

1785 (XVII). United Nations Conference on Trade and Development

The General Assembly,

Recalling its resolution 1707 (XVI) of 19 December 1961 entitled "International trade as the primary instrument for economic development",

Taking note of Economic and Social Council resolution 917 (XXXIV) of 3 August 1962 on the United Nations Conference on Trade and Development,

Convinced that economic and social progress throughout the world depends in large measure on a steady expansion in international trade,

Considering that the extensive development of equitable and mutually advantageous international trade creates a good basis for the establishment of neighbourly relations between States, helps to strengthen peace and an atmosphere of mutual confidence and understanding among nations and promotes higher living standards, full employment and more rapid economic progress in all countries of the world,

Convinced further that accelerated economic development of the developing countries depends largely on a substantial increase in their share in international trade,

Noting that the terms of trade continue to operate to the disadvantage of the developing countries, thus accentuating their unfavourable balance-of-payments position and reducing their capacity to import,

Bearing in mind that exports of a relatively limited range of primary commodities constitute a major source of foreign exchange for the developing countries and, consequently, are basic for their development,

Conscious of the serious problems both of a short-term and a long-term nature which confront the developing countries as a result of the depression of, and fluctuations in, the prices of primary commodities,

Mindful of the need to eliminate obstacles, restrictions and discriminatory practices in world trade which, in particular, adversely affect the necessary expansion and diversification of the exports of primary commodities and of semi-manufactured and manufactured goods by the developing countries,

Considering the importance of all countries and all regional and sub-regional economic groupings pursuing trade policies designed to facilitate the necessary expansion of trade of developing countries and encouraging the indispensable growth of their economies,

Convinced that the promotion of higher rates of economic growth throughout the world and the evolution of a new and more appropriate pattern of international trade will require the adaptation of the institutional framework for international co-operation in the field of trade,

1. Endorses the decision of the Economic and Social Council in its resolution 917 (XXXIV) to convene a United Nations Conference on Trade and Development;

2. Recommends the Economic and Social Council at its resumed thirty-fourth session:

(a) To enlarge by twelve members the Preparatory Committee provided for by the Council in resolution 917 (XXXIV), with due regard to equitable geographical distribution and to an adequate representation of developing and major trading countries;

(b) To convene the first session of the Committee by January 1963 so that the Committee will be able to submit an interim report to the Council at its thirty-fifth session;

(c) To convene the resumed session of the Committee immediately after the thirty-fifth session of the Council so that the Committee will be able to report to the Council at its thirty-sixth session;

3. Recommends further the Economic and Social Council to convene, after consideration of the preparatory work, the United Nations Conference on Trade and Development, as soon as possible after the thirty-sixth session of the Council to be held in July 1963, but in no event later than early 1964, taking into account the view expressed by a large number of delegations that the Conference should be convened not later than September 1963 as well as the view of other delegations that the Conference should be held in early 1964;

4. Requests the Secretary-General:

(a) To invite all States Members of the United Nations and members of the specialized agencies and of the International Atomic Energy Agency to take part in the Conference;

(b) To appoint a secretary-general of the Conference;

(c) To assist the Preparatory Committee by providing the necessary documentation in connexion with the Conference, on the lines indicated in Economic and Social Council resolution 917 (XXXIV) and in the discussions at the seventeenth session of the General Assembly;

5. Recommends the Economic and Social Council and the Preparatory Committee, in drawing up the draft agenda of the Conference referred to in paragraph 3 above, to take into consideration the following fundamental points:

(a) The need for increasing the trade of developing countries in primary commodities as well as in semi-manufactured and manufactured goods so as to ensure a rapid expansion of their export earnings and, for that purpose, to examine the possibility of taking measures and reformulating principles with a view to:

(i) Increasing trade between the developing and developed countries, irrespective of the differences in the foreign trade systems of the latter;

(ii) Intensifying trade relations among the developing countries;

(iii) Diversifying the trade of developing countries;

(iv) Financing the international trade of developing countries;

(b) Measures for ensuring stable, equitable and remunerative prices and the rising demand for exports of developing countries, including, *inter alia*:

(i) The stabilization of prices of primary commodities at equitable and remunerative levels;

(ii) The increase in consumption of products imported from primary-producing countries and of semi-manufactured and manufactured goods imported from developing countries;

(iii) International commodity agreements;

(iv) International compensatory financing;

(c) Measures leading to the gradual removal of tariff, non-tariff or other trade barriers by industrialized countries, whether individually or collectively, which

have an adverse effect on the exports of developing countries and on the expansion of international trade in general;

(d) Methods and machinery to implement measures relating to the expansion of international trade, including:

- (i) A reappraisal of the effectiveness of the existing international bodies dealing with international trade in meeting trade problems of developing countries, including a consideration of the development of trade relations among countries with uneven levels of economic development and/or different systems of economic organization and trade;
- (ii) The advisability of eliminating overlapping and duplication by co-ordination or consolidation of the activities of such bodies, of creating conditions for expanded membership and of effecting such other organizational improvements and initiatives as may be needed, so as to maximize the beneficial results of trade for the promotion of economic development.

*1190th plenary meeting,
8 December 1962.*

1803 (XVII). 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 its resolution 1314 (XIII) of 12 December 1958, by which it 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 developing countries,

Bearing in mind its resolution 1515 (XV) of 15 December 1960, in which it 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 the 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 paragraph 4 below 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 developing 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 developing countries and securing their economic independence,

Noting that the creation and strengthening of the inalienable sovereignty of States over their natural wealth and resources reinforces 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 that of the developing countries,

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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, the 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. 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 developing 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 shall be based upon respect for their sovereignty over their natural wealth and resources.

7. Violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary