

(Mr. Berlis, Canada)

Although chapter I of the Charter referred to the fulfilment of international obligations, the application of that principle to article 2 in general was seriously impaired by the unqualified reference in paragraph 2 (c) to the domestic law of the nationalizing State. The new paragraph 3 proposed for article 2 (A/C.2/L.1404) had merely sought to establish that the rule of law would apply among States in respect of foreign investment. That was important because, if an equitable distribution of the world's wealth was to be achieved, an investment flow of private capital from developed to developing countries would be required, and such movement would take place only in conditions which provided at least a degree of security. His delegation therefore felt that article 2 as adopted would constitute an obstacle to developing countries seeking to attract the funds required for their development, and was quite unable to support the article.

With regard to article 5, he understood the desire of nations to achieve stable and remunerative export earnings; however, Canada as a major exporter and importer of many commodities felt that, where international action was required to solve commodity problems, it should be directly devised and implemented by exporters and importers.

Article 6 approximately reflected the Canadian position that exporting nations had a responsibility to promote the flow of commercial goods, and importing nations to facilitate access of goods, including processed and fabricated products.

He had voted for article 15 since Canada had long been a staunch supporter of disarmament measures, though at the present stage of the discussion of a possible link between disarmament and development financing, his Government continued to question the validity of the concept that development funds might be automatically generated by disarmament.

His delegation was in sympathy with the aim of article 16 but had abstained in the vote on it in view of its reservations regarding the obligations which it would impose on all States to extend assistance to the countries, territories and peoples mentioned. Moreover, paragraph 2 of the article was capable of far too broad an interpretation, particularly when the important question of the sovereignty of States which were host countries to foreign investments was considered.

His delegation had abstained on article 19; while it agreed that generalized preferential treatment to developing countries might be technically feasible, the extension of preferences in some fields might not be appropriate.