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CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

Report of the Second Committee

Rapporteur: Mr. Luis LASCARRO (Colombia)

1. The General Assembly, at its 2237th plenary meeting, on 21 September 1974, allocated to the Second Committee agenda item 48, entitled "Charter of Economic Rights and Duties of States".
2. The Second Committee considered this item in the context of its general debate at its 1587th to 1598th and 1600th and 1601st meetings, between 23 September and 8 October 1974. The Committee resumed its consideration of the item at its 1638th to 1644th and 1647th to 1651st meetings, on 25, 27, 28 November and between 2 and 9 December 1974. An account of the discussions of the Committee on the item is contained in the relevant summary records (A/C.2/SR.1587-1598, 1600, 1601, 1638-1644 and 1647-1651).
3. For the consideration of the item, the Committee had before it the report of the Trade and Development Board on the first part of its fourteenth session, 1/ and the report of the Working Group on the Charter of Economic Rights and Duties of States on its third and fourth sessions (TD/B/AC.12/3 and TD/B/AC.12/4).
4. At the 1638th meeting, on 25 November, the Chairman of the Working Group of the United Nations Conference on Trade and Development on the Charter of Economic Rights and Duties of States, made a statement, in which he introduced the report of the Working Group (TD/B/AC.12/3 and TD/B/AC.12/4).

1/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615).

5. At the 1639th meeting, on 27 November, the representative of Mexico, on behalf of Afghanistan, Algeria, Argentina, Bahrain, Bahamas, Bangladesh, Barbados, Bhutan, Bolivia, Botswana, Burma, Burundi, the Central African Republic, Chad, Chile, the Congo, Colombia, Costa Rica, Cuba, Cyprus, Dahomey, Democratic Yemen, the Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, the Khmer Republic, Kuwait, Laos, Lebanon, Lesotho, Liberia, the Libyan Arab Republic, Madagascar, Malawi, Malaysia, the Maldives, Mali Mauritania, Mauritius, Mexico, Morocco, Nepal, Nicaragua, the Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, the Philippines, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Swaziland, the Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, the United Arab Emirates, the United Republic of Cameroon, the United Republic of Tanzania, the Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire and Zambia, ^{2/} introduced a draft resolution (A/C.2/L.1386), entitled "Charter of Economic Rights and Duties of States", the text of which read as follows:

The General Assembly,

Recalling that the United Nations Conference on Trade and Development, in its resolution 45 (III) of 18 May 1972, stressed the urgency "to establish generally accepted norms to govern international economic relations systematically" and recognized that "it is not feasible to establish a just order and a stable world as long as the Charter to protect the rights of all countries, and in particular the developing States, is not formulated",

Recalling further that in the same resolution it was decided to establish a Working Group of governmental representatives to draw up a draft Charter of Economic Rights and Duties of States, which the General Assembly, in its resolution 3037 (XXVII) of 19 December 1972, decided should be composed of 40 Member States,

^{2/} The draft resolution contained a foot-note which read as follows:

"The sponsorship of this draft resolution does not preclude in any manner the formulation by the sponsors of interpretative declarations as to the scope they recognize to certain provisions of the Charter of Economic Rights and Duties of States."

Noting that in its resolution 3082 (XXVIII) of 6 December 1973, it reaffirmed "its conviction of the urgent need to establish or improve norms of universal application for the development of international economic relations on a just and equitable basis" and urged the Working Group on the Charter of Economic Rights and Duties of States "to complete, as the first step, in the codification and development of the matter, the elaboration of a final draft Charter of Economic Rights and Duties of States, to be considered and approved by the General Assembly at its twenty-ninth session",

Bearing in mind the spirit and terms of its resolutions 3201 (S-VI) and 3202 (S-VI) on the Establishment of a New International Economic Order, which underlined the "vital importance" of the Charter being adopted by the General Assembly at its twenty-ninth session and stressed the fact that the Charter "shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality, and interdependence of the interests of developed and developing countries",

Having examined the report of the Working Group on the Charter of Economic Rights and Duties of States on its fourth session (TD/B/AC.12/4), transmitted to the General Assembly by the Trade and Development Board at its fourteenth session,

Expressing its appreciation to the Working Group on the Charter of Economic Rights and Duties of States which, as a result of the task performed in its four sessions held between February 1973 and June 1974, assembled the elements required for the completion and adoption of the Charter of Economic Rights and Duties of States at the twenty-ninth session of the General Assembly, as previously recommended,

Adopts and solemnly proclaims the following:

CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

PREAMBLE

Reaffirming the fundamental purposes of the United Nations, in particular, the maintenance of international peace and security, the development of friendly relations among nations and the achievement of international co-operation in solving international problems in the economic and social fields,

Affirming the need for strengthening international co-operation in these fields,

Reaffirming further the need for strengthening international co-operation for development,

Declaring that it is a fundamental purpose of this Charter to codify and develop rules for the establishment of the new international economic order, based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems,

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Desirous of contributing to the creation of conditions for:

- (a) The attainment of wider prosperity among all countries and of higher standards of living for all peoples;
- (b) The promotion by the entire international community of economic and social progress of all countries, especially developing countries;
- (c) The encouragement of co-operation, on the basis of mutual advantage and equitable benefits for all peace-loving States which are willing to carry out their obligations under this Charter, in the economic, trade, scientific and technical fields, regardless of political, economic or social systems;
- (d) The overcoming of main obstacles in the way of economic development of the developing countries;
- (e) The acceleration of the economic growth of developing countries with a view to bridging the economic gap between developing and developed countries,
- (f) The protection, preservation and enhancement of the environment,

Mindful of the need to establish and maintain a just and equitable economic and social order through:

- (a) The achievement of more rational and equitable international economic relations and the encouragement of structural changes in the world economy;
- (b) The creation of conditions which permit the further expansion of trade and intensification of economic co-operation among all nations;
- (c) The strengthening of the economic independence of developing countries;
- (d) The establishment and promotion of international economic relations taking into account the agreed differences in development of the developing countries and their specific needs.

Determined to promote collective economic security for development, in particular of the developing countries, with strict respect for the sovereign equality of each State and through the co-operation of the entire international community,

Considering that genuine co-operation among States, based on joint consideration of and concerted action regarding international economic problems, is essential for fulfilling the international community's common desire to achieve a just and rational development of all parts of the world,

Stressing the importance of ensuring appropriate conditions for the conduct of normal economic relations among all States, irrespective of differences in social and economic systems, and for the full respect for the rights of all peoples, as well as the strengthening of instruments of international economic co-operation as means for the consolidation of peace for the benefit of all,

Convinced of the need to develop a system of international economic relations on the basis of sovereign equality, mutual and equitable benefit and the close interrelationship of the interests of all States,

Reiterating that the responsibility for the development of every country rests primarily upon itself but that concomitant and effective international co-operation is an essential factor for the full achievement of its own development goals,

Firmly convinced of the urgent need to evolve a substantially improved system of international economic relations,

The General Assembly solemnly adopts the present Charter of Economic Rights and Duties of States as a first step in the codification and progressive development of this subject:

CHAPTER I

Fundamentals of international economic relations

Economic as well as political and other relations among States shall be governed inter alia by the following principles:

- (a) Sovereignty, territorial integrity and political independence of States;
- (b) Sovereign equality of all States;
- (c) Non-aggression;
- (d) Non-intervention;
- (e) Mutual and equitable benefit;
- (f) Peaceful coexistence;
- (g) Equal rights and self-determination of peoples;
- (h) Peaceful settlement of disputes;
- (i) Remedying of injustices which have been brought about by force and which deprive a nation of the natural means necessary for its normal development;
- (j) Fulfilment in good faith of international obligations;

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- (k) Respect for human rights and fundamental freedoms;
- (l) No attempt to seek hegemony and spheres of influence;
- (m) Promotion of international social justice;
- (n) International co-operation for development;
- (o) Free access to and from the sea by land-locked countries within the framework of the above principles.

CHAPTER II

Economic rights and duties of States

Article 1

Every State has the sovereign and inalienable right to choose its economic system as well as its political, social and cultural systems in accordance with the will of its people, without outside interference, coercion or threat in any form whatsoever.

Article 2

1. Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities.

2. Each State has the right:

(a) To regulate and exercise authority over foreign investment within its national jurisdiction in accordance with its laws and regulations and in conformity with its national objectives and priorities. No State whose nationals invest in a foreign country shall demand privileged treatment for such investors;

(b) To regulate and supervise the activities of transnational corporations within its national jurisdiction and take measures to ensure that such activities comply with its laws, rules and regulations and conform with its economic and social policies. Transnational corporations shall not intervene in the internal affairs of a host State. Every State should, with full regard for its sovereign rights, co-operate with other States in the exercise of the right set forth in this subparagraph;

(c) To nationalize, expropriate or transfer ownership of foreign property in which case appropriate compensation should be paid by the State taking such measures, provided that all relevant circumstances call for it. In any case where the question of compensation gives rise to a controversy, it shall be settled under the domestic law of the nationalizing State and by its tribunals, unless it is

freely and mutually agreed by all States concerned that other peaceful means be sought on the basis of the sovereign equality of States and in accordance with the principle of free choice of means.

Article 3

In the exploitation of natural resources shared by two or more countries, each State must co-operate on the basis of a system of information and prior consultations in order to achieve optimum use of such resources without causing damage to the legitimate interest of others.

Article 4

Every State has the right to engage in international trade and other forms of economic co-operation irrespective of any differences in political, economic and social systems. No State shall be subjected to discrimination of any kind based solely on such differences. In the pursuit of international trade and other forms of economic co-operation, every State is free to choose the forms of organization of its foreign economic relations and to enter into bilateral and multilateral arrangements consistent with its international obligations and with the needs of international economic co-operation.

Article 5

All States have the right to associate in organizations of primary commodity producers in order to develop their national economies to achieve stable financing for their development, and in pursuance of their aims assisting in the promotion of sustained growth of the world economy, in particular accelerating the development of developing countries. Correspondingly all States have the duty to respect that right by refraining from applying economic and political measures that would limit it.

Article 6

It is the duty of States to contribute to the development of international trade of goods particularly by means of arrangements where appropriate and taking into account the interests of producers and consumers. All States share the responsibility to promote the regular flow and access of all commercial goods traded at stable, remunerative and equitable prices, thus contributing to the equitable development of the world economy, taking into account, in particular, the interests of developing countries.

Article 7

Every State has the primary responsibility to promote the economic, social and cultural development of its people. To this end, each State has the right and the responsibility to choose its means and goals of development, fully to mobilize

and use its resources, to implement progressive economic and social reforms and to ensure the full participation of its people in the process and benefits of development. All States have the duty, individually and collectively, to co-operate in order to eliminate obstacles that hinder such mobilization and use.

Article 8

States should co-operate in facilitating more rational and equitable international economic relations and in encouraging structural changes in the context of a balanced world economy in harmony with the needs and interests of all countries, especially developing countries, and should take appropriate measures to this end.

Article 9

All States have the responsibility to co-operate in the economic, social, cultural, scientific and technological fields for the promotion of economic and social progress throughout the world, especially that of the developing countries.

Article 10

All States are juridically equal and, as equal members of the international community, have the right to participate fully and effectively in the international decision-making process in the solution of world economic, financial and monetary problems, *inter alia*, through the appropriate international organizations in accordance with their existing and evolving rules, and to share equitably in the benefits resulting therefrom.

Article 11

All States should co-operate to strengthen and continuously improve the efficiency of international organizations in implementing measures to stimulate the general economic progress of all countries, particularly of developing countries, and therefore should co-operate to adapt them, when appropriate, to the changing needs of international economic co-operation.

Article 12

1. States have the right, in agreement with the parties concerned, to participate in subregional, regional and interregional co-operation in the pursuit of their economic and social development. All States engaged in such co-operation have the duty to ensure that the policies of those groupings to which they belong correspond to the provisions of the Charter and are outward-looking, consistent with their international obligations and with the needs of international economic co-operation and have full regard for the legitimate interests of third countries, especially developing countries.

2. In the case of groupings to which the States concerned have transferred or may transfer certain competences as regards matters that come within the scope of this Charter, those States shall ensure, in regard to such matters, that the groupings in which they participate act in a manner consistent with their responsibilities as members of such groupings and in accordance with the provisions of this Charter.

Article 13

1. Every State has the right to benefit from the advances and developments in science and technology for the acceleration of its economic and social development.

2. All States should promote international scientific and technological co-operation and the transfer of technology, with proper regard for all legitimate interests including, inter alia, the rights and duties of holders, suppliers and recipients of technology. In particular, all States should facilitate: the access of developing countries to the achievements of modern science and technology, the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies and their needs.

3. Accordingly, developed countries should co-operate with the developing countries in the establishment, strengthening and development of their scientific and technological infrastructures and their scientific research and technological activities so as to help to expand and transform the economies of developing countries.

4. All States should co-operate in exploring with a view to evolving further internationally accepted guidelines or regulations for the transfer of technology taking fully into account the interests of developing countries.

Article 14

Every State has the duty to co-operate in promoting a steady and increasing expansion and liberalization of world trade and an improvement in the welfare and living standards of all peoples, in particular those of developing countries. Accordingly, all States should co-operate, inter alia, towards the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade and, to these ends, co-ordinated efforts shall be made to solve in an equitable way the trade problems of all countries taking into account the specific trade problems of the developing countries. In this connexion, States shall take measures aimed at securing additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs, an improvement in the possibilities for these countries to participate in the expansion of world trade and a balance more favourable to developing countries in the sharing of the advantages resulting from this expansion,

through, in the largest possible measure, a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products.

Article 15

All States have the duty to promote the achievement of general and complete disarmament under effective international control and to utilize the resources freed by effective disarmament measures for the economic and social development of countries, allocating a substantial portion of such resources as additional means for the development needs of developing countries.

Article 16

1. It is the right and duty of all States, individually and collectively, to eliminate colonialism, apartheid, racial discrimination, neo-colonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development. States which practice such coercive policies are economically responsible to the countries, territories and peoples affected for the restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of those countries, territories and peoples. It is the duty of all States to extend assistance to them.

2. No State has the right to promote or encourage investments that may constitute an obstacle to the liberation of a territory occupied by force.

Article 17

International co-operation for development is the shared goal and common duty of all States. Every State should co-operate with the efforts of developing countries to accelerate their economic and social development by providing favourable external conditions and by extending active assistance to them, consistent with their development needs and objectives, with strict respect for the sovereign equality of States and free of any conditions derogating from their sovereignty.

Article 18

Developed countries should extend, improve and enlarge the system of generalized non-reciprocal and non-discriminatory tariff preferences to the developing countries consistent with the relevant agreed conclusions and relevant decisions as adopted on this subject, in the framework of the competent international organizations. Developed countries should also give serious consideration to the adoption of other differential measures, in areas where this is feasible and appropriate and in ways which will provide special and more

favourable treatment, in order to meet trade and development needs of the developing countries. In the conduct of international economic relations the developed countries should endeavour to avoid measures having a negative effect on the development of the national economies of the developing countries, as promoted by generalized tariff preferences and other generally agreed differential measures in their favour.

Article 19

With a view to accelerating the economic growth of developing countries and bridging the economic gap between developed and developing countries, developed countries should grant generalized preferential, non-reciprocal and non-discriminatory treatment to developing countries in those fields of international economic co-operation where it may be feasible.

Article 20

Developing countries should, in their efforts to increase their over-all trade, give due attention to the possibility of expanding their trade with socialist countries, by granting to these countries conditions for trade not inferior to those granted normally to the developed market economy countries.

Article 21

Developing countries should endeavour to promote the expansion of their mutual trade and to this end, may, in accordance with the existing and evolving provisions and procedures of international agreements where applicable, grant trade preferences to other developing countries without being obliged to extend such preferences to developed countries, provided these arrangements do not constitute an impediment to general trade liberalization and expansion.

Article 22

1. All States should respond to the generally recognized or mutually agreed development needs and objectives of developing countries by promoting increased net flows of real resources to the developing countries from all sources, taking into account any obligations and commitments undertaken by the States concerned, in order to reinforce the efforts of developing countries to accelerate their economic and social development.

2. In this context, consistent with the aims and objectives mentioned above and taking into account any obligations and commitments undertaken in this regard, it should be their endeavour to increase the net amount of financial flows from official sources to developing countries and to improve the terms and conditions.

3. The flow of development assistance resources should include economic and technical assistance.

Article 23

To enhance the effective mobilization of their own resources, the developing countries should strengthen their economic co-operation and expand their mutual trade so as to accelerate their economic and social development. All countries, especially developed countries, individually as well as through the competent international organizations of which they are members, should provide appropriate and effective support and co-operation.

Article 24

All States have the duty to conduct their mutual economic relations in a manner which takes into account the interests of other countries. In particular, all States should avoid prejudicing the interests of developing countries.

Article 25

In furtherance of world economic development, the international community, especially its developed members, shall pay special attention to the particular needs and problems of the least developed among the developing countries, of land-locked developing countries and also island developing countries, with a view to helping them to overcome their particular difficulties and thus contribute to their economic and social development.

Article 26

All States have the duty to coexist in tolerance and live together in peace, irrespective of differences in political, economic, social and cultural systems, and to facilitate trade between States having different economic and social systems. International trade should be conducted without prejudice to generalized non-discriminatory and non-reciprocal preferences in favour of developing countries, on the basis of mutual advantage, equitable benefits and the exchange of most-favoured-nation treatment.

Article 27

1. Every State has the right to fully enjoy the benefits of world invisible trade and to engage in the expansion of such trade.

2. World invisible trade, based on efficiency and mutual and equitable benefit, furthering the expansion of the world economy, is the common goal of all States. The role of developing countries in world invisible trade should be enhanced and strengthened consistent with the above objectives, particular attention being paid to the special needs of developing countries.

3. All States should co-operate with developing countries in their endeavours to increase their capacity to earn foreign exchange from invisible transactions, in accordance with the potential and needs of each developing country, and consistent with the objectives mentioned above.

Article 28

All States have the duty to co-operate in achieving adjustments in the prices of exports of developing countries in relation to prices of their imports so as to promote just and equitable terms of trade for them, in a manner which is remunerative for producers and equitable for producers and consumers.

CHAPTER III

Common responsibilities towards the international community

Article 29

The sea-bed and ocean floor and the subsoil thereof, beyond the limits of national jurisdiction, as well as the resources of the area, are the common heritage of mankind. On the basis of the principles adopted by the General Assembly in resolution 2749 (XXV) of 17 December 1970, all States shall ensure that the exploration of the area and exploitation of its resources are carried out exclusively for peaceful purposes and that the benefits derived therefrom are shared equitably by all States, taking into account the particular interests and needs of developing countries; an international régime applying to the area and its resources and including appropriate international machinery to give effect to its provisions shall be established by an international treaty of a universal character, generally agreed upon.

Article 30

The protection, preservation and the enhancement of the environment for the present and future generations is the responsibility of all States. All States shall endeavour to establish their own environmental and developmental policies in conformity with such responsibility. The environmental policies of all States should enhance and not adversely affect the present and future development potential of developing countries. All States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction. All States should co-operate in evolving international norms and regulations in the fields of the environment.

CHAPTER IV

Final provisions

Article 31

All States have the duty to contribute to the balanced expansion of the world economy, taking duly into account the close interrelationship between the well-being of the developed countries and the growth and development of the

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developing countries and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts.

Article 32

No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights or to secure from it advantages of any kind.

Article 33

1. Nothing in the present Charter shall be construed as impairing or derogating from the provisions of the Charter of the United Nations or actions taken in pursuance thereof.

2. In their interpretation and application, the provisions of the present Charter are interrelated and each provision should be construed in the context of the other provisions.

Article 34

An item on the Charter of Economic Rights and Duties of States shall be inscribed on the agenda of the General Assembly at its thirtieth session, and thereafter on the agenda of every fifth session. In this way a systematic and comprehensive consideration of the implementation of the Charter, covering both progress achieved and any improvements and additions which might become necessary, would be carried out and appropriate measures recommended. Such consideration should take into account the evolution of all the economic, social, legal and other factors related to the principles upon which the present Charter is based and on its purpose.

Subsequently, Afghanistan, Barbados, Bhutan, Chile, Ethiopia, Malawi and Paraguay withdrew from the list of sponsors of the draft resolution (A/C.2/L.1386/Corr.1-5) owing to their reservations to specific articles of the Charter.

6. The Committee also had before it the following amendments to draft resolution A/C.2/L.1386:

(a) Amendments submitted by Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1398), which called for the rewording of:

(i) The fourth preambular paragraph, to read:

"Declaring that it is a fundamental purpose of this Charter to promote just and equitable economic relations among nations,"

(ii) The final preambular paragraph, to read:

"The General Assembly solemnly adopts the present Charter of Economic Rights and Duties of States:";

(b) Amendment submitted by Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1399), which called for the rewording of subparagraph (c) of the fifth preambular paragraph as follows:

"(c) The encouragement of co-operation, on the basis of mutual advantage and equitable benefits for all States concerned, in the economic, trade, scientific and technical fields, regardless of political, economic or social systems;"

(c) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1400), which called for the rewording of the seventh preambular paragraph as follows:

"Determined to promote collective economic security, with full respect for the sovereign equality of each State and through the co-operation of each State, in order to provide a favourable environment for all countries to pursue their development and well-being;"

(d) Amendment submitted by Belgium, France, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1401), which called for the replacement in the first sentence of Chapter I, of the word "shall" by "should";

(e) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1402), which called for the rewording of Chapter I (f) as follows:

"Peaceful co-operation;"

(f) Amendment submitted by Belgium, Canada, Denmark, France, Germany (Federal Republic of), Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1403), which called for the deletion of subparagraph (i) of chapter I;

(g) Amendment submitted by Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1404), which called for the rewording of paragraphs 1, 2 and 3 of article 2 of chapter II as follows:

"Chapter II

Article 2

1. Every State has permanent sovereignty over its natural wealth and resources and has the inalienable right fully and freely to dispose of them.

2. Each State has the right:

(a) To enact legislation and promulgate rules and regulations, consistent with its development objectives, to govern the entry and activities within its territory of foreign enterprises;

(b) To enter freely into undertakings relating to the import of foreign capital which shall be observed in good faith;

(c) To regulate and supervise the activities of transnational corporations within its national jurisdiction and take measures to ensure that such activities comply fully with its laws, rules and regulations and conform with its economic and social policies. Every State shall ensure that transnational corporations enjoy within its national jurisdiction the same rights and fulfil the same obligations as any other foreign person. Transnational corporations shall not intervene in the internal affairs of a host State. Every State should, with full regard for its sovereign rights, co-operate with other States in the exercise of the right set forth in this subparagraph;

(d) To nationalize, expropriate or requisition foreign property for a public purpose, provided that just compensation in the light of all relevant circumstances shall be paid;

(e) To require that its national jurisdiction be exhausted in any case where the treatment of foreign investment or compensation therefor is in controversy, unless otherwise agreed by the parties;

(f) To settle disputes where so agreed by the parties concerned through negotiation, good offices, inquiry, fact-finding, conciliation, mediation, arbitration or judicial settlement, on the basis of the principles of sovereign equality of States and free choice of means.

3. States taking measures in the exercise of the foregoing rights shall fulfil in good faith their international obligations.";

(h) Amendments submitted by Belgium, Canada, Denmark, Germany (Federal Republic of), France, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1405) which called for the rewording of articles 4 and 26 of chapter II as follows:

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Chapter II

Article 4

Every State has the right to engage in international trade and other forms of economic co-operation irrespective of any differences in political, economic and social systems. No State shall be subjected to discrimination of any kind based solely on such differences, i.e. States in similar situations should not be given different treatment. In the pursuit of international trade and other forms of economic co-operation, every State is free to choose the forms of organization of its foreign economic relations and to enter into bilateral and multilateral arrangements consistent with its international obligations and with the needs of international economic co-operation.

...

Article 26

All States have the duty to co-exist in tolerance and live together in peace, irrespective of differences in political, economic, social and cultural systems, and to facilitate trade between countries having different economic and social systems. International trade should be conducted without prejudice to generalized non-discriminatory and non-reciprocal preferences in favour of developing countries and on the basis of mutual advantage and equitable benefits. In the pursuit of their trading relations States may, as a general rule, exchange most-favoured-nation treatment through bilateral or multilateral arrangements.";

(i) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1406), which called for the deletion of article 5;

(j) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1407), which called for the rewording of article 6 to read as follows:

"All States shall be prepared to study and negotiate as appropriate world-wide commodity agreements on a case-by-case basis, which should cover as many producers and consumers as possible and a substantial part of the trade involved. All States should endeavour to promote the regular flow of raw material supplies, including agricultural and industrial raw material supplies, having regard to the particular economic circumstances of individual countries, at stable, remunerative and equitable prices, thus contributing to the development of the world economy while taking into account, in particular, the interests of developing countries.";

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(k) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1408), which called for the rewording of paragraph 2 of article 12 to read as follows:

"2. In the case of groupings to which the States concerned have transferred or may transfer certain competences as regards matters that come within the scope of this Charter, its provisions shall also apply to those groupings in regard to such matters consistent with the responsibilities of such States as members of such groupings.";

(l) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1409), which called for the replacement of article 31 with the following article to appear immediately after article 14:

"All States have the duty to contribute to the balanced expansion of the world economy, taking into account the interrelationship between the well-being and development of all countries. Consequently all States have the duty in the conduct of their mutual economic relations to take into account the close relationship and interdependence of the economies of all States and to maintain an appropriate balance between the interests of raw material producer and consumer countries.";

(m) Amendment submitted by Belgium, France, Germany (Federal Republic of), Greece, Italy, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1410), which called for the deletion of article 15;

(n) Amendment submitted by Belgium, Canada, Denmark, France, Germany (Federal Republic of), Italy, Ireland, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1411), which called for the deletion of article 16;

(o) Amendment submitted by Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1412) which called for the deletion of article 19;

(p) Amendment submitted by Belgium, Denmark, France, Germany (Federal Republic of), Italy, Japan, Luxembourg, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1413), which called for the deletion of article 28:

(q) Amendment submitted by Belgium, France, Germany (Federal Republic of), Greece, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1414), which called for the insertion of the words "in accordance with pertinent international norms, regulations and obligations" between the words "All States have" and "the responsibility" in the fourth sentence of article 30;

(r) Amendment submitted by Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.2/L.1415), which called for the replacement of the word "or" with the word "and" in the third line of article 32.

7. At the 1647th meeting, on 6 December, the representative of Mexico, on behalf of the co-sponsors, introduced revisions (A/C.2/SR.1386/Corr.6) to the draft resolution contained in A/C.2/L.1386. These revisions read as follows:

(a) Reword subparagraph (c) of the fifth preambular paragraph as follows:

"(c) The encouragement of co-operation, on the basis of mutual advantage and equitable benefits for all peace-loving States which are willing to carry out the provisions of this Charter, in the economic, trade, scientific and technical fields, regardless of political, economic or social systems;"

(b) Reword paragraph 2 (a) of article 2 as follows:

"(a) To regulate and exercise authority over foreign investment within its national jurisdiction in accordance with its laws and regulations and in conformity with its national objectives and priorities. No State shall be compelled to grant preferential treatment to foreign investment;"

(c) Reword paragraph 2 (c) of article 2 as follows:

"(c) To nationalize, expropriate or transfer ownership of foreign property in which case appropriate compensation should be paid by the State adopting such measures, taking into account its relevant laws and regulations and all circumstances that the State considers pertinent. In any case where the question of compensation gives rise to a controversy, it shall be settled under the domestic law of the nationalizing State and by its tribunals, unless it is freely and mutually agreed by all States concerned that other peaceful means be sought on the basis of the sovereign equality of States and in accordance with the principle of free choice of means.";

(d) Reword article 6 as follows:

"It is the duty of States to contribute to the development of international trade of goods particularly by means of arrangements and by the conclusion of long-term multilateral commodity agreements, where appropriate, and taking into account the interests of producers and consumers. All States share the responsibility to promote the regular flow and access of all commercial goods traded at stable, remunerative and equitable prices, thus contributing to the equitable development of the world economy, taking into account, in particular, the interests of developing countries.";

(e) Reword article 12 (2) as follows:

"2. In the case of groupings to which the States concerned have transferred or may transfer certain competences as regards matters that come within the scope of this Charter, its provisions shall also apply to those groupings, in regard to such matters, consistent with the responsibilities of such States as members of such groupings. Those States shall co-operate in the observance by the groupings of the provisions of this Charter.";

(f) Reword article 32 as follows:

"No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights."

8. At the same meeting, the representative of Mexico, on behalf of the sponsors, further introduced the following oral revisions:

(a) Replacing the words "to codify and develop rules for" in the fourth preambular paragraph of the Charter of Economic Rights and Duties of States, by the words "to promote";

(b) In the last preambular paragraph of the Charter of Economic Rights and Duties of States, delete, in the last preambular paragraph, the words "as a first step in the codification and progressive development of this subject".

9. At the 1647th meeting, on 6 December, the delegation of France, on behalf of Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom of Great Britain and Northern Ireland, introduced a draft resolution (A/C.2/L.1419) the text of which read as follows:

The General Assembly,

Recalling resolution 45 (III) of the United Nations Conference on Trade and Development,

Recognizing the usefulness for the international community of a charter defining the economic rights and duties of States,

Considering that, in view of its object and its universal character, such a charter should reflect the largest possible agreement between all countries,

Taking into account the considerable progress already achieved in the successive stages of the preparation of this charter and the search for a consensus,

Noting that there still exist controversial points which it would be highly desirable to settle through appropriate consultations before proposing a text for adoption by the United Nations,

/...

1. Requests the countries which have participated in the Working Group established under the aforementioned resolution 45 (III) to continue their efforts with a view to submitting a completed and generally accepted draft charter to the special session of the General Assembly devoted to development and international economic co-operation (September 1975);

2. Invites the Secretary-General of UNCTAD to assist in facilitating the consultations for this purpose, from the beginning of 1975.

10. At the same meeting, at the request of the representative of France, the Committee decided, in accordance with rule 131 of the rules of procedure of the General Assembly, to give priority consideration to draft resolution A/C.2/L.1419.

11. At its 1647th meeting, on 6 December, the representative of the United States of America requested that all the votes taken under this item should be recorded.

12. At the same meeting, the Committee rejected the draft resolution (A/C.2/L.1419) by 81 votes to 20, with 15 abstentions.

In favour: Austria, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America.

Against: Afghanistan, Albania, Algeria, Argentina, Bahrain, Bangladesh, Barbados, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Chad, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Democratic Yemen, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, German Democratic Republic, Ghana, Guatemala, Guinea-Bissau, Haiti, Honduras, Hungary, India, Iran, Iraq, Ivory Coast, Jamaica, Kenya, Kuwait, Lebanon, Liberia, Libyan Arab Republic, Madagascar, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Rwanda, Saudi Arabia, Sierra Leone, Sri Lanka, Sudan, Swaziland, Togo, Trinidad and Tobago, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Venezuela, Yugoslavia, Zaire, Zambia.

Abstaining: Australia, Cyprus, Dahomey, Finland, Greece, Grenada, Indonesia, Jordan, Khmer Republic, Laos, Malawi, Malaysia, New Zealand, Singapore, Thailand.

13. At its 1647th meeting, on 6 December, Ireland joined in sponsoring the amendment contained in A/C.2/L.1410.

14. At the same meeting, Australia withdrew from the list of sponsors of the amendment contained in A/C.2/L.1412.

15. At the same meeting, France withdrew from the list of sponsors of the amendment contained in A/C.2/L.1413.

16. At the same meeting, the amendments contained in documents A/C.2/L.1408 and A/C.2/L.1415 were withdrawn by the sponsors.

17. Also at its 1647th meeting, on 6 December, the Committee voted on the amendments contained in documents A/C.2/L.1398 to A/C.2/L.1403 (see para. 6 above). The result of the voting was as follows: 3/

(a) It rejected by 89 votes to 17, with 3 abstentions, the amendments contained in A/C.2/L.1398 (see para. 6 (a));

(b) It rejected by 92 votes to 20, with 10 abstentions, the amendment contained in A/C.2/L.1399 (see para. 6 (b));

(c) It rejected by 94 votes to 14, with 14 abstentions, the amendment contained in A/C.2/L.1400 (see para. 6 (c));

(d) It rejected by 92 votes to 18, with 12 abstentions, the amendment contained in A/C.2/L.1401 (see para. 6 (d));

(e) It rejected by 94 votes to 21, with 8 abstentions, the amendment contained in A/C.2/L.1402 (see para. 6 (e));

(f) It rejected by 95 votes to 16, with 10 abstentions, the amendment contained in A/C.2/L.1403 (see para. 6 (f));

18. At its 1648th meeting, on 6 December, the Committee voted on the amendments contained in A/C.2/L.1404 to A/C.2/L.1415 (see para. 6 above). The result of the voting was as follows: 4/

(a) It rejected by 71 votes to 20, with 18 abstentions the amendment contained in paragraph 3 of the amendments contained in A/C.2/L. 1404 (see para. 6 (g));

(b) It rejected by 87 votes to 19, with 11 abstentions, paragraphs 1 and 2 of the amendments contained in A/C.2/L.1404;

(c) It rejected by 86 votes to 20, with 10 abstentions, the amendments contained in A/C.2/L.1405 (see para. 6 (h));

(d) It rejected by 98 votes to 15, with 8 abstentions, the amendment contained in A/C.2/L.1406 (see para. 6 (i));

3/ For the record of voting see A/C.2/SR.1647. The full record will appear in the final version of this report.

4/ For the record of voting see A/C.2/SR.1648. The full record will appear in the final version of this report.

/...

(e) It rejected by 95 votes to 17, with 10 abstentions, the amendment contained in A/C.2/L.1407 (see para. 6 (j));

(f) It rejected by 97 votes to 15, with 10 abstentions, the amendment contained in A/C.2/L.1409 (see para. 6 (l));

(g) It rejected by 76 votes to 22, with 24 abstentions, the amendment contained in A/C.2/L.1410 (see para. 6 (m));

(h) It rejected by 98 votes to 17, with 8 abstentions, the amendment contained in A/C.2/L.1411 (see para. 6 (n));

(i) It rejected by 102 votes to 17, with 5 abstentions, the amendment contained in A/C.2/L.1412 (see para. 6 (o));

(j) It rejected by 101 votes to 12, with 11 abstentions, the amendments contained in A/C.2/L.1413 (see para. 6 (p));

(k) It rejected by 91 votes to 22, with 12 abstentions, the amendments contained in A/C.2/L.1414 (see para. 6 (q));

19. At its 1648th meeting, on 6 December, the representative of the United States of America asked for a separate vote on each preambular paragraph, each subparagraph of chapter I and each article of the draft Charter of Economic Rights and Duties of States (A/C.2/L.1386), as revised.

20. At the request of the representative of the Ukrainian Soviet Socialist Republic, the Committee decided not to take a vote, and therefore to consider as retained, those parts of draft resolution A/C.2/L.1386 and Corr.6, the deletion of which had been called for in amendments thereto, whenever the relevant amendments had been rejected.

21. At the same meeting, the representative of Sweden asked for a separate vote on paragraph 1 and subparagraph (a), (b) and (c) of article 2 of the Charter.

22. The result of the voting on draft resolution A/C.2/L.1386, as revised, was as follows:

First preambular paragraph	128	0	0
Second preambular paragraph	128	0	0
Third preambular paragraph	128	0	0
Fourth preambular paragraph	120	0	10
Fifth preambular paragraph	131	0	0
Sixth preambular paragraph	131	0	0
Seventh preambular paragraph	120	3	7
Eighth preambular paragraph	130	0	0

/...

Ninth preambular paragraph	129	0	0
Tenth preambular paragraph	130	0	0
Eleventh preambular paragraph	129	0	0
Twelfth preambular paragraph	129	0	0
Thirteenth preambular paragraph	130	0	0

Chapter I

<u>Introduction</u>	115	0	13
(a)	130	0	0
(b)	129	0	0
(c)	129	0	0
(d)	130	0	0
(e)	129	0	0
(f)	117	5	5
(g)	129	0	0
(h)	130	0	0
(i) <u>5/</u>			
(j)	130	0	0
(k)	130	0	0
(l) (m) (n)	130	0	0
(o)	117	0	12

Chapter II

<u>Article 1</u>	131	0	0
<u>Article 2</u>			
Paragraph 1	119	9	3
Paragraph 2 (a)	113	10	4
Paragraph 2 (b)	119	4	6
Paragraph 2 (c)	104	16	6

5/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1403.

Chapter II (continued)

<u>Article 3</u>	97	7	25
<u>Article 4</u>	115	8	7
<u>Article 5 6/</u>			
<u>Article 6</u>	119	8	2
<u>Article 7</u>	129	0	0
<u>Article 8</u>	131	0	0
<u>Article 9</u>	129	0	0
<u>Article 10</u>	129	0	0
<u>Article 11</u>	129	0	0
<u>Article 12</u>	128	0	0
<u>Article 13</u>	129	0	0
<u>Article 14</u>	128	0	1
<u>Article 15 7/</u>			
<u>Article 16 8/</u>			
<u>Article 17</u>	130	0	0
<u>Article 18</u>	131	0	0
<u>Article 19 9/</u>			
<u>Article 20</u>	110	1	12
<u>Articles 21, 22, 23, 24, 25</u>	131	0	0
<u>Article 26</u>	105	14	10
<u>Article 27</u>	131	0	0
<u>Article 28 10/</u>			
<u>Article 29</u>	113	0	17
<u>Article 30</u>	126	0	3
<u>Article 31</u>	129	0	0
<u>Article 32</u>	119	0	11

6/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1406

7/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1410.

8/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1411.

9/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1412.

10/ No vote was taken consequent upon the rejection of the amendment contained in A/C.2/L.1413. /...

Chapter II (continued)

<u>Article 33</u>	131	0	0
<u>Article 34</u>	123	0	8

23. At the 1648th meeting, on 6 December, the Committee voted on the draft resolution (A/C.2/L.1386), as revised, as a whole. The draft resolution was adopted by a roll-call vote of 115 to 6 with 10 abstentions (see para. 25 below). The result of the voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Australia, Bahrain, Bangladesh, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Finland, Gabon, Gambia, German Democratic Republic, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Khmer Republic, Kuwait, Laos, Lebanon, Liberia, Libyan Arab Republic, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, New Zealand, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Swaziland, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Belgium, Denmark, Germany (Federal Republic of), Luxembourg, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstentions: Austria, Canada, France, Ireland, Israel, Italy, Japan, Netherlands, Norway, Spain.

24. At its 1649th meeting, on 6 December, the Committee decided to authorize the Rapporteur of the Committee to present the report of the Committee on this item to the General Assembly, with only the numerical results of the voting under this item, on the understanding that delegations would refer to the summary records for the full list of the results of the voting, that this decision should not be considered as a precedence and that a full record of voting would appear in the final version of the report.

RECOMMENDATION OF THE SECOND COMMITTEE

25. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Charter of Economic Rights and Duties of States

The General Assembly,

Recalling that the United Nations Conference on Trade and Development, in its resolution 45 (III) of 18 May 1972, stressed the urgency "to establish generally accepted norms to govern international economic relations systematically" and recognized that "it is not feasible to establish a just order and a stable world as long as the Charter to protect the rights of all countries, and in particular the developing States, is not formulated",

Recalling further that in the same resolution it was decided to establish a Working Group of governmental representatives to draw up a draft Charter of Economic Rights and Duties of States, which the General Assembly, in its resolution 3037 (XXVII) of 19 December 1972, decided should be composed of 40 Member States,

Noting that in its resolution 3082 (XXVIII) of 6 December 1973, it reaffirmed its conviction of the urgent need to establish or improve norms of universal application for the development of international economic relations on a just and equitable basis and urged the Working Group on the Charter of Economic Rights and Duties of States to complete, as the first step, in the codification and development of the matter, the elaboration of a final draft Charter of Economic Rights and Duties of States, to be considered and approved by the General Assembly at its twenty-ninth session,

Bearing in mind the spirit and terms of its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, which underlined the vital importance of the Charter to be adopted by the General Assembly at its twenty-ninth session and stressed the fact that the Charter shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality, and interdependence of the interests of developed and developing countries,

Having examined the report of the Working Group on the Charter of Economic Rights and Duties of States on its fourth session, 11/ transmitted to the General Assembly by the Trade and Development Board at its fourteenth session,

Expressing its appreciation to the Working Group on the Charter of Economic Rights and Duties of States which, as a result of the task performed in its four

11/ TD/B/AC.12/4.

sessions held between February 1973 and June 1974; assembled the elements required for the completion and adoption of the Charter of Economic Rights and Duties of States at the twenty-ninth session of the General Assembly, as previously recommended,

Adopts and solemnly proclaims the following:

CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

PREAMBLE

The General Assembly,

Reaffirming the fundamental purposes of the United Nations, in particular, the maintenance of international peace and security, the development of friendly relations among nations and the achievement of international co-operation in solving international problems in the economic and social fields,

Affirming the need for strengthening international co-operation in these fields,

Reaffirming further the need for strengthening international co-operation for development,

Declaring that it is a fundamental purpose of this Charter to promote the establishment of the new international economic order, based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems,

Desirous of contributing to the creation of conditions for:

(a) The attainment of wider prosperity among all countries and of higher standards of living for all peoples,

(b) The promotion by the entire international community of economic and social progress of all countries, especially developing countries,

(c) The encouragement of co-operation, on the basis of mutual advantage and equitable benefits for all peace-loving States which are willing to carry out the provisions of this Charter, in the economic, trade, scientific and technical fields, regardless of political, economic or social systems,

(d) The overcoming of main obstacles in the way of economic development of the developing countries,

(e) The acceleration of the economic growth of developing countries with a view to bridging the economic gap between developing and developed countries,

(f) The protection, preservation and enhancement of the environment,

Mindful of the need to establish and maintain a just and equitable economic and social order through:

- (a) The achievement of more rational and equitable international economic relations and the encouragement of structural changes in the world economy,
- (b) The creation of conditions which permit the further expansion of trade and intensification of economic co-operation among all nations,
- (c) The strengthening of the economic independence of developing countries,
- (d) The establishment and promotion of international economic relations taking into account the agreed differences in development of the developing countries and their specific needs,

Determined to promote collective economic security for development, in particular of the developing countries, with strict respect for the sovereign equality of each State and through the co-operation of the entire international community,

Considering that genuine co-operation among States, based on joint consideration of and concerted action regarding international economic problems, is essential for fulfilling the international community's common desire to achieve a just and rational development of all parts of the world,

Stressing the importance of ensuring appropriate conditions for the conduct of normal economic relations among all States, irrespective of differences in social and economic systems, and for the full respect for the rights of all peoples, as well as the strengthening of instruments of international economic co-operation as means for the consolidation of peace for the benefit of all,

Convinced of the need to develop a system of international economic relations on the basis of sovereign equality, mutual and equitable benefit and the close interrelationship of the interests of all States,

Reiterating that the responsibility for the development of every country rests primarily upon itself but that concomitant and effective international co-operation is an essential factor for the full achievement of its own development goals,

Firmly convinced of the urgent need to evolve a substantially improved system of international economic relations,

Solemnly adopts the present Charter of Economic Rights and Duties of States.

CHAPTER I

Fundamentals of international economic relations

Economic as well as political and other relations among States shall be governed inter alia by the following principles:

- (a) Sovereignty, territorial integrity and political independence of States;
- (b) Sovereign equality of all States;
- (c) Non-aggression;
- (d) Non-intervention;
- (e) Mutual and equitable benefit;
- (f) Peaceful coexistence;
- (g) Equal rights and self-determination of peoples;
- (h) Peaceful settlement of disputes;
- (i) Remedying of injustices which have been brought about by force and which deprive a nation of the natural means necessary for its normal development;
- (j) Fulfilment in good faith of international obligations;
- (k) Respect for human rights and fundamental freedoms;
- (l) No attempt to seek hegemony and spheres of influence;
- (m) Promotion of international social justice;
- (n) International co-operation for development;
- (o) Free access to and from the sea by land-locked countries within the framework of the above principles.

CHAPTER II

Economic rights and duties of States

Article 1

Every State has the sovereign and inalienable right to choose its economic system as well as its political, social and cultural systems in accordance with the will of its people, without outside interference, coercion or threat in any form whatsoever.

Article 2

1. Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities.

2. Each State has the right:

(a) To regulate and exercise authority over foreign investment within its national jurisdiction in accordance with its laws and regulations and in conformity with its national objectives and priorities. No State shall be compelled to grant preferential treatment to foreign investment;

(b) To regulate and supervise the activities of transnational corporations within its national jurisdiction and take measures to ensure that such activities comply with its laws, rules and regulations and conform with its economic and social policies. Transnational corporations shall not intervene in the internal affairs of a host State. Every State should, with full regard for its sovereign rights, co-operate with other States in the exercise of the right set forth in this subparagraph;

(c) To nationalize, expropriate or transfer ownership of foreign property in which case appropriate compensation should be paid by the State adopting such measures, taking into account its relevant laws and regulations and all circumstances that the State considers pertinent. In any case where the question of compensation gives rise to a controversy, it shall be settled under the domestic law of the nationalizing State and by its tribunals, unless it is freely and mutually agreed by all States concerned that other peaceful means be sought on the basis of the sovereign equality of States and in accordance with the principle of free choice of means.

Article 3

In the exploitation of natural resources shared by two or more countries, each State must co-operate on the basis of a system of information and prior consultations in order to achieve optimum use of such resources without causing damage to the legitimate interest of others.

Article 4

Every State has the right to engage in international trade and other forms of economic co-operation irrespective of any differences in political, economic and social systems. No State shall be subjected to discrimination of any kind based solely on such differences. In the pursuit of international trade and other forms of economic co-operation, every State is free to choose the forms of organization of its foreign economic relations and to enter into bilateral and multilateral arrangements consistent with its international obligations and with the needs of international economic co-operation.

Article 5

All States have the right to associate in organizations of primary commodity producers in order to develop their national economies to achieve stable financing for their development, and in pursuance of their aims assisting in the promotion of sustained growth of the world economy, in particular accelerating the development of developing countries. Correspondingly all States have the duty to respect that right by refraining from applying economic and political measures that would limit it.

Article 6

It is the duty of States to contribute to the development of international trade of goods particularly by means of arrangements and by the conclusion of long-term multilateral commodity agreements, where appropriate, and taking into account the interests of producers and consumers. All States share the responsibility to promote the regular flow and access of all commercial goods traded at stable, remunerative and equitable prices, thus contributing to the equitable development of the world economy, taking into account, in particular, the interests of developing countries.

Article 7

Every State has the primary responsibility to promote the economic, social and cultural development of its people. To this end, each State has the right and the responsibility to choose its means and goals of development, fully to mobilize and use its resources, to implement progressive economic and social reforms and to ensure the full participation of its people in the process and benefits of development. All States have the duty, individually and collectively, to co-operate in order to eliminate obstacles that hinder such mobilization and use.

Article 8

States should co-operate in facilitating more rational and equitable international economic relations and in encouraging structural changes in the context of a balanced world economy in harmony with the needs and interests of all countries, especially developing countries, and should take appropriate measures to this end.

Article 9

All States have the responsibility to co-operate in the economic, social, cultural, scientific and technological fields for the promotion of economic and social progress throughout the world, especially that of the developing countries.

Article 10

All States are juridically equal and, as equal members of the international community, have the right to participate fully and effectively in the international decision-making process in the solution of world economic, financial and monetary problems, inter alia, through the appropriate international organizations in accordance with their existing and evolving rules, and to share equitably in the benefits resulting therefrom.

Article 11

All States should co-operate to strengthen and continuously improve the efficiency of international organizations in implementing measures to stimulate the general economic progress of all countries, particularly of developing countries, and therefore should co-operate to adapt them, when appropriate, to the changing needs of international economic co-operation.

Article 12

1. States have the right, in agreement with the parties concerned, to participate in subregional, regional and interregional co-operation in the pursuit of their economic and social development. All States engaged in such co-operation have the duty to ensure that the policies of those groupings to which they belong correspond to the provisions of the Charter and are outward-looking, consistent with their international obligations and with the needs of international economic co-operation and have full regard for the legitimate interests of third countries, especially developing countries.

2. In the case of groupings to which the States concerned have transferred or may transfer certain competences as regards matters that come within the scope of this Charter, its provisions shall also apply to those groupings, in regard to such matters, consistent with the responsibilities of such States as members of such groupings. Those States shall co-operate in the observance by the groupings of the provisions of this Charter.

Article 13

1. Every State has the right to benefit from the advances and developments in science and technology for the acceleration of its economic and social development.

2. All States should promote international scientific and technological co-operation and the transfer of technology, with proper regard for all legitimate interests including, inter alia, the rights and duties of holders, suppliers and recipients of technology. In particular, all States should facilitate: the access of developing countries to the achievements of modern science and technology, the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies and their needs.

3. Accordingly, developed countries should co-operate with the developing countries in the establishment, strengthening and development of their scientific and technological infrastructures and their scientific research and technological activities so as to help to expand and transform the economies of developing countries.

4. All States should co-operate in exploring with a view to evolving further internationally accepted guidelines or regulations for the transfer of technology taking fully into account the interests of developing countries.

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Article 14

Every State has the duty to co-operate in promoting a steady and increasing expansion and liberalization of world trade and an improvement in the welfare and living standards of all peoples, in particular those of developing countries. Accordingly, all States should co-operate, inter alia, towards the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade and, to these ends, co-ordinated efforts shall be made to solve in an equitable way the trade problems of all countries taking into account the specific trade problems of the developing countries. In this connexion, States shall take measures aimed at securing additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs, an improvement in the possibilities for these countries to participate in the expansion of world trade and a balance more favourable to developing countries in the sharing of the advantages resulting from this expansion, through, in the largest possible measure, a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products.

Article 15

All States have the duty to promote the achievement of general and complete disarmament under effective international control and to utilize the resources freed by effective disarmament measures for the economic and social development of countries, allocating a substantial portion of such resources as additional means for the development needs of developing countries.

Article 16

1. It is the right and duty of all States, individually and collectively, to eliminate colonialism, apartheid, racial discrimination, neo-colonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development. States which practice such coercive policies are economically responsible to the countries, territories and peoples affected for the restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of those countries, territories and peoples. It is the duty of all States to extend assistance to them.

2. No State has the right to promote or encourage investments that may constitute an obstacle to the liberation of a territory occupied by force.

Article 17

International co-operation for development is the shared goal and common duty of all States. Every State should co-operate with the efforts of developing countries to accelerate their economic and social development by providing

favourable external conditions and by extending active assistance to them, consistent with their development needs and objectives, with strict respect for the sovereign equality of States and free of any conditions derogating from their sovereignty.

Article 18

Developed countries should extend, improve and enlarge the system of generalized non-reciprocal and non-discriminatory tariff preferences to the developing countries consistent with the relevant agreed conclusions and relevant decisions as adopted on this subject, in the framework of the competent international organizations. Developed countries should also give serious consideration to the adoption of other differential measures, in areas where this is feasible and appropriate and in ways which will provide special and more favourable treatment, in order to meet trade and development needs of the developing countries. In the conduct of international economic relations the developed countries should endeavour to avoid measures having a negative effect on the development of the national economies of the developing countries, as promoted by generalized tariff preferences and other generally agreed differential measures in their favour.

Article 19

With a view to accelerating the economic growth of developing countries and bridging the economic gap between developed and developing countries, developed countries should grant generalized preferential, non-reciprocal and non-discriminatory treatment to developing countries in those fields of international economic co-operation where it may be feasible.

Article 20

Developing countries should, in their efforts to increase their over-all trade, give due attention to the possibility of expanding their trade with socialist countries, by granting to these countries conditions for trade not inferior to those granted normally to the developed market economy countries.

Article 21

Developing countries should endeavour to promote the expansion of their mutual trade and to this end, may, in accordance with the existing and evolving provisions and procedures of international agreements where applicable, grant trade preferences to other developing countries without being obliged to extend such preferences to developed countries, provided these arrangements do not constitute an impediment to general trade liberalization and expansion.

Article 22

1. All States should respond to the generally recognized or mutually agreed development needs and objectives of developing countries by promoting increased net flows of real resources to the developing countries from all sources, taking into account any obligations and commitments undertaken by the States concerned, in order to reinforce the efforts of developing countries to accelerate their economic and social development.

2. In this context, consistent with the aims and objectives mentioned above and taking into account any obligations and commitments undertaken in this regard, it should be their endeavour to increase the net amount of financial flows from official sources to developing countries and to improve the terms and conditions.

3. The flow of development assistance resources should include economic and technical assistance.

Article 23

To enhance the effective mobilization of their own resources, the developing countries should strengthen their economic co-operation and expand their mutual trade so as to accelerate their economic and social development. All countries, especially developed countries, individually as well as through the competent international organizations of which they are members, should provide appropriate and effective support and co-operation.

Article 24

All States have the duty to conduct their mutual economic relations in a manner which takes into account the interests of other countries. In particular, all States should avoid prejudicing the interests of developing countries.

Article 25

In furtherance of world economic development, the international community, especially its developed members, shall pay special attention to the particular needs and problems of the least developed among the developing countries, of land-locked developing countries and also island developing countries, with a view to helping them to overcome their particular difficulties and thus contribute to their economic and social development.

Article 26

All States have the duty to coexist in tolerance and live together in peace, irrespective of differences in political, economic, social and cultural systems, and to facilitate trade between States having different economic and social systems. International trade should be conducted without prejudice to generalized non-discriminatory and non-reciprocal preferences in favour of developing countries, on the basis of mutual advantage, equitable benefits and the exchange of most-favoured-nation treatment.

Article 27

1. Every State has the right to fully enjoy the benefits of world invisible trade and to engage in the expansion of such trade.

2. World invisible trade, based on efficiency and mutual and equitable benefit, furthering the expansion of the world economy, is the common goal of all States. The role of developing countries in world invisible trade should be enhanced and strengthened consistent with the above objectives, particular attention being paid to the special needs of developing countries.

3. All States should co-operate with developing countries in their endeavours to increase their capacity to earn foreign exchange from invisible transactions, in accordance with the potential and needs of each developing country, and consistent with the objectives mentioned above.

Article 28

All States have the duty to co-operate in achieving adjustments in the prices of exports of developing countries in relation to prices of their imports so as to promote just and equitable terms of trade for them, in a manner which is remunerative for producers and equitable for producers and consumers.

CHAPTER III

Common responsibilities towards the international community

Article 29

The sea-bed and ocean floor and the subsoil thereof, beyond the limits of national jurisdiction, as well as the resources of the area, are the common heritage of mankind. On the basis of the principles adopted by the General Assembly in resolution 2749 (XXV) of 17 December 1970, all States shall ensure that the exploration of the area and exploitation of its resources are carried out exclusively for peaceful purposes and that the benefits derived therefrom are shared equitably by all States, taking into account the particular interests and needs of developing countries; an international régime applying to the area and its resources and including appropriate international machinery to give effect to its provisions shall be established by an international treaty of a universal character, generally agreed upon.

Article 30

The protection, preservation and the enhancement of the environment for the present and future generations is the responsibility of all States. All States shall endeavour to establish their own environmental and developmental policies in conformity with such responsibility. The environmental policies of all States should enhance and not adversely affect the present and future development potential of developing countries. All States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction. All States should co-operate in evolving international norms and regulations in the fields of the environment.

CHAPTER IV

Final provisions

Article 31

All States have the duty to contribute to the balanced expansion of the world economy, taking duly into account the close interrelationship between the well-being of the developed countries and the growth and development of the developing countries and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts.

Article 32

No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights.

Article 33

1. Nothing in the present Charter shall be construed as impairing or derogating from the provisions of the Charter of the United Nations or actions taken in pursuance thereof.

2. In their interpretation and application, the provisions of the present Charter are interrelated and each provision should be construed in the context of the other provisions.

Article 34

An item on the Charter of Economic Rights and Duties of States shall be inscribed on the agenda of the General Assembly at its thirtieth session, and thereafter on the agenda of every fifth session. In this way a systematic and comprehensive consideration of the implementation of the Charter, covering both progress achieved and any improvements and additions which might become necessary, would be carried out and appropriate measures recommended. Such consideration should take into account the evolution of all the economic, social, legal and other factors related to the principles upon which the present Charter is based and on its purpose.
