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ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Report of the Second Committee

Rapporteur: Mr. Ernest CHAUVET (Haiti)

1. The General Assembly, at its 342nd plenary meeting held on 13 November 1951, decided to place on the agenda of its sixth session the item

"Economic development of under-developed countries: report of the Economic and Social Council:

"(a) Financing of economic development of under-developed countries

"(b) Land reform

"(c) Technical assistance for the economic development of under-developed countries".

It further decided at the same meeting to allocate the item to the Second Committee for consideration.

2. The General Assembly, in resolution 306 (IV) of 16 November 1949, recommended, inter alia, that the Economic and Social Council should include in its annual report a special chapter on the measures being taken to promote the economic development of the under-developed countries. In accordance with this request, the report of the Council to the General Assembly^{1/} contains a chapter (chapter III) entitled "Economic development of under-developed countries", which also includes a section on technical assistance for economic development. The chapter describes the activities of the United Nations and the specialized agencies in the broad field of economic development during the period from the fifth session of the General Assembly to the end of the Council's thirteenth session. The Council's report includes, inter alia,

^{1/} A/1884, Official Records of the General Assembly, Sixth Session, Supplement No. 3.

its responses to General Assembly resolution 400 (V) on financing of economic development and to General Assembly resolution 401 (V) on land reform. The Council also proposed a draft resolution relating to technical assistance activities under the programme of the United Nations financed under the regular United Nations budget and administered under General Assembly resolutions 200 (III), 246 (III) and 418 (V); in its resolution 400 (XIII) the Council further requested the General Assembly to take certain actions with respect to the expanded programme for technical assistance financed from an extra-budgetary Special Fund.

3. The Second Committee considered the item "Economic development of under-developed countries" during thirty-four meetings (A/C.2/SR.147-180). The first ten meetings were devoted to a general debate on this subject in which forty-two delegations, as well as a representative of the Food and Agriculture Organization, took part.

4. At the conclusion of the general debate, the Committee had before it the following fourteen specific proposals:

(1) Technical assistance activities under General Assembly resolutions 200 (III), 246 (III) and 418 (V): a draft resolution recommended by the Economic and Social Council and contained in its resolution 399 (XIII) of 1 September 1951;

(2) Expanded programme of technical assistance for the economic development of under-developed countries: (a) a draft resolution submitted by the United States of America (A/C.2/L.85) and (b) a joint draft resolution submitted by Haiti and Israel (A/C.2/L.88 and Add.1);

(3) Financing of economic development of under-developed countries: (a) a draft resolution submitted by Chile (A/C.2/L.77), (b) a draft resolution submitted by Ecuador (A/C.2/L.79, Corr.1 (English only) and Corr.2), (c) a joint draft resolution submitted by Burma and Cuba (A/C.2/L.83, Corr.1 (English only) Corr. 2 (French only) and Add.1), (d) a joint draft resolution submitted by Brazil and Greece (A/C.2/L.86 and Corr.1 (English only)) and (e) a draft resolution submitted by Yugoslavia (A/C.2/L.99);

(4) Land reform: (a) a joint draft resolution submitted by Brazil, Pakistan, Thailand and the United States of America (A/C.2/L.76 and Add.1) and (b) a draft resolution submitted by Poland (A/C.2/L.82);

/(5) Integrated

(5) Integrated economic development: a draft resolution submitted by Cuba (A/C.2/L.84 and Rev.1 (Spanish only));

(6) Methods to increase world productivity: a draft resolution submitted by Haiti (A/C.2/L.95);

(7) Integrated economic development and long-term trade agreements; a draft resolution submitted by Poland (A/C.2/L.81 and Corr.1 (English only));

(8) Integrated economic development: a draft resolution introduced by Chile (A/C.2/L.78) and amendments to it submitted by the Ukrainian Soviet Socialist Republic (A/C.2/L.94) and by France (A/C.2/L.102). It was subsequently replaced by a joint draft resolution submitted by Chile and France (A/C.2/L.111). Amendments to the joint draft resolution were submitted by Pakistan (A/C.2/L.114), Egypt (A/C.2/L.115), Philippines (A/C.2/L.116), the Ukrainian Soviet Socialist Republic (A/C.2/L.117) and jointly by Denmark, Iceland and Norway (A/C.2/L.118). The joint draft resolution was discussed at the 168th and 169th meetings of the Committee and withdrawn^{2/} by its sponsors at the 169th meeting.

5. The Second Committee agreed to group the specific proposals and amendments submitted and to consider them in the following order :

(1) technical assistance for the economic development of under-developed countries; (2) financing of the economic development of under-developed countries; (3) land reform; and the remaining proposals under (4) general aspects of economic development. Subsequently, it proved more convenient to reverse the order of (3) and (4).

/Technical

^{2/} This draft resolution proposed that the Economic and Social Council encourage government action for economic development to facilitate the international movement of commodities and, where appropriate, of man-power to enable the under-developed countries to develop their essential industries and at the same time to supply the export products needed by the industrialized countries.

Technical assistance activities under General Assembly resolutions 200 (III), 246 (III) and 418 (V)

6. The draft resolution recommended by the Economic and Social Council (resolution 399 (XIII)) was considered by the Committee at its 156th meeting. This draft resolution (a) directs the Secretary-General to place on a continuing basis the programme of public administration authorized by General Assembly resolution 246 (III) and to include an amount for these services in the budget of the United Nations in the future; (b) notes with approval the inclusion by the Secretary-General in the budget of the United Nations for the year 1952, of the same amounts as were appropriated by the General Assembly in 1951 for activities under resolutions 200 (III), 246 (III) and 418 (V); (c) recommends that technical assistance activities in the fields of economic development, public administration and social welfare should be considered under the expanded programme of technical assistance in cases where such activities cannot be financed from the regular budget of the United Nations. The Committee unanimously approved the draft resolution.
7. The Second Committee therefore recommends to the General Assembly the adoption of resolution I annexed to the present report.

Expanded programme of technical assistance for the economic development of under-developed countries

8. The Second Committee had before it two draft resolutions concerning this subject.
9. The first proposal, submitted by the United States of America (A/C.2/L.85) (a) notes the arrangements made by the Economic and Social Council under its resolution 400 (XIII); (b) approves the financial arrangements for the administration of the funds; (c) establishes the methods and procedures for negotiating contributions for the second fiscal period of the expanded programme, and makes arrangements for the convening by the Secretary-General of a conference relating to such contributions, and for the participation in such a conference as well as for reports to the General Assembly by specialized agencies on the expenditure of the funds allocated from the Special Account; (d) urges all governments to contribute to the 1952 programme amounts at least equal to their contributions for the first financial period; (e) requests the Secretary-General, the Economic and Social Council and the specialized agencies to ensure that the

technical assistance rendered is consistent with integrated plans of economic and social development; (f) stresses the need for increased collaboration between the agencies furnishing technical and financial assistance.

10. The second draft resolution, submitted jointly by Haiti and Israel (A/C.2/L.88 and Add.1), recommends to the organizations participating in the expanded programme of technical assistance that they give sympathetic consideration to requests for the organization of teams of workers, foremen and technicians from under-developed countries and to placing them in appropriate enterprises of other countries in order that such workers, foremen and technicians may become technically proficient in their trades and be able to train other workers in these techniques.

11. The draft resolution submitted by the United States of America was discussed by the Committee at its 156th to 160th meetings. Amendments were submitted by Denmark (A/C.2/L.87), the Philippines (A/C.2/L.90), Haiti (A/C.2/L.91 and Rev.1), Mexico (A/C.2/L.92) and Brazil (A/C.2/L.93). The United States having accepted several of these amendments, either in the form in which they were submitted or in a somewhat revised form, as well as several oral suggestions made during the discussion, presented a revised draft of the resolution (A/C.2/L.85/Rev.1 and Corr.1 (French only)). Amendments to this revised United States draft were submitted by Egypt (A/C.2/L.97 and Add.1) and India (A/C.2/L.100). Since some of the amendments by Brazil (A/C.2/L.93), which were made to the original proposal, were not accepted by the sponsor of the draft resolution, these were also before the Committee. After further discussion of the revised draft and of the above amendments as well as of some oral suggestions made by the representatives of Indonesia, Pakistan and the Union of the Soviet Socialist Republics, some of the amendments were accepted by the sponsor and some were withdrawn by the movers of the amendments. The representative of the United States then agreed to submit a second revised draft of his proposal. In the course of the discussion of this second revised draft (A/C.2/L.85/Rev.2), the amendments which were still outstanding, because they were not accepted by the sponsor of the draft proposal, were withdrawn by their movers (one of the amendments by Egypt (A/C.2/L.97), one of the amendments by India (A/C.2/L.100) and two of the amendments by Brazil (A/C.2/L.93)). The sponsor also accepted a few drafting changes suggested by the Chairman. The representative of Brazil who withdrew his amendments to delete paragraph 6 and the first part of the sentence of paragraph 7(a) (paragraphs 3 and 4(a) in Part A

/of resolution

of resolution II annexed to this report) requested that a separate vote be taken on paragraph 6 and on that part of paragraph 7(a) to which these amendments applied. These paragraphs of the draft resolution provide for negotiations, regarding contributions for the second financial period of the expanded programme of technical assistance, to be carried out by any negotiating committee for extra-budgetary funds established during the present session of the General Assembly and requested the Secretary-General to convene a conference for the purpose of ascertaining the amount of contributions, subject to the provisions of any other resolutions adopted by the General Assembly at its present session concerning the pledging of extra-budgetary funds. Paragraph 6 of the draft resolution was adopted by 18 votes to 15, with 10 abstentions, and paragraph 7(a) up to and including the words "extra-budgetary funds" was adopted by 37 votes to none, with 6 abstentions. The draft resolution as a whole was adopted by 34 votes to none, with 10 abstentions. It is reproduced as part A of resolution II annexed to this report.

12. The joint proposal by Haiti and Israel was discussed by the Committee at its 160th meeting. It had originally been submitted by Israel (A/C.2/L.88), to which Haiti had made an amendment (A/C.2/L.89); subsequently Haiti withdrew its amendment and became a co-sponsor (A/C.2/L.88/Add.1) of the Israel draft resolution. In the course of the discussion, several oral amendments were made by India, Pakistan and the Philippines and were accepted by the sponsors. The draft resolution was adopted by 40 votes to none, with 3 abstentions. It is reproduced as part B of resolution II annexed to this report.

13. The Second Committee therefore recommends to the General Assembly the adoption of the two resolutions presented as parts A and B of resolution II annexed to the present report.

Financing of economic development of under-developed countries

14. The Committee had before it the following five draft resolutions concerning the financing of economic development of under-developed countries:

(1) A draft resolution submitted by Chile (A/C.2/L.77) proposes that the Economic and Social Council prepare, for consideration by the General Assembly at its seventh regular session, plans for establishing, as soon as circumstances permit, a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries to accelerate their economic development.

(2) A joint draft resolution submitted by Burma and Cuba (A/C.2/L.83 and Add.1 and Corr.1 (English only) and Corr.2 (French only)) requests the Economic and Social Council to submit to the General Assembly at its seventh regular session suitable recommendations concerning practical plans for (a) establishing an international development authority which would assist under-developed countries in their economic development programmes and verify the use of any financial resources received from the relevant United Nations organs; (b) establishing an international fund to make long-term loans at low-interest rates and to provide grants-in-aid to the governments of the under-developed countries and to their national or local credit institutions, and also to provide loans, without government guarantee, to private undertakings engaged in economic development activities; and collecting the required funds.

(3) A draft resolution submitted by Yugoslavia (A/C.2/L.99) proposed that the Economic and Social Council prepare for the seventh regular session of the General Assembly detailed proposals for the creation of a United Nations fund for accelerating the economic development of under-developed countries by the provision of long-term, low-interest loans and grants-in-aid and that the Council include in these proposals any recommendations on ways of co-ordinating the work of the proposed fund with the technical assistance activities of the United Nations.

(4) A joint draft resolution submitted by Brazil and Greece (A/C.2/L.86 and Corr.1 (English only)) proposed to approve the action taken by the Economic and Social Council under its resolution 368 (XIII) and (a) to request the Secretary-General, in analyzing replies to his full employment questionnaire (as amended in accordance with Council resolution 371 (XIII)) to deal also with problems encountered in carrying out the plans of economic development of under-developed countries and with resources having a direct bearing on such development, and to

/include

include comparative data on industrialized countries; (b) to request the Economic and Social Council to continue to study the problem of financing the economic development of under-developed countries, to study practical ways and means for their development and to pay particular attention to the financing of non-self-liquidating projects through existing institutions.

(5) A draft resolution submitted by Ecuador (A/C.2/L.79 and Corr.1 (English only) and Corr.2) proposed to invite the International Bank for Reconstruction and Development to provide loans to national industrial and agricultural credit institutions of under-developed countries and to afford them technical advice; it also proposed to recommend that governments should facilitate the investment of private capital through the intermediary of the Bank.

15. The Committee, at its 162nd to 166th meetings, held a general discussion on the draft resolutions on financing economic development of under-developed countries, in the course of which it heard a representative of the Food and Agriculture Organization and the President of the International Bank for Reconstruction and Development.

16. After Chile had accepted several amendments by Egypt (A/C.2/L.96) to its draft proposal (A/C.2/L.77), Burma, Chile, Cuba, Egypt and Yugoslavia replaced their original proposals and amendments (the draft proposal by Chile, A/C.2/L.77, amendments by Egypt, A/C.2/L.96, joint proposal by Burma and Cuba, A/C.2/L.83 and Corrs.1 (English only) and 2 (French only) and A/C.2/L.33/Add.1, and draft proposal by Yugoslavia, A/C.2/L.99) with a revised joint draft resolution (A/C.2/L.104) which covered in substance the same field as that covered by the original Chilean and Yugoslav drafts and part of the joint proposal of Burma and Cuba. In addition, Burma and Cuba submitted a joint draft resolution (A/C.2/L.33/Rev.1) which addressed itself to those aspects of their original proposal (A/C.2/L.83, Corrs.1 (English only) and 2 (French only) and A/C.2/L.33/Add.1) which were not dealt with in the new joint draft resolution.

17. At the 166th meeting, an amendment by India (A/C.2/L.109 and Corr.1 (French only)) to the joint five-power draft proposal (A/C.2/L.104) was accepted by the sponsors; this amendment added at the end of sub-paragraph 12(b) (sub-paragraph 2(b) in part A of resolution III annexed to this report) a request to the Economic and Social Council that in preparing recommendations concerning the manner of collecting contributions to the Special Fund, it should also keep in mind the utilization of any savings that might accrue from any programme of disarmament,

as one of the sources of contributions. A roll-call vote was then requested and was taken on the several parts of the resolution and on the resolution as a whole, with the following results:

The first paragraph of the preamble was adopted by 27 votes to 20, with 10 abstentions.

The remaining part of the preamble was adopted by 30 votes to 17, with 10 abstentions.

The operative part of the resolution was adopted by 28 votes to 20, with 9 abstentions.

The joint draft resolution as a whole, as amended, was adopted by 28 votes to 20, with 9 abstentions. It is reproduced as part A of resolution III annexed to this report.

18. Also at the 166th meeting, the joint draft resolution by Burma and Cuba (A/C.2/L.83/Rev.1) as modified by an amendment by Pakistan (A/C.2/L.105) which was accepted by the sponsors, was rejected by 22 votes to 19, with 13 abstentions.

19. Finally, the Committee at the same meeting considered the joint draft resolution by Brazil and Greece (A/C.2/L.86 and Corr.1). Chile submitted an amendment to this joint draft resolution (A/C.2/L.103), the first part of which it subsequently withdrew and the second part of which would add a new sub-paragraph to paragraph 6 (paragraph 4 in part B of resolution III annexed to this report) requesting the Economic and Social Council "to consider additional methods of increasing the international flow of public funds for the economic development of under-developed countries". This second part was accepted by the sponsors. An amendment by Pakistan (A/C.2/L.106) was also subsequently withdrawn, while an amendment by France (A/C.2/L.107) was accepted by the sponsors of the joint draft resolution. This amendment replaces one of the sub-paragraphs of paragraph 6 (paragraph 4 of part B of resolution III annexed to this report) of the joint proposal and deals with the problem of financing non-self-liquidating projects and of generally ensuring a regular flow of international public capital through existing institutions. The joint draft resolution, as modified, was adopted by the Committee by 41 votes to none, with 13 abstentions. It is reproduced as part B of resolution III annexed to this report.

20. The draft resolution by Ecuador (A/C.2/L.79 and Corr.1 (English only) and Corr.2) was considered by the Committee at its 167th and 168th meetings. The Committee also considered amendments by the Philippines (A/C.2/L.110) and by India (A/C.2/L.113) to this draft resolution, as well as a sub-amendment by the United States of America (A/C.2/L.112) to the Philippine amendments. In the course of the discussion, the representative of the Philippines modified his amendment. The representative of Ecuador accepted the Philippine and the Indian amendments, and also withdrew one of the operative clauses of his own proposal. It was brought out in the discussion that the reference in the draft resolution to the Statute of the International Bank for Reconstruction and Development should be interpreted as referring to that article which states that the Bank's funds are available only "when private capital is not available".

21. The representative of Ecuador then submitted a revised text of his draft resolution (A/C.2/L.79/Rev.1) which was voted upon paragraph by paragraph.

The first paragraph of the preamble was adopted by 38 votes to none, with no abstentions.

The second paragraph of the preamble was adopted by 35 votes to none, with 5 abstentions.

The third paragraph of the preamble was adopted by 35 votes to none, with 5 abstentions.

The fourth paragraph of the preamble was adopted by 35 votes to 5, with no abstentions.

Paragraph 1 of the operative part was adopted by 36 votes to none, with 5 abstentions.

Paragraph 2 was adopted by 36 votes to none, with 5 abstentions.

The draft resolution as a whole was adopted by 36 votes to none, with 5 abstentions. It is reproduced as part C of resolution III annexed to this report.

22. The Second Committee therefore recommends to the General Assembly the adoption of the three resolutions presented as parts A, B and C of resolution III annexed to the present report.

General aspects of economic development

23. The Second Committee had before it the following three draft resolutions² concerning general aspects of economic development:

- (1) By Cuba (A/C.2/L.84 (Rev.1 in Spanish only)) on integrated economic development;
- (2) By India (A/C.2/L.95) on methods to increase productivity in the world;
- (3) By Poland (A/C.2/L.81 and Corr.1 (English only)) on integrated economic development and long-term trade agreements.

24. The draft resolution by Cuba (A/C.2/L.84 (Rev.1 in Spanish only)) on integrated economic development proposed that the Economic and Social Council submit to the General Assembly at its seventh regular session concrete proposals for measures which should be adopted in the under-developed countries for dealing with certain aspects of economic development not yet studied by the General Assembly or by the Economic and Social Council. This draft resolution was considered by the Committee at its 168th, 170th and 171st meetings. It was subsequently re-submitted by its sponsor in a revised form (A/C.2/L.84/Rev.2). After having accepted some oral amendments by Egypt and the United States of America, the sponsor again revised his proposal (A/C.2/L.84/Rev.3) incorporating, inter alia, these changes. An amendment by India (A/C.2/L.102) to the first revised draft was re-introduced by the representative of India to the second revised draft. As orally modified by the sponsor, it requests the Economic and Social Council to promote studies of a programme of rapid industrialization of the under-developed countries, including the economic, social, fiscal, technical and organizational problems involved and of the role that the industrially advanced and the under-developed countries have to play in such a programme. This amendment replaces both clauses of the operative part of the revised Cuban draft with the exception of the second half of the first clause (which refers to the submission by the Economic and Social Council to the General Assembly of concrete proposals for measures which may be of aid to the under-developed and developed countries in connexion with the problems referred to in the Indian amendment). This amendment

^{3/} See also sub-paragraph (8) of paragraph 4 in which reference is made to a joint draft resolution by Chile and France (A/C.2/L.111) which was subsequently withdrawn by its sponsors.

was adopted by 21 votes to 13, with 11 abstentions. An oral amendment by Egypt substituting the words "achieve a better direction" for the words "avoid mis-direction" in the third paragraph of the preamble was accepted by 43 votes to none, with 2 abstentions. An oral amendment by France to substitute the word "formulate" for the words "submit to the General Assembly", in sub-paragraph (b) of the operative clause was rejected by 17 votes to 14, with 15 abstentions. The operative clause as amended was adopted by 30 votes to none, with 15 abstentions. The draft resolution as a whole, as amended, was adopted by the Committee by 41 votes to 2, with 3 abstentions.

25. The Second Committee accordingly recommends to the General Assembly the adoption of resolution IV annexed to the present report.

26. The draft resolution by Haiti (A/C.2/L.95) on methods to increase productivity in the world proposes that the Economic and Social Council prepare, for submission to the seventh regular session of the General Assembly, recommendations and programmes on this subject. The resolution was considered by the Committee at its 168th and 172nd meetings. The representative of Haiti accepted an amendment by the United States of America (A/C.2/L.119) after the United States representative had accepted a Haitian oral suggestion of a change in the amendment so as to substitute "the seventh regular session" for the words "an early session" in the last sentence of the draft resolution. The United States amendment changes the title of the draft resolution to read "Methods to increase world productivity", modifies the preamble and re-drafts the operative part so as to request the Economic and Social Council to (a) study the varying ways in which the productivity of peoples everywhere can be increased by the application of existing scientific and technical knowledge; (b) recommend, as soon as practicable, methods by which the results of the studies undertaken under (a) can be made available to the under-developed countries at their request; and (c) report to an early session of the General Assembly on the progress made under the resolution. The Committee adopted the Haitian draft resolution in its revised form by 26 votes to none, with 14 abstentions.

27. The Second Committee accordingly recommends to the General Assembly the adoption of resolution V annexed to the present report.

28. The draft resolution submitted by Poland on integrated economic development and long-term trade agreements (A/C.2/L.81 and Corr.1 (English only)) proposes that in order to enable the under-developed countries to finance their own development,

Member governments consider the possibility of concluding long-term trade treaties, free of any conditions violating the sovereign rights of the under-developed countries, so that in exchange for their raw materials the under-developed countries may be assured of the capital goods necessary for their development. The draft resolution also calls upon the under-developed countries to adopt measures designed to counteract harmful economic effects of the rearmament race. The draft resolution was considered by the Committee at its 168th and 173rd to 175th meetings. An amendment to it was submitted by the United States of America (A/C.2/L.120); this amendment would change the title to read "Integrated economic development", modify substantially the preamble and amend the operative part by (a) recommending that Members of the United Nations, within the framework of their general economic policy, should continue to make every possible effort (i) to facilitate the international movement and equitable distribution of capital goods, essential consumer goods and raw materials especially needed for the maintenance of international peace and security, the improvement of standards of living and the furthering of economic development, and (ii) to facilitate the development of natural resources which can be utilized for the domestic needs of the under-developed countries and for the needs of international trade; (b) stating that any agreements entered into to give effect to these objectives shall not contain any economic or political conditions violating the sovereign rights of the under-developed countries, including that right to determine their own plans for economic development; (c) approving the recommendations contained in resolution 341 (XII) of the Economic and Social Council and urging all Member Governments to take the measures called for therein; and (d) requesting all Members of the United Nations to report to the fifteenth session of the Economic and Social Council on such action as they have taken under Council resolution 341 (XII) or, where such reports have been submitted to the thirteenth session of the Council, to bring such reports up to date.

29. A joint draft amendment was made to the United States amendment by Egypt, India and Indonesia (A/C.2/124 and Corrs.1 and 2). According to this joint amendment, the title of the resolution would read "Integrated economic development and trade agreements", the preamble would be substantially modified, and the operative part would recommend that Members of the United Nations should (a) continue to make every possible effort to carry out the recommendations contained in

paragraphs 1 to 4 of section A of resolution 341 (XII) of the Economic and Social Council, and (b) consider the possibility of concluding trade agreements to facilitate (i) the movement of machinery, equipment and industrial raw materials needed by the under-developed countries, and (ii) the development of natural resources which can be utilized in the first instance for the domestic needs of the under-developed countries and for the needs of international trade, provided that such trade agreements shall not contain economic or political conditions violating the sovereign rights of the under-developed countries, including the right to determine their own plans for economic development.

30. The sponsors of this joint amendment accepted an amendment by Chile (A/C.2/L.125) which would add two paragraphs at the end of the Polish draft resolution as it would be amended by the joint amendments to the United States amendments. The Chilean amendment requests the Economic and Social Council and its regional economic commissions to encourage government action as recommended in the amended draft resolution, and to facilitate such action by any steps which the Council may deem appropriate; the amendment further requests the Secretary-General to continue to carry out such studies as will enable governments, the Council and its regional economic commissions to give effect to the recommendations contained in the amendment draft resolution. A joint amendment by Denmark, Iceland, Norway and Sweden (A/C.2/L.127 and Add.1) was submitted to the joint amendment by Egypt, India and Indonesia (A/C.2/L.124 and Corrs. 1 and 2), recommending that Members of the United Nations consider the effect which a more even distribution of the national incomes of the under-developed countries would have on a fuller utilization of their national resources and thereby on the improvement of their conditions for economic development. Chile, Egypt, India, Indonesia and the United States of America then withdrew their various amendments and, jointly with Denmark, France, Greece and the United Kingdom, presented a revised series of amendments (A/C.2/L.128 and Corr.1 (French only), and Corr.2 (Spanish only)) to the Polish draft resolution (A/C.2/L.81 and Corr.1 (English only)). Denmark, Iceland, Norway and Sweden then re-submitted their amendment in a revised form (A/C.2/L.127/Rev.1) to the above revised series of amendments to the Polish draft resolution. In the course of the discussion at the 175th meeting, Denmark, Iceland, Norway and Sweden withdrew their amendment and the nine sponsors of the amendments to the Polish draft resolution accepted several oral amendments and suggestions made by the members of the Committee

and by the Chairman. In this modified form, the amendments were accepted by the representative of Poland. The Polish draft resolution, as amended, was adopted unanimously by the Committee.

31. The Second Committee therefore recommends to the General Assembly the adoption of resolution VI annexed to the present report.

Land reform

32. The Second Committee had before it two draft resolutions concerning land reform. The first proposal, jointly submitted by Brazil, Pakistan, Thailand and the United States of America (A/C.2/L.76 and Add.1) (a) approves Economic and Social Council resolution 370 (XIII) on land reform; (b) emphasizes several of its provisions; (c) urges all governments to carry out the Council's recommendations; (d) provides for consideration of the subject at the seventh regular session of the General Assembly; and (e) requests the Secretary-General to report to that session on action taken and progress achieved. The second draft resolution, submitted by Poland (A/C.2/L.82) recommends that Member Governments (a) carry out land reforms in the interests of the landless, small and medium-sized farmers and undertake large-scale assistance to such agricultural populations; (b) carry out measures for the return of lands appropriated for the use of foreign companies to the local populations; (c) adopt measures for the liquidation of the indebtedness of certain agricultural populations; (d) support existing associations and assist in the organization of new associations which would include tenants, landless and small and medium-sized farmers, such associations to play an active part in putting land reform measures into effect; and (e) adopt social legislation for agricultural workers.

33. The Committee, at its 176th to 179th meetings, held a general discussion on these two draft resolutions, in the course of which it heard a representative of the Food and Agriculture Organization.

34. Several amendments were submitted to the joint draft resolution (A/C.2/L.76 and Add.1). These amendments were accepted by the sponsors and the joint proposal was then revised (A/C.2/L.76/Rev.1) to incorporate them, namely, amendments by Egypt, one of them in a revised form (A/C.2/L.80/Rev.1 and A/C.2/L.130), by Mexico (A/C.2/L.121 and Corr.1 (English and French only)), and by

Israel (A/C.2/L.122). Israel also joined as sponsor of the revised joint draft resolution. Chile and India submitted a joint amendment to the five-Power draft resolution (A/C.2/L.131, orally modified at the 179th meeting) inviting the institutions providing international loans to consider sympathetically loan applications from under-developed countries designed to implement their projects of agrarian reform, including projects designed to bring new land under agricultural cultivation, and to make any such loans on terms of interest and amortization designed to place the smallest feasible burden on the borrowing countries. Czechoslovakia submitted an amendment (A/C.2/L.133 to the five-Power draft resolution to replace part of paragraph 8 of this proposal by all the subparagraphs of paragraph 2 of the Polish draft proposal (A/C.2/L.82). In addition, the United Kingdom submitted an amendment (A/C.2/L.132) to the joint Chilean-Indian amendment. A second revision of the joint proposal (A/C.2/L.76/Rev.2) was then submitted with Chile, France, India and the United Kingdom as additional sponsors. This nine-Power draft resolution, inter alia, incorporated the amendments suggested by Chile and India (A/C.2/L.131) and by the United Kingdom (A/C.2/L.132); it also contained in a revised paragraph 9 the substance of paragraph 2 of the Polish draft resolution (A/C.2/L.82) with the exception of the substance of paragraph 2(c) of that proposal. At the 180th meeting, Czechoslovakia withdrew its amendment (A/C.2/L.133) and several oral changes were made in the text of the draft proposal sponsored by the nine powers. The nine-power draft resolution, as amended, was adopted by 43 votes to none, with 5 abstentions.

35. The draft resolution proposed by Poland (A/C.2/L.82) was voted upon at the same meeting.

Paragraph 2(c) was rejected by 22 votes to 7, with 18 abstentions.

Paragraph 2(d) was rejected by 24 votes to 7, with 17 abstentions.

The remaining paragraphs were rejected by 24 votes to 9, with 15 abstentions.

36. The Second Committee therefore recommends to the General Assembly the adoption of resolution VII annexed to the present report.

Resolution I

TECHNICAL ASSISTANCE ACTIVITIES UNDER GENERAL ASSEMBLY
RESOLUTIONS 200 (III), 246 (III) AND 418 (V)

The General Assembly,

Having decided in resolutions 305 (IV) and 316 (IV) that the regular budget of the United Nations should continue to provide for the activities authorized by resolutions 200 (III) and 58 (I),

1. Directs the Secretary-General to place on a continuing basis the programme of public administration authorized by resolution 246 (III) and to include an amount for these services in the United Nations budget in the future;
2. Notes with approval that the Secretary-General has included in the United Nations budget for the year 1952 the same amounts as were appropriated by the General Assembly in 1951 for activities under resolutions 200 (III), 246 (III) and 418 (V); and
3. Recommends that additional technical assistance activities undertaken for the benefit of under-developed countries in the fields of economic development, public administration and social welfare should be considered under the expanded programme of technical assistance in cases where such additional programmes cannot be financed from the budget of the United Nations.

Resolution II

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR THE
ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

A.

The General Assembly,

Believing that the continuation and extension of the technical assistance programmes of the United Nations and of the specialized agencies are of basic importance to economic development and to effective international co-operation to raise standards of living in under-developed countries,

Recognizing that governments requesting technical assistance from the expanded programme have the primary responsibility for planning and carrying out, within the framework of available resources, their own programmes of economic and social development,

Recognizing the great importance of close collaboration between agencies giving technical and financial assistance,

1. Notes with satisfaction the action taken by the Economic and Social Council in resolution 400 (XIII) of 30 August 1951, the progress already achieved in putting the expanded programme into operation, and the collaboration which has been developing between agencies giving technical and financial assistance with regard to particular projects;

2. Welcomes the action taken by the Technical Assistance Committee of the Economic and Social Council during its thirteenth session recommending that the Secretary-General and the participating organizations should interpret the rules regarding the provision of supplies and equipment more generously than has been done in the past within the framework of Council resolution 222 A (IX) of 15 August 1949 and requesting the Technical Assistance Board:

(a) To study the practicability of meeting the needs for supplies and equipment designed to increase the effectiveness of certain economic and social services in the under-developed countries, especially in respect of the establishment of training and research centres;

(b) To place greater emphasis on the establishment of training and demonstration projects in the under-developed countries and on the provision of pilot plants and similar facilities;

3. Requests that negotiations regarding contributions for the second financial period of the expanded programme of technical assistance be carried out by any Negotiating Committee for extra-budgetary funds established during the present session of the General Assembly;

4. Requests the Secretary-General:

(a) Subject to the provisions of any other resolution adopted by the General Assembly at its sixth regular session concerning the pledging of extra-budgetary funds, to convene a conference for the purpose of ascertaining approximately the total amount of contributions for the second financial period available from the participating governments, subject to the approval of their respective legislative authorities, for the execution of the technical assistance programmes of the United Nations and of the specialized agencies;

(b) To invite to the conference with the right to vote all Members of the United Nations and the governments of all other States which are members of the specialized agencies participating in the programme; and likewise to invite, without the right to vote, representatives of the specialized agencies;

5. Approves the financial arrangements set forth in the annex hereto for the administration of the funds contributed, as agreed by the Economic and Social Council in paragraph 7 of its resolution 400 (XIII) of 30 August 1951;

6. Urges the participating organizations, through the Technical Assistance Board, to make such arrangements with governments contributing to the expanded programme of technical assistance as would ensure the most effective utilization of all currencies, including particularly the contributions in currencies of limited convertibility, contributed to the Special Account;

7. Calls on the specialized agencies participating in the expanded programme of technical assistance to provide, in their regular budget documents, information concerning their estimates for the expenditure of technical assistance funds; and to transmit to the General Assembly, for examination and approval, the audit reports relating to expenditure of technical assistance funds allocated from the Special Account after approval of the appropriate audit reports by the general conferences of their agencies or by such other authorities of the agencies as are constitutionally authorized to approve them;

8. Expresses the hope that governments of States which are not members of the United Nations but are members of participating specialized agencies will

attend the above-mentioned conference, and that they will associate themselves with the financial and other arrangements mentioned above;

9. Urges all governments to make contributions to the programme for the year 1952 at least equal to the contributions which they had pledged for the first financial period;

10. Requests the Secretary-General, the Economic and Social Council and the specialized agencies to take all possible measures to ensure that technical assistance rendered is consistent with, and makes the maximum contribution to, integrated plans of economic and social development;

11. Further requests the Secretary-General, in view of the fact that certain private non-profit organizations are engaged in rendering technical assistance to several under-developed areas, to study the possibility of co-ordinating their policies and activities with those of the United Nations and the specialized agencies;

12. Looks forward to increased collaboration between the agencies furnishing technical assistance and financing agencies so that maximum co-ordination between technical and financial assistance can be obtained;

13. Recommends:

(a) That governments requesting technical assistance from the expanded programme continue to strengthen their internal machinery for the co-ordinated planning and implementation of development measures, for the formulation of integrated programmes of development, including priorities, and, in general, for the utilization of technical assistance in as effective a manner as possible, including the possibilities of financing such development projects as may be recommended by technical assistance missions;

(b) That governments requested to make available experts and facilities for the expanded programme take all possible steps to facilitate the availability of such technical assistance to under-developed countries through the United Nations and the participating specialized agencies, and further that these governments continue to improve their co-ordinating facilities in order to help accelerate the flow of technical knowledge in the under-developed countries.

ANNEX

FINANCIAL ARRANGEMENTS

(Agreed by the Economic and Social Council in paragraph 7 of its resolution 400 (XIII))

(a) The amounts allocated for the participating organizations for the first financial period shall remain available for the purpose of assuming obligations or commitments during the second financial period, subject to necessary adjustments for the establishment of the Special Reserve Fund provided for in paragraph (b);

(b) There shall be established a Special Reserve Fund equivalent to US \$3,000,000 for the purpose of assuring the completion of projects which extend beyond the end of the financial period for which funds are available, and of providing funds pending receipt of contributions at the beginning of a financial year. The Special Reserve Fund shall be created from unobligated funds remaining from the first financial period and shall be maintained principally in convertible currencies. The size of the Special Reserve Fund may be changed by the Technical Assistance Committee. Withdrawals from the Special Reserve Fund may be made by the Technical Assistance Board for the purposes described above and shall be replaced as soon as contributions become available;

(c) The Secretary-General shall allot contributions received for the second financial period as follows:

(i) \$10,000,000 out of contributions received for the second financial period shall be automatically available for allocation to the participating organizations in accordance with paragraph 9(c) of Council resolution 222 A (IX);

(ii) The balance of contributions received shall be retained in the Special Account for further allocation, as provided in paragraph (d) below;

(d) Contributions retained under paragraph (c)(ii) above shall be allotted in accordance with decisions of the Technical Assistance Board in such manner and at such time as it may decide, with a view to ensuring the development of well-balanced and co-ordinated country and regional technical assistance programmes, taking into consideration all relevant factors, in

/particular,

particular, the amounts and kinds of resources on hand and receivable, the technical assistance requests received which fall within the field of the several participating organizations, the uncommitted balances held by them and the need for the retention of any reserves to meet unforeseen requests from governments;

(e) Unallocated funds remaining in the Special Account from the first financial period after establishment of the Special Reserve Fund shall be available for allocation by the Technical Assistance Board in the second financial period.

B

The General Assembly,

Considering that improvement in the production techniques in industry, agriculture and other branches of the economies of under-developed countries can be greatly advanced by the training of groups of their workers, foremen and technicians in countries which are more developed in certain fields of their economy,

Considering that a valuable method of training such workers, foremen and technicians is by actual employment in appropriate enterprises abroad,

Taking into account, further, that the experience gained by such teams of workers, foremen and technicians has proved useful under various bilateral arrangements in the past,

Recommends that the organizations participating in the expanded technical assistance programme give, among other forms of technical assistance, sympathetic consideration to requests for the placement of teams of workers, foremen and technicians from under-developed territories in appropriate enterprises in other countries for such periods as may be necessary for such teams to acquire the technical proficiency necessary for effective use in their country of origin, and also to enable them to train other workers in those techniques or to adapt such techniques to the conditions in their country.

Resolution III

FINANCING OF ECONOMIC DEVELOPMENT OF
UNDER-DEVELOPED COUNTRIES

A

The General Assembly,

Taking note of the report of the Economic and Social Council to the General Assembly at its sixth regular session, the report of the Economic, Employment and Development Commission on its sixth session, and the experts' report entitled "Measures for the economic development of under-developed countries",

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

Recalling its conviction, expressed in its resolution 400 (V) of 20 November 1950, that:

(a) Although the economic development of under-developed countries depends primarily upon the efforts of the people of those countries, the necessary acceleration of that development requires not only technical but also financial assistance from abroad, particularly from the more developed countries,

(b) The volume of private capital which is currently flowing into under-developed countries cannot meet the financial needs of the economic development of those countries without an increased flow of international public funds,

Recognizing that:

(a) An urgent and practical approach to the problem of international financing of economic and social development is essential to general progress, to the strengthening of international co-operation and confidence and that it is, therefore, vital for the strengthening and maintenance of peace, especially in the present state of world tension,

(b) It is necessary, for these reasons, to give special attention to the solution of this problem through international co-operation within the framework of the United Nations,

Considering that the statistics contained in the World Economic Report, 1949-50, published by the Secretary-General early in 1951, show that the national incomes of the under-developed countries do not allow a sufficient accumulation of domestic savings to provide heavy investments for their rapid economic development,

/Believing

Believing that there exists an urgent necessity for studying the problem of creating new sources of international financing suitable for the acceleration of the economic development of under-developed countries, with a view to raising the standard of living of their peoples,

Convinced that the acceleration of the economic development of under-developed countries calls, among other forms of international financial assistance, for an international system of grants-in-aid to those countries, but believing that such an international system of grants-in-aid should not be established on a permanent basis and should in any case be correlated with the efforts of the under-developed countries themselves,

Believing that the promotion of the economic development of under-developed countries calls for the closest co-ordination of the activities of already existing international organizations,

Believing further that detailed plans for action designed to increase the flow of international public funds for the development of under-developed countries especially for assisting in the financing of the non-self-liquidating projects basic to their economic development, must be initiated without delay if such plans are to be translated into action within a reasonable period of time,

Cognizant of the fact that, although the necessary acceleration of the economic development of under-developed countries requires foreign financial aid, the study and elaboration of the plans mentioned in the preceding paragraph cannot and must not be regarded as in any way committing the governments participating in such study or in the elaboration of such plans to join in implementing those plans in any degree, whether financially or otherwise,

1. Requests the Economic and Social Council to submit to the General Assembly at its seventh regular session a detailed plan for establishing, as soon as circumstances permit, 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. Further requests the Economic and Social Council, in implementing paragraph 1 above, to prepare for consideration by the General Assembly at its seventh regular session a series of recommendations concerning:

(a) The size, composition and administration of the special fund, keeping in mind, with respect to its administration, that the creation of a new

international organization should be considered only if a careful examination of the functions of existing organizations proves that the required functions cannot be carried out by them;

(b) The manner of collecting contributions to the special fund, keeping in mind the desirability of universal participation and the utilization of any savings that may accrue from any programme of disarmament, as one of the sources of contributions;

(c) The character of the contributions of States Members of the United Nations and of those which are not Members;

(d) The policies, conditions and methods to be followed in making grants and loans from the special fund to under-developed countries;

(e) The principles which countries receiving grants and loans from the special fund should observe;

3. Requests the Secretary-General to assist the Council in carrying out the responsibilities placed upon it by the present resolution;

4. Invites governments to make suggestions to the Council with respect to the recommendations mentioned in paragraph 2 above.

B

The General Assembly,

Considering that the problem of financing economic development is of the greatest importance and urgently requires solution,

Taking note of Economic and Social Council resolution 368 (XIII) of 22 August 1951,

1. Approves the action taken by the Council under the above-mentioned resolution;

2. Notes with satisfaction the Economic and Social Council's request to the Secretary-General, contained in resolution 371 B (XIII) of 28 August 1951, to amend the annual questionnaire on full employment so as to take into consideration the progress achieved by the under-developed countries and the obstacles facing them in their economic development;

3. Requests the Secretary-General, in analysing the replies from governments,
(a) To deal not only with problems of employment and under-employment, but also with problems encountered in carrying out plans basic to economic development; with industrial, mining and agricultural production -- in particular, food

production; and with financial, technical and scientific resources having a direct bearing on economic development;

(b) To include in the analysis, in order to facilitate comparison, a reference table showing the progress made by the industrialized countries in these respects;

4. Requests the Economic and Social Council:

(a) To continue its studies of the problem of financing the economic development of under-developed countries;

(b) To study practical ways and means and comprehensive programmes for developing those countries;

(c) Within the framework of existing institutions, to pay particular attention to the problem presented by the financing of non-self-liquidating projects and, generally, by the establishment of a regular flow of international public capital;

(d) To consider additional methods of increasing the international flow of public funds for the economic development of under-developed countries.

The General Assembly,

Considering that in order to raise the standard of living and the economic and financial capacity of the under-developed countries, where the levels of annual per capita incomes are low, it is essential to expand and improve their agricultural and industrial production, which is not generally sufficient,

Considering that the capital available through agricultural and industrial credit institutions and through national savings in under-developed countries is not sufficient to provide extensive credits for the expansion and improvement of present production in the measure and with the speed desirable in view of the seriousness of the economic and social situation of those countries,

Considering that the expansion and improvement of present production presuppose the provision of credit to many thousands of individual and corporate local producers who have no direct recourse to international credit,

Considering that the International Bank for Reconstruction and Development is entrusted, within the limits of its financial resources and of its Articles of Agreement, with the task of granting duly authorized and guaranteed loans for the economic development of Member States,

1. Invites the International Bank for Reconstruction and Development, within the framework of its Articles of Agreement, to continue to expand its lending operations keeping in mind the special situation of under-developed countries with low levels of annual per capita income and, in particular:

(a) To give full consideration to continuous and effective co-operation with the national agricultural and industrial credit institutions of under-developed countries, members of the Bank, with the objective of increasing their effective resources by means of loans;

(b) To afford the national institutions which make loans to agricultural and industrial producers the technical advice required to establish sound standards and methods of scrutiny and control of such transactions, in order to ensure the viability of such loans;

(c) To consider the possibility of increased financing of basic agricultural development projects so as to ensure greater productivity and utilization of land resources;

/(d) To

(d) To consider the possibility of increased financing of manufacturing industries so as to enable these countries to make further use of their mineral and other resources and thereby assist them in achieving more rapid progress in industrialization;

(e) To keep the Economic and Social Council periodically informed of its progress in these fields of development;

2. Recommends further that all governments respond to the fullest extent possible to the recommendations contained in paragraph 8 (c) of Economic and Social Council resolution 294 (XI) of 12 August 1950.

Resolution IV

INTEGRATED ECONOMIC DEVELOPMENT

The General Assembly,

In view of the fact that the General Assembly and the Economic and Social Council have devoted considerable attention to methods of financing economic development, to technical assistance and to the question of land reform and that the results of these efforts are likely to exert an important influence on the economic development of under-developed countries,

Considering that there are other aspects of economic development involving equally important problems which have not been given the attention they deserve,

Recognizing that a continuing comprehensive and methodical study of every aspect of economic development is required in order to achieve a better direction of effort and resources in promoting the economic advancement of under-developed areas and countries,

Considering that a comprehensive and full study of economic development should be conducted to accelerate development programmes and plans,

Requests the Economic and Social Council to:

(a) Promote studies of a programme of rapid industrialization of the under-developed countries, including the economic, social, fiscal, technical and organizational problems involved, and the role that the industrially advanced and under-developed countries have to play in such a programme;

(b) Submit to the General Assembly, as soon as practicable, concrete proposals for measures which may be of aid to the under-developed and the developed countries in connexion with the problems referred to in sub-paragraph (a) above.

Resolution V

METHODS TO INCREASE WORLD PRODUCTIVITY

The General Assembly,

Considering that, to ensure more rapid economic progress of the world as a whole, closer international co-operation is required to facilitate the best use of the world's manpower resources, natural resources and productive equipment,

Considering that an expansion of the world economy in the interest of raising living standards requires the rapid economic development of the under-developed countries, and that such an expansion depends upon the growth of production of vitally needed goods and services in all parts of the world,

Believing that an important increase in the rate of growth of world production could be achieved by the application of the latest available scientific knowledge to techniques of production,

Taking account of the fact that the optimum combination of human, natural and capital resources is likely to vary, depending on the relative abundance or scarcity of these resources,

Requests the Economic and Social Council to:

(a) Study the varying ways in which the productivity of peoples everywhere can be increased by the application of existing scientific and technological knowledge;

(b) Recommend, as soon as practicable, methods by which the results of the studies undertaken under sub-paragraph (a) above can be made available to the under-developed countries at their request;

(c) Report to the seventh regular session of the General Assembly on the progress made under the present resolution.

Resolution VI

INTEGRATED ECONOMIC DEVELOPMENT AND COMMERCIAL AGREEMENTS

The General Assembly,

Considering that the under-developed countries have the right to determine freely the use of their natural resources and that they must utilize such resources in order to be in a better position to further the realization of their plans of economic development in accordance with their national interests, and to further the expansion of the world economy,

Considering that the existing sharp increase in the demand for raw materials, including the demand for stock-piling has resulted in an increase in the prices of a number of raw materials and in fluctuations in the prices of others; has in many cases been accompanied by increased prices and reduced availability of important items of machinery, equipment, consumer goods and industrial raw materials necessary for the development of under-developed countries; has created inflationary pressures and brought about the regulation of prices at different relative levels for different products and has thereby caused or increased the economic difficulties in many of the under-developed countries,

Recognizing that continued domestic and external inflationary pressures, if unchecked, are likely to affect unfavourably the rate and pattern of economic development of the under-developed countries,

Bearing in mind that one way of obtaining the means necessary for carrying out economic development plans in under-developed countries is the creation of conditions under which these countries could more readily acquire machinery, equipment and industrial raw materials for the goods and services exported by them,

1. Recommends that Members of the United Nations, within the framework of their general economic policy, should:

(a) Continue to make every possible effort to carry out the recommendations contained in paragraphs 1, 2, 3 and 4 of Economic and Social Council resolution

341 A (XII) of 20 March 1951;^{1/}

(b) Consider the possibility of facilitating through commercial agreements:

(i) The movement of machinery, equipment and industrial raw materials needed by the under-developed countries for their economic development and for the improvement of their standards of living, and

(ii) The development of natural resources which can be utilized for the domestic needs of the under-developed countries and also for the needs of international trade.

provided that such commercial agreements shall not contain economic or political conditions violating the sovereign rights of the under-developed countries, including the right to determine their own plans for economic development;

1/ Paragraphs 1, 2, 3 and 4 of Economic and Social Council resolution 341 A (XII) are quoted below:

"1. Recommends that all Members of the United Nations, during the period of general shortage of goods, take special measures to bring about adequate production and equitable international distribution of capital goods, essential consumers' goods and raw materials especially needed for the maintenance of international peace and security, the preservation of standards of living and the furthering of economic development;

"2. Recommends that all Members of the United Nations, during the period of general inflationary pressure, take measures, direct or indirect, to regulate at equitable levels and relationships, the prices of essential goods moving in international trade, including capital goods, essential consumers' goods and raw materials;

"3. Recommends that the equitable regulation of distribution and prices referred to in recommendations 1 and 2 above be maintained as long as strong inflationary pressures persist, in order to minimize changes in the purchasing power, in terms of imports, of current earnings from exports as well as of monetary assets;

"4. Recommends further that all Members of the United Nations take all steps in their power to prevent the development of inflationary pressures, thereby preventing speculative profits and maintaining the purchasing power of the poorer sections of the population".

2. Requests the Economic and Social Council and its regional economic commissions to encourage government action as recommended in the preceding paragraph and to facilitate such action by any steps which the Council may deem appropriate;

3. Requests the Secretary-General to continue to carry out such studies as will enable governments, the Economic and Social Council and its regional economic commissions to give effect to the recommendations contained in the present resolution;

4. Requests all Members of the United Nations to report to the fourteenth session of the Economic and Social Council on such action as they may have taken under the present resolution and under Council resolution 341 A (XII).

Resolution VII

LAND REFORM

The General Assembly,

Having noted the report of the Secretary-General on "Defects in agrarian structure as obstacles to economic development", prepared pursuant to General Assembly resolution 401 (V) of 20 November 1950,

Convinced that in many countries the agrarian structure and, in particular, the systems of land tenure prevent improvement in the economic and social status of those who work the land, impede economic development, and cause political instability,

Recognizing, that, in view of the great diversity of conditions in under-developed territories in various parts of the world, no one standard measure or group of measures can be considered as best suited to the conditions of all such territories,

Recognizing that, when possible reforms of systems of land tenure should be undertaken within a general programme of land reform in order effectively to improve the living conditions of agricultural workers,

Believing that rapid improvements in existing agrarian structures and land tenure systems in many under-developed countries require large-scale financial outlays,

Convinced that the form which an equitable and useful re-distribution of the ownership of land should take depends to a large extent and in many countries on the relationship between density of population, the supply of land and of other resources,

1. Notes with approval the statement in the aforementioned report of the Secretary-General concerning the favourable results in the social sphere obtained by countries which granted land and water rights to farmers lacking them;

2. Approves the recommendations of the Economic and Social Council with regard to this problem, as set forth in Council resolution 370 (XIII) of 7 September 1951;

3. Urges all governments, so far as the recommendations of the above resolution are appropriate to the particular technical and financial circumstances of their countries, to carry out these recommendations and to undertake practical steps for implementing land reforms which would:

/(a) Assist

(a) Assist in increasing agricultural production, in eliminating food shortages, in raising the welfare of the populations of the under-developed countries, and which would safeguard the interest of small and medium sized farmers and landless agricultural workers who constitute the majority of the rural population of the under-developed countries;

(b) Include measures which will enable farmers to secure agricultural equipment, draught animals, seeds, fertilizers and low-interest agricultural credit and assist them in developing various types of co-operatives for the production and disposal of agricultural products;

(c) Include the adoption of measures to enable agricultural workers, tenants and small and medium sized farmers to reduce or liquidate indebtedness which may have arisen from unduly high rents, unfavourable conditions of land tenure, and usurious rates of interest and unduly high prices paid in the purchase of seeds, agricultural equipment, draught animals and other facilities;

(d) Include the adoption of appropriate wage and other social legislation for improving the conditions of labour and for raising the living standards of agricultural workers;

(e) Support the already existing agricultural associations and assist where appropriate, in organizing new associations of landless agricultural workers, tenants and small and medium sized farmers whose principal interest is in, and who have an active part to play in the carrying out of all measures provided for under the land reforms;

4. Further urges all governments to co-operate with the Secretary-General and the specialized agencies concerned in the preparation of the reports requested by the Council in paragraph 8 of the above resolution;

5. Urges the governments of Member States, in working out their fiscal policies, to give active consideration to making funds available for projects of agrarian reform and invites the institutions providing international loans to give sympathetic consideration to loan applications from under-developed countries for development projects which are designed to implement their programmes of agrarian reform including projects designed to bring new lands under agricultural cultivation, and invites these institutions consistent with their maintenance as self-supporting entities, to consider making any such loans on terms of interest and amortization designed to place the smallest feasible burden on the borrowing countries;

6. Urges the Secretary-General, the Food and Agricultural Organization, the International Labour Organization and the United Nations Educational, Cultural and Scientific Organization, as recommended by the Economic and Social Council, to accord high priority to the recommendations in paragraphs 5 and 6 of Council resolution 370 (XIII); and to be prepared, upon the request of governments, to make specific studies and recommendations for the economic and social betterment of the agricultural population of their countries;

7. Decides to place the subject of land reform on the agenda of its seventh regular session and requests the Secretary-General to report to that session with regard to action taken and progress achieved.
