

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.*

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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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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.*

nations and for the nations in the process of development to encourage the formation of appropriate domestic savings in the latter,

1. *Recommends* to Member States that:

(a) Whenever governments adopt measures affecting the prices of primary commodities entering international trade, they should duly consider the effect of such measures on the terms of trade of countries in the process of development, in order to ensure that the prices of primary commodities are kept in an adequate, just and equitable relation to the prices of capital goods and other manufactured articles so as to permit the more satisfactory formation of domestic savings in the countries in the process of development and to facilitate the establishment of fair wage levels for the working populations of these countries with a view to reducing the existing disparity between their standards of living and those in the highly industrialized countries;

(b) Without prejudice to the recommendation contained in sub-paragraph (a) above, their governments should give serious consideration to all other aspects of the problem of undue fluctuations in the terms of trade;

(c) Their governments should intensify their efforts to reduce restrictions on imports of primary commodities;

2. *Recommends* that governments co-operate in establishing multilateral as well as bilateral international agreements or arrangements relating to individual primary commodities as well as to groups of primary commodities and manufactured goods, for the purpose of:

(a) Ensuring the stability of the prices of the said commodities in keeping with an adequate, just and equitable relationship between these prices and those of capital goods and other manufactured articles;

(b) Safeguarding the continuity of the economic and social progress of all countries, those producing as well as those consuming raw materials;

3. *Recommends* that the countries in the process of development should adopt and give effect to national programmes of integrated economic development conducive to the rational utilization of the proceeds of their primary activities, the absorption of their surplus active population and the improvement of their standards of living;

4. *Requests* the Secretary-General to include in the study being prepared in compliance with Economic and Social Council resolution 427 (XIV) an estimate of the financial repercussions which changes in the terms of trade between primary commodities and capital goods and other manufactured articles produce on the national incomes of countries in the process of development, and an analysis of the distribution of those incomes;

5. *Further requests* the Secretary-General to prepare, for submission to the Economic and Social Council and to the General Assembly, a study on the impact of important synthetic products on the demand for natural primary products entering international trade;

6. *Further requests* the Secretary-General to ap-

point a small group of experts of recognized authority on the subject to prepare, during 1953, a report on such practical measures as it may be advisable to adopt pursuant to the recommendations contained in subparagraphs (a) and (b) of paragraph 1, and in paragraphs 2 and 3 of the present resolution, the report to be issued on the responsibility of the group of experts and to be transmitted to the General Assembly together with the Economic and Social Council's views thereon;

7. *Further requests* the Secretary-General to place at the disposal of the group of experts mentioned in the preceding paragraph the records of the discussions on this item during the seventh session of the General Assembly.

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624 (VII). Migration and economic development

The General Assembly,

Considering that the under-developed countries vary considerably in density of population,

Considering that in many of these and other countries, owing to the insufficiency of suitable land and of opportunities of employment, over-population is reflected in unemployment, under-employment, poverty and under-consumption,

Considering further that, in many countries with vast areas of cultivable land, sparseness of population and inadequacy of capital have been factors retarding economic development,

Noting that the Director-General of the International Labour Office in his reports^a to the Economic and Social Council deals with the International Labour Organisation's proposal for further action regarding methods of assisting European migration,

1. *Recommends* Member States and non-member States, classified variously as countries of emigration and of immigration, to conclude bilateral or multilateral agreements with a view to the equipment, transfer and resettlement of groups of emigrants, without racial or religious discrimination, as a part of their general economic development;

2. *Requests* the Secretary-General, the specialized agencies, in particular the International Bank for Reconstruction and Development, and other interested international organizations to continue their active co-operation in the equipment, transfer and technical training of groups of emigrants in the countries of emigration or immigration or both, by rendering such economic, financial or administrative assistance as is consistent with their respective constitutional provisions.

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^a See *Official Records of the Economic and Social Council, Fourteenth Session, Annexes*, document E/2235 and mimeographed document E/2235/Add. 1.