

6. *Requests* the Council to study the feasibility of working out estimates for the programme on a basis longer than a one-year period, and to report thereon to the General Assembly at its eighth session.

411th plenary meeting,
21 December 1952.

ANNEX

Financial arrangements

(AGREED BY THE ECONOMIC AND SOCIAL COUNCIL IN PARAGRAPH 4 OF ITS RESOLUTION 433 B (XIV))

Contributions received for the third financial period shall be allocated as follows:

(i) Fifty per cent of total pledges for 1953, up to but not exceeding \$10 million, shall be automatically available for allocation to the participating organizations in accordance with paragraph 8 (c)* of Council resolution 222 A (IX), as amended, out of the contributions received for the third financial period;

(ii) The balance of contributions received shall be retained in the Special Account for further allocation, as provided in the resolution of the Technical Assistance Committee of 23 May 1952, approved by the Economic and Social Council on 11 June 1952 in resolution 433 A (XIV).

622 (VII). Financing of economic development of under-developed countries

A

The General Assembly,

Having in mind the obligations assumed by the governments of Member States under Articles 55 and 56 of the Charter of the United Nations,

Recalling its resolutions 400 (V) of 20 November 1950 and 520 A (VI) of 12 January 1952,

Taking note of Economic and Social Council resolutions 294 (XI), section C, of 12 August 1950, 342 (XII) of 20 March 1951, 368 (XIII) of 22 August 1951 and 416 A (XIV) of 23 June 1952,

1. *Notes with appreciation* that the Secretary-General has prepared a working paper^a setting out alternative approaches to the establishment of a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries for the purpose of helping them, at their request, to accelerate their economic development and to finance non-self-liquidating projects which are basic to their economic development;

2. *Notes* also that, for reasons beyond its control, the Economic and Social Council was unable to submit to the General Assembly at its seventh session a de-

* Formerly paragraph 9 (c).

^a See document E/2234. This working paper is briefly described in paragraph 335 of the last report of the Economic and Social Council, *Official Records of the General Assembly, Seventh Session, Supplement No. 3*.

tailed plan for establishing such a special fund but that the Council, by resolution 416 A (XIV), has established a Committee for the purpose of drafting a detailed plan to be completed not later than 1 March 1953;

3. *Requests* the Council to submit to the General Assembly at its eighth session the detailed plan referred to in paragraphs 1 and 2 of General Assembly resolution 520 A (VI), including recommendations for a special fund for grants-in-aid and for low-interest, long-term loans, and to keep in mind that, especially in the present state of world tension, it is necessary to give special attention to the problem of international financing of economic and social development through international co-operation within the framework of the United Nations;

4. *Requests* the Secretary-General to place before the Committee appointed under Council resolution 416 A (XIV) the records of the discussion on this subject at the fourteenth session of the Economic and Social Council as well as at the seventh session of the General Assembly;

5. *Decides* to include in the provisional agenda of its eighth session an item concerning the establishment of a special fund, with a view to considering practical methods for establishing the fund as soon as circumstances permit.

411th plenary meeting,
21 December 1952.

B

The General Assembly,

Taking note with satisfaction of the preliminary report^a by the International Bank for Reconstruction and Development which had been requested by the Economic and Social Council, in its resolution 368 (XIII) of 22 August 1951, to consider the potential contribution an international finance corporation could make to promote economic development through the financing of productive private enterprise in under-developed countries,

Recalling that the Economic and Social Council, in its resolution 416 C (XIV) of 23 June 1952, requested the International Bank for Reconstruction and Development to continue its examination of the proposal and, in the light of that further examination, to seek the views of its member governments on the desirability of establishing such a corporation, and to inform the Council during 1953 of the results of its further examination of the proposal and the action it has taken concerning it,

Considering that the questions relating to the establishment of an international finance corporation have been discussed by the Economic and Social Council at several sessions, and that consultations are in progress with a view to defining more clearly in what respects this proposal can be made practicable with the object of providing greater facilities for financing the development of under-developed countries,

^a See document E/2215.

1. *Looks forward* to the early completion of their tasks by the International Bank for Reconstruction and Development and by the Economic and Social Council;

2. *Requests* the Secretary-General to place at the disposal of the International Bank the records of the discussion on this subject at the seventh session of the General Assembly;

3. *Requests* the Economic and Social Council to report to the General Assembly at its eighth session on the progress made in regard to the proposal for the establishment of an international finance corporation.

*411th plenary meeting,
21 December 1952.*

C

The General Assembly,

Considering:

(a) The importance of stimulating the international flow of private capital for the economic development of under-developed countries,

(b) The work already done in this field by the Economic and Social Council, by its regional commissions and by the specialized agencies, as well as the various studies on the question which have been prepared by the governments of various Member States, by the Secretary-General and by a number of non-governmental organizations,

(c) That certain governments have taken action designed to stimulate the flow of private capital for economic development purposes,

(d) That, despite the efforts already made in this regard, the flow of private capital is not yet adequate to cover the needs of the under-developed countries,

1. *Requests* the Secretary-General:

(a) To include in an early future world economic report an analysis of the international flow of private capital, including the volume and direction of that flow as well as the types and the fields of application of such investment and any reasons for the continued inadequacy of such investment in under-developed countries, so as to facilitate the efforts of the Economic and Social Council in its formulation of constructive proposals;

(b) To prepare a memorandum for the Economic and Social Council summarizing the work done, the studies conducted and the action taken, as referred to in sub-paragraphs (b) and (c) of the preamble to the present resolution;

2. *Requests* the Economic and Social Council, in the course of its consideration of the question of financing economic development in the light of the analysis and of the memorandum referred to in paragraph 1 above, to give attention at an early session to the steps which the United Nations, the specialized agencies and the governments of Member States might take to stimulate the steady flow into under-developed countries of private capital in adequate amounts, so that it may effectively contribute to the harmonious and ade-

quate integration of the economies of those countries and to their economic and social development.

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21 December 1952.*

623 (VII). Financing of economic development through the establishment of fair and equitable international prices for primary commodities and through the execution of national programmes of integrated economic development

The General Assembly,

Taking into account the relevant passages of General Assembly resolutions 307 (IV), 403 (V), 404 (V), 521 (VI) and 523 (VI), of Economic and Social Council resolutions 341 (XII), 416 F (XIV) and 427 (XIV), as well as the suggestions⁴ of the group of experts appointed in pursuance of Council resolution 290 (XI),

Recognising that the problem of financing the economic development of countries in the process of development is fundamental to the maintenance of the peace of mankind, and that, therefore, high priority should be given to the consideration of its practical solution in international economic relations,

Considering:

(a) That the urgent and satisfactory solution of this problem requires the full utilization of all sources of financing, among which the ability to obtain adequate and stable proceeds from exports is one of the most important for all under-developed countries,

(b) That, in formulating measures for financing economic development, consideration should be given to the influence on their economic development of the terms of trade of the countries supplying primary commodities,

(c) That, without prejudice to the international and national measures already recommended for financing economic development, special attention should be given to the correction of maladjustments resulting from cyclical fluctuations in the prices of individual primary commodities and from secular movements in their value as a group in terms of manufactured goods,

(d) That the economic prosperity of countries in the process of development is especially vulnerable to wide short-term fluctuations in the prices of primary commodities which affect their terms of trade, and that any deterioration in the terms of trade affects the economic development and monetary equilibrium of these countries and so hampers not only the acquisition of the necessary amounts of external means of payment but also the formation of sufficient domestic savings,

(e) That the implementation of plans of integrated economic development contributes to the mitigation of the consequences of such fluctuations or of any deterioration in the terms of trade,

(f) That in order to make such programmes possible it is necessary both for the highly industrialized

⁴ See *Official Records of the General Assembly, Sixth Session, Supplement No. 3, para. 454 et seq.*