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TRADE AND DEVELOPMENT BOARD
Working Group on the Charter of
the Economic Rights and Duties of States

Report of the Working Group
on the Charter of the Economic Rights
and Duties of States
on its first session,
held at the Palais des Nations, Geneva,
from 12 to 23 February 1973

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INTRODUCTION

1. During its third session, at its 115th plenary meeting on 18 May 1972, the United Nations Conference on Trade and Development adopted resolution 45 (III) by which it decided "to establish a working group of Government representatives of thirty-one member States, to draw up the text of a draft charter" of the economic rights and duties of States. By the same resolution the Conference decided that "the Working Group shall be appointed as soon as possible by the Secretary-General of UNCTAD in consultation with States members of the Conference".
2. At the 338th meeting of the Trade and Development Board, on 21 October 1972, the Secretary-General of UNCTAD announced that, after having conducted consultations with representatives of member States, he had designated the following 31 States as members of the Working Group. 1/ Brazil, Canada, China, Czechoslovakia, Denmark, France, Germany, Federal Republic of, Guatemala, Hungary, India, Indonesia, Italy, Ivory Coast, Jamaica, Japan, Kenya, Mexico, Morocco, Netherlands, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Switzerland, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia and Zaire.
3. Subsequently, at its 2115th plenary meeting on 19 December 1972, the General Assembly adopted resolution 3037 (XXVII) by which it decided "to enlarge the composition of the Working Group" and authorized the Secretary-General of UNCTAD "to appoint nine additional members, in consultation with member Governments".
4. Accordingly, the Secretary-General of UNCTAD appointed the following nine States as additional members of the Working Group: Australia, Bolivia, Bulgaria, Chile, Egypt, Iraq, Spain, Sri Lanka, Zambia.
5. The Secretary-General of UNCTAD was informed by the Swiss Government that the official designated as its representative on the Working Group was no longer in a position to assume this function, owing to re-assignment to new duties, and that, owing to lack of time, no other Swiss representative could be designated. The Swiss Government further informed the Secretary-General of UNCTAD that it would be prepared to see another country replace Switzerland on the Working Group and made suggestions in this respect.
6. The Secretary-General, after due consultations and with the agreement of the countries directly concerned, appointed Belgium a member of the Working Group in place of Switzerland. 2/
7. In conformity with Board decision 93 (XII) concerning the calendar of UNCTAD meetings for 1973, the Working Group held its first session at the Palais des Nations, Geneva from 12 to 23 February 1973.

1/ Report of the Trade and Development Board on the first part of its twelfth session (TD/B/421), part one, paras. 161 and 162.

2/ See TD/B/AC.12/INF.1

8. The session was opened by the Secretary-General of UNCTAD who made a statement in which he referred to the proposal made by Mr. Luis Echeverría Alvarez, President of Mexico, at the third session of the Conference for the establishment of the Working Group. He stressed the importance of the task to be performed by the Working Group and suggested a possible framework for its deliberations, in the light of the existing documentary material, of decisions, by the General Assembly, UNCTAD and other United Nations bodies, and of recommendations and multilateral instruments approved by international conferences or gatherings. ^{1/} The Secretary-General of UNCTAD drew attention to a working paper (TD/B/AC.12/R.3 and Add.1) prepared by the secretariat, in consultation with the Office of Legal Affairs of the United Nations, with a view to assisting the Working Group in its task.

9. Mr. Diego Garcés, President of the Trade and Development Board, addressed the Working Group at its opening meeting. He considered that UNCTAD was the appropriate forum for the preparation of a draft charter on the economic rights and duties of States. He drew attention to the changes which had taken place in international economics since the adoption of the Charter of the United Nations in 1945. He hoped that the instrument to be prepared by the Working Group would reconcile the diverse interests and take special account of the position of the developing countries.

10. The Chairman of the Working Group made a statement. ^{2/}

11. The present report contains an account of the Working Group's deliberations during its first session.

^{1/} The text of the statement by the Secretary-General of UNCTAD was circulated as document TD/B/AC.12/R.5.

^{2/} The text of the Chairman's statement was circulated as document TD/B/AC.12/R.4.

Chapter I

GENERAL EXCHANGE OF VIEWS

12. In the course of a general exchange of views concerning the task of the Working Group and the possible structure of a draft charter on economic rights and duties of States, most representatives paid a tribute to the initiative of President Echeverría of Mexico during the third session of the Conference when he proposed that UNCTAD undertake the drafting of such a charter.

13. In an opening statement the Chairman of the Working Group mentioned what he considered to be the principal questions to be dealt with by the Group. First, he considered that the Group's function was to formulate an instrument - the final form of which would be determined by the General Assembly - setting out genuine authentic rights and duties of a juridical nature arising in economic relations between States. Secondly, in his view the instrument to be prepared should not constitute a mere repetition or paraphrase of such programmes of action as had been formulated in the International Development Strategy or in other resolutions adopted by the General Assembly or UNCTAD, although these documents should be taken into account in the work of the Group. Thirdly, the Working Group would have to determine the generality of the rights and duties to be formulated in the draft charter, in the light of what was politically feasible. Fourthly, he considered that the future instrument should not simply codify existing law but should also contribute to its progressive development in keeping with the evolution of the realities of international life in view of the difficulty of separating the notions of codification and progressive development and in view of the accelerated change in all fields. The fifth question to be considered by the Working Group was, in his opinion, that of the universality of the future charter. The charter should be an instrument fundamentally acceptable to, or at least tolerated by, all the main groups of States. He emphasized that the future instrument would have to take account of the unequal distribution of economic power in the modern world and should respond to the need to strengthen international co-operation and to protect the economically weak and most vulnerable States.^{1/}

14. In the ensuing exchange of views the representatives of 36 countries members of the Working Group and of three countries attending in the capacity of observers spoke on the importance of the task entrusted to the Working Group and drew attention to particular points which, in their opinion, should be taken into account in the drafting of the contemplated instrument.

15. Many representatives expressed the hope that, in view of the still widening gap between poor and rich countries, the proposed charter would help to bring about a more just and more rational economic order by a reorganization of economic co-operation which would protect the weaker countries. Although some progress had been achieved since the adoption of the Charter of the United Nations, through the efforts made in UNCTAD and other bodies, the necessary fundamental changes were still lacking. The task of defining the rights and duties of States in the economic and related fields which would take into account the far-reaching changes that had occurred in the world was, therefore, a timely one. Such work would form a counterpart to the efforts which had culminated in the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations.

^{1/} The text of the Chairman's statement was circulated as document TD/B/AC.12/R.4

16. It was generally felt that the task of the Working Group would be a complex and difficult one. Many representatives expressed the view that the Group should endeavour to achieve consensus. Among the documents which many representatives referred to as a basis of the work of the Group were the general principles adopted at the first and third sessions of UNCTAD, the International Development Strategy, the Charter of Algiers and the Declaration of Lima. Reference was also made to the Universal Declaration of Human Rights and to the International Covenants on Economic, Social and Political Rights adopted by the General Assembly. Some representatives referred to the decision of the General Assembly at its twenty-seventh session concerning the draft resolution entitled "Statement by the United Nations on promoting the development of co-operation in economic, trade, scientific and technological matters on the basis of equality", which had been submitted to the General Assembly by nine socialist countries - Bulgaria, the Byelorussian SSR, Cuba, Czechoslovakia, Hungary, Mongolia, Poland, the Ukrainian SSR and the USSR^{1/}. In addition, these representatives referred to a draft resolution submitted by some socialist and developing countries at the third session of UNCTAD (TD/L.72)^{2/} to the declaration made on behalf of a number of socialist countries at that session (TD/154)^{3/} and to the statement by eight socialist countries on the subject of the Second United Nations Development Decade^{4/}.

17. A summary of these views, which is not exhaustive, is given below, the various points of view being grouped under appropriate headings.

Legal nature of the instrument

18. The representatives of Iraq, Sri Lanka, Egypt, Kenya, Morocco, Nigeria, Zaire, Brazil, Chile, Guatemala, Jamaica, Mexico, Peru and Romania all stated that the proposed charter should be a legally binding instrument rather than a mere declaration of intent, since such declarations made in the past had often yielded unsatisfactory results. The representatives of Chile and Mexico also expressed the view that the Working Group's mandate under Conference resolution 45(III) was to draft a legally binding instrument. The representatives of Morocco and Zaire said that it should take the form of an international convention, and the representative of Brazil said that it should essentially be a code of conduct whose implementation would, of necessity, depend on the decision and will of its signatories. The representative of Sri Lanka said that the charter might or might not be a legal instrument; however, it should be binding and hence could be a covenant.

^{1/} Document A/C.2/2.1253. The General Assembly, recognizing the importance of the proposals and suggestions contained in this draft resolution in relation to the promotion of comprehensive co-operation among States for social and economic progress and development, decided to refer the draft statement to the Working Group for further consideration.

^{2/} Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. 1, Report and annexes (United Nations publication, Sales No. E.73.II.D.4), annex VIII, G.

^{3/} Ibid., annex VII.

^{4/} Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 42, document A/8074.

19. The representatives of Denmark and the Netherlands said that Conference resolution 45(III) made it clear that it was for the States themselves, and not for the Working Group, to decide in what form the rules and principles formulated in the instrument might be adopted. The representatives of Australia, France, Federal Republic of Germany, Italy, Japan, the United Kingdom and the United States of America all expressed doubts about the advisability, possibility or feasibility of making the rights and duties formulated in a draft charter legally binding on States. The representative of France pointed out that the adoption and subsequent ratification of a legally binding instrument would take so long that the charter might well lag behind economic reality by the time it came into effect. The representative of France suggested that the most appropriate form would be a declaration along the lines of the Universal Declaration of Human Rights. The representative of the Netherlands suggested that the most appropriate form would be a declaration along the lines of the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations.

20. The representative of the United Kingdom said that, if the Working Group was to formulate legal rights and duties, then it should give priority consideration to the question of the final form which the proposed instrument should take. The representatives of India, Pakistan, the Philippines, Yugoslavia, Indonesia, Hungary, Belgium, Canada, Denmark and the Netherlands all felt, on the other hand, that the nature of the instrument would be determined by its content and that the question both of its nature and of its title should be left in abeyance for the time being.

Scope and general characteristics of the instrument.

21. The representatives of India, Pakistan, the Philippines, Sri Lanka, Yugoslavia, Romania, Algeria, Egypt, Kenya, Nigeria, Chile, Guatemala, Mexico and Peru all stressed that the proposed instrument should be progressive, dynamic and forward-looking, although clearly distinct from a programme of action. While general in terms, the document should deal with the broad issues of international economic relations. The representatives of Poland, Romania, Hungary and Australia stressed the need for a dynamic and forward-looking approach. The representative of the United States of America suggested that the charter should not be too broad in scope. He said that there were areas which were already under consideration in other forums, and cited as a specific example work on the law of the sea. The representative of the United Kingdom took a similar position.

22. The representative of Morocco considered that the document should constitute a redefinition of economic co-operation between States and should be conceived within the framework of the Charter of the United Nations. The representative of Brazil, supported by the representatives of Chile, Honduras and Romania, suggested as a general framework the concept of collective economic security. The representative of Sri Lanka expressed the view that the constant underlying principle should be the immediate cessation of all forms of exploitation.

23. The representatives of India, Pakistan, the Philippines, Yugoslavia, Romania, Algeria, Egypt, Kenya, Nigeria, Chile, Mexico and Peru stated that the proposed charter should go beyond mere codification of existing norms of international law and contribute to the progressive development of international law by creating new rules which responded to the present and future needs of the international community.

The representative of Kenya said that the charter should interpret more precisely the many resolutions and other decisions adopted by the international community on the conduct of economic relations among nations and, where necessary, give depth and breadth to those resolutions and decisions.

24. The representative of France said that the task before the Working Group was essentially one of codification, since many of the rights and duties in question were already defined in existing instruments. The representatives of Canada and the Netherlands said that the proposed instrument should codify the rights and duties of States that were already established in international law or could now be generally recognized by custom or practice. The representative of Canada said he believed that this would in itself constitute progressive development of international law and lay the basis for future endeavours. The representative of Denmark said that, as every legal rule and principle had its limitations, the re-evaluation of those limitations in the light of the effect of accepted rules in a changing world constituted progressive development of international law. The representative of Japan said that pragmatic approaches in specific fields, such as by GATT and IMF, could be more productive in the short term, although the work of the Working Group would have an important long-term effect, and, while sceptical about the feasibility of progressive development of international law, suggested that resolutions and declarations adopted by consensus in the United Nations and UNCTAD should be consulted with a view to arranging the various subject matters in a systematic document. The representative of the United Kingdom feared that, if the Working Group pursued the course of progressive development rather than that of codification of existing legal rules, it might arrive at an instrument in treaty form which was binding by nature but which, in order to meet with agreement, was at such a level of generality as to make it devoid of content.

25. The representatives of Jamaica, Nigeria, Sri Lanka, Hungary, Poland, Romania, Canada, the Federal Republic of Germany, Japan, the Netherlands and the United Kingdom said that the proposed instrument should be as universal as possible and applicable to all States. The representatives of Sri Lanka and Indonesia thought, however, that the instrument should bring out the political will of the developed world to help the developing world. The representative of the Netherlands said that the proposed text should recognize the particular situation of developing countries and the existence of countries having different economic and social systems. The representatives of Chile, India and France said that it should not be confined to economic relations between developed and developing countries but should also cover relations between developed countries and between developing countries inter se. The representative of Spain said that the charter should not be understood merely as a code setting out the rights of developing countries in relation to the duties of developed countries. The representative of the United Kingdom emphasized that any draft provision which might be elaborated should clearly relate exclusively to relations between States; they should not deal with relations between the State and its citizens. The representative of Canada also considered that any instrument should be based on relations between States and, taking into account the interdependence of States, should seek to avoid protectionism, excessive nationalism and discriminatory arrangements.

26. The representatives of the USSR and Hungary pointed out that the draft document should contain main principles formulated in general terms affirming the rights of States to choose freely the way of socio-economic development and to participate on an equal basis in the international division of labour in the interests of economic progress and the well-being of all peoples. It should aim at facilitating the

solution of the most urgent problems facing mankind in international economic relations and, in particular, at creating a fair international division of labour, at normalizing and developing all flows of international trade, including East-West trade. It should take into account the interests of all countries of the world irrespective of differences in their socio-economic systems and levels of economic development.

27. The representative of China stated that the draft charter should reflect certain principles governing economic relations between States, in particular the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference, equality and mutual benefit, and peaceful co-existence. The draft should recognize the inalienable right of every country to dispose of and protect its natural resources. The instrument should be so framed as to encourage self-reliance on the part of developing countries, supplemented by aid which should not, however, take the form of domination.

28. The representative of the United States of America thought that, as the charter should be acceptable to all, acceptance would not be achieved if the Working Group's draft included provisions that had been unacceptable in other contexts. He wondered whether some of the suggestions made, such as an unqualified legal obligation to provide aid, trade and tariff preferences and technology, did not infringe on the sovereign right of other States. He added that, while developed countries were not indifferent to the problems of developing countries, States might not be prepared at present to give up the degree of sovereignty that acceptance of such sweeping juridical commitments might imply.

29. The representative of Brazil stated that the exercise of drafting the charter could lead to a recognition of the need to establish an International Trade and Development Organization, and referred to a memorandum on this subject submitted by his Government during the third session of UNCTAD (TD/L.48).

Structure of the proposed instrument

30. The representatives of the Philippines, Yugoslavia, Pakistan, Brazil, India, Mexico, Nigeria, Indonesia and Morocco considered that the instrument should contain a preamble setting out its motivation and fundamental objectives. In the opinion of the representative of Nigeria the preamble should reflect the true spirit of Conference resolution 45(III) which stemmed from a desire to evolve a just and equitable international economic order that would take care of the needs of all States, regardless of their level of economic development or their social or political systems. The representative of the Philippines suggested that the following principles should be mentioned in the preamble: the establishment of a just, equitable and lasting world economic order; rational international division of labour; promotion of friendly relations among nations; and enhancement of international peace and security. In the opinion of many of these representatives the substantive part of the instrument might be divided into various sections or chapters dealing respectively with e.g. the basis of inter-State economic relations, fundamental rights and duties flowing from generally accepted principles governing these relations in the fields of trade, finance and development, the special nature of such relations between countries at different levels of development or having different economic and social systems, the protection of the common heritage of mankind, and the implementation of the provisions of the instrument.

31. The representative of Brazil stated that the charter might contain a section on general principles and a comprehensive section on trade and development. The whole exercise should derive from the concept of collective economic security, which should be appropriately formulated in the charter. The representative of Egypt suggested the document should contain, in addition to a preamble, three parts, namely principles, objectives, means or policies for achieving the objectives. According to the representative of Mexico, the instrument should contain, in addition to a preamble, one part dealing with the rights and duties of States, going from the general to the particular, and another part dealing with the legal and political bases of those rights and duties; in addition, the charter should also include the necessary measures for achieving the effective application of these rights and duties. The representative of Bolivia associated himself with this view.

32. The representative of the USSR tentatively suggested that the future draft document might consist of various parts containing in particular provisions relating respectively to the objectives and function of international trade; economic, scientific and technological co-operation; basic sovereign economic rights of States; principles and forms of economic co-operation among States; problems of the liquidation of the economic consequences of colonialism; and the elimination of discrimination in international trade and economic relations; as well as provisions concerning the free choice of a social and economic system, the free disposition of natural resources, and some others. The representative of Algeria considered that the structure of the draft document should make provision for six chapters concerning respectively: the sovereignty of States over their natural resources; the right of countries with different economic and social systems to carry on economic relations; rights and duties as regards economic and technical co-operation; international payments arrangements; finance and development; and implementation and institutional machinery. In each chapter the rights and duties of developed and developing countries should be clearly set out.

Topics to be covered by the instrument

33. Numerous suggestions were made regarding the possible contents of the future charter. Many representatives indicated what topics should, in their opinion, be covered by the provisions of the instrument, while some others mentioned topics or language which they thought should not or could not usefully be brought within the ambit of its provisions. The suggestions related variously to general and to specific provisions. The representative of the USSR stated that the draft United Nations statement^{1/} should be taken as the basic document for the drafting of many provisions of the future draft document.

34. So far as general provisions were concerned, the representatives of the Philippines, Yugoslavia, Chile, Spain, India, Sri Lanka, Guatemala, Brazil, Mexico, Peru, Egypt, Romania, Jamaica, Kenya, Morocco, Honduras and the USSR considered that the draft to be elaborated should contain, among others, provisions reaffirming principles, rights and duties laid down in the United Nations Charter, and recognized universally, regarding national sovereignty and independence, the equality of States, the self-determination of peoples and non-intervention by any State in the domestic affairs of any other State. This view was expressly supported also by the representatives of Bolivia, Pakistan, Indonesia and Iraq. The representative of the

^{1/} see paragraph 16 above.

USSR stressed also the need to include in the draft document such principles as mutual advantage and the elimination of discrimination. The representative of the Federal Republic of Germany was of the opinion that the Working Group should consider the possible inclusion in the draft of provisions relating to these fundamental sovereign rights and duties of the State.

35. The representatives of the Philippines, India, Pakistan, Indonesia, Iraq, Chile, Mexico, Romania, Morocco, Hungary, Poland, USSR, Algeria, Egypt, Kenya, Nigeria, Zaire, Honduras, Peru and China stated that the draft should explicitly reaffirm the right of the State to exercise sovereignty over its natural resources and wealth and its right freely to dispose thereof. The representative of the Federal Republic of Germany thought that the inclusion of a provision relating to this right might also be considered by the Working Group.

36. In the opinion of the representatives of Yugoslavia, Chile, Jamaica, Mexico, Morocco, USSR, Iraq, Poland, Romania, Egypt, Hungary, Algeria and Kenya, the draft should embody provisions affirming the right of the State to choose the economic and social system which, in its judgement, best suited its particular circumstances. The representatives of Guatemala, Honduras, Mexico, Morocco, Romania, USSR and Zaire considered that it should also be explicitly affirmed that each State had the right to shape its international economic relations in the manner which it considered appropriate with a view to achieving and safeguarding its economic, social and cultural development.

37. Special emphasis was laid on the duty of all States to co-operate with each other in furthering international economic advancement, especially that of the developing countries. In the opinion of the representatives of the Philippines, Yugoslavia, Brazil, Chile, Spain, Romania, Bolivia, Mexico, Algeria, Kenya, India, Pakistan, Indonesia, Iraq, Sri Lanka and Zaire, this duty should be reaffirmed in the provisions to be drafted. The representatives of Chile, Mexico and Romania said that the charter should affirm the fundamental right of the developing countries to receive co-operation from the international community for the purposes of development. The representative of Algeria stated that the document to be drafted should contain provisions codifying the rules regarding economic and technical co-operation between developed and developing countries. The representatives of the USSR, Hungary and Kenya pointed out that equitable trade, economic, technical and scientific co-operation must meet the urgent needs, aspirations and interests of all peoples and lead to the establishment and expansion of firm relations enabling all countries to make use of the advantage of international division of labour, to the introduction of a new and fair type of division of labour in the world, ruling out the possibility of non-equivalent exchange.

38. Several representatives, including the representatives of the Philippines, Yugoslavia, Pakistan, India, Guatemala, Poland and Chile, felt that the instrument should contain provisions regarding a more equitable and rational international division of labour.

39. The provisions to be drafted should, in the opinion of the representatives of Chile, Romania, Jamaica, Mexico, Guatemala, Peru, India, Pakistan, Yugoslavia, Algeria, Nigeria, Kenya and Zaire, lay down the right of every State to participate in the formulation of decisions regarding economic trade and monetary matters that might affect or be of interest to it, and to share in the benefits therefrom.

The representative of China stated that all important monetary matters and the reform of the international monetary system should be discussed, negotiated and decided upon by all countries on an equal basis. The representatives of the USSR and Hungary stated that provisions might be made concerning the methods of solving the principal issues of international trade and monetary relations, particularly equal participation by all States concerned in international meetings dealing with these problems, taking into account the interests of all countries.

40. The representatives of Chile, Mexico, Peru, Jamaica, Kenya and Hungary expressed the view that the draft should contain a clause stipulating that it was the duty of every State to refrain, in its international economic relations, from recourse to such measures as blockade, economic pressure or reprisals vis-à-vis any other State. The representative of Romania expressed the view that the charter should include the inherent right of each State of self-defence against any external action directed against the full exercise of its economic rights, or susceptible of threatening its economic independence and its right to receive compensation for the prejudices produced by another State, group of States or international monopolies.

41. The representative of Iraq said that the charter ought to contain a provision designed to solve the problems arising out of different economic situations in the territories occupied as a result of armed interventions, colonialism or neo-colonialism.

42. In the opinion of the representatives of the Philippines, Jamaica, Chile, India and Sri Lanka the draft should take special account of the need to achieve and measure social progress in the context of economic advancement.

43. Attention was drawn by the representatives of the USSR, Poland and Hungary to the need to include in the draft a provision stressing the application of the most-favoured-nation principle in all trade flows, a major pre-condition for the development of co-operation on an equal and non-discriminatory basis, with exceptions in favour of the special situation of the developing countries. The representatives of Romania, Poland, Egypt and Kenya stressed that the draft should contain a provision enjoining the observance of non-discrimination in economic relations between States. The representatives of Guatemala and Zaire said that it should also affirm the right of countries to trade freely with any other country.

44. So far as the specific provisions to be included in the proposed instrument were concerned, the representatives of the Philippines, Pakistan, Sri Lanka, Mexico and Nigeria expressed the view that the economic rights and duties of States should be related to the three basic fields of trade, finance and development. The representatives of India and Algeria drew attention to the close inter-relationship of these and the monetary field. The representatives of Chile and Honduras said that the instrument should include provisions concerning the fundamental right of all States to an equitable share in the benefits of world trade. The representative of Kenya said that current patterns of economic relations among the nations of the world lacked the necessary mechanism for increasing the share of the developing countries in the world's industrial capacity. He hoped that a mechanism for reallocating the industrial capacity of the world would be built into the charter. The representatives of India, Pakistan, Brazil, Honduras and Romania stressed that the instrument should affirm the right of developing countries to preferential treatment.

45. The representatives of India, Pakistan, Kenya, Morocco, Nigeria, Bolivia, Chile, Guatemala, Honduras, Mexico and Romania said that the instrument should include provisions relating to technical and financial assistance. The representatives of India, Yugoslavia, Zaire, USSR and Romania referred to the right and duty of States to co-operate in assisting the national efforts of developing countries, and more particularly in furthering the interests of the least developed among them. The representative of Iraq referred to the need to extend technical assistance to developing countries with a view to achieving higher standards of living. The representatives of India and Pakistan urged the inclusion of a provision on the debt-servicing burden of developing countries. The representative of China considered that the aid-giving countries, when providing aid of any kind, should respect the sovereignty of the recipient countries, attach no conditions and ask for no privileges. With regard to financial assistance, the representative of Chile said that reference should be made to the right of all States to have full access, in conformity with the statutes of the institutions concerned, to multilateral sources of financing, without being subject to the discrimination which had recently become increasingly common.

46. The representative of the USSR stressed the necessity of inserting the principle of the economic responsibility of the former colonial Powers as well as of the developed market economy countries which continued to exploit the human and natural resources of the developing countries.

47. The representatives of Mexico and India referred to the need to include a norm affirming the duty of States to divert the resources accruing from disarmament to development aid. The representative of China, having stated China's position of principle on the question of disarmament urged that the item concerning the resources released through disarmament for economic development of the developing countries be deleted from the charter.

48. Particular stress was laid by the representatives of Brazil, Chile, Honduras, Nigeria, Pakistan, Zaire, India and Romania on the need for provisions relating to the transfer of technology and to the right of all States to have access to modern technology in the interests of their development. The representative of Kenya said that it was necessary that technology should be implanted in the developing countries in order to enable those countries to develop viable manufacturing capacities. The representative of Honduras considered that the provisions should concern not only transfer of technology, but also transport, insurance and tourism.

49. The representatives of India, Indonesia, Yugoslavia, Bolivia, Chile, Guatemala, Jamaica, Mexico and Spain stressed the need for special provisions in favour of the least developed countries and the land-locked developing countries. The representatives of Jamaica and the Philippines said that full account should also be taken of the special circumstances of developing island countries, as recognized in Conference resolution 65 (III). The representative of Spain said that the criterion of special conditions for under-developed countries should signify special advantages and opportunities according to their specific level of development.

50. The representatives of the Philippines, Pakistan, India, Guatemala, Nigeria, Hungary and Romania considered that the instrument should deal with the question of economic groupings. The representatives of Hungary and the USSR expressed the

view that it should be set out that economic groupings should carry on their activity in conformity with the Charter of the United Nations, should not discriminate against third States and should not cause damage to international trade and economic co-operation as a whole. The representative of Romania referred to the right of States to participate, on the basis of the strict respect of the principles of international law, in regional and sub-regional economic co-operation, in forms agreed between interested countries and contributing to the multilateral progress of each country, to the equalization of levels of economic development and to better use of material and human resources of each country, and to the corresponding duty of the members of regional economic groupings not to do anything that might prejudice non-members. The representative of Zaire considered that the members of existing regional economic groupings should not hamper the formation of other regional economic groupings.

51. The representatives of Iraq, Guatemala, Mexico, Hungary and the USSR expressed the view that the instrument should cover economic relations between countries having different economic and social systems. The representative of the USSR also stated that provisions should be made concerning promotion of equal and mutually beneficial co-operation by all countries, irrespective of their economic and social systems, the creation of a fair international division of labour, identification of the most rational types of development of international trade and economic relations, particularly through long-term bilateral and multilateral trade agreements, international commodity agreements, etc. The representative of Hungary stated that all States should have the right to participate on an equal footing and under equal conditions in international economic co-operation. The representative of China maintained that no nation should in the name of "economic aid" and "international division of labour", obtain control over other countries.

52. The representative of Thailand said that, in his opinion, there should be special provisions relating to the duties of capital-exporting States in respect of foreign investment effected by their nationals. The representatives of Chile, Spain, USSR and Hungary referred to the need for provisions regulating the activities of transnational corporations. The representative of Chile suggested in particular that the instrument should enunciate the duty of States to take steps, both individually and collectively, to prevent large multinational consortia from interfering in the political and economic decisions of any State, as well as their obligation to establish rules to control those activities of such consortia which ran counter to international co-operation. The representative of Honduras considered that the questions of foreign investments and the activities of transnational corporations should be covered in the instrument.

53. The representatives of India, Indonesia, Pakistan, Yugoslavia, Morocco, Guatemala and Mexico said that the instrument should define the rights and duties of States vis-à-vis the international community in respect of the common heritage of mankind. The representatives of Kenya, Guatemala and India said that the charter should include a provision ensuring for the developing countries an equitable share in the benefits of the exploration and exploitation of the resources of the sea-bed and the ocean floor and the sub-soil thereof beyond the limits of national jurisdiction. In this connexion, the representative of Guatemala referred to the problem of the exploration of outer space. The representative of Romania referred to the need to affirm the right of coastal States to use and exploit the resources of the sea within the limits of their

jurisdiction, and the representative of Peru to the right of developing countries to fix the extent of their jurisdiction over the maritime zones in the light of the needs of their economic development. The representatives of India and Pakistan said that the instrument should deal with the protection and improvement of the human environment and the impact of environmental policies on economic co-operation and development. The representative of Peru said that the duty of States to refrain from contaminating the environment through experiments with nuclear weapons in the atmosphere should not be ignored in the work of the Group.

54. The representatives of the Philippines, Pakistan, Guatemala and Italy expressed the view that special attention should be given to the role of international economic and financial organizations of the United Nations, and the representative of Morocco said that the proposed charter should allow for the positive role of certain international bodies in putting it into effect. The representative of Romania considered that mention should also be made of the right of all States to participate in international organizations and to strengthen the role of such organizations, and of their duty to discharge the international commitments which they had assumed.

55. The representatives of Guatemala, Mexico, the Philippines, Yugoslavia, India, Pakistan and Indonesia suggested that the instrument should include provisions on its implementation. The representative of the Philippines further suggested that it might also be useful, in the interests of international co-operation, to establish procedures for reporting. The representatives of Indonesia and Jamaica referred to the need to include provisions concerning the peaceful settlement of disputes between States which might arise in connexion with the exercise of their respective economic rights. The representative of Brazil, while in favour of a legally binding instrument, stated that centralized enforcement might lead to undermining the very right of self-determination on which the charter must be built.

56. During the discussion of this chapter of the report the representative of the Syrian Arab Republic stated that, since his delegation had joined the session of the Working Group at a late stage, he would like to associate his country with the views of those countries mentioned in the following paragraphs: paragraph 34, first sentence; paragraph 35, first sentence; paragraph 37, second sentence; paragraph 39, first sentence; paragraph 40, second sentence; paragraph 41, first sentence; paragraph 44, last sentence; paragraph 45, first sentence; paragraph 47, first sentence; paragraph 52, third sentence; and paragraph 53, second sentence.

Chapter II

PROPOSALS SUBMITTED TO THE WORKING GROUP

57. A working paper (TD/B/AC.12/R.6 and Add.1) containing an outline of a possible preamble and of some provisions to be embodied in the draft charter was submitted by India, Indonesia, Iraq, Pakistan, the Philippines, Sri Lanka and Yugoslavia. The representatives of Bulgaria, Czechoslovakia, Hungary, Mongolia, Poland and the USSR submitted proposals concerning the structure and character of the draft charter (TD/B/AC.12/R.7). A working paper (TD/B/AC.12/R.8) containing an outline of a preamble and a number of sections of the draft charter was submitted by Egypt, Ivory Coast, Kenya, Morocco, Nigeria and Zaire. A draft text entitled "Structure of a charter of economic rights and duties of States" (TD/B/AC.12/R.9) was submitted by Romania. A working paper setting out the possible contents of a preamble and of provisions relating to rights, duties and principles (TD/B/AC.12/R.10) was submitted by Bolivia, Brazil, Chile, Guatemala, Jamaica, Mexico and Peru. The representative of Chile stated that although his delegation co-sponsored this working paper, it had reservations concerning some of the formulations contained therein. The representative of Brazil, while confirming his co-sponsorship of that working paper, stated that his Government reserved the right to introduce any subsequent modification it might consider necessary.

58. Some representatives commented on the different proposals. The representatives of the United Kingdom and the United States of America stated that some of the topics mentioned in the draft proposals seemed to be acceptable, some might not come within the scope of the work of the Group, while agreement on many of the topics depended on the final formulation. Both representatives suggested that at this stage neutral wording should be used for the outline of the charter. The representative of the United States questioned whether provisions on implementation and the settlement of disputes would be appropriate. The representative of Canada noted that there were a number of attractive points in all the draft proposals, and said that his delegation would be prepared to consider any topic as acceptable for discussion provided that this did not imply a commitment that the topic would be included in the final instrument. The representative of France suggested that the elements concerning economic rights and duties which appeared, with some nuances, in the various drafts should be rearranged under the commonly accepted principles. The representatives of Italy and Belgium proposed that the draft submitted by the Asian countries and Yugoslavia should be taken as the basis for further work. The representatives of Chile, Algeria and Morocco restated their view that the instrument should have a legally binding character.

59. The Chairman stated that some of the sponsors of the four working papers (i.e. TD/B/AC.12/R.6 and Add.1, R.8, R.9 and R.10) had prepared a consolidated proposal. This consolidated proposal (TD/B/AC.12/R.11), ^{1/} together with the other drafts, was referred by the Working Group to a sub-group consisting of 18 members ^{2/} and open to all other interested delegations. The Vice-Chairmen of the Working Group and the Rapporteur were ex officio members of the sub-group.

^{1/} Sponsored by Bolivia, Guatemala, India, Indonesia, Jamaica, Kenya, Mexico, Nigeria, Pakistan, Philippines, Romania, Sri Lanka, Yugoslavia and Zaire.

^{2/} Canada, Denmark, France, Germany, Federal Republic of, Guatemala, India, Jamaica, Kenya, Mexico, the Netherlands, Nigeria, Pakistan, Poland, Romania, Spain, USSR, Yugoslavia and Zaire.

60. The sub-group took as a basis for its discussion document TD/B/AC.12/R.11, to which several amendments and alternative texts were submitted. The sub-group also had before it document TD/B/AC.12/R.7. As a result of its deliberations the following draft outline with alternative proposals emerged:

PREAMBLE

I. Re-affirmation of the fundamental purposes of the United Nations Charter, viz.:

- Maintenance of international peace and security;
- Development of friendly relations among States;
- Strengthening of international co-operation in solving international problems in the economic and social fields.

II. Creation of conditions:

- To promote higher standards of living of peoples and to ensure equitably shared prosperity for all countries;

Alternative (Venezuela)

- To promote higher standards of living of peoples and to ensure equitably shared prosperity for all countries, with full respect for the dignity and fundamental freedoms of the human person;
- To promote the economic and social progress of all countries, which is the common and shared responsibility of the entire international community;

Alternative (Poland)

- To promote the economic and social progress of all countries;

Alternative (Chile)

- To promote the economic and social progress of all mankind, which is the common and shared duty of the entire international community;
- To accelerate the economic growth, in particular, of developing countries especially with a view to bridging the development gap.

III. The establishment and maintenance of a just and rational world economic and social order through:

- The achievement of a more rational international division of labour through the promotion of the necessary structural changes in the world economy;

Note: France proposed the deletion of the foregoing phrase.

- The normalization and expansion of trade and the strengthening of economic co-operation among all countries;

Alternative (France)

- The expansion of trade and the strengthening of economic co-operation among all countries;
- The strengthening of the economic independence of developing countries.

IV. Collective economic security designed to promote the sustained development and expansion of national economies.

Note: France proposed the deletion of this heading.

Note: The following intermediate paragraph was proposed, but was not considered by the sub-group:

Have agreed individually and jointly to adopt and implement the following provisions on Economic Rights and Duties of States to govern and guide their economic relations with one another and within the United Nations and related international organizations in the fields of trade, finance and monetary, development and related issues.

Alternative (France)

- The General Assembly adopts the following provisions on economic rights and duties of States to govern and guide their economic relations with one another and within the United Nations and related organizations in the fields of trade, finance and monetary, development and related issues.

CHAPTER I

FUNDAMENTALS OF INTERNATIONAL
ECONOMIC AND SOCIAL RELATIONS

International relations and the economic rights and duties of States should be based, inter alia, on the following principles or norms recognized by the Charter of the United Nations or by other instruments accepted by the international community:

1. Respect for national sovereignty of States;
2. Self-determination;
3. Peaceful co-existence;

Note: Netherlands proposed the deletion of point 3.

4. Non-intervention;
5. Legal equality of all States;

6. Co-operation in accordance with the Charter;

Alternative (USSR)

Co-operation on the basis of genuine equality, mutual advantage and non-discrimination. The most-favoured nation principle as the basis of such co-operation with exceptions in favour of developing countries;

Alternative (Chile)

Co-operation among all States, regardless of differences in their political, economic and social systems and on a completely non-discriminatory basis, in the various spheres of international relations, with a view to the maintenance of international peace and security;

Proposed addition (Venezuela)

7. International social justice.

CHAPTER II^{1/}

ECONOMIC RIGHTS AND DUTIES

Paragraph 1

The right to choose political, economic, social and cultural systems in accordance with the will of their peoples, without outside interference in any form whatsoever.

Alternative text (Chile)

Every State has the right freely to determine its political status, in accordance with the will of its people and without external interference or coercion in any form, and to pursue its economic, social and cultural development. It is the duty of every State to respect and encourage respect for this right, in accordance with the provisions of the Charter.

Paragraph 2

Permanent sovereignty over natural resources. Right to freely and fully dispose of their natural resources in the interest of the economic development and well-being of their peoples. Rights of coastal States to dispose of their marine resources within the limits of their national jurisdiction. Respect for the exercise of those rights. Corresponding duties.

Note: Syria suggested the deletion of the words "in the interest of the economic development and well-being of their peoples", in order not to impose any limitation or qualification on the legitimate right of peoples to dispose freely and unconditionally of their national resources.

^{1/} The delegation of the USSR considers that there should be a separate chapter devoted to provisions concerning the liquidation of the economic consequences of colonialism.

Alternative (Chile)

Every State has the sovereign right freely to dispose of its natural resources in the interest of the economic and social development and well-being of its own people, including the right to dispose of its marine resources within the limits of its national jurisdiction. Any external political or economic measures or pressure brought to bear on the exercise of this right is a flagrant violation of the principles of self-determination of peoples and non-intervention, as set forth in the Charter of the United Nations, and, if pursued, could constitute a threat to international peace and security.

Alternative (Germany, Federal Republic of)

Permanent sovereignty over natural resources in accordance with the principles of international law. Corresponding duties.

Paragraph 3

Right to engage in international trade and other forms of economic co-operation, without any kind of discrimination based on differences in economic and social systems, and to this end to enter into bilateral or multilateral arrangements. Corresponding duties for creating conditions for normalization and expansion of international trade.

Alternative (Germany, Federal Republic of)

Right to engage in international trade and other forms of economic co-operation, and to this end to enter into bilateral or multilateral arrangements.

New paragraph to be inserted before paragraph 4 (USSR)

The right to independent determination of the forms of organizing foreign economic relations in accordance with economic and social systems.

Paragraph 4

The primary responsibility of every State to pursue the economic, social and cultural development of its people. Full mobilization of internal resources. Removal of external obstacles to such mobilization. Participation of peoples in the process and benefits of development.

Alternative (France)

The primary responsibility of every State to pursue its economic development. Social measures to be taken to make this development as effective as possible.

Paragraph 5

The duty to bring about structural changes in the world economy in order to attain a just and rational international division of labour.

Alternative (USSR)

Duty of all countries to facilitate the attainment of a just and rational international division of labour by removing from international trade and economic relations all forms of discrimination by the liquidation of the consequences of colonialism and of manifestations of neo-colonialism, as well as by the development of all flows of international trade, including East-West trade.

Alternative (France)

Duty of all States to contribute to the equitable organization of commodity markets through international commodity agreements. The need, when concluding such agreements, to take into account the interests of both producers and consumers.

Paragraph 6

The right to fully participate in the international decision-making process in the solution of world economic problems and to share in the benefits resulting therefrom.

Note: Syria, Chile and the USSR proposed the insertion of the words "and financial" after the word "economic".

Alternative (Netherlands, Germany, Federal Republic of)

The right and duty to co-operate in the solution of international economic problems.

Paragraph 7

The right to participate in subregional, regional and interregional co-operation to pursue their economic and social development. Duty of the participants to ensure that the policies of such groupings are rational and outward-looking.

Note: Egypt, Iraq, Syria and the USSR proposed the insertion of the words "with the agreement of the parties concerned" after the word "participate".

Alternative to paragraph 7 (Netherlands, United Kingdom)

Rights and duties in relation to subregional, regional, or interregional co-operation.

Alternative to the second sentence of paragraph 7 (Czechoslovakia, USSR)

Duty of the participants to ensure that the policies of such groupings are in full accordance with the Charter of the United Nations and without any discriminatory exclusions of countries, particularly of those with different economic and social systems, and without any consequences detrimental to the interests of third countries or of other regional or subregional trade and economic organizations or of international trade and economic co-operation as a whole.

Paragraph 8

Right to benefit from the advances and developments in the fields of science and technology. Duty to facilitate access thereto and transfer thereof.

Alternative (Germany, Federal Republic of)

Rights and duties in relation to the benefits of the advances and developments in the fields of science and technology and the transfer thereof.

Paragraph 9

The duty to co-operate in ensuring that all States shall have a share in world trade commensurate with the needs of their economic and social development.

Alternative (Germany, Federal Republic of, United Kingdom)

The right of all States to equitable opportunities in world trade.

Alternative (Syria)

The right of all States to an equitable share in world trade.

Paragraph 10

Rights and duties for the regulation and control of foreign investments.

Alternative (Syria)

Rights to regulate and control foreign investments.

Alternative (United Kingdom)

Rights and duties in relation to foreign investment.

Note: During the discussion regarding controls the Federal Republic of Germany and the United Kingdom suggested the possible addition of the words "in accordance with international law".

Paragraph 11

The right of each State to regulate and control the activities of transnational corporations and the duty of each State to co-operate in order to give effect to this right.

Alternative (proposed independently by Brazil; and by Canada, Denmark, Germany, Federal Republic of, Italy, Netherlands and the United Kingdom)

The question of transnational enterprises; rights and duties.

Note: France proposed the deletion of this item.

Paragraph 12

Duty of all States to promote the achievement of general and complete disarmament. Allocation of a substantial part of the resources freed by any effective disarmament measure to economic and social development, particularly that of the developing countries.

Note: Argentina proposed that, in any formulation, the reference should be to "general and complete disarmament" and should be followed by the words "under effective international control".

Note: China, having stated its position of principle on the question of disarmament, urged that the item concerning utilization of the resources released from disarmament for economic development of the developing countries be deleted from the structure of the Charter.

Proposed new paragraph (Chile, Iraq, Poland, Syria)

The right of developing countries to the elimination of economic consequences of colonialism, neo-colonialism and all forms of foreign domination. Corresponding duties.

Proposed insertion of new paragraph to follow paragraph proposed by Chile, Iraq, Poland and Syria (Hungary, Chile)

The right and duty of developing countries to take measures towards implementing progressive social and economic reforms in the interest of their development, towards the mobilization of their internal resources and towards accelerating the process of industrialization. Corresponding duties to contribute to the achievement of these goals. Nothing in this paragraph shall be interpreted as affecting the right recognized in paragraph 1 of this Chapter.

Paragraph 13

The duty to co-operate in the development of developing countries.

Alternative (USSR)

States should co-operate in the promotion of economic growth throughout the world, especially that of the developing countries.

Paragraph 14

The right of developing countries to receive preferential and non-reciprocal treatment to meet their trade and development needs; corresponding duty.

Alternative (United Kingdom)

Rights and duties in relation to possible preferential or non-reciprocal treatment of developing countries.

Paragraph 15

Rights and duties concerning the transfer to developing countries of financial and technological resources under favourable terms and conditions.

Note: Italy proposed to add at the end of the sentence: ", in conformity with their degree of development."

Alternative (Bulgaria)

The right of developing countries to compensation for damage sustained as a result of colonial rule of the metropolitan countries and of the activities of foreign capital in their economies. Duties of the countries concerned.

Paragraph 16

Strengthening and expansion of relations among developing countries with a view to expanding their mutual trade and economic co-operation with the support of the developed countries and international community, including the international organizations concerned.

Paragraph 17

The duty of industrialized countries to conduct their mutual economic relations in a manner which does not adversely affect the interests of third countries.

Alternative (Canada, Denmark, Germany, Federal Republic of, Italy, Netherlands, United Kingdom)

The duty of all countries to conduct their mutual economic relations in a manner which takes into account the interests of third countries.

Paragraph 18

Special attention on the part of the international community to the particular needs and problems of the least developed among developing countries, of land-locked countries and of island developing countries, with a view to helping them to overcome their particular difficulties and thus contributing to their sustained growth.

Paragraph 19

Relations among countries with different economic and social systems; elimination of any discrimination arising out of such differences; application of the most-favoured-nation principle.

Alternative (Canada, Denmark, Germany, Federal Republic of, Italy, Netherlands, United Kingdom)

Relations among countries with different economic and social systems.

Concluding paragraph

Nothing in the foregoing paragraphs shall be construed as affecting the relevant provisions of the United Nations Charter or actions taken in pursuance of these provisions and of the relevant United Nations resolutions.

CHAPTER III

COMMON RESPONSIBILITY TOWARDS THE INTERNATIONAL COMMUNITY

Paragraph 1

Common heritage of mankind; rights and duties; use of for peaceful purposes.

Paragraph 2

Protection and enhancement of human environment; rights, duties and responsibilities.

Note: Proposed addition by Brazil to this paragraph as follows:

"; effects of environmental policies on the development process of developing countries."

CHAPTER IV

IMPLEMENTATION

Paragraph 1

Machinery; role of international organizations.

Note: Spain proposed the addition of the following words: "in the implementation and normative development of the Charter."

Paragraph 2

Reporting; consultation; and other means of settling differences.

Note: Brazil proposed the deletion of paragraphs 1 and 2; the title of the chapter to remain.

Note: Canada, Denmark, Germany, Federal Republic of, Italy, Netherlands and the United Kingdom proposed that the title and paragraphs 1 and 2 should be deleted and replaced by:

CHAPTER IV

CONCLUDING SECTION

CHAPTER V

FINAL PROVISIONS

A. Adherence

B. Other questions.

Note: Canada, Denmark, Germany, Federal Republic of, Italy, Netherlands and the United Kingdom proposed the deletion of this chapter.

61. The Working Group took note of this draft outline which, owing to lack of time, it was unable to examine in detail, and decided to transmit it to Governments of States members of UNCTAD for their comments and suggestions in accordance with paragraph 3 of Conference resolution 45 (III).

62. The Working Group also decided to annex to this report the texts of documents TD/B/AC.12/R.6 - R.11,^{1/} of the document referred to it by the General Assembly at its twenty-seventh session (A/C.2/L.1253)^{2/} and of that referred to it by the Board at the first part of its twelfth session (TD/L.72).^{3/}

63. The representatives of the United States, Japan, the USSR, Bulgaria, Canada, the United Kingdom, Australia, Spain and the Federal Republic of Germany said that it should be clearly understood that the draft outline did not in any way commit members of the Working Group individually or the Working Group as a whole. The Chairman said that this was the understanding both in the sub-group and in the Working Group and that the purpose of the draft outline was to provide a basis for the comments and suggestions of Governments, including specific texts, which would be considered by the Working Group at its next session. The representative of the United States stated that his delegation had many reservations regarding the draft outline, in some cases on all alternative formulations and on whether items should be part of the proposed instrument at all.

64. The representative of China reserved his delegation's position on the items concerning resources released from disarmament and international division of labour respectively.

65. The representative of the Syrian Arab Republic reserved his delegation's position on the draft outline, because in his view it did not reflect accurately the real position of the majority of the sub-group, especially after the deletion of all reference to the sponsors of TD/B/AC.12/R.11, taking into account that even the sponsors, although acting jointly, did not agree on all items in TD/B/AC.12/R.11. He regretted that member Governments had now to comment on texts the authorship of which was not clear.

^{1/} See annex I. All the documents in the R. series have now been derestricted.

^{2/} See annex II.

^{3/} See annex III.

Chapter III

ORGANIZATIONAL MATTERS

(a) Election of officers

66. At its first meeting on 12 February 1973 the Working Group elected Mr. Jorge Castañeda (Mexico) Chairman; at its second meeting on the same date it elected Mr. H. Khallaf (Egypt), Mr H. J. Brillantes (Philippines) and Mr. L. Smid (Czechoslovakia) as Vice-Chairman and Mr. R. Moehler (Federal Republic of Germany) as Rapporteur.

(b) Organization of the work of the session

67. By a note (TD/B/AC.12/R.2) the UNCTAD secretariat had made certain suggestions concerning arrangements for the Working Group's first session.

68. The Working Group agreed that the rules of procedure of the Trade and Development Board would apply, as appropriate, to its proceedings.

69. After discussion, the Working Group agreed that representatives of interested States members of UNCTAD not members of the Group would be able to participate in its deliberations and to make statements on matters of concern to them. It was further agreed that representatives of intergovernmental bodies designated under rule 78 might also participate in the work of the Group.

70. The Working Group's attention was drawn to a note by the Secretary-General of UNCTAD (TD/B/AC.12/R.1) circulated in pursuance of a decision by the Trade and Development Board at the first part of its twelfth session concerning the need to work in an expeditious manner. The Working Group agreed to the concrete steps in this regard suggested in the note.

71. It was agreed that in the absence of summary records - regretted by the representatives of Chile, Ivory Coast and Jamaica - during the first session of the Working Group, the texts of statements made in the course of the general exchange of views would be kept by the secretariat as archives for possible consultation later in the interpretation or clarification of specific provisions that might be drafted for incorporation in the Charter. The Chairman stated that, in the light of experience, the question of the provision of summary records for the Working Group's next session might be raised at the second part of the Trade and Development Board's twelfth session, in which event the financial implications of the provision of such records would also be considered. He added that the report of the Working Group on its first session would differ in form from the conventional reports of UNCTAD in that statements would be attributed to individual delegations, as appropriate.

(c) Attendance^{1/}

72. The following States members of the Working Group were represented at the first session: Australia, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China,

^{1/} For the list of participants see TD/B/AC.12/INF.2.

Czechoslovakia, Denmark, Egypt, France, Germany, Federal Republic of, Guatemala, Hungary, India, Indonesia, Iraq, Italy, Ivory Coast, Jamaica, Japan, Kenya, Mexico, Morocco, Netherlands, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Spain, Sri Lanka, Union of Soviet Socialist Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia and Saire.

73. The following other States members of UNCTAD not members of the Working Group also sent representatives: Algeria, Argentina, Colombia, Ethiopia, Honduras, Israel, Lebanon, Malaysia, Mongolia, Portugal, Republic of Korea, Republic of Viet-Nam, Saudi Arabia, Sudan, Syrian Arab Republic, Thailand, Uruguay and Venezuela.

74. The following specialized agency was represented at the session: the International Monetary Fund.

75. The following intergovernmental organizations were represented at the session: the European Economic Community and the Organization of American States.

(d) Arrangements for the Working Group's second session

76. According to Board decision 93 (XII) concerning the calendar of UNCTAD meetings for 1973, the Working Group's second session had been scheduled to be held at Geneva from 16 to 27 July 1973. In the course of the discussion, some representatives suggested that, if possible, the second session of the Working Group should be of three weeks' duration. So far as the actual dates of the session were concerned, some representatives expressed a preference for an earlier date, in view of the July session of the Economic and Social Council, and others for a slightly later date, while some representatives said they would prefer the dates scheduled. It was agreed that the Secretary-General of UNCTAD should be requested, in the light of further consultations with Governments, to make appropriate recommendations to the Board at the second part of its twelfth session.

(e) Adoption of the report

77. The Working Group adopted this report at its 12th and 13th meetings.

ANNEX I

Proposals submitted to the Working Group

- A. Working paper submitted by the Asian members of the Working Group
[document TD/B/AC.12/R.6 and Add.1]

PREAMBLE

1. Reaffirmation of the fundamental aims and purposes of the Charter of the United Nations.
2. Strengthening of international peace and security.
3. Promotion of peaceful and friendly relations among nations.
4. Creation of conditions to accelerate the economic growth of all countries, in particular the developing countries and to promote higher standards of living of their peoples.
5. The establishment and maintenance of a just and equitable world economic and social order and the attainment of collective economic security as the shared responsibility of the international community.
6. Achievement of a just and rational international division of labour by bringing about structural changes in the world economy.

Have agreed on the following economic rights and duties to govern and guide the economic relations with one another and within the United Nations and related international organizations in the fields of trade, finance and monetary, development and related issues.

CHAPTER I

BASES OF ECONOMIC RELATIONS

1. Sovereignty of States
2. Equality of States
3. Self-determination
4. Non-intervention

CHAPTER II

ECONOMIC RIGHTS AND DUTIES

A. General Provisions

1. Right to choose economic and social system.
2. Right to freely and fully dispose of their natural wealth and resources in the interest of the economic and social development and well-being of their peoples.
3. Freedom to engage in trade and other forms of economic co-operation and to this end to enter into bilateral or multilateral arrangements.
4. Primary responsibility of every State to pursue the economic, social and cultural development of its people.
5. Attainment of a just and rational international division of labour by bringing about structural changes in the world economy.
6. Right to participate in the decision-making process in the solution of international economic problems and to share in the benefits resulting therefrom.
7. The right to participate in regional or sub-regional co-operation to pursue their economic and social development, and to ensure that the policies of such regional or sub-regional groups, in particular of the developed countries, are rational and outward-looking.
8. Right to share in the benefits of the advances and developments in the field of science and technology.
9. Utilization of the resources released from the progressive measures towards general and complete disarmament for economic and social development, in particular of developing countries.

B. SPECIAL PROVISIONS

1. The right of developing countries to receive preferential and non-reciprocal treatment to meet their trade and development needs.
2. The right of developing countries to benefit from the transfer of financial and technological resources under favourable terms and conditions, including the right to regulate the role of private foreign investments.
3. The right of developing countries to establish special relations with a view to expanding their mutual trade and economic co-operation with the support of the developed countries and the international community.
4. Special attention on the part of the international community to the particular needs and problems of the least developed among developing countries, land-locked countries, and island developing countries, with a view to helping them to overcome their particular difficulties and thus contributing to their sustained growth.

5. Solution of trade problems arising out of differences in the economic and social systems through the application, inter alia, of the most-favoured-nation principle and non-discrimination based on such differences.

CHAPTER III

COMMON RESPONSIBILITY TOWARDS THE INTERNATIONAL COMMUNITY

1. Duty to preserve the common heritage of mankind:

The resources of the sea-bed and ocean floor and the subsoil thereof beyond national jurisdiction, being the common heritage of mankind, should be used exclusively for peaceful purposes, taking into account the needs of developing countries.

2. Duty to protect the human environment:

The protection and improvement of the human environment is of major concern to the international community, affecting the well-being of all peoples and economic development throughout the world, in particular of developing countries.

CHAPTER IV

IMPLEMENTATION

1. Machinery; role of international organizations.
2. Reporting; consultation; and other means of settling differences.

CHAPTER V

FINAL PROVISIONS

- A. Adherence
- B. Other questions

B. Proposals by Bulgaria, Czechoslovakia, Hungary, Mongolia, Poland, and the USSR
[document TD/B/AC.12/R.7]

Structure of the document (Principal parts)

1. Preamble
2. Objectives and aims of international co-operation in trade, economic, scientific and technological matters
3. The bases of economic relations among States
4. Fundamental principles and forms of co-operation in trade, economic, scientific and technological matters

5. The elimination of discrimination in international trade and economic relations
6. The liquidation of the economic consequences of colonialism
7. Regional and sub-regional trade and economic co-operation

X X X

The position of the States submitting this document on the substance of the above-mentioned topics is set forth, in particular, in the following documents:

- Draft "Statement by the United Nations on promoting the development of co-operation in economic, trade, scientific and technological matters on the basis of equality" (document A/C.2/L.1253, dated 7 November 1972, of the twenty-seventh session of the General Assembly);
- Principles governing international trade relations and trade policies conducive to development, adopted in 1964 at the first session of UNCTAD;
- Draft resolution submitted by socialist and developing countries on the elimination from international trade of all forms of discrimination, the consequences of colonialism and the manifestations of neo-colonialism (document TD/L.72 of the third session of UNCTAD);
- Declaration by nine socialist countries at the third session of UNCTAD (document TD/154);
- Joint Statement by eight socialist countries on the International Development Strategy (document A/8074, dated 21 September 1970 of the twenty-fourth session of the General Assembly);
- Statements by the delegations submitting this document, at the twenty-seventh session of the General Assembly and at the present session of the Working Group.

C. Working paper of the African Group

Preamble

- (a) Bridging the existing gap between the many who are poor and the few who are rich
- (b) Establishment of positive, dynamic and equitable economic and social order
- (c) Promoting rational international division of labour
- (d) Promotion of friendly relations among all peoples
- (e) Enhancement of international peace and security
- (f) Establishment of ways and means of settling international economic disputes

- (g) Promoting international economic relations in trade, finance and money, development, transport, technology and other related fields
- (h) Collective responsibility

SECTION I

Principles Governing Economic Relations

- (a) Sovereignty
- (b) Equality of States
- (c) Self-determination
- (d) Non-intervention (non-use of force or other forms of constraint)
- (e) Co-operation

SECTION II

Economic Rights of States

- (a) The right to choose the nature of its own economic system
- (b) The right to freely engage in economic co-operation and trade
- (c) The right of developing countries to seek preferential non-reciprocal treatment for their exports
- (d) The right to enter into bilateral and multilateral agreements
- (e) The right to receive assistance from the international organizations
- (f) The right to control private foreign investments
- (g) The right to receive compensation for economic damage
- (h) The right to participate in the decision-making process in the fields of economic relations such as trade, finance and monetary, and development
- (i) The right to benefit from intellectual, scientific, technological and other related resources
- (j) The right to dispose of, and develop, its own natural resources
- (k) The right for developing countries to share effectively in the world's industrial and technological capacity
- (l) The right to receive assistance from the international community in cases of serious economic disputes

- (m) The right to share in the benefits of the exploration, exploitation and the use of the resources of the sea-bed, ocean floor and the subsoil thereof beyond the limits of national jurisdiction

SECTION III

Economic Duties of States

- (a) The duty to promote friendly economic relations and co-operation among States, regardless of the differences in their economic and social systems
- (b) The duty to contribute to the advancement of world social and economic welfare
- (c) The duty to refrain from aggression and any form of economic discrimination against any other State
- (d) The duty to refrain from intervention, attack or recourse to force
- (e) The duty to respect and preserve the environment
- (f) The duty to give special attention to the least developed, land-locked and island developing countries
- (g) The duty of lending countries and/or multilateral institutions to respect the sovereignty and welfare of recipient countries
- (h) The duty to contribute to collective economic security
- (i) The duty to devote a substantial portion of the resources released by disarmament to development

SECTION IV

Other Provisions

Machinery for:

- (a) Implementation
- (b) Settlement of disputes
 - 1. Reporting
 - 2. Consultation
 - 3. Arbitration
 - 4.

SECTION V

Adherence

D. Draft text submitted by Romania

STRUCTURE OF A CHARTER OF ECONOMIC RIGHTS
AND DUTIES OF STATES

[document TD/B/AC.12/E.9]

I. PREAMBLE (Main ideas):

1. Reaffirmation, in the terms of the Charter of the United Nations, that the maintenance of international peace and security, the development of friendly relations and co-operation between nations are among the fundamental purposes of the United Nations.
2. The importance of the maintenance of international peace and strengthening international co-operation founded upon freedom, equality, justice and respect for fundamental human rights, and of developing friendly relations among nations irrespective of their political, economic and social systems, and of the equilibration of the levels of their economic and social development.
3. The necessity of the promotion of higher standards of living, of economic and social progress and development; solution of international economic and social problems for the creation of conditions of stability and of well-being.
4. Awareness of a new and dynamic policy in the field of trade and development.
5. Conviction of the necessity of improving and better utilizing the various forms and methods of trade and co-operation in the economic, financial, technological and scientific fields in the bilateral relations between States as well as through international organizations.
6. Reaffirmation of the provisions of recommendations A.II and A.I.3 of UNCTAD I, resolution 22 (II) of UNCTAD II, resolutions 45 and 46 (III) of UNCTAD III, and of the principles of the Charter of Algier and of the Declaration of Lima.
7. The role of the improvement of the international political situation, of concrete progress on the way of disarmament, and of the elimination of colonialism and racial discrimination, for the success of activities in the field of development.
8. The general awareness of the need for balanced world economic and social development and for support of the efforts of developing countries in their struggle to eliminate the gap between them and the developed countries, for the establishment of a just and stable world order, founded on the strict respect of national independence and sovereignty, equal rights, non-intervention in the internal affairs of another State, abstention from threat or use of force, of pressure and of any form of coercion, respect for the right of peoples to free self-determination, without any external pressure or intervention, as preconditions for economic and social progress, and world peace and security.
9. Consciousness of the necessity of the establishment in the world community of generally accepted norms which will govern international economic relations and will protect fully the rights of all States and particularly the rights of developing countries.

II. PRINCIPLES (Main ideas):

1. Respect for sovereignty and national independence. Reaffirmation - in accordance with the United Nations Charter and the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States - of the basic importance of sovereignty and that the purpose of the United Nations can be implemented only if States enjoy full sovereignty and comply fully with the requirements of this principle in their international relations.
2. Equality of rights of States. Juridical equality of States. Each State enjoys the rights inherent in full sovereignty. No State could pretend to a predominant right, or a predominant juridical position in its relations with another State.
3. Non-intervention in the internal or external affairs of any other State. Intervention on the part of a State or group of States, in all forms and for whatever reason, or attempted threats against the personality of the State or against its political, economic and cultural elements are violations of international law.
4. The principle that States shall refrain in their international relations from the threat or use of force, and from military, political, economic or any other form of coercion against another State.
5. The principle that States shall settle all their economic and other international disputes by peaceful means in such a manner that international peace and security and justice are not endangered.
6. The principle that States shall fulfil in good faith their international obligations.
7. The principle of equal rights and self-determination of peoples, by virtue of which all peoples have the right freely to determine, without external interference, their political status and their economic and social system, and to pursue their economic, social and cultural development.
8. The principle that States shall co-operate with one another. States shall co-operate in the economic, social and cultural fields as well as in the field of science and technology and in the promotion of economic growth throughout the world, especially that of the developing countries.
9. The principle of economic international security.
10. The principle of non-discrimination on the basis of differences in socio-economic systems.

III. RIGHTS AND CORRESPONDING OBLIGATIONS OF STATES

1. The rights of each State to a free existence and development, to political and economic sovereignty and independence, and its right to choose its political, economic and social system in conformity with its will and its interests and to pursue the way of its development freely without any external obstruction, interference, constraint or threat. To this right corresponds the obligation that every State shall respect the principles of sovereignty and national independence,

equality of rights, non-intervention in the affairs of another State, of refraining, in their international relations, from the threat or use of force, and from any kind of economic or other coercion or pressure directed against another State.

2. The sovereign, inalienable and imprescriptible right of each State to dispose freely and fully of its natural wealth and resources; the obligation of other States to refrain from any action which would be directed against this right and would be considered as a violation of the principles of the United Nations Charter.

3. The right of coastal States to dispose freely of the sea resources within the limits of their national jurisdiction, the right of States to equitable participation in the exploitation of the sea-bed and of its resources which constitute the common heritage of mankind.

The duty of States to respect and preserve the common heritage of humanity and of the human environment.

4. The right of each State to the benefit of the achievements of modern science and technology.

The duty of States to improve co-operation in the field of the formation and employment of specialists.

The duty of States to facilitate the knowledge and the use by other States of scientific and technical discoveries and to encourage the exchange of licences, patents and know-how.

The obligation of developed countries to identify, to reduce and to eliminate all obstacles to the transfer of technology to developing countries, as well as to facilitate the access of these countries to technology on equitable and reasonable terms and conditions.

5. The right of each State to take part, without any discrimination or constraint, in international co-operation in the economic, trade, industrial, monetary, financial and technico-scientific fields, and to use this participation for the improvement of its position within the international division of labour, for a more rational use of its resources and for the acceleration of its economic progress.

The duty of each State, without any distinction, to co-operate with one another in the economic, trade, monetary, financial and technological and scientific fields for the acceleration of the economic and social progress of each country, particularly of developing countries, and for the promotion of economic stability and world peace.

The duty of each State to remove the obstacles, discriminations and restrictions of any kind in the way of co-operation and to contribute to the establishment of a more just and equitable system of economic, trade, monetary and financial international relations so as to create conditions in which all countries, and particularly developing countries, could make better use of their natural resources and benefit from the advantages of international co-operation.

6. The right of each State, without any distinction, to be consulted and to take part on an equal footing in each phase of the process of the solution of international problems of economic, trade, monetary or financial character, problems which present an interest or implications for it.

7. The right of each State to take part on an equal footing in the activities of international organizations in the economic, trade, monetary and financial fields of a universal character.

The duty of States to co-operate for the improvement of the role of international organizations, as instruments for stimulating economic and technico-scientific co-operation between States for the general economic progress of all peoples.

8. The right of each State to take part, on the basis of strict respect of the principles of international law, in regional and subregional economic co-operation, in forms agreed between interested countries and which contribute to the multilateral progress of each country, to the equalization of levels of economic development and to better use of material and human resources of each country.

The duty of States members of regional or subregional economic groups to take measures so that their economic integration will not hurt the development of economic relations and trade exchanges with third countries taken individually and collectively.

9. Rights of developing countries, irrespective of their social and economic system and their geographical location, to participate in international economic co-operation under special conditions and rules, in conformity with their needs for development, and to obtain within international co-operation non-discriminatory, preferential and non-reciprocal advantages and facilities, and greater aid from developed countries.

The obligation of developed countries to grant more efficient aid to the efforts of developing countries, irrespective of their economic or social system or their geographical location.

The obligation of developed countries to adopt regulations and to take measures to improve conditions for granting financial credits and loans to developing countries.

10. The inherent right of each State of self-defence against any external action directed against the full exercise of its economic rights, or susceptible of threatening its economic independence and its right to receive compensation for the prejudices produced by the violation of its economic rights by another State, group of States or international monopolies.

IV. GENERAL CLAUSES AND IMPLEMENTATION

- The legal character of the dispositions of the Charter.
- Provisions for implementation by States and international organizations.

E. Working paper submitted by Bolivia, Brazil, Chile, Guatemala, Jamaica, Mexico and Peru

[document TD/B/AC.12/R.10]

I. PREAMBLE

(The preamble would include, inter alia, the following concepts):

1. Establishment and maintenance of a just, dynamic and equitable world economic and social order.
2. Creation of the necessary conditions for accelerating the economic development of all countries, in particular that of the developing countries, and for promoting high levels of living for their peoples, with a view to achieving international social justice.
3. Equitably shared prosperity is an essential condition for peace.
4. The right of each country to pursue its economic and social development with full respect for the human person.

II. PRINCIPLES

1. Self-determination and non-intervention.
2. Permanent sovereignty over natural resources.
3. The universality of international economic relations.
4. Establishment of a more rational and equitable international division of labour, through the necessary structural adjustments.
5. Observance of the principle of the juridical equality of States, through their full participation in international economic decisions.
6. The primary responsibility for the economic and social development of peoples rests with themselves.
7. Establishment of collective economic security as a shared responsibility of the international community.

III. RIGHTS AND DUTIES

1. The right of every State to pursue its economic, social and cultural development and to choose its political status without foreign interference, as a consequence of the exercise of the fundamental principle of self-determination of peoples; the corresponding duty of every State to respect this right.
2. The right freely to dispose of one's natural resources; the corresponding duty not to restrict this right.

3. The duty to co-operate in the development of all countries, and particularly in that of the developing countries.

4. The right of the developing countries to receive preferential treatment within the framework of international co-operation, with a view to reducing the gap between them and the developed countries.

5. The right of all States to participate fully in economic negotiations and decisions which may affect the international community.

6. The duty of the industrialized countries to conduct their mutual economic relations in a manner which does not adversely affect the interests of third countries.

7. The question of transnational enterprises; rights and duties.

8. The right of all States to an equitable share in world trade.

9. Utilization of the resources released by disarmament for the financing of development.

10. Application of the principle of most-favoured-nation treatment: (a) among developed market economy countries; and (b) between developed market economy countries and socialist countries.

11. Regional and subregional economic co-operation and integration; rights and duties.

12. Rights and duties related to the expansion, diversification and liberalization of world trade, having particular regard to the interests of the developing countries.

13. Rights and duties in relation to financing and technical assistance for development.

14. Rights and duties in relation to: (a) the transfer of technology; (b) transportation; (c) insurance; (d) tourism; and (e) international movements of labour.

15. Rights and duties in relation to foreign investment.

16. Rights and duties in relation to the protection of the environment; effects of environmental policies on the development process.

17. Special needs and problems of the least developed among the developing countries, of the land-locked developing countries and of the developing island countries; rights and duties.

18. Relations among countries having different economic and social systems; rights and duties.

IV. IMPLEMENTATION PROVISIONS

V. FINAL PROVISIONS

Proposal by the delegation of Chile

- (a) Replace point 1 in section III, "Rights and duties", by the following:

"As a consequence of observance of the principles of political and economic self-determination of peoples and of non-intervention, every State has the right to pursue its economic, social and cultural development, without foreign interference or pressure and uninfluenced by political determinants; the duty corresponding to these rights."

- (b) Replace point 7 of section III by the following:

"The obligation of all States to control the activities of transnational corporations and the right of any State to take measures to prevent or curb any such activities which are detrimental to its sovereignty or interests."

- F. Informal working paper submitted by Bolivia, Guatemala, India, Indonesia, Jamaica, Kenya, Mexico, Nigeria, Pakistan, Philippines, Romania, Sri Lanka, Yugoslavia and Zaire

[document TD/B/AC.12/R.11 and Add.1-3: consolidation of documents TD/B/AC.12/R.6 and Add.1, R.8, R.9 and R.10 and Add.1]

PREAMBLE

- I. Re-affirmation of the fundamental purposes of the United Nations Charter viz.:

- Maintenance of international peace and security
- Development of friendly relations among States
- Achievement of international co-operation in solving international problems in the economic and social fields.

- II. Creation of conditions:

- to accelerate the economic growth of all countries, in particular of the developing countries
- to promote higher standards of living of their peoples, and to ensure equitably shared prosperity which is an essential condition for peace.

- III. The establishment and maintenance of a just and equitable world economic and social order through:

- Achievement of a more rational international division of labour through the necessary structural changes in the world economy.
- Attainment of collective economic security as the shared responsibility of the international community.

Have agreed individually and jointly to adopt and implement the following provisions on Economic Rights and Duties of States to govern and guide their economic relations with one another and within the United Nations and related international organizations in the fields of trade, financial and monetary, development and related issues.

CHAPTER I

FUNDAMENTALS OF INTERNATIONAL ECONOMIC AND SOCIAL CO-OPERATION

1. Respect for the national sovereignty of States.
2. Legal equality of all States, including full participation in all aspects of the international economic decision-making process.
3. Self-determination.
4. Non-intervention.
5. Co-operation.

CHAPTER II

ECONOMIC RIGHTS AND DUTIES

A. - General Provisions

1. The right to choose political, economic, social and cultural systems without outside interference.
2. Permanent sovereignty over natural resources. Right to freely and fully dispose of their natural wealth and resources, including the right of coastal States to dispose of their marine resources within the limits of their national jurisdiction; corresponding duties.
3. Right to engage in trade and other forms of economic co-operation, without any kind of discrimination based on differences in political and economic systems, and to this end to enter into bilateral or multilateral arrangements.
4. The primary responsibility of every State to pursue the economic, social and cultural development of its people.
5. The duty to bring about structural changes in the world economy in order to attain a just and rational international division of labour.
6. The right to fully participate in the decision-making process in the solution of international economic problems and to share in the benefits resulting therefrom.
7. The right to participate in subregional, regional or interregional co-operation to pursue their economic and social development, and the duty of the participants to ensure that the policies of such groupings are rational and outward-looking.

8. The right to share in the benefits of the advances and developments in the field of science and technology; the corresponding duty to facilitate the transfer of scientific and technological know-how and discoveries.
9. The right of all States to an equitable share in world trade.
10. Rights and duties in relation to foreign investment.
11. Rights and duties to regulate the activities and operations of transnational corporations.
12. Utilization of the resources released as a result of the progressive measures towards general and complete disarmament for economic and social development, in particular of developing countries.

B. - Special Provisions

1. The duty to co-operate in the development of developing countries.
2. The right of developing countries to receive preferential and non-reciprocal treatment to meet their trade and development needs; corresponding duty.
3. Rights and duties concerning the transfer to developing countries of financial and technological resources under favourable terms and conditions.
4. Establishment of special relations among developing countries, with a view to expanding their mutual trade and economic co-operation with the support of the developed countries and the international community.
5. The duty of industrialized countries to conduct their mutual economic relations in a manner which does not adversely affect the interests of third countries.
6. Special attention on the part of the international community to the particular needs and problems of the least developed among developing countries, land-locked countries and island developing countries, with a view to helping them to overcome their particular difficulties and thus contributing to their sustained growth.
7. Relations among countries with different economic and social systems; elimination of any discrimination arising out of such differences; application of the most-favoured-nation principle.

CHAPTER III

COMMON RESPONSIBILITY TOWARDS THE INTERNATIONAL COMMUNITY

1. Common heritage of mankind; rights and duties; use of.
2. Protection and enhancement of the human environment; rights, duties and responsibilities.

CHAPTER IV
IMPLEMENTATION

1. Machinery; role of international organizations.
2. Reporting; consultation; and other means of settling differences.

CHAPTER V
FINAL PROVISIONS

- A. Adherence.
- B. Other questions.

Amendments proposed by the delegation of Chile

The preamble should reaffirm paragraph (10) of the International Development Strategy, which states: "Economic and social progress is the common and shared responsibility of the entire international community. It is also a process in which the benefits derived by the developing countries from the developed countries are shared by the world as a whole. Every country has the right and duty to develop its human and natural resources, but the full benefit of its efforts can be realized only with concomitant and effective international action."

Chapter II, A, 1:

Insert, after the words "cultural system", the words "in accordance with the will of their peoples" and add after the word "interference", the words "or any form of political or economic pressure".

Chapter II, A, 2:

Permanent sovereignty over natural resources. Right to freely and fully dispose of their resources in the interest of the economic development and well-being of their people, including the right of coastal States similarly to dispose of their marine resources within the limits of their national jurisdiction. Corresponding duty of other States not to restrict the exercise of these rights.

Chapter II, A, 5:

The duty to bring about structural changes in the world economy in order to attain a just and rational international division of labour and the removal of external obstacles to the development and mobilization of internal resources.

Chapter II, B - Special Provisions.

Paragraph 1 should read: "The duty to co-operate in the balanced expansion of world economic development [and] in the development of the developing countries."

Chapter II, B, 4:

Strengthening and expansion of relations among developing countries with a view to expanding their mutual trade and economic co-operation with the support of the developed countries and the international community.

Proposal by the delegation of Brazil

Insert, after Chapter I, a new Chapter II entitled: Collective Economic Security.

ANNEX II

Text of draft resolution submitted to the Second Committee of the General Assembly at the twenty-seventh session by Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and Union of Soviet Socialist Republics: Statement by the United Nations on promoting the development of co-operation in economic, trade, scientific and technological matters on the basis of equality

[document A/C.2/L.1253]

The General Assembly

Believing that the development of comprehensive co-operation between States is in keeping with the fundamental principles and purposes of the Charter of the United Nations and that it should be directed primarily towards promoting higher standards of living, full employment, and conditions conducive to social and economic progress and development,

Recognizing that co-operation between States in such areas as industrial production, the harnessing and utilization of natural resources, control of the most dangerous and widespread diseases and protection of the environment is of great importance to mankind as a whole and is necessitated by the contemporary development of science and technology, which it also serves to promote,

Convinced that pooling the efforts and knowledge of all States would make it possible to accelerate social, economic, scientific and technological progress and to utilize more fully the results of such progress for the benefit of all members of the international community, and bearing in mind the objectives and tasks of the Second United Nations Development Decade,

Considering that the widest possible encouragement, expansion and development of economic, trade, scientific, technological and other ties between States, irrespective of their social and economic systems and levels of development, can, if such relations develop in conditions of equality, mutual benefit, non-interference in the internal affairs of States and respect for independence and national sovereignty, create a sound basis for improving political relations between them and strengthening mutual trust, peace and international security,

Recalling its resolution 2692 (XXV) of 11 December 1970 on permanent sovereignty over natural resources of developing countries and expansion of domestic sources of accumulation for economic development,

Stressing in this connexion, the right of every State to take any measures of a social and economic nature, including modification of the status of national and foreign property in territories under its sovereignty,

Recognizing that the existing regional and sub-regional trade and economic organizations can, in certain conditions and subject to compliance with the principles of the Charter of the United Nations, without discrimination against States with different economic and social systems, play a constructive role in developing

international economic co-operation, but noting with regret that remaining or newly created obstacles and discrimination in world trade and economic relations are preventing the establishment of mutually beneficial international co-operation and, in particular, restraining the economic growth of the developing countries and widening the gap between the levels of development of the developing and the developed countries,

States that Member States solemnly undertake, in their mutual relations directed towards the comprehensive development of co-operation, to proceed strictly on the basis of the objectives, principles and forms of co-operation set forth below:

A. Objectives and tasks of co-operation

1. International co-operation in economic, trade, scientific, technological and other matters should be in keeping with the aspirations and interests of all peoples.

2. The main tasks of such co-operation between States should be to improve the living conditions of peoples, to ensure full employment, to achieve social progress, to consolidate economic independence and to strengthen national sovereignty over natural resources.

3. Co-operation between States in these matters should lead to the establishment and expansion of stable ties which make it possible to exploit the advantages of the international division of labour.

4. Co-operation directed towards instituting a new, equitable division of labour in the world, excluding unequal trade, should ensure an equilibrium in balances of payments, an assured market for specialized types of products, and freedom to acquire whatever types of equipment and raw and other materials are required.

In particular, it should promote accelerated economic growth in the developing States and a gradual narrowing and elimination of the gap between them and the developed States.

B. Fundamental principles and forms of co-operation

1. Co-operation in economic, trade, scientific, technological and other matters should be based on equality and mutual benefit and should develop between all States, irrespective of their social systems and levels of development. It should be based on respect for independence and national sovereignty and non-interference in internal affairs. Discrimination in any form which prevents States from participating in such co-operation on an equal footing is condemned.

2. The most-favoured-nation principle, which calls for the abandonment of discrimination and inequality as well as of tariff and other artificial barriers which hinder the development of economic and trade ties, should be applied in economic and trade relations between States. The practice of concluding long-term bilateral and multilateral trade and payments agreements and treaties is recognized as an important factor in expanding and strengthening trade and other forms of economic relations between States.

3. With a view to promoting a broad exchange of knowledge on scientific and technological advances, States should take rapid and effective steps to expand international scientific and technological co-operation both through the United Nations and on a bilateral and multilateral basis. Such co-operation could, by agreement between the parties concerned, take the form of exchanges of scientific and technological delegations, the mutual provision of relevant scientific and technological documentation and information, the organization of scientific and technological conferences and symposia, the joint formulation of appropriate guidelines for scientific and technological research and technological processes, the joint training of scientific and technological personnel and so forth.

4. In this context, technology should be made economically accessible to countries struggling to achieve development by providing it on equitable and mutually beneficial terms and by eliminating the unjustified profits of the suppliers of technology.

C. Regional and sub-regional trade and economic co-operation

1. The formation of regional and sub-regional trade and economic organizations - a process which has been intensified in recent years - is an essential factor in contemporary international economic development. The activities of such organizations should be carried on in strict conformity with the Charter of the United Nations, without any discriminatory exclusion of countries with different social and economic systems, and should not be prejudicial to third States, to other regional and sub-regional trade and economic organizations or to international economic co-operation as a whole.

2. The purpose of establishing such organizations should be comprehensive economic, trade, scientific, technological and cultural co-operation aimed at enhancing the well-being of the peoples of the region in question, strengthening peace and friendship between them, and developing mutually beneficial trade, economic and other relations with third States and States in other regions.

3. Participation in regional and sub-regional trade and economic organizations should be based on the principles of equality, mutual benefit, respect for national sovereignty and the fulfilment of individual international commitments previously undertaken.

4. Co-operation within the above-mentioned organizations should take account of the special needs of countries which are in a less favourable position from the standpoint of their level of development and priority needs.

5. Relations between the various regional and sub-regional trade and economic organizations should be based on the principles of peaceful coexistence, non-interference in the internal affairs of States, and reciprocity of benefits and obligations.

ANNEX III

Text of draft resolution submitted to the
Conference at its third session by Bulgaria,
Byelorussian Soviet Socialist Republic, Cuba,
Czechoslovakia, Guinea, Hungary, Mongolia,
Poland, Romania, Syrian Arab Republic,
Ukrainian Soviet Socialist Republic and Union
of Soviet Socialist Republics

[document TD/L.72] ^{1/}

The United Nations Conference on Trade and Development,

Guided by the Declaration of the United Nations General Assembly on the Granting of Independence to Colonial Countries and Peoples (General Assembly resolution 1514 (XV)),

Recalling UNCTAD General Principle Fourteen, which states that: "Complete decolonization, in compliance with the United Nations Declaration on the Granting of Independence to Colonial Countries and Peoples and the liquidation of the remnants of colonialism in all its forms, is a necessary condition for economic development and the exercise of sovereign rights over natural resources",

Recalling also other UNCTAD Principles governing international trade relations and trade policies conducive to development, which place particular emphasis on the sovereign right of every country freely to trade with other countries and freely to dispose of its natural and other resources in the interest of the economic development and well-being of its own people, and also on the inadmissibility of discrimination on the basis of differences in socio-economic systems,

Concerned at the unfavourable trends and continuing discrimination in the foreign economic policies and practice of developed market-economy countries and their impact on world trade and development, particularly on the economies and foreign trade of developing countries,

Considering that international trade is being adversely affected by the continuance of many manifestations of colonialism and neo-colonialism, and above all by:

the maintenance of colonial regimes in a number of countries and territories;

the key positions still held by foreign capital in a number of sectors of the economies and foreign trade of many countries of Asia, Africa and Latin America;

the acquisition and expropriation of unduly high profits by foreign companies from the exploitation of enterprises, mineral resources and land in developing countries;

^{1/} Proceedings of the United Nations Conference on Trade and Development, Third Session, op. cit., annex VII.

the continuing domination of the developing countries' shipping and insurance industries by foreign companies;

the application of political and economic pressure, trade and economic sanctions and other measures with a view to encroaching on the sovereign right of countries freely to dispose of their natural resources in the interest of the economic development and well-being of their peoples, including the right to change their system of ownership;

the extension of the practice whereby the developed market-economy countries obtain reciprocal trade-policy concessions from developing countries, thereby hindering the establishment and development of their national industries and the development of their trade and economic relations with third countries;

the activities of foreign monopolies, especially those of a multinational character, which slow down the development of the economies and foreign trade of the developing countries;

Noting that the continuance of manifestations of colonialism and discrimination is having an adverse effect on international trade, particularly that of developing countries, with the result inter alia that their share of world trade is continuing to diminish, the exports of the vast majority of the developing countries are agricultural and monocultural, their external indebtedness is increasing and the gap between the levels of economic development in the developing and developed market-economy countries is widening;

The third session of the United Nations Conference on Trade and Development:

1. Proclaims that the elimination as soon as possible of all forms of discrimination, the consequences of colonialism and the manifestations of neo-colonialism in international trade is the most important objective of all countries and an essential pre-requisite for the transformation of foreign economic relations into an instrument for the economic and social progress of all countries, particularly developing countries;

2. Calls upon all States to refrain from any use of force or other action which deprives peoples, particularly those still under colonial domination or any other form of foreign domination, of their right to self-determination, freedom and independence and of the possibility of disposing freely of their national resources. No State should use or encourage the use of economic, political or other measures in regard to other States in order to restrict the exercise of their sovereign rights or obtain advantages of any kind;

3. Calls upon all States to respect the national unity, political independence and territorial integrity of every State, to refrain from the use or threat of force and fully to observe the principle that the territory of a State may not be subjected to military occupation as a result of the use of force in violation of the provisions of the Charter and the principle of the inadmissibility of the acquisition of territory by force;

4. Stresses the paramount importance of the implementation by all countries of the UNCTAD Principles governing international trade relations and trade policies, with a view to the elimination of discrimination and manifestations of colonialism and neo-colonialism in international trade;
 5. Calls upon the Governments of all countries to take measures for the earliest possible removal of barriers to the expansion of international trade and for the elimination of all forms of discrimination on political or other grounds;
 6. Reaffirms the right of the countries of Asia, Africa and Latin America to take measures for the elimination of the legacies of colonialism and neo-colonialism in their economies and their foreign trade and for the establishment of control over their natural resources and enterprises that are in the hands of foreign companies, including the nationalization of foreign property;
 7. Considers that it is inadmissible that a small group of developed market-economy countries should continue the practice of taking decisions on important economic matters which affect the interests of the other countries in the world as well;
 8. Calls upon the Governments of developed market-economy countries:
 - (a) to renounce any unilateral concessions or advantages which they enjoy in developing countries;
 - (b) to extend the practice of granting concessions to all developing countries on a non-reciprocal basis, having particular regard to the interests of the least developed among the developing countries;
 - (c) to take measures to ensure that the activities of the companies of these countries in the countries of Asia, Africa and Latin America are pursued in conformity with the laws of those States and are subordinated to the objectives of development, the implementation of national plans and programmes and the establishment and strengthening of independent national economies in the countries of Asia, Africa and Latin America;
 - (d) to take measures to ensure the earliest possible abolition of tariff and non-tariff barriers to the import of agricultural products, commodities and manufactures from developing countries.
 9. Requests the Secretary General of UNCTAD to submit periodic reports to the Trade and Development Board on the implementation of this resolution, the first report to be submitted to the Board at its thirteenth session.
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