

Editorial

IN April this year unanimous agreement was reached by 87 countries in Geneva on the Equitable Principles and Rules for the Control of Restrictive Business Practices. This agreement, which is expected to be embodied in a unanimous resolution of the General Assembly, lays down voluntary guidelines addressed both to governments and to enterprises, and will help to establish uniform criteria throughout the world on the handling of cartels and monopolies. It will promote inter-governmental co-operation and assistance, and will provide a central forum where such problems may be discussed in a constructive spirit.

The rules for enterprises are addressed primarily to transnational corporations, but the result contains little of which they can properly complain, the effect being to submit them to a moderate international regime on terms which industrialized countries have long insisted upon in their own national legislation. It would seem that this common approach will be of benefit, as the alternative might well lead to enterprises having to face divergent and possibly more stringent provisions in each of the countries in which they are operating. It is also important to recognize that by this agreement the third world confers on multinationals a legitimacy which some of its countries have not so far always been prepared to acknowledge.

This agreement reflects the desire of all countries to find a constructive solution to a difficult problem, and flexibility was shown on all sides so as to make agreement possible. Coming at this particular time it has a significance which goes beyond its subject-matter. It is an important step on the road to the new international economic order, and should result in a timely improvement in the relations between North and South. Perhaps it is not too much to hope that it may mark a general turning of the tide from a fruitless confrontation to constructive co-operation.

The third world has staked its hopes for the new international economic order on the outcome of a series of negotiations within the United Nations framework, but to these the richer and more influential western countries have not yet seen fit to give a worthy response. Although resistance to change may suit their present interests best, it is unlikely that they will be able to withstand the march of events for long. In such circumstances it would seem to be the more statesmanlike course to accept the substance of many of the complaints against the present international economic structure, and for these countries to lend their great weight to a balanced renegotiation so as to secure an outcome which could be generally regarded as fair and acceptable. In so doing they will be fortified by

the growing public support being given to the unanimous findings of the Brandt Commission.

There appears to be a vital need for these world-wide negotiations. Not only are comprehensive solutions required for such problems as those involving energy, the sea-bed and commodities, but it is to be hoped that a world system of economic management may help to lay the foundation for a more stable political order. If initiatives are not taken while the opportunities for them still exist, there is a danger that the possibilities of world solutions will disappear, giving way to bilateral deals and local bargaining and a further extension of the general anarchy.

In these circumstances it is all the more disappointing that success has still eluded the 96 countries engaged in the negotiations in Geneva for a Code of Conduct on the Transfer of Technology. After the 77 had abandoned their insistence on a compulsory code with binding effect, the way appeared to be open for an agreement. Nevertheless it would seem that some objections on both sides are still unresolved, and a further round of negotiations will be required before a consensus can be achieved.

The scene now shifts to the General Assembly in New York, where a special session will be held in August for Global Negotiations aimed at reviving the North-South dialogue. It is to be hoped that the participating governments will be able to come to some sensible and business-like arrangement whereby the agenda may be limited to a few important items of common concern, and that there may be sufficient informal contacts between groups so that the points discussed may have some positive outcome. It is surely time to put an end to large and expensive conferences which have no possible chance of a fruitful outcome.

Note: The text agreed on Restrictive Business Practices is, with some drafting amendments introduced for the sake of greater clarity, essentially the same as that printed in the issue of the Journal for March:April 1980 at page 172. All the square brackets have been removed, the footnote dealing with trade-marks has been deleted, "goods" are substituted for "products," and no request is made to the General Assembly.