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sources (*continued*) 195

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

AGENDA ITEM 45

Permanent sovereignty over natural resources (*con-
tinued*) (A/5803, chap. III, sect. V; A/6430, E/3840,
A/C.2/L.870 and Corr.1 and Add.1, A/C.2/L.871,
A/C.2/L.873-876)

1. U THET TUN (Burma) said that his country had become a sponsor of the draft resolution (A/C.2/L.870 and Corr. 1 and Add.1) in the belief that the principle of permanent sovereignty over natural resources, while generally accepted in theory, needed to be put into practice, particularly for the benefit of the newly independent countries.

2. He was glad that the United States delegate had adopted a sympathetic attitude towards the draft resolution and he would like to dispel some of the doubts he had expressed concerning the final pre-ambular paragraph and operative paragraph 3. The inclusion of the words "by themselves" in those two paragraphs was in no way designed to suggest that the developing countries were seeking economic autarky or isolationism. On the contrary, an international division of labour could be secured by specialization in production, either by product or by quality, and subsequent exchange through international trade. Moreover, higher rates of growth could be attained by internal investments, due to their multiplier effects, than by joint ventures financed with foreign capital, due to the foreign leakage factor involved therein.

3. His delegation also hoped that the difference of opinion on operative paragraph 4 could be resolved so that the Committee could reach unanimous agreement.

4. Mr. CAMEJO ARGUDIN (Cuba) said that his country's proclamation of its permanent sovereignty over its natural resources had led to trade embargoes, blockades, and even attacks on its territory. Although those acts had been in vain, they constituted serious infringements on Cuba's sovereignty and the guilt of those responsible was plain. It was therefore logical that the revolutionary Government of Cuba had joined with others both within and outside the United Nations in supporting proposals to recognize, in theory and

practice, the principle of permanent sovereignty over natural resources.

5. His delegation welcomed the draft resolution and the statements made in support of it by the socialist countries. He also endorsed the remarks made by the representative of Panama (1050th meeting), although that representative might have spoken more openly of the scandalous disregard of the principle of permanent sovereignty which the United States had shown in exploiting the Panama Canal.

6. During the debate many representatives had stressed the violations of sovereignty that had occurred in Africa and Asia, particularly in the newly independent nations. But the Committee must give equal consideration to the flagrant examples of economic aggression that had taken place in Latin America. Much emphasis had also been laid on the evils committed in Africa and Asia by the colonial Powers of Europe. But delegations seemed to have forgotten that even greater evils had been committed by a much more predatory Power—the United States—in the Western Hemisphere. The United States had exerted all kinds of economic pressure on Cuba and its retention of its base at Guantanamo was perhaps the most shameful example of the violation of a country's sovereignty.

7. The United States amendments to the draft resolution (A/C.2/L.873) seemed to be more concerned with protecting the selfish interests of foreign capital than with upholding the principle of permanent sovereignty. The draft resolution should contain a warning against the abuses for which foreign capital was responsible and make it clear that each State could adopt its own legislation to safeguard its natural resources. The text must provide the minimum guarantees for the legitimate interests of the developing countries and must condemn all attempts made by foreign countries, individuals and Governments to infringe the principle of permanent sovereignty.

8. Mr. SADI (Jordan) said that three general conclusions could be drawn from the discussion: permanent sovereignty over natural resources was an essential ingredient of political sovereignty; the principle of permanent sovereignty had been upheld in theory but not in practice; and foreign capital was needed to develop the natural resources of the developing countries. The Committee must strike a balance between those points by recognizing that the natural resources of the developing countries were the basis for their economic development, that those resources were exhaustible and that the huge profits derived by foreign companies represented a capital development fund that had been denied to the developing countries.

9. His delegation hoped that informal consultations would lead to a suitable compromise and the adoption of a satisfactory text.

10. Mr. AL-AGROUSH (Saudi Arabia) said that his Government enjoyed full control over its natural resources and exploited them with the help of foreign companies and experts. Saudi Arabia encouraged outside investment on terms that were beneficial for the country itself. Agreements were reached with foreign companies on such matters as exploitation, marketing and training and were signed to the satisfaction of all concerned. Such agreements in no way infringed the principle of permanent sovereignty over natural resources. National sovereignty would be protected as long as each Government made sure that the terms of agreements with foreign companies were in accord with their own interests.

11. His delegation hoped that the draft resolution would not place any obstacles in the way of the free flow of foreign capital into the developing countries. It also hoped that, in the drafting of the final text, a satisfactory compromise would be reached between the need to uphold the principle of permanent sovereignty over permanent resources and the need to bring foreign capital into the developing countries in order to raise their standards of living.

12. Mr. KADLEC (Czechoslovakia) said that the aims of the sponsors of the draft resolution were to give practical effect to principles already embodied in previous resolutions. His delegation was prepared to support the text as it stood but was confident that the sponsors would be able to reach a compromise with those who had difficulty in accepting some of the provisions.

13. His delegation agreed that the natural resources of the developing countries formed the basis of their economic development and particularly of their industrialization. The exercise of the right to dispose freely of those resources was one of the prerequisites for complete economic independence. It was difficult to see any logic in the arguments of those who were

opposed to the recommendation that the developing countries should market and utilize their natural resources by themselves. No question of autarky was involved; it was much more a matter of international co-operation. A good example of such co-operation was to be found among the socialist States: a country having certain resources was assisted by another country needing such resources on the basis of mutually advantageous agreements. In drawing up such agreements the principle of permanent sovereignty was fully upheld.

14. His delegation would strongly resist any attempt to weaken operative paragraph 4. It was ready to seek an understanding with the opponents of the draft resolution but could not accept amendments which ran counter to its very purpose.

15. Mr. PAPADOPOLLO (Guatemala) said there could be no argument about the principle that all States had full sovereignty over their economic resources. But, while that principle might be proclaimed in high-sounding words, in practice it was often violated. Foreign investment could and must supplement the meagre resources which the developing countries were able to mobilize for their development. Guatemala welcomed such investment provided it met the legal requirements of the recipient countries.

16. His delegation therefore fully supported the draft resolution which was aimed at the practical implementation of the principle of permanent sovereignty over natural resources. It was also able to support some of the amendments and hoped that the informal talks would result in a text acceptable to the large majority of the Committee.

17. The CHAIRMAN suggested that the Committee should adjourn so as to allow the sponsors of the draft resolution and of the amendments to continue their informal talks.

It was so agreed.

The meeting rose at 11.20 a.m.