In the preparation of this code, account will be taken of the work being carried out in this regard within the sphere of the United Nations.

For the purposes stated in the above paragraph, the Permanent Council will adopt the appropriate procedures and may seek the advice of a group of experts to be convoked to a meeting whenever it is considered necessary. The Member States will be represented by the experts they deem appropriate.

3. To present a report in order that, in accordance with its findings, the matter may be placed on the agenda and submitted to the sixth regular session of the General Assembly for consideration.
ALSO RESOLVES:

I. To condemn in the most emphatic terms any act of bribery, illegal payment or offer of payment by any transnational enterprises; any demand for or acceptance of illegal payments, as well as any act contrary to ethics and legal procedures; and

II. To urge the governments of the Member States, insofar as necessary, to clarify their national laws with regard to the aforementioned improper or illegal acts.

INTER-AMERICAN NUCLEAR ENERGY COMMISSION (CIEN)

The Commission held its ninth meeting at Caracas from June 9 to 13, 1975 and approved several recommendations and resolutions on its Statutes and programs of work and how to strengthen them. It also studied the report on the eighth meeting of the Special Legal Committee, which is part of CIEN.

CIEN accepted the recommendations of the Special Legal Committee to increase from seven to eight the number of Member States of the Committee, and elected Venezuela as the eighth member; recommended the ratification of the Vienna Convention on civil liability for nuclear damage, and approved the recommendations of the Committee contained in its study entitled "Legal aspects of the transportation of nuclear materials and other radioactive substances."

In its recommendations on the subject, the Special Legal Committee requested CIEN to draw the attention of the governments of the Member States to the conclusions contained in the study, i.e.: (i) It is important to establish and, to the extent possible, to harmonize legislation designed to protect human lives and property in the field of peaceful use, including the transportation of nuclear materials and other radioactive substances, in order to facilitate the development of nuclear energy for such purposes; (ii) In view of the development of nuclear energy and the legal situation in their respective countries, it would seem advisable for the American countries to consider the feasibility of adopting legislation designed to regulate activities involved in the peaceful use of nuclear energy, particularly to provide for public health and safety and the prevention of nuclear accidents; (iii) In view of the considerable acceptance of the Regulations for the Safe Transport of Radioactive Materials published by the International Atomic Energy Agency, the American countries might find it desirable to take into account these regulations when preparing...
standards and regulations to govern transportation of radioactive substances; (iv) When preparing more specific rules with respect to the transportation of nuclear substances, it would also be advisable for the American countries to endeavor to harmonize said rules as much as possible; (v) It is also important to harmonize, to the extent possible, measures to regulate civil liability for nuclear damage sustained as a result of the peaceful use of nuclear energy, including measures with respect to transportation of nuclear substances.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

ECOSOC, at its fifty-seventh session held in July-August 1974, approved, among others, Resolution 1908 (LVII) on the impact of transnational corporations on the development process and on international relations. It expressed its appreciation to the members of the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations for their efforts. It decided to keep the full range of issues relating to transnational corporations, and in particular the subject of the regulation of and supervision over their activities, under close consideration on a continuing basis.

In the same Resolution, ECOSOC decided to establish an Information and Research Center on Transnational Corporations.

At the resumed fifty-seventh session held in December 1974, ECOSOC, by Resolution 1913 (LVII) decided to establish an intergovernmental Commission on Transnational Corporations as an advisory body to ECOSOC to assist it in dealing with the issue of transnational corporations. It provided that the Commission should be composed of forty-eight members from all States, elected by ECOSOC on a broad and fair geographical basis; and each State should appoint a high level expert taking into account his knowledge of the issues involved; the States could also appoint alternates. The term of office of the members of the Commission shall be three years and members shall be eligible for re-election.

Resolution 1913 (LVII) also provided that the Commission shall meet annually and shall submit an annual report to ECOSOC at its summer session, unless the Council decides otherwise. The Commission is to assist ECOSOC in fulfilling its responsibilities in the field of transnational corporations by:
a) Acting as the forum within the United Nations system for the comprehensive and in-depth consideration of issues relating to transnational corporations;

b) Promoting the exchange of views among Governments, intergovernmental and non-governmental organizations, trade unions, business, consumers and other relevant groups through the arrangements, inter alia, of hearings and interviews;

c) Providing guidance to the Information and Research Center on Transnational Corporations on the rendering of advisory services to interested Governments and promoting programs of technical cooperation;

d) Conducting inquiries on the activities of transnational corporations, making studies, preparing reports and organizing panels for facilitating discussions among relevant groups;

e) Undertaking work which may assist ECOSOC in evolving a set of recommendations which, taken together, would represent the basis for a code of conduct dealing with transnational corporations;

f) Undertaking work which may assist ECOSOC in considering possible arrangements or agreements on specific aspects relating to transnational corporations with a view to studying the feasibility of formulating a general agreement and, on the basis of a decision of the Council, to consolidating them into a general agreement at a future date;

g) Recommending to ECOSOC the priorities and the programs of work on transnational corporations to be carried out by the Information and Research Center.

Resolution 1913 (LVII) stipulated that the Information and Research Center on Transnational Corporations shall conduct its activities under the guidance of the Commission on Transnational Corporations with the following terms of reference:

a) To provide the necessary support to ECOSOC and to the Commission on matters related to transnational corporations;

b) To develop a comprehensive information system on the activities of transnational corporations by gathering information made available by Governments and other sources, and by analyzing and disseminating such information to all Governments;

c) To organize and coordinate at the request of Governments, programs of technical cooperation on matters related to transnational corpora-
tions, through existing organs of the United Nations system, aimed at strengthening the capacity of host countries, in particular of developing countries, in their dealings with transnational corporations;

d) To conduct research on various political, legal, economic and social aspects relating to transnational corporations, including work which might be useful for the elaboration of a code of conduct and specific arrangements and agreements as directed by ECOSOC and the Commission.

ECOSOC also requested the Commission on Transnational Corporations to submit to ECOSOC at its sixtieth session a detailed draft program of work on the full range of issues relating to transnational corporations, including a statement of its proposed priorities within the framework of the following guidelines: the development of a comprehensive information system; preliminary work with the objective of formulating a code of conduct; the undertaking of studies, especially case studies, on the political, economic and social impact of the operations and practices of transnational corporations which seem most urgent, and, the definition of transnational corporations. The draft program should be without prejudice to the work undertaken within the United Nations system in related fields.

COMMISSION ON TRANSNATIONAL CORPORATIONS

The United Nations Commission on Transnational Corporations held its first session at the U.N. Headquarters from March 17 to 28, 1975.

Of its forty-eight Member States, the following are Member States of the OAS: Argentina, Barbados, Brazil, Colombia, Ecuador, Jamaica, Mexico, Peru, Trinidad and Tobago, United States and Venezuela.


Chapter I of the Report contains the conclusions and recommendations of the Commission. Following are excerpts or resumés of some of these conclusions.

The Commission on Transnational Corporations, in conformity with ECOSOC Resolution 1913 (LVII) of December 5, 1974, is requested to submit a detailed program of work concerning the whole range of issues related to transnational corporations to ECOSOC at its sixtieth session. Since that session will take place in the Spring of 1976 and the Commis-
sion must meet again before that date, according to the Resolution, the Commission agreed to establish a preliminary program of work at its first session so that the Information and Research Center on Transnational Corporations could start operating as early as possible.

The Commission will be the forum within the United Nations system for the comprehensive and in-depth consideration of issues relating to transnational corporations, without prejudice to the work undertaken within the United Nations in related fields.

I. IDENTIFICATION OF THE AREAS OF CONCERN REGARDING THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS

The Commission decided during its first session to make a preliminary identification of areas of concern, fully recognizing that they might require subsequent additions and revisions.

II. DRAFT PROGRAM OF WORK

The program of work of the Commission should be focused on the following five areas:

a) Preliminary work with the purpose of formulating a code of conduct;

b) Establishment of a comprehensive information system;

c) Research on the political, economic and social effects of the operations and practices of transnational corporations;

d) Organization and coordination, at the request of Governments, of technical cooperation programs concerning transnational corporations;

e) Work leading to a definition of transnational corporations.

III. PRELIMINARY WORK

At a preliminary stage the Commission would concentrate on defining a set of fundamental rules of conduct, and in order to advance as much as possible the work towards that objective, the Information and Research Center must undertake the following work in the immediate future and submit related reports at the second session of the Commission:

a) A comparative study of existing international codes of conduct or guidelines drafted with the purpose of influencing and/or regulating the operations and practices of transnational corporations, including the study of relevant materials underlying such codes;
b) A comparative study of existing national and regional legislation and regulations enacted with the purpose of regulating the operations and activities of transnational corporations;

c) Suggestions as to possible methods of intersessional work by the Commission which would further the task of drafting a code of conduct.

IV. ESTABLISHMENT OF A COMPREHENSIVE INFORMATION SYSTEM

The establishment of such a system must have the following objectives:

a) Further understanding of the nature and the political, economic and social effects of the activities of transnational corporations in home countries and host countries and in international relations, particularly between developed and developing countries;

b) Strengthen the capacity of host countries, in particular developing countries, in their dealings with transnational corporations;

c) Collect and analyze material relating to a code of conduct.

Considering that Governments, academic centers, business councils, and international organizations have a great wealth of information on transnational corporations and their activities, the Information and Research Center should undertake, as a matter of high priority, a survey to determine what information on transnational corporations is available, and where, on a world-wide basis. The Information and Research Center should not necessarily wait until the survey is ready to start collecting information. Therefore in its first years of operation, the Center should direct its efforts in two directions:

a) Development of a classification system of information relevant to the problems of member countries, in particular, but not limited to those of the developing countries;

b) Collection of information of a general or specific nature at the aggregate and enterprise levels on the following priority areas, where information gaps are most pressing: 1) transfer of pricing and taxation; 2) short term capital movements by transnational corporations; 3) restrictive business practices (other than those already covered by UNCTAD); 4) corporate ownership and alternative forms of business participation; 5) market concentration (giving special consideration to acquisition of participation and merger); 6) relative use by transnational corporations of home, international and host country's financial markets in their operations and investments; 7) alternative forms of management and
control; 8) political activities of transnational corporations; 9) social impact of transnational corporations; 10) impact of transnational corporations on freedom of labor organizations, trade union rights, labor standards and working conditions.

V. STUDIES ON THE POLITICAL, ECONOMIC AND SOCIAL EFFECTS OF THE OPERATIONS AND PRACTICES OF TRANSNATIONAL CORPORATIONS

The Information and Research Center should concentrate on research on the following areas:

a) Studies on the role and effects of transnational corporations in sectors of economic activity that so far had been insufficiently covered by research projects, such as in the case of agricultural, extractive, land development, shipping, trade, banking, insurance and tourism activities;

b) Obstacles to strengthening the bargaining capacity of Governments in their relations with transnational corporations;

c) Lessons to be obtained from national and regional legislation, mechanisms and arrangements that permitted the strengthening of the bargaining capacity of Governments in their relations with transnational corporations;

d) A study of the measures by host countries to strengthen the competitive position of national enterprises vis-à-vis transnational corporations.

VI. TECHNICAL COOPERATION

The Commission indicated that a more detailed program would have to be formulated based on the areas of concern and of the specific requirements of developing countries.

VII. DEFINITION OF TRANSNATIONAL CORPORATIONS

The Information and Research Center would endeavour to collect available definitions on transnational corporations and background work that had been done by OECD, other international organizations and some well-known academic centers.

TELECOMMUNICATIONS

Progress of International Telecommunications

According to Press Release No 75-6 from the International Telecommunications Satellite Organization (INTELSAT), operations by
INTELSAT have made tremendous strides in the last ten years. On June 28, 1965 regular commercial satellite operations began in the Atlantic Ocean Region via first INTELSAT Satellite — Early Bird — known as INTELSAT I. When Early Bird was launched its capacity of 240 circuits equaled the combined telecommunications capability of all transatlantic cables and made possible the first commercial transoceanic transmission of live television programs. At that time, only five of INTELSAT's eleven original member countries had earth stations in operation for relaying signals.

Today, those early exploits in satellite communications seem like ancient history and those early pioneering efforts are perhaps taken for granted. The present global system, comprised of seven INTELSAT IV satellites, is to be augmented by advanced INTELSAT IV-A satellites beginning later this year. This new satellite, representing a 50% increase over the INTELSAT IV's, will provide over 6,000 multi-destination telephone circuits plus high-quality color television — a 25-fold increase over Early Bird's capacity.

INTELSAT's current membership stands at ninety-one countries. Entities in 64 of these countries operate 111 antennas at 88 earth stations throughout the Atlantic, Pacific and Indian Ocean Regions.

In addition to its technical and operational accomplishments, INTELSAT has fared successfully in the realm of international cooperation. As a result of two and a half years of negotiations in the Plenipotentiary Conference on Definitive Arrangements for the International Telecommunications Satellite Consortium, in 1973 INTELSAT began operating under definitive agreements and a new organizational structure.

INTELSAT is now a full-fledged international organization under the aegis of four organs: an Assembly of Parties; a Meeting of Signatories; a Board of Governors; and an Executive Organ headed by a Secretary General. Technical and operational management services are being provided by the Communications Satellite Corporation (COMSAT) under the terms of a management services contract.