

submit those studies together with the Council's comments to the Assembly at its sixteenth session.

*948th plenary meeting,  
15 December 1960.*

#### **1520 (XV). Improvement of the terms of trade between the industrial and the under-developed countries**

*The General Assembly,*

*Recalling* that one of the greatest economic development problems in most of the under-developed countries is the imbalance between the prices of the products they export and those of the merchandise and other goods which they need to import,

*Considering* that these terms of trade have been deteriorating steadily in recent years, thereby contributing to the difficult situation of economic and social instability in the countries concerned,

*Appreciating* that the means these countries can adopt in isolation to protect the prices of the raw materials or primary products which they produce are very weak and for the most part ineffective,

*Expressing the hope* that agreements similar to the international agreements concluded between producers and consumers in the case of sugar, wheat and tin might be concluded in the case of other primary commodities and implemented on a wider basis more favourable to the under-developed countries,

*Noting further* that there are other measures which States Members of the United Nations and members of the specialized agencies might take to alleviate the export problems of under-developed countries through improving their access to the markets of the more developed countries for their present and potential export products,

*Recognizing* that by such procedures a considerable improvement could be brought about in the terms of trade between the industrial and the under-developed countries,

1. *Recommends* that the Economic and Social Council and the Commission on International Commodity Trade intensify the study of measures, including in particular multilateral agreements among States, which might be adopted in order to extend and improve markets for the sale of primary commodities which form the basis of the economies of the under-developed countries;

2. *Requests* the Economic and Social Council to report to the General Assembly at its sixteenth session on any results of such studies as well as other similar studies now under way in various international organizations which might promote the above ends.

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#### **1521 (XV). Establishment of a United Nations capital development fund**

*The General Assembly,*

*Bearing in mind* the determination of the peoples of the United Nations to employ international machinery for the promotion of the economic and social advancement of all peoples,

*Recognizing* the urgency of accelerating the economic and social development of under-developed countries,

*Recognizing further* that the present flow of capital from the economically advanced countries to the under-

developed countries for the economic and social development of the latter is wholly inadequate in nature and scope,

*Considering* the need for the United Nations to supplement all existing efforts for capital assistance to the under-developed countries,

*Recalling* its resolutions 1219 (XII) of 14 December 1957, 1240 (XIII) of 14 October 1958, 1317 (XIII) of 12 December 1958 and 1424 (XIV) of 5 December 1959, and Economic and Social Council resolutions 662 (XXIV) of 30 and 31 July 1957 and 740 (XXVIII) of 31 July 1959,

1. *Decides* in principle that a United Nations capital development fund shall be established;

2. *Resolves* that a committee of twenty-five representatives of Member States, to be designated by the President of the General Assembly on the basis of equitable geographical distribution, shall consider all concrete preparatory measures, including draft legislation, necessary to that end;<sup>5</sup>

3. *Requests* the committee to submit its recommendations, including the draft legislation, to the Economic and Social Council at its thirty-second session, which shall transmit them, together with its comments, to the General Assembly at its sixteenth session for action;

4. *Requests* the Secretary-General to provide the committee with the necessary facilities.

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#### **1522 (XV). Accelerated flow of capital and technical assistance to the developing countries**

*The General Assembly,*

*Bearing in mind* the responsibilities laid upon Member States by Article 55 of the Charter of the United Nations to promote higher standards of living, full employment and conditions of economic and social progress and development, and by Article 56 to take joint action in co-operation with the United Nations for the achievement of these purposes,

*Bearing in mind also* the widening gap in standards of living between the economically advanced and the less developed countries, and the necessity to deal with it through international co-operative action,

*Recognizing* the urgency and importance of accelerating the economic and social development of the under-developed countries for the maintenance of world peace and security and the promotion of better understanding among nations,

*Recognizing further* that, while the primary responsibility for their economic development, whether through the creation of appropriate social and economic conditions or the generation of internal capital, is and must remain that of the economically under-developed countries themselves, this development would be greatly aided by improving the nature and increasing the volume of the present flow of capital and the scope of technical assistance from the economically advanced countries to the under-developed countries,

*Appreciating* the steady contribution already made over the years to the promotion of development by the regular flow of international assistance,

<sup>5</sup> The members of the committee will be designated at the resumed fifteenth session.

*Believing however* that this present flow is inadequate,

1. *Expresses the hope* that the flow of international assistance and capital should be increased substantially so as to reach as soon as possible approximately 1 per cent of the combined national incomes of the economically advanced countries;

2. *Urges* that, while the flow of capital and technical assistance to the under-developed countries could be through public or private channels, whether bilaterally, multilaterally or through international organizations, an appropriate part thereof should be channelled through the United Nations and the specialized agencies, and in such a manner as not to bear heavily on the future balance of payments of the less developed countries;

3. *Recommends* that all States Members of the United Nations and members of the specialized agencies, economically advanced as well as under-developed, take such measures as may be appropriate both to accelerate the flow of capital and technical assistance and to ensure its effective utilization;

4. *Requests* the Secretary-General to report annually to the General Assembly through the Economic and Social Council on the progress made towards the objectives of the present resolution, taking into account Assembly resolution 1034 (XI) of 26 February 1957 and Council resolution 780 (XXX) of 3 August 1960.

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### **1523 (XV). International credit insurance**

*The General Assembly,*

*Recalling* its resolution 1318 (XIII) of 12 December 1958,

*Taking note with appreciation* of the Secretary-General's report on the promotion of the international flow of capital,<sup>6</sup>

*Taking note also* of Economic and Social Council resolution 762 (XXIX) of 21 April 1960,

*Conscious* that all feasible measures should be adopted at the earliest possible date to assist and expand the flow of private funds for the purpose of developing the economically less developed countries,

*Requests* the Secretary-General, when reporting on measures designed to promote the flow of private capital as envisaged in Economic and Social Council resolution 762 (XXIX), to report also on the feasibility of extending the scope of activities of existing national credit insurance institutions, of creating new institutions or arrangements of this kind and of establishing international credit insurance organizations, keeping in view especially the difficulties encountered by the economically less developed countries with regard to their balance of payments.

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### **1524 (XV). Financing of economic development of less developed countries through long-term loans and in other advantageous ways, and ensuring an increasing share in world trade for their products**

*The General Assembly,*

*Bearing in mind* the urgent necessity of further fa-

cilitating the financing of the development of the less developed countries with a view to accelerating their economic development,

*Recognizing* the need to accelerate the industrialization of the less developed countries through the provision of an increasing flow of capital in a manner acceptable to the receiving countries,

*Realizing* that the diversification of the economies of the less developed countries implies industrialization and is becoming increasingly more urgent in view of the instability of their export earnings and their limited financial resources,

*Believing* that diversification, the establishment of modern industries in the less developed countries and the development of their economies must take place in such a manner as to provide them with an opportunity to participate to a greater extent in the world market and, especially, to realize larger earnings from exports of their products, including exports of products of their newly established industries,

*Taking into account* the establishment of new international sources of credit,

1. *Recommends* all Member States:

(a) To encourage, on a bilateral and a multilateral basis, the extension as appropriate of long-term loans, grants, or credits on favourable terms, including interest-free loans or loans at the lowest possible interest rates, the longest possible repayment periods and repayment in local currencies or in other beneficial forms, as well as the influx of other forms of foreign capital and assistance, which are important factors in the economic and social progress of the less developed countries;

(b) To avoid, except for balance-of-payments reasons, reliance on the practices of restricting economic aid to particular sources of supply or exclusively to particular projects; when aid involves the supply of goods or services they should be made available at competitive world prices;

(c) To co-operate in financing industrial, agricultural, social and other projects for productive purposes in harmony with the needs and requirements of the development programmes of the less developed countries;

2. *Calls upon* Governments of Member States to encourage the development and the diversification of the economies of the less developed countries with a view to increasing their share in world production and world trade, including trade in industrial products;

3. *Calls upon* the Economic and Social Council and the regional economic commissions to continue to study this important question, and requests the Committee for Industrial Development to make suggestions on the matter.

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### **1525 (XV). Activities of the United Nations in the field of industrial development**

*The General Assembly,*

*Recalling* its resolution 1431 (XIV) of 5 December 1959, which recommended that the Economic and Social Council give consideration to the prompt establishment of a commission for industrial development,

*Noting* Economic and Social Council resolution 751 (XXIX) of 12 April 1960 on the establishment of the Committee for Industrial Development,

<sup>6</sup> E/3325 and Corr.1 and 2.