

UNITED NATIONS

GENERAL
ASSEMBLY



Distr.
GENERAL

A/5344/Add.1
12 December 1962

ORIGINAL: ENGLISH

Seventeenth session
Agenda items 12, 34, 35,
37, 39 and 84

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

UNITED NATIONS DEVELOPMENT DECADE

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

INTERNATIONAL MEASURES TO ASSIST IN OFFSETTING FLUCTUATIONS
IN COMMODITY PRICES

PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES

THE CAIRO DECLARATION OF DEVELOPING COUNTRIES

Report of the Second Committee^{1/}

Rapporteur: Miss Gay SELLERS (Canada)

.....

^{1/} In accordance with the decision by the Second Committee at the 872nd meeting, the part of the Rapporteur's report relating to item 39 is being submitted separately from those parts relating to the other items in this group.

VI

64. The draft resolution submitted by the Commission on Permanent Sovereignty over Natural Resources (A/C.2/L.654 and Corr.1) read as follows:

"Permanent sovereignty over natural resources

"The General Assembly,

"Bearing in mind resolution 1314 (XIII) adopted by the General Assembly on 12 December 1958, which established the Commission on Permanent Sovereignty over Natural Resources and instructed it to conduct a full survey of the status of permanent sovereignty over natural wealth and resources as a basic constituent of the right to self-determination, with recommendations, where necessary, for its strengthening, and decided further that, in the conduct of the full survey of the status of the permanent sovereignty of peoples and nations over their natural wealth and resources, due regard should be paid to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of under-developed countries,

"Bearing in mind resolution 1515 (XV) adopted by the General Assembly on 15 December 1960, which recommended that the sovereign right of every State to dispose of its wealth and its natural resources should be respected,

"Considering that any measures in this respect must be based on recognition of the inalienable right of all States freely to dispose of their natural wealth and resources in accordance with their national interests, and on respect for the economic independence of States,

"Considering that in order to promote international co-operation for the economic development of under-developed countries, based on respect for the principles of equal rights and the right of peoples and nations to self-determination, it is desirable to establish in advance economic and financial agreements,

"Considering that the provision of economic and technical assistance, loans and increased foreign investment must not be subject to conditions which conflict with the interests of the recipient State,

"Considering the benefits to be derived from exchanges of technical and scientific information likely to promote the development and use of such resources and wealth, and the important part which the United Nations and other international organizations are called upon to play in that connexion,

"Attaching particular importance to the question of promoting the economic development of under-developed countries and securing their economic independence,

"Declares that,

"1. The right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of the well-being of the people of the State concerned;

"2. The exploration, development and disposition of such resources, as well as the import of the foreign capital required for these purposes, should be in conformity with the rules and conditions which the peoples and nations freely consider to be necessary or desirable with regard to the authorization, restriction or prohibition of such activities;

"3. In cases where authorization is granted, the capital imported and the earnings on that capital shall be governed by the terms thereof, by the national legislation in force, and by international law. The profits derived must be shared in the proportions freely agreed upon, in each case, between the investors and the recipient State, due care being taken to ensure that there is no impairment, for any reason, of that State's sovereignty over its natural wealth and resources;

"4. Nationalization, expropriation or requisitioning shall be based on grounds or reasons of public utility, security or the national interest which are recognized as overriding purely individual or private interests, both domestic and foreign. In such cases, the owner shall be paid appropriate compensation, in accordance with the rules in force in the State taking such measures in the exercise of its sovereignty and in accordance with international law. In any case where the question of compensation gives rise to a controversy, national jurisdiction should be resorted to. Upon agreement by the parties concerned settlement of the dispute may be made through arbitration or international adjudication;

"5. The free and beneficial exercise of the sovereignty of peoples and nations over their natural resources must be furthered by the mutual respect of States based on their sovereign equality;

"6. International co-operation for the economic development of under-developed countries, whether in the form of public or private capital investments, technical assistance, or exchange of scientific information, shall be so encouraged as to contribute in every possible way to the exercise of sovereignty as described in paragraph 5 above;

"7. Violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the United Nations Charter and hinders the development of international co-operation and the maintenance of peace;

"8. States and international organizations shall strictly and conscientiously respect the sovereignty of peoples and nations over their natural wealth and resources in accordance with the United Nations Charter and the provisions of this resolution.

"Requests the International Law Commission to speed up its work on the codification of the topic of responsibility of States for the consideration of the General Assembly."

65. The Committee considered this draft resolution at its 834th, 841st-842nd, 845th, 846th, 848th and 850th-859th meetings.

66. At the 834th meeting the Committee had before it a series of amendments by Afghanistan (A/C.2/L.655), the United States of America (A/C.2/L.668), the United Kingdom of Great Britain and Northern Ireland (A/C.2/L.669) and the Union of Soviet Socialist Republics (A/C.2/L.670).

67. The amendment by Afghanistan (A/C.2/L.655) proposed that the words "... In such cases, the owner shall be paid appropriate compensation, in accordance with the rules ..." in operative paragraph 4 should be replaced by the words "... In such cases, the owner shall be paid adequate compensation, when and where appropriate, in accordance with the rules ...".

68. The amendments by the United States of America (A/C.2/L.668) proposed that:

(a) The words "prompt, adequate and effective" should be inserted in operative paragraph 4 after the words "In such cases, the owner shall be paid appropriate".

(b) The last two sentences in operative paragraph 4 should be deleted and the following new operative paragraph added:

"9. In the exercise of permanent sovereignty over their natural wealth and resources, peoples and nations shall faithfully observe agreements freely entered into and shall pay due regard to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of under-developed countries. Where a question of compensation for nationalization, expropriation or requisitioning gives rise to a controversy, local remedies should first be exhausted in accordance with international law, unless the parties have agreed to international adjudication or other method of settlement."

69. The amendments by the United Kingdom (A/C.2/L.669) proposed that:

(a) The words "in conformity with the rights and duties of States under international law" should be added at the end of the second preambular paragraph.

(b) The words "and at the same time recognizing the economic interdependence of States" should be added at the end of the third preambular paragraph.

(c) The words "it is desirable to establish in advance economic and financial agreements" in the fourth preambular paragraph should be replaced by the words "it is desirable to establish just principles for the development of natural resources".

(d) The following new preambular paragraph should be inserted between the fourth and fifth preambular paragraphs:

"Bearing in mind the need of many countries in the process of development for capital and enterprise from abroad and hence the desirability of according to such capital and enterprise reasonable and equitable treatment in conformity with the mutual interests of the developed and under-developed countries."

(e) Operative paragraph 2 should be reworded to read as follows:

"The terms under which rights governing the exploration, development and disposition of such resources, as well as the investment of foreign capital required for these purposes, are granted should be in conformity with the rules and conditions which the peoples and nations freely consider to be necessary or desirable with regard to the authorization, restriction or prohibition of such activities."

(f) The words "capital imported" in operative paragraph 3 should be replaced by the words "capital invested".

(g) The following sentence should be inserted between the first and second sentences of operative paragraph 3: "Agreements freely entered into shall be faithfully observed."

(h) The second sentence of operative paragraph 3 should be replaced by the following text:

"Where it is agreed between the recipient State and the investor that profits should be shared, this sharing must be in proportions freely agreed upon, in each case, between the investors and the recipient State, due care being taken to ensure that there is no impairment, for any reason, of that State's sovereignty over its natural wealth and resources, due regard being given to the acquired rights of investor."

(i) Operative paragraph 4 should be reworded to read as follows:

"Nationalization, expropriation or requisition shall only be resorted to if strictly required on grounds or reasons of public utility, security or the national interest which are recognized as overriding purely individual or private interests, both domestic or foreign. In such cases the owner shall be paid appropriate compensation, in accordance with the rules in force in the State taking such measures in the exercise of its sovereignty and in accordance with international law. In any case where the question of compensation gives rise to a controversy, national jurisdiction should in the first instance be resorted to. However, upon agreement by the parties concerned, settlement of the dispute may be made through arbitration or international adjudication."

70. The amendments by the Union of Soviet Socialist Republics (A/C.2/L.670) proposed that:

(a) The following additional paragraph should be inserted as the first preambular paragraph:

"Recalling its resolutions 523 (VI) and 626 (VII)".

(b) The latter part of the fourth preambular paragraph beginning with the words "based on respect for the principles of equal rights ..." should be replaced by the words "economic and financial agreements between the developed and the developing countries must be based on the principles of equality and of the right of peoples and nations to self-determination,".

(c) The following additional paragraph should be added at the end of the preamble:

"Noting that the creation and strengthening of inalienable sovereignty of States over their natural resources and wealth strengthens their economic independence,".

(d) The words "of independent national development and" should be inserted in operative paragraph 1 after the words "must be exercised in the interest".

(e) Operative paragraph 3 should be deleted.

(f) The following words should be inserted at the beginning of operative paragraph 4:

"Confirms the inalienable right of peoples and nations to the unobstructed execution of nationalization, expropriation and other essential measures aimed at protecting and strengthening their sovereignty over their natural wealth and resources."

(g) The second sentence of operative paragraph 4 should be replaced by the following sentence: "The question of payment of compensation to the owners shall in such cases be decided in accordance with the national law of the country taking those measures in the exercise of its sovereignty".

(h) The following new paragraph should be inserted between operative paragraphs 4 and 5:

"Unreservedly supports measures taken by peoples and States to re-establish or strengthen their sovereignty over natural wealth and resources, and considers inadmissible acts aimed at obstructing the creation, defence and strengthening of that sovereignty."

(i) The words "exchange of goods and services" should be inserted in operative paragraph 6 after the words "private capital investments".

(j) The second part of operative paragraph 6 beginning with the words "so encouraged as to contribute ..." should be replaced by the following clause: "such as to further their independent national development and be based upon respect for their sovereignty over their natural wealth and resources".

71. At the 850th meeting, the United Kingdom and the United States submitted jointly further amendments (A/C.2/L.686), replacing the earlier United States amendment (A/C.2/L.668) and the United Kingdom amendments (A/C.2/L.669). They proposed that:

(a) The sentence "Agreements freely entered into shall be faithfully observed," should be inserted after the first sentence in operative paragraph 3.

(b) The last three lines of operative paragraph 4 beginning "national jurisdiction should be resorted to ..." should be replaced by the following text:

"national jurisdiction should be exhausted. Where however there is agreement to that effect by the parties concerned, settlement of the dispute shall be made through arbitration or international adjudication."

The representative of Afghanistan withdrew his amendment (A/C.2/L.655).

72. During the meeting, Panama introduced an oral sub-amendment to amendment (a) by the United Kingdom and the United States (A/C.2/L.686) (see para. 71, above) to reword the text as follows, inserting it at the beginning of operative paragraph 8 rather than in operative paragraph 4: "Agreements freely entered into by States and international organizations or States and foreign investors shall be faithfully observed,".

73. This sub-amendment was accepted by the sponsors of the amendments, and a revised text, with Parana joining as a co-sponsor, was circulated (A/C.2/L.686/Rev.1).

74. At the 851st meeting, Mauritania submitted an amendment (A/C.2/L.690) to insert the words "of the State taking such measures" in the third sentence of operative paragraph 4 after the words "national jurisdiction".

75. Algeria submitted an amendment (A/C.2/L.691) to insert the following new paragraph between the third and fourth preambular paragraphs:

"Considering that the obligations of international law cannot apply to alleged rights acquired before the accession to full national sovereignty of formerly colonized countries and that, consequently, such alleged acquired rights must be subject to review as between equally sovereign States,".

76. At the 852nd meeting, Parana withdrew its sponsorship of the three-Power amendments (A/C.2/L.686/Rev.1/Add.1).

77. At the 853rd meeting, Burma and Sudan submitted the following draft text (A/C.2/L.694) for inclusion in the Rapporteur's report:

"Recalling its resolutions 1314 (XIII) of 12 December 1958 and 1720 (XVI) of 1961, recognizing the importance of the question of strengthening of permanent sovereignty of peoples and nations over their natural wealth and resources, taking into account the substantial increase of the United Nations membership during the recent years, the Second Committee decided to adjourn its debate on the item under discussion and:

"1. To renew the mandate of the Commission for Permanent Sovereignty over Natural Resources for another year, and to enlarge its membership by six more Member States to be appointed by the President of the General Assembly, taking into account the increased membership of the United Nations and the need for adequate geographic representation, in particular of the developing nations;

"2. To request the Commission on Permanent Sovereignty over Natural Resources to continue to consider the draft resolution worked out by it, together with amendments submitted in the Committee, taking also into account the different views expressed in the course of debates on the subject at the seventeenth session of the General Assembly; and the Commission may sound the views of the Member Governments on the draft and on the views expressed by the delegations during the seventeenth session and that the Commission may take these views into consideration and to submit its report to the General Assembly at its eighteenth session."

78. At the 854th meeting, Burma and Sudan withdrew this proposal.

79. The United Kingdom and the United States submitted a second revision (A/C.2/L.686/Rev.2) of their amendments, containing the following changes:

(a) Amendment (a) was revised to read:

"Foreign investment and technical assistance agreements freely entered into by sovereign States shall be observed in good faith;"

(b) Amendment (b) was unchanged.

(c) A third amendment proposing the insertion of the following paragraphs between the third and fourth preambular paragraphs was added:

"Considering that nothing in operative paragraph 4 of this resolution in any way prejudices the position of any Member State on any aspect of the question of the rights and obligations of successor States and Governments in respect of property acquired before the accession to complete sovereignty of countries formerly under colonial rule,

"Noting that the subject of succession of States and Governments is being examined as a matter of priority by the International Law Commission,"

80. In the light of this further amendment, the representative of Algeria withdrew his amendment (A/C.2/L.691).

81. At the 855th meeting, Burma and Sudan submitted amendments (A/C.2/L.696) to A/C.2/L.654 proposing that:

(a) The words "in order to promote" in the fourth preambular paragraph should be replaced by the words "it is desirable to promote" and the words at the end of the paragraph beginning "it is desirable to establish ..." should be deleted.

(b) The following paragraph should be added at the end of the preamble:

"Desiring that there should be further consideration by the United Nations of the subject of permanent sovereignty over natural resources in the spirit of the international co-operation in the field of economic development, particularly of the developing countries."

(c) Operative paragraphs 3 and 4 should be deleted.

(d) The following two new operative paragraphs should be added at the end of the resolution:

"Decides to reconstitute the Commission on Permanent Sovereignty over Natural Resources with a membership of eighteen Member States, to be designated by the President of the General Assembly, taking into account the increased membership of the United Nations and the need for adequate geographical representation, in particular of the developing countries;

"Requests the re-constituted Commission to consider the subject matter of operative paragraphs 3 and 4 of the draft resolution submitted by the Commission to the General Assembly (A/C.2/L.654), taking into account the desire of Member States to ensure the adequate protection of their sovereign rights while encouraging international co-operation in the field of economic development."

82. At the 856th meeting, Argentina and Peru submitted an amendment (A/C.2/L.700) proposing the replacement of the words "the provisions of" in operative paragraph 8 by the words "the principles set forth in".

83. Lebanon and Syria submitted sub-amendments (A/C.2/L.697) to the United Kingdom-United States revised amendments (A/C.2/L.686/Rev.2) (see paragraph 79 above) in which they proposed the following changes in those amendments:

(a) In amendment (a), the words "by sovereign States" were to be replaced by the words "between sovereign States".

(b) In amendment (b), the words "between sovereign States" were to be inserted after the words "However, if there is agreement", and the words "by the parties concerned" were to be deleted.

84. Syria submitted a sub-amendment (A/C.2/L.698) to the amendments by Burma and Sudan (A/C.2/L.696), to reformulate the second additional operative paragraph set forth in amendment (d) as follows:

"Requests the reconstituted Commission to consider further the various aspects of permanent sovereignty over natural resources, taking into account the desire of Member States to ensure the adequate protection of their sovereign rights while encouraging international co-operation in the field of economic development, and in particular the subject-matter of paragraphs 3 and 4 above."

85. Jordan, Morocco and Thailand submitted a sub-amendment (A/C.2/L.699) to the revised amendments (A/C.2/L.686/Rev.2) by the United Kingdom and the United States to insert the words "if no settlement is reached thereunder, and" after the word "However," in amendment (t).

86. Burma and Sudan accepted the sub-amendment by Syria (A/C.2/L.698) and withdrew amendment (c) proposing to delete operative paragraphs 3 and 4 (A/C.2/L.696).

87. At the 858th meeting, the United Kingdom and the United States submitted a third revision (A/C.2/L.686/Rev.3) of their amendments. This new text provided that amendment (b) should be reworded to read as follows:

"national jurisdiction shall be exhausted. However, upon agreement by the parties concerned, settlement of the dispute should be made through arbitration or international adjudication."

The other two amendments were unchanged.

88. In the light of this new text, Jordan, Morocco and Thailand withdrew their sub-amendment (A/C.2/L.699).

89. The representatives of the United Kingdom and the United States subsequently made the following oral changes in their amendments (A/C.2/L.686/Rev.3):

(a) In the amendment (a) they deleted the words "and technical assistance" and inserted the words "or between" before the words "sovereign States".

(b) In the amendment (b) they replaced the words "by the parties concerned" by the words "by sovereign States and other parties concerned".

In the light of these changes, the representatives of Lebanon and Syria reworded their sub-amendments (A/C.2/L.697) (see paragraph 83 above) as follows:

(a) Sub-amendment (a) proposed that the words "by or between sovereign States" in amendment (b) in A/C.2/L.686/Rev.3 should be replaced by the words "between sovereign States".

(b) Sub-amendment (b) now proposed that the words "by sovereign States and other parties concerned" in amendment (b) proposed by the United Kingdom and the United States should be replaced by the words "between sovereign States".

90. The representative of the USSR referring to the USSR amendment to operative paragraph 1 (A/C.2/L.670, part II, 1) stated that the words to be inserted should be changed to read "their national development and".

91. The Committee then voted on the draft resolution submitted by the Commission on Permanent Sovereignty over Natural Resources (A/C.2/L.654 and Corr.1) and the amendments and sub-amendments to it as follows:

(a) The amendment by the USSR (A/C.2/L.670, part I, 1) to insert a new paragraph at the beginning of the preamble was approved by 57 votes to 15, with 15 abstentions.

(b) The words "operative paragraph 4 of" in amendment (c) proposed by the United Kingdom and the United States (A/C.2/L.686/Rev.3, paragraph 1), to insert two paragraphs to follow the third preambular paragraph (separate vote requested by Bulgaria) were retained by 39 votes to 18, with 34 abstentions.

(c) The first additional preambular paragraph proposed in amendment (c) of the United Kingdom and the United States (A/C.2/L.686/Rev.3, paragraph 1, separate vote requested by the USSR) was retained by 85 votes to 1, with 6 abstentions.

(d) The second new preambular paragraph proposed by the United Kingdom and the United States (A/C.2/L.686/Rev.3, paragraph 1, separate vote requested by Bulgaria) was retained by 63 votes to 12, with 16 abstentions.

(e) Both paragraphs of amendment (c) of the United Kingdom and the United States (A/C.2/L.686/Rev.3, paragraph 1) having been approved by separate votes, no vote was required on the amendment as a whole.

(f) Amendment (a) by Burma and Sudan to the fourth preambular paragraph (A/C.2/L.696, paragraph 1) was approved by a roll-call vote (requested by Burma) of 28 to 26, with 39 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Bulgaria, Burma, Eyelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, Hungary, Indonesia, Iraq, Jordan, Lebanon, Libya, Mali, Mongolia, Morocco, Poland, Romania, Saudi Arabia, Sudan, Syria, Tanganyika, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Against: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, Finland, Haiti, Iceland, Ireland, Italy, Jamaica, Japan, Netherlands, New Zealand, Norway, Panama, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Argentina, Bolivia, Cambodia, Cameroon, Central African Republic, Ceylon, Chad, Congo (Brazzaville), Cyprus, Ethiopia, Federation of Malaya, France, Ghana, Greece, Guatemala, Guinea, India, Iran, Israel, Ivory Coast, Laos, Liberia, Madagascar, Mauritania, Mexico, Nepal, Nigeria, Pakistan, Peru, Philippines, Senegal, Sierra Leone, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Upper Volta, Venezuela.

(g) The amendment by the Union of Soviet Socialist Republics to the fourth preambular paragraph (A/C.2/L.670, part I, 2) was approved by 40 votes to 28, with 43 abstentions.

(h) The amendment by the USSR to add an additional paragraph at the end of the preamble (A/C.2/L.670, part I, 3) was approved by a roll-call vote (requested by the USSR) of 37 to 12, with 45 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, Ethiopia, Guinea, Hungary, Indonesia, Iraq, Jordan, Laos, Lebanon, Libya, Mali, Mauritania, Mongolia, Panama, Poland, Romania, Syria, Tanganyika, Togo, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Against: Australia, Belgium, China, Denmark, France, Italy, Japan, Mexico, Netherlands, Norway, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Argentina, Austria, Bolivia, Cameroon, Canada, Central African Republic, Ceylon, Chad, Congo (Brazzaville), Cyprus, Dominican Republic, Ecuador, Federation of Malaya, Finland, Ghana, Greece, Guatemala, Haiti, Iceland, India, Iran, Ireland, Israel, Ivory Coast, Jamaica, Liberia, Madagascar, Morocco, Nepal, New Zealand, Nigeria, Pakistan, Peru, Philippines, Saudi Arabia, Senegal, Sierra Leone, Sudan, Sweden, Thailand, Trinidad and Tobago, Turkey, Upper Volta, Uruguay, Venezuela.

(i) The second amendment by Burma and Sudan (A/C.2/L.696, paragraph 2) to add an additional paragraph at the end of the preamble was approved by a roll-call vote (requested by Burma) of 47 to 1, with 44 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Bolivia, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Ceylon, Cuba, Czechoslovakia, Ethiopia, Federation of Malaya, Guinea, Hungary, Indonesia, Iraq, Ivory Coast, Jordan, Laos, Lebanon, Liberia, Libya, Mali, Mongolia, Morocco, Nepal, Nigeria, Pakistan, Philippines, Poland, Romania, Saudi Arabia, Sierra Leone, Sudan, Syria, Tanganyika, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Against: France.

Abstaining: Australia, Austria, Belgium, Brazil, Cameroon, Canada, Central African Republic, Chad, Chile, China, Colombia, Congo (Brazzaville), Costa Rica, Denmark, Dominican Republic, Ecuador, Finland, Ghana, Greece, Guatemala, Haiti, Iceland, India, Iran, Ireland, Israel, Italy, Jamaica, Japan, Luxembourg, Mauritania, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Senegal, Sweden, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Venezuela.

(j) The amendment by the USSR to operative paragraph 1 (A/C.2/L.670, part II, 1), as revised orally by its sponsor, was approved by 87 votes to 1, with 3 abstentions.

(k) The amendment by the USSR to delete operative paragraph 3 (A/C.2/L.670, part II, 2) was rejected by 55 votes to 15, with 21 abstentions.

(l) The first part of the amendment by the USSR to operative paragraph 4 (A/C.2/L.670, part II, 3) was rejected by a roll-call vote (requested by the USSR) of 30 to 30, with 33 abstentions. The voting was as follows:

Against: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Denmark, Dominican Republic, Ecuador, France, Greece, Iceland, India, Ireland, Italy, Jamaica, Japan, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

In favour: Afghanistan, Albania, Algeria, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Cuba, Czechoslovakia, Guinea, Hungary, Indonesia, Iraq, Laos, Libya, Mali, Mauritania, Mongolia, Morocco, Poland, Romania, Sudan, Tanganyika, Togo, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Abstaining: Bolivia, Cameroon, Central African Republic, Ceylon, Chad, Congo (Brazzaville), Costa Rica, Cyprus, Ethiopia, Federation of Malaya, Finland, Ghana, Guatemala, Haiti, Iran, Israel, Ivory Coast, Jordan, Lebanon, Liberia, Madagascar, Nepal, Nigeria, Pakistan, Panama, Saudi Arabia, Senegal, Sierra Leone, Syria, Thailand, Trinidad and Tobago, Turkey, Upper Volta.

(m) The second part of the amendment by the USSR to operative paragraph 4 (A/C.2/L.670, part II, 3) was rejected by 39 votes to 28, with 21 abstentions.

(n) The first sub-amendment by Lebanon and Syria (A/C.2/L.697) to amendment (b) of the two-Power amendments (A/C.2/L.683/Rev.3, paragraph 2), in each case as revised orally by the sponsors, was rejected by a roll-call vote (requested by the United States of America) of 38 to 30, with 24 abstentions. The voting was as follows:

Against: Australia, Austria, Belgium, Brazil, Canada, Chad, Chile, China, Colombia, Cyprus, Denmark, Dominican Republic, Federation of Malaya, Finland, France, Greece, Haiti, Iceland, India, Ireland, Israel, Italy, Jamaica, Japan, Madagascar, Netherlands, New Zealand, Norway, Pakistan, Panama, Philippines, Sweden, Thailand, Trinidad and Tobago, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta.

In favour: Afghanistan, Algeria, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Ceylon, Cuba, Czechoslovakia, Guinea, Hungary, Indonesia, Iraq, Jordan, Laos, Lebanon, Libya, Mali, Mauritania, Mongolia, Poland, Romania, Saudi Arabia, Sudan, Syria, Tanganyika, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Abstaining: Argentina, Bolivia, Cameroon, Central African Republic, Congo (Brazzaville), Costa Rica, Ecuador, Ethiopia, Ghana, Guatemala, Iran, Ivory Coast, Liberia, Mexico, Morocco, Nepal, Nigeria, Peru, Senegal, Sierra Leone, Togo, Tunisia, Uganda, Venezuela.

(o) Amendment (b) by the United Kingdom and the United States to operative paragraph 4 (A/C.2/L.686/Rev.3, paragraph 2), as revised orally by the sponsors, was approved by 52 votes to 28, with 13 abstentions.

(p) The amendment by Mauritania (A/C.2/L.690) to operative paragraph 4 was approved by 76 votes to none, with 11 abstentions.

(q) The amendment by the USSR to operative paragraph 5 (A/C.2/L.670, part II, 4) was approved by a roll-call vote (requested by the USSR) of 43 to 32, with 16 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Bolivia, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Cuba, Czechoslovakia, Guinea, Hungary, Indonesia, Iraq, Ivory Coast, Lebanon, Libya, Mali, Mauritania, Mongolia, Morocco, Nigeria, Panama, Poland, Romania, Saudi Arabia, Senegal, Sierra Leone, Sudan, Syria, Tanganyika, Togo, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Upper Volta, Yugoslavia.

Against: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Denmark, Ecuador, Federation of Malaya, France, Greece, Guatemala, Haiti, Iceland, Ireland, Israel, Italy, Jamaica, Japan, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Abstaining: Ceylon, Costa Rica, Cyprus, Ethiopia, Finland, Ghana, India, Iran, Laos, Liberia, Madagascar, Nepal, Pakistan, Thailand, Trinidad and Tobago, Turkey.

(r) The first part of the amendment by the USSR to operative paragraph 6 (A/C.2/L.670, part II, 5) was approved by 62 votes to 4, with 21 abstentions.

(s) The word "independent" in the second part of the amendment by the USSR to operative paragraph 6 (A/C.2/L.670, part II, 5) (separate vote requested by Chile) was retained by 34 votes to 31, with 24 abstentions.

(t) The second part of the amendment by the USSR to operative paragraph 6 (A/C.2/L.670, part II, 5) was approved by 46 votes to 24, with 19 abstentions.

(u) The second sub-amendment by Lebanon and Syria (A/C.2/L.697, paragraph 2) to amendment (a) of the two-Power amendments (A/C.2/L.686/Rev.3, paragraph 3), in each case as revised orally by the sponsors, was rejected by a roll-call vote (requested by the United States of America) of 47 votes to 33, with 11 abstentions.

The voting was as follows:

Against: Argentina, Australia, Austria, Belgium, Brazil, Cameroon, Canada, Central African Republic, Chad, Chile, China, Colombia, Congo (Brazzaville), Cyprus, Denmark, Ecuador, Federation of Malaya, Finland, France, Greece, Haiti, Iceland, India, Ireland,

Israel, Italy, Ivory Coast, Jamaica, Japan, Madagascar, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Philippines, Senegal, Sierra Leone, Sweden, Thailand, Togo, Trinidad and Tobago, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta.

In favour: Afghanistan, Albania, Algeria, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Ceylon, Cuba, Czechoslovakia, Ethiopia, Guinea, Hungary, Indonesia, Iraq, Laos, Lebanon, Libya, Mali, Mauritania, Mongolia, Morocco, Poland, Romania, Saudi Arabia, Sudan, Syria, Tanganyika, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Abstaining: Bolivia, Costa Rica, Ghana, Guatemala, Iran, Liberia, Mexico, Nepal, Peru, Tunisia, Venezuela.

(v) Amendment (a) by the United Kingdom and the United States to operative paragraph 8 (A/C.2/L.686/Rev.3), as revised orally by the sponsors, was approved by 53 votes to 22, with 15 abstentions.

(w) The amendment by Argentina and Peru (A/C.2/L.670) to operative paragraph 4 was approved by 47 votes to 2, with 37 abstentions.

(x) The words "and in particular the subject-matter of paragraphs 3 and 4 above" in the sub-amendment by Syria (A/C.2/L.698) which had been incorporated in amendment (c) proposed by Burma and Sudan (A/C.2/L.696, paragraph 4) (separate vote requested by Afghanistan and Philippines) were deleted by 30 votes to 20, with 37 abstentions.

(y) Amendment (c) by Burma and Sudan (A/C.2/L.696, paragraph 4) as sub-amended by Syria (A/C.2/L.698) and as modified as a result of the preceding vote, was rejected by a roll-call vote (requested by Burma) of 31 votes to 30, with 28 abstentions. The voting was as follows:

Against: Australia, Austria, Belgium, Canada, Chad, Chile, China, Colombia, Denmark, Ecuador, Federation of Malaya, Finland, France, Greece, Guatemala, Haiti, Iceland, Ireland, Italy, Japan, Madagascar, Netherlands, New Zealand, Norway, Panama, Peru, Sweden, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

In favour: Afghanistan, Algeria, Bolivia, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Cuba, Czechoslovakia, Guinea, Hungary, Indonesia, Iraq, Lebanon, Libya, Mali, Mongolia, Morocco, Poland, Romania, Saudi Arabia, Sudan, Syria, Tanganyika, Thailand, Togo, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yugoslavia.

Abstaining: Argentina, Brazil, Cameroon, Central African Republic, Ceylon, Congo (Brazzaville), Costa Rica, Cyprus, Ethiopia, Ghana, India, Iran, Israel, Ivory Coast, Jamaica, Laos, Liberia, Mauritania, Mexico, Nepal, Nigeria, Pakistan, Philippines, Senegal, Sierra Leone, Trinidad and Tobago, Tunisia, Upper Volta.

(z) Operative paragraph 4 of the draft resolution (A/C.2/L.654) as amended (separate vote requested by Bulgaria and Mauritania), was retained by 52 votes to 18, with 17 abstentions.

(aa) The draft resolution (A/C.2/L.654 and Corr.1) as a whole, as amended, was approved by 60 votes to 5, with 22 abstentions.

92. Several delegations expressed the view that the Secretary-General should continue his work in the field of permanent sovereignty over natural resources and cited the last preambular paragraph of the draft resolution, as well as General Assembly resolution 1720 (XVI), in support of this viewpoint. Reference was made in this connexion to the value of the Secretariat study on the status of permanent sovereignty over natural resources in providing assistance and guidance to Governments. The representative of the Secretary-General stated that the Secretariat would be prepared to keep up-to-date the documentation on the question (this would include, for example, information received from the newly independent countries) and to provide Governments, at their request, with information of special interest to them.

93. The Committee, therefore, recommends to the General Assembly the adoption of draft resolution VI annexed to the present report.

ANNEX

.....

Draft resolution VI

PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES

The General Assembly,

Recalling its resolutions 523 (VI) of 12 January 1952 and 626 (VII) of 21 December 1952,

Bearing in mind resolution 1314 (XIII) adopted on 12 December 1958, by which the General Assembly established the Commission on Permanent Sovereignty over Natural Resources and instructed it to conduct a full survey of the status of permanent sovereignty over natural wealth and resources as a basic constituent of the right to self-determination, with recommendations, where necessary, for its strengthening, and decided further that, in the conduct of the full survey of the status of the permanent sovereignty of peoples and nations over their natural wealth and resources, due regard should be paid to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of under-developed countries,

Bearing in mind resolution 1515 (XV) adopted on 15 December 1960, in which the General Assembly recommended that the sovereign right of every State to dispose of its wealth and its natural resources should be respected,

Considering that any measure in this respect must be based on recognition of the inalienable right of all States freely to dispose of their natural wealth and resources in accordance with their national interests, and on respect for the economic independence of States,

Considering that nothing in operative paragraph 4 of the present resolution in any way prejudices the position of any Member State on any aspect of the question of the rights and obligations of successor States and Governments in respect of property acquired before the accession to complete sovereignty of countries formerly under colonial rule,

/...

Noting that the subject of succession of States and Governments is being examined as a matter of priority by the International Law Commission,

Considering that it is desirable to promote international co-operation for the economic development of under-developed countries, and that economic and financial agreements between the developed and the developing countries must be based on the principles of equality and of the right of peoples and nations to self-determination,

Considering that the provision of economic and technical assistance, loans and increased foreign investment must not be subject to conditions which conflict with the interests of the recipient State,

Considering the benefits to be derived from exchanges of technical and scientific information likely to promote the development and use of such resources and wealth, and the important part which the United Nations and other international organizations are called upon to play in that connexion,

Attaching particular importance to the question of promoting the economic development of under-developed countries and securing their economic independence,

Noting that the creation and strengthening of inalienable sovereignty of States over their natural resources and wealth strengthens their economic independence,

Desiring that there should be further consideration by the United Nations of the subject of permanent sovereignty over natural resources in the spirit of international co-operation in the field of economic development, particularly of the developing countries,

Declares that:

1. The right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of their national development and of the well-being of the people of the State concerned;

2. The exploration, development and disposition of such resources, as well as the import of the foreign capital required for these purposes, should be in conformity with the rules and conditions which the peoples and nations freely consider to be necessary or desirable with regard to the authorization, restriction or prohibition of such activities;

3. In cases where authorization is granted, the capital imported and the earnings on that capital shall be governed by the terms thereof, by the

national legislation in force, and by international law. The profits derived must be shared in the proportions freely agreed upon, in each case, between the investors and the recipient State, due care being taken to ensure that there is no impairment, for any reason, of that State's sovereignty over its natural wealth and resources;

4. Nationalization, expropriation or requisitioning shall be based on grounds or reasons of public utility, security or the national interest which are recognized as overriding purely individual or private interests, both domestic and foreign. In such cases the owner shall be paid appropriate compensation, in accordance with the rules in force in the State taking such measures in the exercise of its sovereignty and in accordance with international law. In any case, where the question of compensation gives rise to a controversy, national jurisdiction of the State taking such measures shall be exhausted. However, upon agreement by sovereign States and other parties concerned, settlement of the dispute should be made through arbitration or international adjudication;

5. It unreservedly supports measures taken by peoples and States to re-establish or strengthen their sovereignty over natural wealth and resources, and considers inadmissible acts aimed at obstructing the creation, defence and strengthening of that sovereignty;

6. The free and beneficial exercise of the sovereignty of peoples and nations over their natural resources must be furthered by the mutual respect of States based on their sovereign equality;

7. International co-operation for the economic development of under-developed countries, whether in the form of public or private capital investments, exchange of goods and services, technical assistance, or exchange of scientific information, shall be such as to further their independent national development and be based upon respect for their sovereignty over their natural wealth and resources;

8. Violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the United Nations Charter and hinders the development of international co-operation and the maintenance of peace;

9. Foreign investment agreements freely entered into by or between sovereign States shall be observed in good faith; States and international organizations shall strictly and conscientiously respect the sovereignty of peoples and nations over their natural wealth and resources in accordance with the United Nations Charter and the principles set forth in this resolution;

Requests the International Law Commission to speed up its work on the codification of the topic of responsibility of States for the consideration of the General Assembly.
