

## Lassoing the outlaws

an existing institution, to reinforce national regulation and to deal with those aspects of MNE global activity that any one state would have difficulty controlling. Developed countries are strongly opposed to the creation of instant international law on this issue and argue for voluntary codes of conduct.

Ultimately the distinction between mandatory and voluntary forms of implementing codes of conduct may not be as important as has been presumed. Treaties and international conventions are an important but not sole means by which binding international law is created. The four main sources of international law listed in Article 38(1) of

### List 1

#### Chronology of selected events concerning Codes of Conduct for foreign investment and multinational enterprises, 1960-1980

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| <b>1960</b> | US government introduces voluntary and then mandatory controls on capital outflow and repatriation of earnings.<br>Canadian government introduces "Some Guiding Principles of Good Corporate Behavior for Subsidiaries in Canada of Foreign Companies" (known as the Winters guidelines).<br>ICFTU adopts resolution on MNCs and conglomerates.   |
| <b>1970</b> | ICFTU requests UN to adopt a Code for MNCs.<br>ANCOM adopts Decision 24 relating to the treatment of foreign capital.   |
| <b>1971</b> | ICFTU hosts a major conference on MNCs.   |
| <b>1972</b> | Chile charges International Telephone and Telegraph with interference in domestic political processes.<br>UN appoints Group of Eminent Persons to report on MNCs.<br>ILO convenes a Tripartite Meeting of Experts on MNCs.<br>ICC issues Guidelines for International Investment.   |
| <b>1973</b> | EEC Commission submits a communication to the Council of the Community on the subject of MNCs.  |
| <b>1974</b> | UN-ECOSOC Report of the GEP proposes a Commission on TNCs and a center on TNCs be established, and a non-compulsory code of conduct for TNCs be developed.<br>UNCTAD initiates discussion of a UN Code for Restrictive Business Practices.  |
| <b>1975</b> | UN General Assembly condemns corrupt practices and asks for Guidelines on this issue.<br>OAS adopts three guidelines on MNCs and fails to reach agreement on seven others.<br>ICFTU issues a Charter of Trade Union Demands for the Control of MNCs which is adopted at a convention.   |
| <b>1975</b> | US Senate Committee on Foreign Relations' Subcommittee on Multinational Corporations (Church Committee) issues a report on <i>Multinational Oil Corporations and US Foreign Policy</i> (one of the reports on MNCs resulting from hearings conducted over several months).  |
| <b>1976</b> | EEC Parliament approves a fifty-four section Draft Code of Principles on MNEs and governments.<br>OECD adopts five instruments including Guidelines for MNEs, national treatment of foreign investment, and international incentive and disincentives for investment.<br>UNCTAD issues proposals for a UN code on the transfer of technology.   |
| <b>1977</b> | ILO adopts the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.<br>EEC approves a Code for Companies with Interests in South Africa.<br>ICC proposes stringent national laws proscribing bribery and corruption.<br>UN ECOSOC's Commission on TNCs establishes an intergovernmental working group to develop a code of conduct.<br>UN ECOSOC adopts a resolution requesting research into institutional and legal arrangements in national consumer protection. |
| <b>1978</b> | PBEC adopts the second issue of the Pacific Basin Charter on International Investments.   |
| <b>1980</b> | UNCTAD's Restrictive Business Practices Code is unanimously adopted by the General Assembly.  |