



AGENDA ITEMS 14 AND 15

CONTENTS

Agenda items 14 and 15:

Development of natural resources:

- (a) Co-ordinated action in the field of water resources;
- (b) Progress report on new sources of energy;
- (c) Work in the field of non-agricultural resources

Permanent sovereignty over natural resources

General debate (*continued*) . . . . . 151

Development of natural resources

- (a) Co-ordinated action in the field of water resources (E/3863, E/3881, E/3894/Rev.1);
- (b) Progress report on new sources of energy (E/3903);
- (c) Work in the field of non-agricultural resources (E/3904 and Corr.1; ST/ECA/82)

Permanent sovereignty over natural resources (E/3840)

GENERAL DEBATE (*continued*)

1. Mr. HILL (Australia) observed that the development of new sources of energy was particularly important for developing countries. He congratulated the Secretary-General on his report on recent developments relating to new sources of energy (E/3903) and hoped the Council would be able to accept the recommendations in part IV thereof.

2. Australia had done some experimental work on solar energy with a view to using it for heating, refrigeration, air conditioning and desalination of water. He pointed out, in that connexion, that the United Nations had just published a very comprehensive and authoritative report entitled *Water Desalination in Developing Countries* (ST/ECE/82). The Australian delegation had also been happy to learn that United States and Soviet specialists were considering joint work in that field.

3. The use of solar energy for water heating and many other purposes would make possible considerable fuel savings in both industrialized and developing countries, and could help to raise the level of living in tropical countries. Australia therefore welcomed with satisfaction the prospective arrangements for an exchange of information on experimental work in the field of new sources of energy. It would be happy to participate in exchanges of specialists: Australian specialists would make the knowledge they had gained in certain branches available to other countries or would work in the laboratories and research institutes of countries in the tropical belt.

4. The development of water resources was also of special importance to Australia, where water shortage caused the same problems as in many developing countries. Australia also understood how important the development of international river basins could be to a great number of countries, and it had provided assistance for the Indus water scheme and the Mekong valley project under the Colombo Plan. His country looked forward

*President* : Sir Ronald WALKER (Australia)

*Present* :

Representatives of the following States, members of the Council: Algeria, Argentina, Australia, Austria, Chile, Colombia, Czechoslovakia, Ecuador, France, India, Iraq, Japan, Luxembourg, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Representatives of the following States, additional members of the sessional Committees: Cameroon, Ghana, Indonesia, Iran, Italy, Mexico, United Arab Republic, United Republic of Tanganyika and Zanzibar.

Observers for the following Member States: Belgium, Brazil, Canada, Central African Republic, Greece, Hungary, Ireland, Israel, Pakistan, Philippines, Poland, Romania, Sweden, Uruguay.

Observers for the following non-member States: Federal Republic of Germany, Holy See.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, World Health Organization.

The representative of the International Atomic Energy Agency.

to welcoming the participants in the ECAFE Sixth Regional Conference on Water Resources Development in 1966.

5. The proposals for a priority programme of co-ordinated action in the field of water resources contained in the Secretary-General's report (E/3863) were essentially the same as those contained in the preceding report of the Water Resources Development Centre<sup>1</sup> and related to assessment of water needs and resources, preliminary surveys of international river basins, ground-water research and methods of carrying out the work envisaged. The comments and constructive criticisms made at the thirty-sixth session of the Council, particularly with respect to the search for solutions to the problem of co-ordination, had been taken into account. The Australian delegation hoped that the specialized agencies with interests in that subject would be in a position to support the proposals made. The Australian Government supported those proposals and shared the opinion of the Secretary-General that further training was required. It was willing to facilitate that training and the exchange of technical information. The Australian delegation had also noted with interest the proposals in the Secretary-General's note on the reorganization of the Water Resources Development Centre (E/3894/Rev. 1), and hoped that those proposals would give a new impetus to research.

6. The Australian delegation congratulated the Secretary-General on his valuable report on work being done in the field of non-agricultural resources (E/3904); that report could serve as a basis for measures which would enable developing countries to exploit their natural resources more fully in order to increase their output and raise their level of living. United Nations activities in that field had sometimes yielded spectacular results, such as the discovery of mineral deposits in Chile, Burma and Pakistan. The Australian delegation approved the list of future projects (*ibid.*, chap. V), and the methods proposed by the Secretary-General.

7. Mr. SWARUP (India) said that adequate water resources were essential for developing countries which were endeavouring to raise the level of living of their population through systematic industrialization, improved agricultural methods and the development of their natural resources. To help those countries, United Nations bodies should mobilize the scientific knowledge and practical experience that the world had accumulated, and provide adequate financial resources. The Indian delegation was grateful to the Secretary-General for his report on the activities of the various United Nations bodies co-operating in the Water Resources Development Centre, and it approved his statement that those activities should be fortified by greater financial and staff resources.

8. In its twenty-ninth report (E/3886, chap. X) the ACC had emphasized the importance of co-ordinating all efforts to develop water resources and recommended steps to be taken to facilitate such co-ordination. It was to be hoped that the contemplated transfer of powers

would be without prejudice to the useful work the Water Resources Development Centre was doing. As regards the terms of reference of the Centre, proposed by the Secretary-General, the Economic and Social Council should ensure that the United Nations did not interfere in a country's development activities on the grounds that certain rivers were international. In the view of the Government of India, a river could be considered international only if it had been internationalized by a bilateral or multilateral treaty. Similarly, so far as international law applicable to the development of water resources was concerned, each river raised a special problem and no single principle could be applied to all rivers. His delegation hoped that its comments would be taken into account when the terms of reference of the Water Resources Development Centre were finalized.

9. The Indian Government contemplated a vast programme for the development of India's water resources. It hoped that the United Nations would soon be able to supply it with the assistance it needed both in qualified staff and in financial means for the purchase of equipment abroad.

10. The Indian delegation had noted with great interest the Secretary-General's report on permanent sovereignty over natural wealth and resources (E/3840). The importance of that subject for developing countries was obvious. The Governments of countries whose territories contained natural resources must of course be able to state the natural resources in which foreign capital would be invested and lay down the conditions of investment; but at the same time the right to nationalize, or in certain cases to expropriate, must obviously go hand-in-hand with arrangements to make adequate compensation. The Indian delegation considered that the Secretary-General's report had furthered the study of those problems by supplying information to all concerned.

11. The question of new sources of energy was of particular interest to developing countries whose needs could not be satisfied by conventional sources. The United Nations Conference on New Sources of Energy, held in Rome in August 1961, had made it possible to consider the potential value and the limits to the application of those forms of energy. India, where in 1981 three-quarters of the population would still be agricultural, and where 527,000 villages would still be without electricity, had undertaken several research programmes on solar energy and wind power, but it needed the technical and financial assistance of the specialized agencies and the developed countries for completing those programmes. The Indian Government had, *inter alia*, approved the suggestion made at the United Nations Conference on New Sources of Energy regarding the establishment of solar energy and wind power demonstration centres in the various regions of the world, and the combination of those sources of energy with other local sources so as to avoid interruptions of supply.

12. The Indian delegation noted with satisfaction that United Nations bodies, and particularly the Special Fund, had during the past four years increased their activity in the field of non-agricultural resources (see

<sup>1</sup> Official Records of the Economic and Social Council, Thirty-sixth Session, Annexes, agenda item 6, document E/3760.

E/3904 and Corr.1, annex I). It was particularly grateful to the Special Fund for having approved certain of the projects proposed by the Indian Government. It hoped that the survey of world iron-ore resources, the studies of administrative and legislative measures necessary to facilitate the exploitation of minerals, and the study of methods of producing electricity by small-scale plants would be completed as soon as possible (E/3904 and Corr.1, chap. V).

13. His delegation had noted with keen interest the report on the *Desalination of Water in Developing Countries*. It hoped that India would receive the financial assistance it needed for continuing water desalination studies at a number of institutes.

14. Mr. RENAUD (France) expressed surprise that the important, complex and technical documents which were before the Council under items 14 and 15 of the agenda had been distributed so late. It was particularly regrettable that, because the French version of the texts had not been received in time, his delegation had been unable to give them the thorough study they required.

15. The note in which the Secretary-General outlined the steps he proposed to take to ensure co-ordination of the activities of the various organs of the United Nations in the field of water resources was rather summary in character in view of the importance of the problem to be solved. The French delegation had always favoured the establishment of centres for specific purposes within the United Nations Secretariat. So long as they did not become too numerous, such centres had the threefold advantage of providing, in the case of specific activities, the stimulus which the complexity of the existing machinery often made necessary, of assuring co-ordination among different organs and lastly, of providing the focal point for an exchange of views of which they might, if necessary, as one of the parties, communicate the outcome to the various bodies concerned.

16. If the present system, which had been in operation for only two years, had to be modified, the modifications should be designed above all to strengthen the co-ordination of activities in the field of water resources. It was essential, therefore, that the Water Resources Development Centre should continue to play its general role of co-ordinator and that it should be responsible, in particular, for preparing all meetings which might take place at the technical and practical levels. The establishment of a sub-committee of ACC seemed sensible, if such a sub-committee could define a common policy on water resources for the different specialized agencies, and keep the application of that policy under review. The Centre would to some extent inspire that policy, and at the same time it would act as the sub-committee's secretariat. The sub-committee would take the decisions, and would give the specialized agencies full scope in carrying them out.

17. The Secretary-General's report on recent developments relating to new sources of energy had reached the French delegation too late for its experts to be able to study it thoroughly. It could perhaps be said, however, that research as regards solar energy might be extended

towards its use in fields other than that of the production of electricity and, further, that it would be useful to place more emphasis on the development of the geothermal industry.

18. As regard non-agricultural resources, the French delegation wished again to emphasize its interest in the preparation of an inventory of world iron-ore resources.

19. Lastly, as the report on *Water Desalination in Developing Countries* had been circulated only two days previously in English only, it had been impossible for the French delegation to examine it thoroughly.

20. The Secretary-General's report on permanent sovereignty over natural wealth and resources, submitted in accordance with General Assembly resolution 1803 (XVII) — for the adoption of which the French delegation had not voted since it had not considered the resolution opportune and had not agreed on some points of principle — brought up to date the report submitted in 1962,<sup>2</sup> but was of only minor interest. It contained a summary of some legislative measures and an objective analysis of international agreements on natural resources. The problems outlined in the report were studied from a static rather than from a dynamic point of view, and the authors had not attempted to make a real synthesis. He drew attention to some errors of detail noticed by his delegation in certain paragraphs dealing with the agreement on the establishment of the *Compagnie des Mines d'Uranium de Franceville* in Gabon and with the agreements between France and Algeria reached at Evian or later. The Secretary-General's report was no longer up to date as far as Algeria was concerned.

21. A comparison between the different policies and their evolution would have thrown new light on the relationships between the grantor powers and foreign investors in the developing countries. A new idea would doubtless have emerged — the idea of a moral obligation to develop certain resources for the benefit of the international community. That was an idea which might in future tend to supersede the, in some respects, outdated concept of the absolute sovereignty of States over their national resources.

22. Mr. KAKITSUBO (Japan) said that his delegation was on the whole satisfied with the activities of the United Nations Secretariat described in the third biennial report of the Water Resources Development Centre (E/3881). It appreciated the efforts of the United Nations and the specialized agencies to prepare a co-ordinated priority programme as regards water resources, and supported the three types of measures proposed by the Secretary-General: the preliminary country surveys of water needs and resources; the preliminary surveys of international river basins of interest to developing countries; and the large-scale pre-development investigations of ground-water basins.

23. The Japanese delegation shared the views, expressed in paragraphs 13 and 14 of the Secretary-General's report, that the planned surveys should be followed

<sup>2</sup> *The Status of Permanent Sovereignty over Natural Wealth and Resources* (United Nations publication, Sales No. 62.V.6).

by more intensive pre-investment surveys, and that the water development projects should be implemented and operated by well qualified staff. It considered that the United Nations, EPTA, the Special Fund and OPEX should all assist the developing countries to carry out pre-investment surveys, to find the necessary financial resources for executing the projects and for training the national personnel needed for that purpose.

24. The Japanese delegation was pleased to note that the United Nations had been entrusted with carrying out fifteen Special Fund projects relating to water resources, and that the Special Fund was to give the beneficiary Governments preparatory assistance in formulating their requests. It hoped that the next report would give more details about such preparatory assistance.

25. His delegation had noted with appreciation the Secretary-General's reports on recent developments relating to new sources of energy and on work being done in the field of non-agricultural resources; it supported the conclusions and recommendations in part IV of the former report and the choice of priorities for further work in chapter V of the latter.

26. His delegation was somewhat disappointed with the proposal that the Water Resources Development Centre should reassume its old status. While he would not request the Secretariat to provide more detailed information immediately on the discussions at the session of ACC held in April 1964, he wished to point out that the relevant documents did not seem to give a clear picture of the situation, and he wondered how the planned transfer of powers could be effected without prejudicing the co-ordinating role which the Council had wished the United Nations to play. His delegation would not oppose the Secretary-General's proposals in his notes but it was still convinced that the United Nations should do its best to ensure the co-ordination of activities within United Nations organizations in the very complex field of water resources. It hoped that the Secretariat would inform the Council regularly concerning any discussions on the development of water resources at future inter-agency meetings. It also hoped that the resident representatives would be fully utilized for the purpose of co-ordinating the activities of the organizations of the United Nations family, and that the United Nations would expand its participation in the execution of EPTA and Special Fund projects.

27. Mr. RUSTAMOV (Union of Soviet Socialist Republics) considered that the documents before the Council under item 14 of the agenda showed that the United Nations and the specialized agencies were beginning to give greater attention to the development of the natural resources of the developing countries, but they did not bring out sufficiently that the exploration of natural resources was still very inadequate in many countries, for it was not always in the interests of foreign monopolies to admit that certain resources, particularly petroleum, existed where they did. The United Nations should therefore help the developing countries to prospect their natural resources themselves by providing them with the necessary funds.

28. The wise exploration of resources was indeed one of the essential conditions of economic development, as was shown by the remarkably rapid industrial development of Soviet Asia Minor since the discovery of large reserves of natural gas, petroleum and various minerals.

29. The USSR also recognized the importance of water resources, the rational use of which had enabled it to irrigate 650,000 hectares of formerly barren land in Uzbekistan. It therefore approved of the measures adopted by the United Nations to develop large river basins, and was pleased to see the developing countries working together to use their water resources.

30. The USSR had provided assistance to a large number of countries, both through bilateral agreements and through United Nations bodies, for the exploration and development of their natural resources. All the competent United Nations bodies should strive to put an end to the exploitation of those resources by foreign monopolies.

31. The USSR attached great importance to the problem of permanent sovereignty over natural wealth and resources and considered that such sovereignty should be strengthened to eliminate, in accordance with general principle fourteen approved by the United Nations Conference on Trade and Development (see E/CONF. 46/139, annex A.I.1), the economic remnants of colonialism, which subsisted in the form of inequitable agreements and exploitation by foreign monopolies.

32. The Council should make definite recommendations on means of strengthening sovereignty over natural resources, taking into account the present trend in many States to nationalize private enterprises so as to create a large public sector. Unfortunately, the authors of the report before the Council put more emphasis on guarantees of the rights of foreign investors — which were often tantamount to a limitation or even a violation of State sovereignty — than on suitable measures for strengthening the sovereignty of States over their natural resources. In particular, the report made no mention of the nationalization measures taken in Algeria, the United Arab Republic and Iraq, and it skimmed rapidly over the nationalization of petroleum resources in Ceylon.

33. The USSR delegation proposed that cases of the violation of sovereignty over natural resources should in future be studied more carefully and that more attention should be given to devising measures designed to restrict foreign interference in the exploitation of those resources.

34. Mr. ZEVALLOS (Ecuador) said that his delegation considered the two items before the Council to be particularly important for the developing countries.

35. Referring to the Secretary-General's note, he observed that the difficulties encountered had led the Secretary-General to propose that the United Nations Water Resources Development Centre should be placed under the authority of the Under-Secretary for Economic and Social Affairs. His delegation, which in principle welcomed that proposal, would refer to it in greater detail in the Economic Committee. Referring to the Secretary-



General's report on a priority programme of co-ordinated action in the field of water resources, his delegation fully endorsed the proposals for priority action within the framework of the Development Decade and the criteria by which countries should be guided in the study of their water resources. Ecuador had requested assistance from the Special Fund for a survey in Manabi province, on which it based great hopes. Likewise, the survey of the Guayas basin should produce fruitful results. Chapter IV of the report concerning training was of particular interest in view of the great shortage of technical staff in the developing countries.

36. With reference to the report on recent developments relating to new sources of energy, he drew attention to the potential value of those sources to the developing countries. Ecuador was particularly interested in solar energy, and hoped that the programme dealing with it would be accelerated and that more abundant information would be supplied. The Secretary-General's recommendations on that point were quite satisfactory, but precise objectives should be established and meetings should be organized for the dissemination of information.

37. With regard to work being done in the field of non-agricultural resources, Ecuador was especially interested in the problem of desalination, both for irrigation and for the production of drinking water. The process would bring obvious advantages from both the economic point of view and the point of view of living conditions. The present cost of 29 cents (U.S.) per cubic metre was certainly too high, but that question and the problem of transporting water should be studied more thoroughly. Ecuador would be one of the sponsors of a draft resolution<sup>3</sup> on that question which would be submitted later.

38. With regard to agenda item 15, he merely wished to state that he wholeheartedly endorsed the principle of national sovereignty over natural resources.

39. Mr. JAFERI (Iran) considered the documentation on agenda items 14 and 15 to be of the greatest interest. He hoped that the recommendations which it contained would be adopted by the Council.

40. His Government had devoted a great deal of attention to the problem of conserving water resources, and a number of works, including the construction of large dams, had already given good results. An agreement had been concluded with the USSR for the development of the Aras basin in the northern part of the country. The Iranian Bank for Agricultural Development had granted farmers loans for digging wells and repairing underground conduits.

41. The efforts of the United Nations and the specialized agencies in the matter of water resources were most praiseworthy. In Iran, water resources were constantly diminishing, and that phenomenon had already had unfortunate consequences for agriculture precisely at a time when far-reaching reforms had been undertaken

in order to create a modern State and raise the economic and social level of the masses.

42. Iran was grateful to the United Nations bodies for the work which they were doing in its territory and especially for the projects sponsored by the Special Fund, the Bureau of Technical Assistance Operations and the Resources and Transport Division of the United Nations and FAO. Iran also derived great benefit from the activities of ECAFE and had taken an active part in the Regional Symposium on Flood Control, Reclamation, Utilization and Development of Deltaic Areas.

43. Noteworthy though those efforts were, still more intensive action was needed. His delegation hoped that the Council would adopt the proposal contained in the Secretary-General's note, which would alter the terms of reference of the United Nations Water Resources Development Centre.

44. The developing countries were particularly handicapped by their lack of capital and technical knowledge. The Ministerial Conference on Asian Economic Cooperation had been very much interested in the development of natural resources through the concerted efforts of the countries of the region. As the progress of those countries was limited by their lack of means, however, the Council might consider recommending a co-ordinated programme of priority action in the field of mineral resources within the framework of the United Nations Development Decade.

45. He recalled that at the 1317th meeting he had referred to the question of the development of natural gas resources, with which ECAFE was concerned. In that connexion, he quoted a passage from document No. 26 presented by Mr. Fouad Rouhani at the United Nations Seminar on Petroleum Resources, held in New York in January/February 1962. That document showed that natural gas was the poor relation of the petroleum industry, although it represented an irreplaceable resource. Consequently, bearing in mind General Assembly resolution 1803 (XVII) in particular, he hoped that the Council would recommend that instead of natural gas being wasted by burning, consideration should be given at all levels to measures for its conservation underground and to a detailed survey aimed at the development of the natural gas industry in the developing countries, for the maximum benefit of those countries and of the whole world.

46. Mr. HILL (Deputy Under-Secretary for Economic and Social Affairs) thanked the delegations which had supported the proposals contained in the documents on agenda item 14. The scope of the ACC's conclusions (E/3886, paras. 95-98) and of the Secretary-General's proposal (E/3894) concerning the United Nations Water Development Centre should not be exaggerated. In fact, what was proposed was to revert to the previous situation — which was similar to that of other centres within the United Nations Secretariat — owing to the difficulties encountered in connexion with the functioning of the Centre as an independent body. Those difficulties were due partly to the fact that some specialized agencies

<sup>3</sup> Subsequently circulated as document E/AC.6/L.298.

had been unable to assign the necessary staff to the Centre, and that it had not been possible to appoint a director. They were also due to some extent to the fact that the Centre had been unable to play the role expected of it in arranging for the distribution among agencies of operational work. The Special Fund, in particular, had been unable to delegate that task to it. Thirdly, it would give rise to considerable administrative problems if there were two independent directors working side by side, one in charge of the United Nations own water programmes and the other in charge of inter-agency co-ordination as regards water.

47. He believed that the proposal of ACC and the Secretary-General concerning the Centre would not impede the development of co-ordination between the specialized agencies and the United Nations. He made it clear that, in the Secretary-General's thinking, the Centre would facilitate co-operation between United Nations Headquarters and the regional economic commissions, adding that, in servicing the Inter-Agency Meeting on Water Resources, the Centre would be acting on behalf of ACC.

The meeting rose at 1.5 p.m.