

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,

I

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

to the spirit and principles of the Charter of the United Nations and hinders the development of international co-operation and the maintenance of peace.

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

II

Welcomes the decision of 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;¹

III

Requests the Secretary-General to continue the study of the various aspects of permanent sovereignty over natural resources, taking into account the desire of Member States to ensure the protection of their sovereign rights while encouraging international co-operation in the field of economic development, and to report to the Economic and Social Council and to the General Assembly, if possible at its eighteenth session.

*1194th plenary meeting,
14 December 1962.*

1820 (XVII). The Cairo Declaration of Developing Countries

The General Assembly,

Having considered the Cairo Declaration of Developing Countries² emanating from the Conference on the Problems of Economic Development attended by a large number of developing countries,

Welcoming the general approach of the Declaration, namely, that the problems of social and economic development should be solved in a spirit of international co-operation and within the framework of the United Nations,

Taking cognizance of the principles of the Declaration relating to the needs of the developing countries, the implication of the process of their economic and social growth, and the effective measures to be undertaken on the national and international levels, for the attainment of rapid and balanced economic and social development,

1. *Notes with appreciation* the Cairo Declaration of Developing Countries submitted to the General Assembly and included in the agenda of its seventeenth session;

2. *Recommends* that Member States, the Economic and Social Council, other United Nations bodies and the specialized agencies should take into consideration the principles of the Declaration when dealing with subjects in the field of economic and social development.

*1197th plenary meeting,
18 December 1962.*

1821 (XVII). Activities of the United Nations in the field of industrial development

The General Assembly,

Recalling its resolution 1712 (XVI) of 19 December 1961, as well as Economic and Social Council resolutions

¹ *Official Records of the General Assembly, Seventeenth Session, Supplement No. 9 (A/5209), paras. 67-69.*

² *Ibid., Seventeenth Session, Annexes, agenda items 12, 34, 35, 36, 37, 39 and 84, document A/5162.*

872 (XXXIII) and 873 (XXXIII) of 10 April 1962 and 893 (XXXIV) of 26 July 1962,

Noting with satisfaction the programme of work and the recommendations contained in the report of the Committee for Industrial Development on the work of its second session,³ the appointment by the Secretary-General of a United Nations Commissioner for Industrial Development, and the steps which have been taken to strengthen the activities of the United Nations in the field of industrial development,

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Noting that the Economic and Social Council, in its resolution 873 (XXXIII), requested the Secretary-General to appoint an Advisory Committee of ten experts to examine the question of the further organizational changes that might be necessary in order to intensify, concentrate and expedite the United Nations effort for the industrial development of the developing countries, including the advisability of establishing a specialized agency for industrial development or of strengthening or modifying the existing organizational structure in that field,

Taking into consideration that the efforts of the United Nations—including the specialized agencies and the regional economic commissions—related to industrial development should be closely linked with activities in the field of natural resources, as well as in all other related fields, since the process of industrialization is dependent upon adequate progress in these fields,

1. *Recommends* that the Advisory Committee established under Economic and Social Council resolution 873 (XXXIII) should take into account, in its work and recommendations:

(a) Whether it is advisable to deal with problems of industrial development, natural resources, energy, and possibly other related fields, within the framework of one organizational structure;

(b) Whether it is possible to bring about a closer co-ordination of all activities related to industrialization at the national, regional and international levels;

2. *Requests* the Economic and Social Council to submit to the General Assembly, at its eighteenth session, the report of the Secretary-General on the work of the Advisory Committee, after consideration of that report by the Committee for Industrial Development, together with the comments of the Committee and the Council;

II

Aware of the fact that the process of industrialization in the economically less developed countries is closely dependent on the expansion of the foreign trade of those countries and that, as the industrialization of the developing countries proceeds, the trade structure of the world will undergo considerable changes,

Recommends to the Economic and Social Council and to the Committee for Industrial Development that the Committee, in its study of the relationship between accelerated industrialization and international trade, should take into account the urgent need of the developing countries for a steadily increasing income from exports, their need for imports of capital goods on favourable terms, as well as the long-term influence of the industrialization of the developing countries upon the structure, direction and volume of world trade and,

³ *Official Records of the Economic and Social Council, Thirty-third Session, Supplement No. 2 (E/3600/Rev.1).*