



CONTENTS

	Page
Economic development of under-developed countries (A/2172, chapter III, A/2192, A/C.2/L.155, A/C.2/L.165/Rev.1 and A/C.2/L.188) (<i>continued</i>)	277

Chairman: Mr. Jiří NOSEK (Czechoslovakia).

In the absence of the Chairman, Mr. Ernest Chauvet (Haiti) (Vice-Chairman) took the Chair.

Economic development of under-developed countries (A/2172, chapter III, A/2192, A/C.2/L.155, A/C.2/L.165/Rev.1 and A/C.2/L.188) (*continued*)

[Item 25]*

1. Mr. VANER (Turkey) said that the debate on the draft resolution submitted by the delegation of Uruguay and the draft amendment submitted by the delegation of Bolivia now contained in document A/C.2/L.165/Rev.1 had been conducted on a very high level and had dealt mainly with the political aspects of the question of nationalizing natural resources. The discussion had shown the question to be a complex one which from a purely political point of view presented apparently insurmountable difficulties. The delegation of Turkey would like to deal with the practical aspects of the problem.

2. The acceptance of the word "nationalization" might vary greatly according to the purpose or the reasons for which nationalization was undertaken. Moreover, a distinction had to be made between the expressions "natural resources" and "natural wealth", because, although they were often regarded as synonymous, the second referred to resources when they were developed by man. It was therefore understandable that relations between a government and its own nationals, and relations between a government and other governments or their nationals, might become very complicated in a case of nationalization. Comparative study of mining legislation throughout the world was very instructive; ore deposits were generally regarded as the exclusive property of the State, and a landowner could not dispose freely of natural resources situated within the limits of his property; that is, he could not exploit them directly or indirectly without obtaining permission from the State. From that conception there had arisen the so-called system of "concessions", which were granted to domestic or foreign individuals or com-

panies by the State in whose territory the natural resources were situated. The concessions in turn created a contractual relationship entailing obligations and rights for both parties. One of the obligations incumbent on a State deciding to use its right of sovereignty and apply the clause providing for advance termination of a contract was to compensate the other contracting party. The question of compensation might in itself be a source of serious disagreement.

3. He recalled Turkey's experience with nationalization, which had been resorted to several times since the Republic had been established in 1923. Although the Turkish Government was jealous of its sovereignty, it had never repudiated the obligations arising from its contractual undertakings. Nationalization had generally been carried out in the form of a purchase of repurchase under authority expressly conferred upon the government by parliament through special legislation enacted for each case. The detailed Act passed with a view to the repurchase of the Eregali coal mines in Northern Turkey had been regarded at the time as a perfect example of equitable treatment. The decree promulgated by the Council of Ministers for the application of that Act had contained a number of measures designed to safeguard the interest of the transferers, including a scientific formula for the calculation of compensation. The Council of Ministers had been careful to define all the terms contained in the act, but that had not prevented many disputes of interpretation the settlement of which had necessitated reference of many points to a body of experts, with two years of intensive work at considerable expense to the Turkish Treasury.

4. Because of its experience, Turkey did not feel that it could support the revised draft resolution submitted by the Bolivian and Uruguayan delegations (A/C.2/L.165/Rev.1) even though it approved of the principle on which it was based. Such a difficult subject could not be dealt with in the form of a simple resolution. It should not, moreover, be forgotten that the draft covenant on human rights, which proclaimed the right of peoples to self-determination, provided that that right should include the sovereignty of a State over its

* Indicates the item number on the agenda of the General Assembly.

natural wealth and resources and that a nation could not in any case be deprived of its own means of subsistence on the grounds of any rights that might be claimed by other States. Since the entire question would be considered by the Commission on Human Rights and the Economic and Social Council, which would report to the General Assembly at its next session, it seemed wiser not to take any decision on the subject in the meantime. The Turkish delegation would, however, be prepared to vote for the draft resolution under consideration if the text were improved by amendments.

5. Mrs. WRIGHT (Denmark) observed that the revised draft resolution presented by Bolivia and Uruguay and the draft covenant on human rights both dealt with the same question. It would be unfortunate if two United Nations organs were to consider that question at the same time. The General Assembly's discussions could not produce profitable results until the draft covenant on human rights had first been submitted to the Economic and Social Council and then transmitted by that body to the Assembly.

6. She recalled the statements made by the representatives of Canada and Ethiopia (235th meeting) and the Philippines (232nd meeting), and for the reasons she had just given moved the adjournment of the debate under rule 115 of the rules of procedure of the General Assembly.

7. Mr. SILES ZUAZO (Bolivia) said that he regarded the explanations given by the Danish representative as far from satisfactory; she seemed, in his opinion, to have confused the rights of peoples with the rights of States. He wondered, moreover, where in the draft covenants the nationalization of natural wealth was dealt with. He would like the representative of Denmark to give the Committee a more detailed explanation of the reasons for her proposal.

8. Mrs. WRIGHT (Denmark) did not think her motion for adjournment required any further explanation; the information contained in the Philippine representative's statement should be enough to satisfy the representative of Bolivia.

9. Mr. ABDOH (Iran) was not surprised that a delegation had moved the postponement of the important item under discussion, but he regretted that the motion had been made by the delegation of Denmark. Although Denmark was one of the industrialized countries, its status as a small Power should have prompted it to support the principles of justice and of respect for sovereignty which the delegation of Uruguay was defending in presenting its draft resolution. In any event, he failed to see how a study of the question of nationalizing natural resources could give rise to controversy. He would examine the theoretical and practical aspects of the problem.

10. From the theoretical point of view the problem was very simple. Some countries possessing natural resources had considered that the nationalization of those resources would promote their economic development and stability. In carrying out nationalization, they had merely applied the principle of the equality of sovereign rights, a principle whose validity even the opponents of nationalization had recognized. From a

practical point of view, however, the nationalization of natural resources had led to difficulties because some States had directly or indirectly applied coercive measures that had hindered economic stability and development not only in under-developed countries, but also throughout the world; for as everyone knew, world economic conditions were linked with those of the under-developed countries, and the economic prosperity of the world was indivisible. Those practical difficulties had prompted the delegation of Uruguay to submit a draft resolution respecting the right of under-developed countries to exploit their natural resources for their own benefit.

11. According to the representative of Denmark, the discussion should be adjourned because the matter was related to the work of the Commission on Human Rights, which in drafting covenants on civil and political, and on economic, social and cultural rights was giving consideration to the right of peoples to dispose of their natural resources. Mr. Abdoh did not share that point of view. The Second Committee was at present dealing with a draft relating to the recognized right of sovereign States to dispose of their natural resources. The debate did not, as it did in the Commission on Human Rights, concern the right of peoples to dispose of those resources. The present problem was strictly economic, not social or legal. Moreover, as the Bolivian representative had pointed out, many delegations had shown their interest in the Uruguayan draft resolution by asking to be placed on the list of speakers. Accordingly there seemed to be no good reason for adjourning the debate, and he therefore asked the representative of Denmark to withdraw her motion for adjournment. The adoption of such a motion would, in addition, mean that the Second Committee was declaring itself in favour of economic co-operation based not on the sovereignty of States, but on the domination of the world economy by the industrialized countries.

12. The CHAIRMAN noted that the representative of Iran had just spoken against the motion introduced by the representative of Denmark. Rule 115 of the rules of procedure laid down that in addition to the proposer of the motion, two representatives might speak in favour of and two against, the motion, after which the motion must be immediately put to the vote.

13. Mr. HALIQ (Saudi Arabia) said that the question before the Committee was a very simple one, namely, the exercise by every State of its sovereign rights. Nevertheless, it had given rise to differences of opinion which had led the delegation of Saudi Arabia to join with the delegations of India and Egypt in presenting a text representing a compromise between the Uruguayan draft resolution and the amendment submitted by the United States delegation (A/C.2/L.188). On behalf of the delegations which had presented the draft compromise to the Committee, he formally moved the adjournment of the meeting.

14. The CHAIRMAN put the motion for adjournment to the vote.

The motion was adopted by 29 votes to 9, with 9 abstentions.

The meeting rose at 4.12 p.m.