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Chairman: Mr. Leo MATES (Yugoslavia).

Tribute to the memory of His Majesty King Abdul Aziz Ibn Abdul Rahman Al Faisal Al Saud of Saudi Arabia

1. On behalf of members of the Committee, the CHAIRMAN expressed to the Saudi Arabian representative their deep regret at the death of His Majesty Ibn Saud and asked him to accept their profound sympathy.

2. He invited members of the Committee to observe one minute's silence in tribute to the memory of His late Majesty.

The Committee observed one minute's silence in memory of H. M. King Abdul Aziz Ibn Abdul Rahman Al Faisal Al Saud.

3. Mr. HALIQ (Saudi Arabia) thanked members of the Committee for their sincere and spontaneous gesture. The death of His Majesty Ibn Saud was a great loss, not only for Saudi Arabia but for the whole of the Middle East, where he had been a pillar of strength and stability.

Economic development of under-developed countries (A/2430, A/2447 and Corr.1) (*continued*):

(a) **Question of establishing a special fund for grants-in-aid and for low-interest long-term loans: report of the Economic and Social Council;**

(b) **Status of the proposal for the establishment of an international finance corporation: report of the Economic and Social Council (A/C.2/L.209)**

[Item 26]*

4. The CHAIRMAN said that the working group set up to examine the question of establishing a special fund was nearing the completion of its work, which

* Indicates the item number on the agenda of the General Assembly.

promised to be successful. In the meantime, he invited the Committee to consider draft resolution (A/C.2/L.209 on the establishment of an international finance corporation.

5. Mr. HALIQ (Saudi Arabia), introducing the joint draft resolution on behalf of its eight sponsors, said that although it dealt mainly with the establishment of the proposed finance corporation, the draft also bore upon other aspects of the financing of economic development. It consisted of three sections besides the preamble, which was very simple and which, he hoped, would not prove controversial.

6. Section I was designed to enable the International Bank to bring to a successful conclusion the inquiry it had begun into the establishment of an international finance corporation, so that the Economic and Social Council might be able to make specific recommendations at its next session. The corporation would have as its main function the encouragement of private enterprise in the under-developed countries, thus supplementing the action of the International Bank.

7. Section II aimed at ensuring that at its next session the Economic and Social Council would examine the study on the role of foreign capital in under-developed countries which the General Assembly, in its resolution 622 C (VII), had requested from the Secretary-General. As everyone knew, opinions on the subject diverged widely: some denounced the pernicious role played by private capital in the under-developed countries, where investments allegedly served as a pretext for interference in political and economic life, whereas others maintained that foreign capital exercised a good influence, that it acted as an instrument of progress for the under-developed countries by bringing them technical knowledge, and that the hesitation of holders of capital was to be ascribed to unfavourable conditions in the under-developed areas. The United Nations should examine that very important question, basing itself on the objective criteria to be supplied by the Secretary-General.

8. Section III was concerned with what the under-developed countries themselves considered to be the most important source from which they could derive the funds they needed to develop their economy. They believed that their difficulties arose largely from the disequilibrium in their payments and their terms of trade with the more advanced countries and that that disequilibrium was principally due to the present unfavourable relationship between the prices of raw materials and those of manufactured goods. The joint draft resolution sought to obtain from Member States formal recognition of that state of affairs which so grievously affected the interests of the under-developed countries, and an undertaking to rectify it as far as possible. That was a question of principle by which the sponsors of the draft resolution set very great store and which they considered to be all the more urgent, firstly, because the United States Government had quite recently in-

structed a special commission to review its trade policy, and secondly because, according to the latest press information, raw materials exported from the underdeveloped countries to the industrialized countries were being subjected to new restrictions.

9. The sponsors of the joint draft resolution were quite ready to accept any drafting changes which might be proposed in order to improve the text.

10. The CHAIRMAN, noting that no representative had asked leave to speak, expressed the hope that the Committee would dispose of item 26 of the agenda at its next meeting on Tuesday, 10 November, at 10.30 a.m.

The meeting rose at 11.20 a. m.