

the Committee or in plenary meetings of the General Assembly in the light of recommendations or decisions adopted by the United Nations Conference on a Code of Conduct for Liner Conferences, currently meeting in Geneva.

10. The Working Party had held very thorough discussions on every point in the document and had devoted as much time as possible to each paragraph and each idea. There had been no attempt to avoid discussion on any point. That statement was borne out by the fact that he had been obliged to request the Committee to extend the Working Party's mandate, and the members of the Working Party were grateful to the Committee for allowing them as much time as possible to complete their work.

11. He thanked the members of the Working Party for their co-operation and their whole-hearted efforts to reach a consensus on the first biennial over-all review and appraisal of progress in the implementation of the International Development Strategy.

12. The CHAIRMAN recalled that the Committee had agreed to begin its substantive discussion of the report of the Working Party at a subsequent meeting.

13. Mr. BRITO (Brazil) said that his Government was studying the report and his delegation would be ready to make its comments on the date set by the Committee. Until that time, however, his Government could not be considered committed to the document in any way.

14. Mr. HACHANI (Tunisia) noted that English was stated to be the original language of the report. In fact, the text had not been drawn up in English alone, and its

implementation would be facilitated if that error was corrected.

15. Mr. GATES (New Zealand), Rapporteur of the Working Party, agreed with the representative of Tunisia that it should be indicated that the text of the document had been negotiated in all the official languages. However, he could not himself undertake to check its accuracy in all the languages.

16. Mr. VERCELES (Philippines) expressed the hope that the regional groups would make use of the time available before the Committee took up the report to hold informal consultations with a view to reaching agreement on the most appropriate procedure for dealing with it.

17. Mr. VAN GORKOM (Netherlands) said that he wished to comment not on the report itself but on a related matter which had been discussed in the Working Party, namely, the possibility of drawing up a draft resolution on the preparations for the mid-term review and appraisal exercise. His delegation had drafted certain suggestions, which it had circulated informally to participants in the Working Party. It would welcome informal discussions with interested delegations on the contents of those suggestions and on the possible sponsorship of a draft resolution.

18. The CHAIRMAN expressed appreciation on behalf of the Committee for the valuable work performed by the Chairman, Rapporteur and members of the Working Party.

The meeting rose at 12.15 p.m.

1576th meeting

Tuesday, 4 December 1973, at 10.55 a.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1576

AGENDA ITEM 46

Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade (*continued*)
(A/9003 and Corr.1, chap. III; A/C.2/L.1287, A/C.2/L.1323/Rev.1, A/C.2/L.1329)

AGENDA ITEM 108

Reduction of the increasing gap between the developed countries and the developing countries (*continued*)

1. Mr. SEARWAR (Guyana) introduced the revised text (A/C.2/L.1323/Rev.1) of the draft resolution on economic co-operation among developing countries. In connexion with paragraph 2, the sponsors had decided after consultations that there was no need to reopen the question of access to the sea for land-locked developing countries, which had been settled by the Committee in a recently adopted draft resolution; they had felt that it would be enough to refer to "the problems of such countries".

2. Paragraph 6 had been added after the statement made by the Argentine delegation. The sponsors, in consultation with the representative of Argentina and the secretariat of the Committee for Development Planning, had decided to add the words "including in particular scientific and technological co-operation" after the words "developing countries". At the suggestion of the secretariat of the Committee for Development Planning, the sponsors had decided to delete the words "submit a" and add the words "on this question" after the word "report". Thus the Committee would not have to submit a separate document but could deal with the question within the framework of its regular report.

3. Some delegations had expressed reservations concerning the wording of paragraphs 1 (b), 1 (d) and 1 (e). Unfortunately, the sponsors had not been able to accept the proposed amendments and those paragraphs therefore remained unchanged. However, the wording of paragraph 1 (e) did not go beyond what was generally accepted by the international community and therefore there seemed no need to change it. In addition, the text

of paragraph 1 (d) had been taken, with a few minor exceptions, from paragraph 46 of the report of the Working Party on Review and Appraisal (A/C.2/L.1329). That text had first been drafted by the Group of 77 and had been accepted by the Working Party without dissent or reservation. Finally, with regard to paragraph 1 (b), the sponsors did not intend that the preferential trade arrangements mentioned in that paragraph should contravene existing international agreements, and the paragraph was not directed at any country or group of countries; as was clear from the phrasing, the text was defensive and not offensive in tone.

4. The measures provided for in the draft resolution were a matter of life and death for the developing countries. The text—whose aim, after all, was to modify the division of the world into a developed north and a poor south—deserved widespread support and it was to be hoped that it would be adopted without a vote.

5. Mr. RATSIMBAZAFY (Madagascar) said that the principle of economic co-operation among developing countries was generally accepted by the international community and by the groups of countries in a similar economic situation and with similar development problems. The Economic Declaration¹ adopted by the Conference of Heads of State or Government of Non-Aligned Countries, at Algiers, confirmed the value of such co-operation and affirmed that the primary responsibility for the development of those countries rested with themselves. For its part, Madagascar, a developing non-aligned country, placed its faith in co-operation among developing countries to ensure the success of development.

6. Draft resolution A/C.2/L.1323/Rev.1 dealt with the main aspects of such co-operation. Paragraphs 3 and 4 rightly invited the developed countries and specialized agencies to support the efforts of the developing countries, which would not be able to obtain the hoped-for results without such assistance.

7. His delegation, which endorsed the spirit of the draft resolution, had asked to be added to the list of sponsors and hoped that the text would be adopted by consensus.

8. Mr. MOHAMMED (Nigeria) said that the importance of the draft resolution could not be over-estimated. Implementation of paragraphs 39 and 40 of the International Development Strategy, concerning regional economic co-operation, was one of the most useful of the measures needed to achieve the objectives of the Second United Nations Development Decade. Intensification of regional and subregional co-operation was one of the tools available to the developing countries to modify world economic relations and the imbalance of such relations. None the less, each region must decide for itself what was the most appropriate form of co-operation and, in doing so, must not hesitate to try new methods.

9. There were many advantages to economic co-operation. In trade and transport, co-operation was all the more desirable because it made it possible to lay the foundation for the development of other sectors. Co-operation in the form of exchanges of experts assisted the developing countries to offset the brain drain. In addition, the developing countries' need to diversify

their production was no doubt the best reason for them to intensify their co-operation. The pattern of international trade, in which the developing countries were at a disadvantage, should be changed. In order to do so, those countries must streamline their production and make sure that there were not too many countries manufacturing the same products. Finally, with regard to the question of synthetic products, co-operation between developing countries should make it possible to increase the market for natural products and thus help to increase economic stability.

10. The efforts of the developing countries could not succeed without the support of the international community; his delegation therefore hoped that the draft resolution would be adopted without a vote.

11. Mr. BRITO (Brazil) pointed out that the draft resolution highlighted a very important aspect of economic co-operation, namely, co-operation among developing countries, since it was true that development objectives could be achieved only if the developing countries resorted to all possible methods in order to back up their own efforts.

12. As the representative of Nigeria had pointed out, the characteristics of each region should be borne in mind when determining the most suitable form of co-operation; certain regions had already established machinery for integration or co-operation.

13. Finally, with regard to paragraphs 4, 5 and 6 of the draft resolution under consideration, he hoped that the Secretary-General and the Committee for Development Planning would take full account of the work already done by UNCTAD. In conclusion, he said that his delegation fully supported the draft resolution.

14. Mr. VAN GORKOM (Netherlands) said that, in accordance with the International Development Strategy, regional, subregional and interregional co-operation was one of the best ways of promoting development. The principle of self-reliance was fundamental to development and would doubtless remain so for some time to come.

15. His Government had always supported the efforts of the developing countries to intensify co-operation and that was why it offered its assistance through the regional economic commissions.

16. His delegation supported the draft resolution, but interpreted paragraph 1 (d) as meaning that the machinery mentioned would serve the interests of both consumer and producer countries, in accordance with the pertinent paragraphs of the report of the Working Group on Review and Appraisal (A/C.2/L.1329).

17. Mr. MACKENZIE (United Kingdom) requested that the draft resolution should be put to the vote and not adopted by consensus. He paid a tribute to the efforts of delegations which had sought to draw up a compromise text, even though they had not been successful. He had noted the comments of the representative of Guyana, and generally supported the aim of the draft resolution. However, his delegation had been disappointed and surprised when the sponsors had decided that they could not accept its amendments, which had been put forward in the interests of justice and equity, to make paragraph 1 (d) take account not only of the interests of producers but also of consumers and to include in paragraph 1 (e) a reference to respect for international law. Since those amendments had not

¹ See A/9330, p. 57.

been accepted, his delegation would be forced to abstain in the vote.

18. Mr. STIEPEL (Federal Republic of Germany) said that, if the draft resolution was put to the vote, his delegation would request a separate vote on paragraphs 1 (d) and 1 (e).

19. Mr. OGISO (Japan) said that he would vote in favour of the draft resolution. He pointed out, however, that regional integration must not be exclusive in character. In addition, care had to be taken that the measures or arrangements envisaged in paragraphs 1 (b), 1 (d) and 1 (e) did not adversely affect countries which were not involved in them.

20. Mr. GRANQVIST (Sweden), speaking on behalf of the Danish, Finnish, Norwegian and Swedish delegations, said that they would vote in favour of the draft resolution, in accordance with their policy of supporting co-operation among developing countries. They wished none the less to make a few remarks about the text of the draft. First, the assertions in the last preambular paragraph were slightly too sweeping, and the delegations of the four countries refused to commit themselves on the details. Secondly, with reference to paragraph 1 (d), he said that the countries he represented felt that the questions covered by that paragraph must be resolved among producer and consumer countries through commodity agreements. Admittedly, such agreements were often difficult to achieve, and it was legitimate for the developing countries to seek co-operation in order to strengthen their bargaining power, but that did not mean that all forms of co-operation were appropriate.

21. Mr. SINARINZI (Burundi) said that the developed countries sought only to ensure the continuity of the links which had existed between the metropolitan countries and their colonies, and strengthen the division of labour between the centre and the periphery. They wanted merely to replace the metropolitan country by a still more powerful metropolitan grouping, to polarize still further the developing countries' trade towards the developed countries, and to steer the economic development of the developing countries in that direction by providing them with multilateral tied aid and with services of their own technical advisers. The system of preferences in favour of manufactures from the developing countries ultimately benefited only the western monopolies. Extrovert development was therefore merely the development of underdevelopment, and could lead only to cumulative foreign dependence. To obtain greater economic independence, the developing countries had to strive for self-reliance in a larger market, which required disengagement from the international market and from foreign capital and the formation of a huge economic complex through real integration at the level of the whole African community.

22. Burundi favoured the regional development of economic space, based on the specialization of each State through regional development poles. Africa already had the basic industries capable of becoming driving forces benefiting to the full from economies of scale and external savings. Economic co-operation among developing countries would permit the integration of all the micro-markets currently in existence and the modernization of the rural world, together with the tapping of the vast agricultural potential. Economic

co-operation among developing countries would also permit a better exploitation of resources which were now the object of international pillage.

23. In view of those considerations, his delegation thought that draft resolution A/C.2/L.1323/Rev.1 was appropriate and unambiguous, and would vote in favour of it.

24. Mr. MÜEZZINOĞLU (Turkey) said that his country had always supported the promotion of economic co-operation among developing countries and had already concluded a number of co-operation agreements with other developing countries. There was considerable scope for such co-operation, and his delegation would vote in favour of the draft resolution.

25. Mr. SANDERS (United States of America) said that unfortunately his delegation had to abstain on the draft resolution. However, the United States endorsed the developmental aims of the draft resolution and his delegation's remarks should be understood in that context. In respect of paragraph 3, the United States maintained its commitment pursuant to paragraph 40 of the International Development Strategy.

26. His delegation agreed with a great many of the principles laid down in the remainder of the draft resolution, but remained sceptical of the categorical assertions in the seventh preambular paragraph and in other preambular paragraphs where reference was made to declarations and gatherings in which the United States had not taken part. The United States favoured a constructive, pragmatic approach to the role of regional groupings in the development process and to the analysis of specific measures such as those proposed in paragraph 1 of the draft, which should not be justified solely on the basis of their contribution to regional co-operation as such.

27. With regard to paragraph 1 (b), the United States believed that the economic consequences of the preferential trade arrangements should be carefully examined, and it objected to any interpretation of the draft resolution which implied authorization for countries to evade their international obligations, such as those contained in the General Agreement on Tariffs and Trade. Similarly, the United States opposed a doctrinaire interpretation of paragraph 1 (d) which, as it stood, did not match paragraph 46 of the report of the Working Group (A/C.2/L.1329). In supporting appropriate measures in respect of commodity prices and market access, the United States firmly believed that countries should explore not only appropriate producer-consumer arrangements on a case-by-case basis, but also measures to give effect to the growth-promoting market forces and assist developing countries in strengthening their food production capabilities and in maximizing the producing potential of available land. Nothing in the draft resolution should in any way prejudice the deliberations of the World Food Conference or the multilateral trade negotiations of GATT.

28. The inalienable right to permanent sovereignty over natural resources mentioned in paragraph 1 (e) must be exercised within a framework of international legal norms and obligations which protected that right.

29. In conclusion, the United States strongly supported economic co-operation among developing countries and a constructive and pragmatic examination of co-operative measures from the standpoint of their con-

tribution to the development of developing countries, as well as to world economic order and well-being.

30. The CHAIRMAN said that Ghana, Qatar and the United Arab Emirates had become sponsors of draft resolution A/C.2/L.1323/Rev.1.

31. Mr. FIGUEROA (Chile) stressed the importance of efforts by the non-aligned countries to promote regional integration and trade. His delegation welcomed the importance attached to the establishment of machinery to defend the prices of exportable commodities. It believed that the inalienable right to permanent sovereignty over natural resources must be exercised in accordance with national laws.

32. Mr. GALLARDO MORENO (Mexico) said that his country by tradition co-operated in regional and subregional integration programmes such as the Andean Agreement or the Latin American Free Trade Association. Co-operation among developing countries could promote development and the achievement of the targets of the Strategy. Such co-operation would be particularly important since the slightly more advanced developing countries would continue to receive the requisite aid to implement co-operation programmes.

33. Mr. GATES (New Zealand) said that he was glad he would be able to vote for the draft resolution as a whole. However, he wished to comment on some of its provisions. Paragraph 1 referred solely to co-operation between the developing countries. The arrangements envisaged should, however, take account of the realities of the world market and the interests of the consumer countries. Moreover, they should be acceptable to all the producer countries, as otherwise countries which were not parties to the arrangements might be competing with other producers. Commodity agreements were the best means of ensuring stable prices, and the kind of machinery suggested in paragraph 1 (d) should be resorted to only when prices had to be defended.

34. The CHAIRMAN, noting that the explanations of vote before the vote had ended, invited the members of the Committee to vote on draft resolution A/C.2/L.1323/Rev.1, as revised orally.

35. Mr. FLEMING (Argentina) requested a roll-call vote on the draft resolution as a whole.

At the request of the representative of Kuwait, a vote was taken by roll-call on paragraph 1 (d).

Romania, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia, Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Fiji, Finland, Gabon, Ger-

man Democratic Republic, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar.

Against: None.

Abstaining: South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Belgium, Canada, France, Germany (Federal Republic of), Italy, Japan.

Paragraph 1 (d) was adopted by 112 votes to none, with 9 abstentions.

At the request of the representative of Kuwait, a vote was taken by roll-call on paragraph 1 (e).

Kuwait, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Kuwait, Lebanon, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia, Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Canada, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Fiji, Finland, France, Gabon, German Democratic Republic, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Ivory Coast, Jamaica, Jordan, Kenya.

Against: None.

Abstaining: United Kingdom of Great Britain and Northern Ireland, United States of America, Belgium, Germany (Federal Republic of), Israel, Italy, Japan.

Paragraph 1 (e) was adopted by 116 votes to none, with 7 abstentions.

36. Mr. FLEMING (Argentina) said that should the Committee decide not to take a vote, he would not press for a roll-call vote. If, however, the Committee decided to vote, he would maintain his request.

37. The CHAIRMAN said that if there were no objections, he would take it that the Committee decided to adopt the draft resolution, as orally revised, without a vote.

Draft resolution A/C.2/L.1323/Rev.1 as a whole was adopted without a vote.

38. Mr. ROUGÉ (France), speaking in explanation of vote, said that his delegation had been gratified to take part in the adoption of the document by consensus. His Government was most sympathetic towards the developing countries' efforts to organize regional co-operation and had already demonstrated its support, particularly at the second and third sessions of UNCTAD.

39. However, his delegation had some reservations. First, it wished to state that its acceptance of the last preambular paragraph did not mean that his Government concurred with the whole of each of the declarations mentioned in the preambular part. Moreover, with regard to paragraph 1 (d), his delegation considered that arrangements concluded among producers should not be directed at enabling the producers alone to fix prices, but at facilitating consultations with the importing countries with a view to setting stable and remunerative prices, in accordance with the resolution adopted at the first session of UNCTAD. That position of principle was based on the position adopted by the United Nations several years earlier.

40. Mr. CAVAGLIERI (Italy) said that his delegation had been pleased to take part in the consensus in token of its approval of the concerted efforts of the developing countries to improve their level of living.

41. He wished to stress that the commodity prices referred to in paragraph 1 (d) should not only be remunerative for the producers but also be acceptable to the consumers. It was on that understanding that Italy had signed the International Cocoa Agreement, 1972. The inalienable right to permanent sovereignty over natural resources should be exercised within the framework of the relevant provisions of international law. In conclusion, he explained that the favourable vote of his delegation did not mean that it approved of the content of any declarations cited in the draft resolution in whose formulation Italy had not taken part.

42. Mr. STIEPEL (Federal Republic of Germany) welcomed the fact that the draft resolution had been adopted without a vote. His country's policy in matters of economic co-operation and development assistance was to encourage the efforts of the developing countries, and he considered that the action proposed in the operative part of the resolution was a step in the right direction.

43. His country had abstained in the voting on paragraphs 1 (d) and 1 (e) and associated itself with the comments made by representatives of the United Kingdom and the Netherlands. It might have voted in favour of paragraph 1 (d) if the sponsors had agreed to specify that commodity prices should be fair for consumers as well as producers.

44. The Federal Republic of Germany recognized the inalienable right of countries to permanent sovereignty over their natural resources, but as its economy was based largely on economic co-operation with many countries, it considered it extremely important to have its investments in the developing countries safeguarded. Accordingly, permanent sovereignty over natural resources should be exercised in accordance with the relevant provisions of international law. Since the sponsors had been unable to include a statement to that effect in their text, his delegation had been compelled to abstain on paragraph 1 (e).

45. Mr. CURTIN (Australia) associated himself with the view expressed by the New Zealand representative on paragraph 1 (d).

46. Mr. FRANCK (Belgium) said that since his Government had consistently advocated the strengthening of co-operation between developing countries, his delegation had associated itself with the consensus. It had, however, abstained on paragraphs 1 (d) and 1 (e), because it held that commodity prices should be fixed by agreements between producing and consuming countries so that they might be as equitable as possible.

47. Mr. KANÉ (Mauritania) said that his delegation would have voted in favour of paragraphs 1 (d) and 1 (e) if it had been present at the time of the vote.

48. Mr. DELIVANIS (Greece) said that his delegation had voted in favour of the draft resolution on the understanding that it involved no violation of GATT regulations and that in every case of nationalization suitable compensation would be paid. Moreover, his Government did not consider itself bound by the instruments cited in the draft resolution, in the formulation of which it had not participated.

49. Mr. EHRLICH-ADAM (Austria) said that his delegation had voted in favour of paragraphs 1 (d) and 1 (e) and would have voted for the draft resolution as a whole if it had been put to the vote. His delegation shared the views of the sponsors and approved of the measures proposed in the draft resolution for attaining the goals in question. With regard to paragraph 1 (d) his delegation understood it to mean the same as paragraph 48 of the report of the Working Party on Review and Appraisal, which had been adopted by consensus.

AGENDA ITEM 12

Report of the Economic and Social Council [chapters II to IV, V (sections A, C and D), VI to XX, XXI (section B), XXV and XXVII to XXIX] (continued)* (A/9003 and Corr.1, A/C.2/285)

PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES (continued) (A/C.2/L.1328/REV.1)**

50. Mr. SCHRAM (Iceland) read out a number of amendments which had been proposed and which would be incorporated into document A/C.2/L.1328/Rev.1, which was expected to be distributed later in the day. He announced that the delegations of Zaire and Ecuador had become sponsors of the revised draft resolution.

51. Mr. AL-KHUDHAIRY (Iraq) submitted a further amendment² on behalf of the delegations of Iraq, Algeria and the Syrian Arab Republic. The amendment provided for the insertion of a new paragraph 3 between operative paragraphs 2 and 3, to read as follows:

"3. *Affirms* that the application of the principle of nationalization carried out by States, as an expression of their sovereignty in order to safeguard their natural resources, implies that each State is entitled to determine the amount of possible compensation and the mode of payment, and that any disputes

* Resumed from the 1574th meeting.

** Resumed from the 1573rd meeting.

² Subsequently circulated as document A/C.2/L.1334.

which might arise should be settled in accordance with the national legislation of each State carrying out such measures."

The purpose of the amendment was to make the draft resolution more comprehensive by adding to it an important element of the sovereignty of States over their natural resources, namely, the principle of nationalization, which was already being applied by many countries. That principle was mentioned in paragraph 32 of the report of the Working Party on Review and Appraisal submitted under agenda item 46, a paragraph which had been adopted by consensus.

52. The amendment was not, however, directed against foreign investment as such. His Government welcomed any private investment which was in conformity with the goals of its national development plans, but it contended that States had the power to carry out nationalization, subject to compensation, if that was the only means of safeguarding their interests.

53. The wording of the amendment had been taken from the Algiers Economic Declaration, which, in section VII, stated that States were entitled to use all possible means to safeguard their interests. His delegation had consulted the sponsors about the amendment and had secured their support.

54. Mr. CABEZAS (Ecuador) expressed his support for the draft resolution, as introduced by the representative of Iceland, and the proposed amendments. His delegation had become a sponsor of the draft resolution because it saw it as an important step by the international community to eliminate the adverse effects of the current situation. As matters stood, some countries were bringing pressure to bear on others in order to prevent them from exercising their legitimate rights over their own natural resources, in violation of General Assembly resolution 3016 (XXVII) and of the fundamental principle established at the third session of UNCTAD. Moreover, at Panama on 21 March 1973, the Security Council had adopted resolution 330 (1973) in which, in pursuance of Article 25 of the Charter of the United Nations, it recognized that the violation of the inalienable right of States to sovereignty over their natural resources might endanger international peace and security. He was gratified to note that in the third preambular paragraph the inviolable principle that every country had the right to adopt the economic and social system which it deemed most favourable to its development was reaffirmed. His delegation also strongly supported paragraph 1, which reaffirmed the inalienable rights of States to permanent sovereignty over their natural resources, and paragraph 4, which it considered entirely justified.

55. As his country's Minister for Foreign Affairs had pointed out on 24 September, during the general debate in the General Assembly (2124th plenary meeting), Ecuador had consistently denounced the manner in which the United States of America had turned international co-operation into a means of coercion against countries which, in the exercise of their legitimate rights, had seized fishing vessels operating illegally in territorial waters within their jurisdiction. His Government condemned that form of sanctions and stressed that it in no way promoted the establishment of a favourable international climate.

56. The draft resolution under consideration was therefore specially important in that it came at a time when certain minority interests were seeking to deny the sovereign right of States over their natural resources and to derive maximum profit from those resources by resorting, *inter alia*, to retaliatory measures, which were vigorously opposed by the majority of developing countries, as the Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers, had demonstrated.

57. In resolution 330 (1973) the Security Council urged States to adopt measures through which they could better defend themselves, both individually and collectively, against any form of sanctions or coercion applied against them with a view to preventing them from taking measures to preserve their natural resources for use in their own development.

58. His Government was endeavouring to promote the development and well-being of its people through the rational and equitable use of its available natural resources, the development of which should be safeguarded by the international community.

59. Mr. GARCIA BELAUNDE (Peru) associated himself with the views expressed by the representative of Ecuador. The right of States to permanent sovereignty over their natural resources was inalienable, and of vital importance for the developing countries, whose economy relied on the development of those resources. The subject was also of great immediate interest, since the international community sometimes seemed to forget the existence of that right. His delegation accordingly supported the draft resolution in its entirety and the amendment proposed by Iraq. There was in Latin American law a widely-accepted principle to the effect that when a problem arose between a foreign corporation and the host country, it was for the latter to settle the problem in accordance with its own legislation. That did not mean that the Latin American countries were opposed to foreign investment, but only that they intended to take action against the deplorable behaviour of certain foreign corporations. In view of the facts he had cited, his delegation had become a sponsor of the draft resolution.

60. Mr. KANDÉ (Senegal) suggested that, since the draft resolution was a most important one and a number of amendments had been submitted, delegations should be given time to consider it properly.

61. Mr. MITIN (Union of Soviet Socialist Republics) said that he had some comments to make on the amendment submitted by the representative of Iraq. That amendment, in his view, raised a fundamental element of the principle of State sovereignty over natural resources: the right to nationalization. In the Committee itself, in the Economic and Social Council and in the Committee on Natural Resources, his delegation had repeatedly drawn attention to the inadequacy of the measures laid down in the relevant reports and resolutions to safeguard the right of countries to nationalize their own resources. The amendment proposed by Iraq, as it stood, had the merit of correcting that deficiency. Its adoption would greatly assist the

developing countries and have a favourable influence on the subsequent work of the United Nations.

62. For those reasons his delegation whole-heartedly supported the amendment in question and requested that it should be incorporated in the draft resolution.

63. The CHAIRMAN announced that the delegation of Guyana had become a sponsor of the draft resolution.

The meeting rose at 1.05 p.m.

1577th meeting

Tuesday, 4 December 1973, at 3.15 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1577

AGENDA ITEM 12

Report of the Economic and Social Council [chapters II to IV, V (sections A, C and D), VI to XX, XXI (section B), XXV and XXVII to XXIX] (continued) (A/9003 and Corr.1, A/C.2/285)

PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES (continued) (A/C.2/L.1328/REV.1, A/C.2/L.1334)

1. The CHAIRMAN said that the revised text (A/C.2/L.1328/Rev.1) of the draft resolution had been circulated. The amendment introduced orally at the preceding meeting by the representative of Iraq now appeared in document A/C.2/L.1334.

2. Mr. OLZVOI (Mongolia) said that his delegation regarded the Secretary-General's report¹ as the basis for discussion of permanent sovereignty over natural resources. However, the report gave no more than a general review of the subject; the paragraphs dealing with specific problems arising from the operations of multinational corporations did not give a complete picture of their harmful activities, which provided the economic basis for neo-colonialism. In their attempts to prevent the exercise by developing countries of their right to sovereignty over their natural resources, those corporations intervened in the internal affairs of States which were attempting to strengthen their sovereignty and economic independence. His delegation was therefore surprised that the report tended rather to stress the alleged advantages which the developing countries derived from the presence of imperialist corporations. Of course, those corporations were adapting to a changing world in which new States were increasing their efforts to exercise their sovereign right to the use of their natural wealth, but nevertheless they still pursued the policy of obtaining maximum profits.

3. With regard to the settlement of disputes arising out of the nationalization of foreign companies by developing countries, his delegation's position of principle was that nationalization was one of the main ways of achieving full sovereignty over natural resources, and that the question should be resolved solely on the basis of the national decisions and laws of the country which took over foreign private property. Attempts to establish jurisdiction by international organs, such as the international Court of Justice, opened the door to interference in the internal affairs of States, and his delegation ac-

cordingly supported the amendment contained in document A/C.2/L.1334.

4. With regard to natural resources of the sea and the sovereignty of States, his delegation agreed with the conclusion which was the logical consequence of paragraph 30 of the Secretary-General's report. While supporting the efforts of the developing countries to achieve permanent sovereignty over their natural resources, his Government nevertheless believed that the excessive extension of territorial waters would contradict internationally recognized practice in relation to the high seas, which were the common heritage of mankind. His delegation therefore had reservations with regard to paragraph 1 of the draft resolution which, in its view, prejudged the final settlement of the territorial waters question to be discussed at the forthcoming Conference on the Law of the Sea.

5. His delegation also believed that the question of aggressive actions by certain States against the territorial integrity of other States should have had an important place in the Secretary-General's report. Such actions violated not only the right to sovereignty over natural resources, but also the principles of self-determination and non-intervention in internal affairs. In that connexion, his delegation wished once again to condemn Israel's occupation of Arab lands.

6. Another serious defect of the report was that it did not contain specific conclusions with regard to measures for the full implementation of the sovereign right of States over their natural resources. The activities of the United Nations, and above all of the Economic and Social Council, should be increased and should be designed to promote the full implementation of that principle in practice and to defend the lawful rights of States to the free use of their natural resources. Further study of the experience of developing countries in relation to nationalization, control over foreign capital investment and restriction of the activities of capitalist monopolies would be useful in that respect. His delegation hoped that the question of permanent sovereignty over natural resources would appear in the agenda of future sessions of the General Assembly as a separate item, since that would facilitate both the exchange of experience and views on the subject, and the preparation of measures for the full exercise of that sovereignty.

7. Mr. OLIVERI LOPEZ (Argentina) said that, at a time when mankind was becoming aware that many vital resources might be exhausted as a result of an intrinsically destructive value system, it was important

¹ E/5425 and Corr.1 and E/5425/Add.1.