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Agenda item 9

## REPORT OF THE COMMISSION ON PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES

### I. Establishment, Membership and Terms of Reference of the Commission

1. The United Nations Commission on Permanent Sovereignty over Natural Resources was established by the General Assembly in its resolution 1314 (XIII) of 12 December 1958, entitled: "Recommendations concerning International Respect for the Right of Peoples and Nations to Self-Determination". It is composed of nine members: Afghanistan, Chile, Guatemala, the Netherlands, the Philippines, Sweden, the Union of Soviet Socialist Republics, the United Arab Republic and the United States of America.
2. In the above-mentioned resolution, the General Assembly, noting that the right of peoples and nations to self-determination as affirmed in the two draft Covenants completed by the Commission on Human Rights include "Permanent Sovereignty over Natural Wealth and Resources", and believing it necessary to have full information at its disposal regarding the actual extent and character of that sovereignty, entrusted to the Commission the task "to conduct a full survey of the status of this basic constituent of the right to self-determination with recommendations, where necessary, for its strengthening". It was further decided 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 shall be paid to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of under-developed countries". The regional economic Commissions of the United Nations and the specialized agencies were invited by the Assembly to

co-operate with the Commission in its task; and the Commission was requested to report to the Economic and Social Council at its twenty-ninth session.

## II. Representation and Attendance

3. The member States on the Commission, the specialized agencies and the International Atomic Energy Agency were represented at the meetings of the Commission as follows:

<u>Member States</u>	<u>Representatives</u>	<u>Alternate representatives or advisers</u>
Afghanistan	Mr. A.R. Pazhwak	Mr. A. H. Tabibi
Chile	Mr. O. Pinochet (first session) Mr. D. Schweitzer (second and third sessions)	Mr. V. Rioseco (third session)
Guatemala	Mr. A. Herrarte (first and second sessions) Mr. G. Flores-Avendano (third session)	Mr. M. Kestler (first and second sessions) Mr. C. Gonzalez-Calvo (third session)
Netherlands	Mr. C.W.A. Schurmann (first and second sessions) Mr. J. Polderman (third session)	Miss J.D. Pelt (first and second sessions) Mr. J. Kaufmann (second session)) Mr. L.H.J.B. van Gorkom (third session)
Philippines	Mr. J. Gamboa	Mr. J. Brillantes Mr. Quiambao Mr. Espejo
Sweden	Mr. S. Petren (first and third sessions) Mr. L. Myrsten (second session)	Mrs. A. Rossel (third session) Mr. A. Willen (third session)
Union of Soviet Socialist Republics	Mr. Sapozhnikov	Mr. B.P. Prokofyev (second session) Mr. I.A. Ornatsky (third session) Mr. I.I. Yakovlev (third session)
United Arab Republic	Mr. A.H. Abdel-Ghani (first session) Mr. R. Asha (second session) Mr. A.H. Khamis (third session)	Mr. A.H. Khamis (second session) Mr. A.B. Abdel Ghaffar (second session)

<u>Member States</u>	<u>Representatives</u>	<u>Alternate representatives or advisers</u>
United States of America	Mr. John M. Raymond	Mr. S.M. Finger Mr. J. Simsarian (first and second sessions) Mr. C.G. Parker, III (second session)
International Labour Organisation	Mr. R.A. Métaill (first session) Mr. H. Reymond (second and third sessions) Mr. E. Zmirou (second and third sessions)	
Food and Agriculture Organization	Mr. J.L. Orr (second and third sessions) Mr. P.V. Acharya (second and third sessions)	
International Atomic Energy Agency	Mr. A.I. Galagan (second and third sessions) Mr. A.V. Freeman (second and third sessions)	

Mr. M.F. Maurtua (Peru) attended the second and third sessions of the Commission as an observer.

### III. Officers of the Commission

4. The Commission has held three sessions; the first from 18-22 May 1959, the second from 16 February to 17 March 1960 and the third from 3 to 25 May 1961. At its first session the Commission elected Mr. M.J. Gamboa (Philippines) as Chairman, Mr. A. Herrarte (Guatemala) as Vice-Chairman and Mr. A.H. Abdel-Ghani (United Arab Republic) as Rapporteur. At its second session, owing to the absence of Mr. Abdel-Ghani, the Commission elected Mr. R. Asha (United Arab Republic) as Rapporteur. At its third session, due to the absence of Mr. Herrarte and Mr. Asha, the Commission elected Mr. G. Flores Avendano (Guatemala) as Vice-Chairman and Mr. A.H. Khamis (United Arab Republic) as Rapporteur.

### IV. The Work of the Commission at its first two sessions

5. At its first session, the Commission decided that the Secretariat should prepare a study on the Status of Permanent Sovereignty of Peoples and Nations over their Natural Wealth and Resources for consideration by the Commission at its second session. In his preliminary observations on the preparation of such a study, the representative of the Secretary-General referred to the variety of legal provisions in different countries governing this subject. While it would be

difficult, in his view, for the Secretariat to compile such material on every single aspect for every country, it was possible to prepare a study that would cover a broad representation of Member States, including the various geographical regions as well as different economic and legal systems (A/AC.97/3). The Commission agreed that the study to be prepared by the Secretariat should not be confined to legal matters but must also contain information on economic matters pertaining to the status of permanent sovereignty of peoples and nations over their natural wealth and resources. It was suggested that emphasis should be placed on the less developed areas as well as Non-Self-Governing Territories and Territories under the International Trusteeship System and on the exploitation of natural resources by foreign nationals and foreign enterprises, taking into account regional international organizations as well as bilateral and multilateral agreements concerning exploitation of natural resources.

6. At its second session, the Commission considered the preliminary study prepared by the Secretariat (A/AC.97/5 and Corr.1 and Add.1). A number of suggestions were presented for the inclusion of additional information. Among the items suggested for inclusion were: factual data on the methods of financing the exploitation of natural resources and on the extent of indigenous participation in Trust and Non-Self-Governing Territories; information regarding the area and relative fertility of agricultural land exploited by foreign companies; a survey of the effects of the present economic blocs in various parts of the world on the exploitation of natural resources; an indication of common features of legislative measures in various countries aimed at promoting foreign investment; more detailed information on transit rights, especially of land-locked countries; general conclusions from the available sources of law regarding the rights and duties of States under international law; and information supplied by international organizations in regard to international co-operation in the development of under-developed countries. Some members stressed the need for data on income and profits derived from investments in the exploitation of natural resources in the under-developed countries, Trust Territories and Non-Self-Governing Territories. It was also suggested that additional information might

be included on the per caput income and per caput land holdings of indigenous people in Non-Self-Governing Territories as compared with those of foreigners. Other members of the Commission considered that information on income and profits could hardly be representative and that no sound conclusions could be derived from such information; consequently, they opposed the inclusion of such material. Some members also objected to the proposed indication of common features of legislation relating to the promotion of foreign investment. It was suggested by some representatives that the Department of Economic and Social Affairs, the Legal Office and the Department of Trusteeship and Information from Non-Self-Governing Territories of the Secretariat should co-operate in furnishing the necessary information.

7. After discussion, the Commission adopted the following resolution:

"The Commission on Permanent Sovereignty over Natural Resources,

"Recalling General Assembly resolution 1314 (XIII),

"Having considered the preliminary study prepared by the Secretary-General entitled 'The Status of Permanent Sovereignty over Natural Wealth and Resources' (A/AC.97/5 and Corr.1 and Add.1),

"1. Commends the Secretary-General for the preliminary study prepared for the Commission;

"2. Requests the Secretary-General, taking into account the views expressed by the members of the Commission at this session:

"(a) To invite Member States and specialized agencies to verify the material in the preliminary study and to submit additional pertinent information with regard to matters within their respective jurisdictions;

"(b) To prepare, not later than 15 March 1961, in the light of such submissions, a revision of the study for consideration by the Commission at its next session;

"(c) To include in the revised study appropriate references to United Nations decisions, reports and studies relating to rights and duties of States under international law and to international co-operation in the economic development of under-developed countries;

"3. Expresses the hope that Member States which have not yet already done so would as soon as possible submit the necessary information on the status of permanent sovereignty over natural wealth and resources within their respective jurisdictions."

8. The Commission also decided, in accordance with General Assembly resolution 1314 (XIII), to submit a progress report covering the work of its first two sessions to the twenty-ninth session of the Economic and Social Council (E/3334). It was stated in the progress report that the Commission would hold its third session at the end of April 1961 to consider the revised text of the Secretariat study and would submit its final report to the Economic and Social Council for consideration at its thirty-second session.

V. Consideration of the Revised Secretariat Study

9. In accordance with the decision taken by the Commission at its second session, the Secretariat submitted its revised study for consideration by the Commission at its third session (A/AC.97/5/Rev.1 and Corr.1, and Add.1). The revised study consists of five chapters: (I) National Measures Affecting the Ownership or Use of Natural Resources by Foreign Nationals or Enterprises; (II) International Agreements Affecting the Foreign Exploitation of Natural Resources; (III) International Adjudication and Studies under the Auspices of Inter-governmental Bodies Relating to Responsibility of States in Regard to the Property and Contract of Aliens; (IV) Status of Permanent Sovereignty over Natural Wealth and Resources in Newly-Independent States and in Non-Self-Governing Territories and Territories under Trusteeship; (V) Economic Data Pertaining to the Status of Sovereignty over Natural Wealth and Resources in Various Countries. In the introduction to the revised study, it was stated that the Secretariat, in preparing the revision, was guided by the views expressed by the members of the Commission at its second session and in particular by the summary of these views as set forth in the Commission's progress report. Special consideration was given to the wishes of some members of the Commission that the revised study include more factual information on sovereignty over natural resources in the less developed countries and in Non-Self-Governing Territories. As a result, chapters IV and V were considerably expanded.

10. In his opening statement made at the third session of the Commission, the Chairman described the revised Secretariat study as containing a wealth of concrete information which could serve as a practical and constructive guide for Governments when considering the problem of the sovereignty over natural wealth and resources. Most members of the Commission also regarded the study as a valuable document and some of them felt that it could be the basis on which the Commission might make its recommendations on the subject to the Economic and Social Council. On the other hand, some members considered that the study of the Secretariat, even in its revised form, does not reflect the real situation in the field of exploitation by foreigners and their companies of natural wealth and resources of Non-Self-Governing Territories, Trust Territories and less developed countries. Some members stated that information on certain matters which they suggested at the second session of the Commission (see paragraph 5 above) was still lacking in the revised study; they further suggested that the revised study should include more factual data concerning the method of financing the exploitation of natural resources and the extent of indigenous, as compared with alien, participation, as well as supplementary information concerning legislation to encourage foreign investors. It was also suggested that fuller information be given on the profits made by foreign companies and the proportion attributable to those companies of exports from the countries in which they had acquired rights of exploitation, and on the transit rights, particularly relating to the rights of land-locked countries for free access to the sea. The view was also expressed that the revised study did not sufficiently reflect violations of the sovereignty of peoples over their natural wealth and resources occurring in many parts of the world. It was pointed out by the representative of the Secretary-General that certain information requested by some members had not been available to the Secretariat, that the replies from Governments to the requests made in accordance with the Commission's decision had not provided such information and that in view of the General Assembly resolution on control and limitation of documentation, it had not been thought necessary to reproduce in the revised study the voluminous material which had already appeared in other United Nations documentation.

VI. Recommendations of the Commission

11. The following draft resolutions and amendments were submitted to the Commission at its third session.

(a) A draft resolution was submitted by the USSR (A/AC.97/L.2) to which amendments were proposed by the United Arab Republic (A/AC.97/L.4). After discussion, the representative of the USSR submitted a revised version of his draft resolution (A/AC.97/L.2/Rev.1).

(b) A draft resolution was submitted by Chile (A/AC.97/L.3/Rev.1) to which amendments were proposed by the United Arab Republic and later jointly by Afghanistan and the United Arab Republic (A/AC.97/L.6 and Corr.1). After holding informal meetings with other members of the Commission, the representative of Chile submitted a revised draft resolution (A/AC.97/L.3/Rev.2), to which amendments were proposed jointly by Afghanistan and the United Arab Republic (A/AC.97/L.7). An amendment submitted by Sweden (A/AC.97/L.5) to the original Chilean draft resolution was revised and submitted jointly by Sweden and Afghanistan (A/AC.97/L.5/Rev.1) to the revised Chilean draft resolution. A sub-amendment was submitted by the United Arab Republic (A/AC.97/L.10) to the joint amendment by Sweden and Afghanistan. Amendments were also submitted by the United States (A/AC.97/L.9) to the Chilean revised draft resolution.

(c) A draft resolution was submitted by the United Arab Republic (A/AC.97/L.8/Rev.1) which replaced a proposed amendment originally contained in document A/AC.97/L.7.

12. After the representative of Chile introduced his revised draft resolution (A/AC.97/L.3/Rev.2), Part B of which would request the Economic and Social Council to arrange for the publication of the revised Secretariat study together with the Commission's report, the Commission was informed by the Secretariat of the financial implications of that provision.

13. Those paragraphs of the Chilean revised draft resolution to which amendments had been submitted are reproduced below:

Preambular paragraph 1, in Part A, "The General Assembly,

"Bearing in mind resolution 1314 (XIII) adopted by the General Assembly on 12 December 1958, which instructed the Commission 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 recommended further that, in the conduct of the full survey of the status of the permanent sovereignty of peoples and nations over their natural wealth and resources, due regard should be paid to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of under-developed countries,"

Preambular paragraph 2 of Part A:

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

Operative paragraph 2 of Part A:

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

Operative paragraph 3 of Part A:

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

Operative paragraph 4 of Part A:

"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;"

Operative paragraph 6 of Part A:

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

Operative paragraph 8 of Part A:

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

14. At the thirty-first meeting of the Commission held on 22 May 1961, at the request of the representative of Chile, the Commission decided to give priority of voting to the Chilean revised draft resolution.

15. The following amendments were either withdrawn or not pressed to a vote by their authors: (1) the amendment by the United States (A/AC.97/L.9) to add to the end of the second preambular paragraph the words "in conformity with the rights and duties of States under international law"; (2) the amendment by the United States (A/AC.97/L.9) to add at the end of operative paragraph 2 the words "and in accordance with international law", which was not pressed to a vote on the understanding that the United States reserved the right to submit an amendment to the Economic and Social Council; (3) the amendment by Afghanistan and the United Arab Republic (A/AC.97/L.7) to replace in operative paragraph 4, line 4, the word "appropriate" by the word "adequate"; (4) the amendment by Afghanistan and the United Arab Republic (A/AC.97/L.7) to insert in operative paragraph 4, line 5, the words "when and where appropriate" after the word "compensation" which was not pressed to a vote, on the understanding that the proposal would be submitted by Afghanistan to the Economic and Social Council or the General Assembly.<sup>1/</sup>

16. The following amendments being merely drafting changes were accepted by the author of the revised draft resolution and were incorporated in the draft resolution without vote: (1) the amendment by Afghanistan and the United Arab Republic

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1/ For explanations given by the representatives of Afghanistan and the United Arab Republic, see A/AC.97/SR.29, page 4 (Afghanistan) and A/AC.97/SR.30, page 5 (United Arab Republic).

(A/AC.97/L.7) to replace in the first preambular paragraph, line 5, the word "recommended" by the word "decided" in the English text; (2) the amendment by the United States (A/AC.97/L.9) to replace, in the first preambular paragraph, line 2, the words after the comma by "which established the Commission on Permanent Sovereignty over Natural Wealth and Resources and instructed it to conduct a full"; (3) the amendment by the United States (A/AC.97/L.9) to replace, in operative paragraph 2, line 1, the word "use" by the word "disposition" and the amendment by the United States (A/AC.97/L.9) to replace, in line 2, the word "shall" by the word "should"; (4) the oral amendment by the Philippines to replace in operative paragraph 2, line 1, the word "those" by "such", line 2, the word "those" by "these", and line 3, the word "those" by "the"; (5) the oral amendment proposed by the Philippines to replace in operative paragraph 3, line 2, the word "it" by the words "the terms thereof"; (6) the oral amendment proposed by the Philippines to replace in operative paragraph 6, line 2, the words "it takes" by the word "in" and in line 4, the word "oriented" by the word "encouraged"; (7) the amendment by Afghanistan and the United Arab Republic (A/AC.97/L.7) to replace in operative paragraph 8 the words "rigorously and scrupulously" by the words "strictly and conscientiously".

17. The following amendments were put to the vote: (1) the amendment by the United States (A/AC.97/L.9), to add at the beginning of the second sentence in operative paragraph 3 the words "agreements freely made in each case should be faithfully observed and", was rejected by 5 votes to 4. Thereafter, the representative of the United States withdrew his other amendments to operative paragraph 3; (2) by a vote of none for, 4 against and 5 abstentions, the Commission decided to retain the word "utility" in the English text of operative paragraph 4, line 2, page 2, instead of "purpose"; thereafter, the representative of the United States withdrew his amendment to delete the words "or national interest"; (3) the representative of the USSR requested a vote by division on the two paragraphs of the sub-amendment by the United Arab Republic (A/AC.97/L.10) to the joint amendment by Afghanistan and Sweden (A/AC.97/L.5/Rev.1) to operative paragraph 4. The request was rejected by 1 vote in favour, 4 against, with 4 abstentions. The sub-amendment was adopted by 5 votes in favour, 3 against, with 1 abstention. As a result, the joint amendment by Afghanistan and Sweden (A/AC.97/L.5/Rev.1) which provided for

the settlement of disputes arising out of the question of compensation by international adjudication or arbitration, subject to agreement by the parties concerned, was not put to the vote.

18. The Commission agreed to insert at the end of Part A of the revised Chilean draft resolution a new paragraph proposed by Afghanistan and the United Arab Republic (A/AC.97/L.7) concerning a request to the International Law Commission.

19. The revised Chilean draft resolution, as amended, was adopted by 8 votes to 1, with no abstentions (for text, see Annex, resolution I).

20. The revised draft resolution submitted by the USSR (A/AC.97/L.2/Rev.1) in addition to the paragraphs, which were later adopted as resolution II (see paragraph 22 below), would request the Economic and Social Council to recommend the adoption by the General Assembly of the following draft resolution:

"The General Assembly,

"Recalling its resolutions 523 (VI) and 626 (VII) and, in particular, resolution 1314 (XIII), which emphasizes that the right of peoples and nations to self-determination includes permanent sovereignty over their natural wealth and resources,

"Considering that one of the basic purposes of the United Nations, as proclaimed in its Charter, is to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples,

"Considering that the Declaration on the granting of independence to colonial countries and peoples solemnly proclaims the necessity of bringing to a speedy and unconditional end colonialism in all its forms and manifestations,

"Having regard to the special importance of the question of promoting the economic development of the less developed countries and the strengthening of their national independence,

"Considering that the realization and strengthening of the permanent sovereignty of States over their natural wealth and resources helps to strengthen their national independence,

"1. Reaffirms the permanent sovereign right of peoples and nations freely to own, utilize and dispose of their natural wealth and resources in the interests of their independent national development and of enhancing the well-being of the people, including the sovereign right: to admit or not to admit foreign capital to the exploration and utilization of natural wealth and

resources in their territory; to lay down conditions for and exercise control over the activity of domestic and foreign capital in their territory and over the distribution and export of profits; to limit, curtail or halt such activity if it conflicts with their national interests or infringes their sovereignty over natural wealth and resources; to carry out nationalization and expropriation measures without let or hindrance; and to take other necessary measures to safeguard and strengthen their sovereignty over natural wealth and resources;

"2. Declares that the violation of the sovereign rights of peoples and nations with respect to their natural wealth and resources is contrary to the spirit and principles of the United Nations Charter and hampers the development of international co-operation and the preservation of peace;

"3. Fully supports the measures adopted by peoples and nations to restore or strengthen their sovereignty over natural wealth and resources and regards as inadmissible any action designed to hinder the realization, protection and strengthening of that sovereignty;

"4. Recognizes that assistance to the economically less developed countries and the activity of foreign capital permitted by them in their territory should correspond to the interests of their independent national development and should be based on respect for their sovereignty over their natural wealth and resources;

"5. Calls upon all States and international organizations strictly and conscientiously to respect the sovereignty of peoples and nations over their natural wealth and resources in accordance with the United Nations Charter and the provisions of this resolution;

"6. Calls for the encouragement of international co-operation in the economic development of less developed countries based on the sovereign equality and mutual respect of States."

21. At the thirty-second meeting of the Commission held on 23 May 1961, the representative of the United Arab Republic explained that in view of the acceptance by the USSR of the majority of his amendments (A/AC.97/L.4), he would request a voting only on his amendment to operative paragraph 1 of the USSR revised draft resolution. This amendment, which would replace all the phrases beginning with "including the sovereign right" by the following: "and to take all measures to strengthen the sovereignty over their natural resources in accordance with the principles laid down by the Charter of the United Nations", was adopted by 3 votes to none, with 5 abstentions.

22. At the request of the representative of the Philippines, a separate vote was taken on the first part of the USSR draft resolution, beginning with "The Commission on Permanent Sovereignty over Natural Resources" and ending with "Transmits the said study to the Economic and Social Council together with the observations made by the members of the Commission". This part was adopted by 7 votes to none, with 1 abstention (for text, see Annex, resolution II). At the request of the representative of the USSR, operative paragraph 3 of his revised draft resolution was put to a roll-call vote and was rejected by 3 votes in favour (United Arab Republic, Afghanistan, Union of Soviet Socialist Republics), 4 against (United States of America, Netherlands, Philippines, Sweden) and 1 abstention (Chile). The remaining part of the USSR draft resolution was rejected by 3 votes to 4, with 1 abstention.

23. The draft resolution submitted by the United Arab Republic (A/AC.97/L.8/Rev.1), with drafting changes proposed by the representative of the Philippines, was adopted by 6 votes to none, with 3 abstentions (for text, see Annex, resolution III).

24. The three resolutions adopted by the Commission are reproduced in the Annex to the present report. In accordance with resolution II, the Commission transmits the revised Secretariat study, together with the observations made by the members as contained in the summary records of the meetings of the Commission, to the Economic and Social Council.

ANNEX

Resolution I

A

The Commission on Permanent Sovereignty over Natural Resources,  
Bearing in mind the task entrusted to it by the General Assembly in its  
resolution 1314 (XIII),

Convinced of the need for recommendations to strengthen the right of peoples  
and nations to permanent sovereignty over their natural wealth and resources,

Requests the Economic and Social Council to recommend that the General  
Assembly should adopt the following draft resolution:

"The General Assembly,

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

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

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

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

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

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

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

"Declares that,

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

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

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

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

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

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

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

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

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

B

The Commission on Permanent Sovereignty over Natural Resources,  
Having examined the revised study on the "Status of Permanent Sovereignty over Natural Wealth and Resources" prepared by the United Nations Secretariat (A/AC.97/5/Rev.1 and Add.1),

1. Thanks the Secretariat for the study it has prepared;
2. Requests the Economic and Social Council to arrange for its publication, together with the Commission's report, so that the document may be available to all who wish to consult the useful information which it contains.

Resolution II

The Commission on Permanent Sovereignty over Natural Resources,  
Recalling General Assembly resolutions 523 (VI) and 626 (VII) and, in particular, resolution 1314 (XIII),

Desiring to promote the strengthening of the permanent sovereignty of peoples and nations over their natural wealth and resources,

Considering the study prepared for the Commission by the Secretariat with this end in view,

Transmits the said study to the Economic and Social Council, together with the observations made by the members of the Commission.

Resolution III

The Commission on Permanent Sovereignty over Natural Resources,

Considering the importance and usefulness of further studies and recommendations for the promotion of the right of peoples and nations to permanent sovereignty over their natural wealth and resources,

Recommends that the United Nations work on permanent sovereignty over natural wealth and resources should be continued on a permanent basis.

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