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Chairman: Mr. Moraiwid M. TELL (Jordan).

AGENDA ITEM 94

Development of natural resources (A/6303, chap. VII;
A/6460, A/C.2/L.882 and Corr.1, A/C.2/L.883)

1. Mr. AHMED (Pakistan), introducing the draft resolution in document A/C.2/L.883 on behalf of the sponsors, said that the Economic and Social Council had considered at its fortieth session the Secretary-General's proposals for a five-year survey programme on the development of non-agricultural natural resources, which included nine selected global surveys (E/4132, chap. V). At its forty-first session, the Council had considered a further report by the Secretary-General (E/4186) describing his consultations on the five-year survey programme with a group of experts and with the Advisory Committee on the Application of Science and Technology to Development, and the conclusions of those bodies. The Council had subsequently adopted resolution 1127 (XLI), in operative paragraph 3 of which it recommended that the General Assembly should note the progress made and endorse continuing study of the means of implementing the programme. It was in pursuance of that recommendation that the draft resolution was being submitted.

2. As the Under-Secretary for Economic and Social Affairs had pointed out in a statement on the subject at the fortieth session of the Council (1408th meeting), it was the duty of the United Nations to provide assistance to Governments, on request, for the development of their natural resources. The limitations on the contribution the United Nations could make towards implementing the programme were recognized by the sponsors and they hoped that the adoption of the draft resolution would help to stimulate the necessary financial and technical assistance from other sources.

3. Mr. KAUL (India) said that his delegation, which was a sponsor of draft resolution A/C.2/L.883, whole-heartedly endorsed the proposed survey programme, which would be a major advance towards the objectives of the United Nations Development Decade. The development of non-agricultural re-

sources was of vital importance to all developing countries, since the whole process of economic growth, including the improvement of agriculture, was dependent on their development.

4. The Economic and Social Council and the expert bodies consulted by the Secretary-General had approved of the programme; the Council had, however, considered that endorsement by the General Assembly would encourage the voluntary contributions which would necessarily be the main source of funds for the surveys, since only limited help could be expected from the regular budget of the United Nations and the United Nations Development Programme (UNDP). A number of developed countries had, in fact, already expressed their willingness to provide experts and he hoped that such offers would be followed by substantial contributions in cash and kind. The draft resolution was not of a controversial nature and his delegation had little doubt that it would be approved unanimously.

5. Mr. USTUN (Turkey) observed that the steadily growing demand of the world market for non-agricultural resources made it essential to determine the potential of existing natural resources. The proposed survey programme could provide significant benefits for both developed and developing countries. It was to be hoped, however, that duplication of research would be avoided and that the data available from such bodies as the regional economic commissions and the international commodity study groups would be incorporated in the surveys.

6. The natural resources of the developing countries provided the basis for many of their domestic and external economic activities and the increased knowledge resulting from the surveys would, in the long run, make a significant contribution to their economic development. His Government attached particular importance to the assessment of iron ore and non-ferrous metal deposits and to the survey of potential geothermal energy resources. It believed, however, that the host country should decide on the nature and extent of any surveys carried out in its territory and should exercise full control over the survey throughout.

7. The industrially developed countries, as the major consumers of non-agricultural products, would be likely to derive far more benefit from the survey programme than the developing countries. His delegation therefore believed that the programme should be financed on a multilateral basis, chiefly through voluntary contributions from the former countries. His Government would make the services of the Mineral Research and Exploration Institute of Turkey and other competent agencies available for studies carried out in his country and would defray local expenses.

8. In conclusion, he expressed the hope, as a sponsor of the draft resolution, that it would be unanimously approved.

9. Mr. RODRIGUEZ (Philippines) said that the programme proposed by the Secretary-General would enable developing countries to plan their development and establish priorities with full knowledge of their available natural resources; it would also permit the international organizations concerned to base decisions on the granting of assistance on a correct assessment of a country's development potential. There were no controversial provisions in the draft resolution and he hoped it would receive the unanimous support of the Committee.

10. Mr. NEDIVI (Israel) said that his Government had not been in a position to respond earlier to the Secretary-General's request to Governments to communicate their views and comments on the survey programme and the possibilities of financing it. He was gratified to announce his Government's support for the programme and its willingness to provide experts for the surveys. He hoped that means would be found to finance experts from Israel and other developing countries. The funds required for the programme should be provided, at least in part, by UNDP.

11. His delegation would have preferred the draft resolution to endorse the Council's study of the means of implementing the programme in stronger terms and to give more specific recommendations on the methods to be used; it was not, however, opposed to its substance.

AGENDA ITEM 45

Permanent sovereignty over natural resources (*continued*) (A/5803, chap. III, sect. V; A/6430, E/3840, A/C.2/L.870/Rev.2 and Corr.1, A/C.2/L.873/Rev.1, A/C.2/L.874/Rev.1, A/C.2/L.875, A/C.2/L.876, A/C.2/L.880, A/C.2/L.881, A/C.2/L.884, A/C.2/L.885)

12. The CHAIRMAN pointed out that, in addition to the written amendments to draft resolution A/C.2/L.870/Rev.2 and Corr.1, oral amendments had been submitted to operative paragraph 4 and to the last preambular paragraph by the representative of the Netherlands and to operative paragraphs 4 and 7 by the representative of Somalia.

13. Mr. LUBBERS (Netherlands) said that, in order to obviate possible misunderstandings, he wished to make a slight change in the wording of his amendment. His delegation proposed that the words "and to mutually acceptable contractual practices" should be added after the words "of the peoples concerned" in operative paragraph 4 (A/C.2/L.885).

14. Mr. ROOSEVELT (United States of America) said that his delegation wished to withdraw its revised amendments (A/C.2/L.873/Rev.1) in order to facilitate voting on the revised draft resolution.

15. Mr. LOUYA (Democratic Republic of the Congo) thanked the sponsors of the draft resolution for incorporating the substance of his amendment (A/C.2/L.874/Rev.1) which his delegation would therefore withdraw.

16. Mr. CHAMMAS (Lebanon) noted that amendment A/C.2/L.871 had already been withdrawn. He hoped that the Byelorussian delegation would not press its second sub-amendment (A/C.2/L.881): the Committee was not a legislative body and it was for each Government to negotiate the terms on which foreign capital was invested in its territory.

17. Mr. PESHKOV (Byelorussian Soviet Socialist Republic) withdrew the first of the sub-amendments contained in document A/C.2/L.881. His delegation wished to revise the second sub-amendment by the deletion of the word "complete", and to resubmit it as an amendment to the last preambular paragraph.

18. Sir Edward WARNER (United Kingdom) said that his delegation also wished to withdraw its amendments (A/C.2/L.880). However, he requested a separate vote on the sixth preambular paragraph and operative paragraphs 3 and 4 of the draft resolution.

19. Mr. MWENDWA (Kenya) requested the inclusion of his country in the list of sponsors of the revised draft resolution.

20. Mr. RAMAHOLIMIHASO (Madagascar) said that his delegation wished to withdraw the amendment contained in document A/C.2/L.875, which had been taken into account in operative paragraph 9 (a) of the revised text.

21. Mr. RODRIGUEZ (Philippines) said that his delegation had reached an understanding with the sponsors of the draft resolution, and therefore wished to withdraw its amendment (A/C.2/L.876).

22. Mr. WILMOT (Ghana) proposed that the words "on deciding the manner" in operative paragraph 3 should be replaced by the words "of the manner".

23. Mr. GALLARDO MORENO (Mexico) said that the revised Netherlands amendment was unacceptable to his delegation, since it implied the need for international arbitration. The draft resolution must stipulate that the activities of foreign capital were subject to the laws of the country in which it operated. He therefore proposed to add the following words to operative paragraph 4: "since the exploitation of each country's natural resources must be governed by its own laws and provisions".

24. The recommendation contained in the last part of operative paragraph 8 went beyond the functions of the organizations referred to in that paragraph, and he therefore proposed the deletion of the words "as well as the problem of economic utilization of these resources in the national interests of their peoples".

25. Mr. FERNANDINI (Peru), Mr. PAPADOPOLO (Guatemala) and Mr. PEREZ GUERRERO (Venezuela) endorsed the Mexican representative's proposals.

26. Mr. ORTIZ SANZ (Bolivia) said that the amendment submitted by his delegation (A/C.2/L.884) would safeguard the national interest of developing countries in world markets and enable the developed countries to demonstrate their goodwill towards the latter. Bolivia would continue to strive, both in the Second Committee and in the Trade and Development Board, of the United Nations Conference on Trade and Development (UNCTAD), to protect international commodity markets from dumping.

27. Mr. ROOSEVELT (United States of America) said that his delegation would be unable to vote for the Bolivian amendment. Non-commercial reserves were irrelevant to the draft resolution and came within the purview of UNCTAD. Moreover, the free play of supply and demand was not the principle underlying many commodity agreements, including the Third International Tin Agreement. He therefore appealed to the Bolivian representative not to press his amendment.

28. Mr. DELGADO (Senegal) suggested that, in operative paragraph 2 of the draft resolution, the words "in this field" should be inserted after the word "activities". In addition, the word "channel" should be translated in the French text by some such word as "orienter", rather than "diriger".

29. Mr. MARTIN WITKOWSKI (France) agreed.

30. Mr. RAHNEMA (Iran), referring to the statement made at the previous meeting by the United Kingdom representative, said that the International Court of Justice had, in fact, made a distinct difference between treaties concluded between Governments, and agreements between Governments and private foreign enterprises. The Court had clearly indicated that, although the agreement between the Government of Iran and the Anglo-Iranian Oil Company had been concluded through the good offices of the Council of the League of Nations, that did not alter the fact that the agreement was entirely different in nature from the treaties between Governments, and hence, the matter did not fall under the jurisdiction of the Court. He concluded that the Court had thus recognized that nationalization was the reserved domain of the countries owning the resources. That was an expression of the Court's understanding of the exercise of sovereignty by each country over its natural resources.

31. Indeed, subsequent recommendations and decisions of the General Assembly, as well as international practices in that matter, had further confirmed the stand taken by the Court. For example, he referred to General Assembly resolution 1803 (XVII) which stated that nationalization, expropriation and requisitioning should be accompanied by appropriate measures of compensation, thus confirming the accepted principle that such measures were entirely within the jurisdiction of the countries owning the resources.

32. He said that the decisions reached by the International Court of Justice regarding the nationalization of Iranian oil resources and the question of South West Africa were in no way comparable. In the earlier case, Iran had invoked Article 2, paragraph 7, of the United Nations Charter, and the Court's decision that it had no jurisdiction in the matter clearly implied that, in its view, contracts concluded with foreign companies were subject to domestic rather than international law. In the case of South West Africa, however, the Court had held that the applicant countries had not established any legal right or interest in the subject matter of their claims.

33. Mr. MAKEEV (Union of Soviet Socialist Republics) said that the revised Netherlands amendment did not improve the draft resolution, since it could be used to justify pressure exerted by international

monopolies on many developing countries in the conclusion of investment contracts. Furthermore, it made no reference to the basic difference between contracts concluded between sovereign States, which were subject to international law, and those drawn up between a Government and a foreign company or individual, which were subject to domestic law. He therefore hoped that the Netherlands delegation would not insist on its amendment.

34. His delegation fully supported the Mexican amendment to operative paragraph 4 because it defended the interests of the developing countries. However, it was difficult to see how the Mexican amendment to operative paragraph 8 would improve the text which was generally acceptable. His delegation also supported the Bolivian amendment, which would further the legitimate interests of the developing countries.

35. Mr. PITHER (Gabon) suggested that operative paragraph 1 of the revised draft resolution should read as follows:

"Reaffirms the inalienable right of all countries to exercise permanent sovereignty over their natural resources in the interest of their national development, in conformity with the spirit and principles of the Charter of the United Nations and as recognized in General Assembly resolution 1803 (XVII)."

36. Mr. CARANICAS (Greece) said that his delegation could not accept the Netherlands amendment to operative paragraph 4 as it seemed to contravene the principles of international law. He much preferred the Mexican amendment to that paragraph and suggested to the Netherlands representative to withdraw his.

37. He wondered whether the order in which the United Nations organs were listed in operative paragraph 9 (a) had any significance. For example, in operative paragraph 8 the regional economic commissions were mentioned separately but in operative paragraph 9 (a) they were listed after UNCTAD and UNDP. It might perhaps be better to list those bodies in alphabetical order.

38. The Bolivian amendment was really out of place in the consideration of the item before the Second Committee; questions of primary commodity trade were mainly being dealt with in UNCTAD. It also seemed somewhat out of date to speak of "prices determined by the free play of supply and demand". The developing countries themselves were against such a free play and most of them favoured the conclusion of commodity agreements.

39. Sir Edward WARNER (United Kingdom) said he would reserve his position on the legal points raised by the representative of Iran but they did not affect the remarks he had made at the last meeting in reply to the contention of the representative of the Soviet Union (1058th meeting) that Governments were free to break contracts they had concluded with foreign companies without such contracts being protected by international law.

40. Mr. M'BAYE (Guinea) said his delegation would vote in favour of the Mexican amendment to operative paragraph 4 and for the rewording of operative paragraph 1 suggested by the representative of Gabon.

41. Mr. OLSEN (Denmark) supported the Netherlands amendment to operative paragraph 4 and explained that he would be unable to vote for that paragraph unless the Netherlands amendment was included. He could not support the Mexican amendment to that paragraph.

42. Mr. PINERA (Chile) preferred the Mexican to the Netherlands amendment, but still hoped that in the final draft of operative paragraph 4 a compromise could be effected between the two. He supported the Mexican amendment to operative paragraph 8 and paid a tribute to the work of the regional economic commissions, especially the Economic Commission for Latin America. His delegation whole-heartedly endorsed operative paragraph 9 (b), since technology was of vital importance for the developing countries.

43. Mr. WARSAMA (Somalia) reminded the Committee that he had made certain oral amendments to the last paragraph of the preamble and to operative paragraphs 4 and 7.

44. Mr. LUBBERS (Netherlands) explained that his amendment to operative paragraph 4 had been put forward in good faith in order to meet the views of all sides. He failed to see why objections should be raised to the amendment since it referred to contractual practices which were "mutually acceptable".

45. Mrs. THORSSON (Sweden) said her delegation would be unable to vote for operative paragraph 4 without the Netherlands amendment.

46. Mr. MOHAMED AL-ATRASH (Syria) proposed that in the Bolivian amendment to operative paragraph 6, the words "on the foreign exchange earnings of the developing countries" should be substituted for the words "on prices determined by the free play of supply and demand".

47. Mr. MARTIN WITKOWSKI (France) supported that proposal.

48. Mr. ORTIZ SANZ (Bolivia) stressed that his amendment was fully in accord with the purposes of the draft resolution and was not out of place, as several representatives had alleged. The draft resolution mentioned the exploitation and marketing of natural resources and his amendment was designed to remove one of the biggest obstacles to the marketing of commodities, namely, the dumping of non-commercial reserves. The free play of supply and demand was certainly not an outdated concept, as the representative of Greece had remarked. In spite of the Third International Tin Agreement, tin prices were far too low. He accepted the Syrian rewording of his amendment.

49. Mr. VARELA (Panama) wondered whether a compromise might be reached between the Mexican and Netherlands amendments to operative paragraph 4 by using an expression such as "to contractual practices in accordance with the laws of each country".

The meeting rose at 1.10 p.m.