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Tenth Session  
SECOND COMMITTEE  
Agenda item 24 (b)

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

QUESTION OF THE ESTABLISHMENT OF AN INTERNATIONAL FINANCE  
CORPORATION: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Draft Report of the Second Committee

Rapporteur: Mr. Janez Stanovnik (Yugoslavia)

Note: The Rapporteur, in circulating his draft report requests those delegations which wish to suggest any changes in this draft to submit them to him or to the Secretary of the Committee before the beginning of the afternoon meeting on Wednesday, 2 November 1955. In view of the fact that the summary records of the Committee's proceedings are available to the plenary meetings, the Rapporteur has not endeavoured to summarize the Committee's debates. This is in accord with generally accepted procedure and with the past practices of the Second Committee.

1. The General Assembly, at its 530th plenary meeting on 30 September 1955, allocated to the Second Committee the agenda item "Economic development of under-developed countries: (a) Question of the establishment of a special United Nations fund for economic development: report submitted in accordance with resolution 822 (IX) of 11 December 1954; (b) Question of the establishment of an international finance corporation: report of the Economic and Social Council; (c) Programmes of technical assistance: report of the Economic and Social Council."
2. Following a suggestion by the Chairman (A/C.2/L.259), the Committee decided to discuss, simultaneously with each individual sub-item of item 24, the relevant

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part of chapter III of the report of the Economic and Social Council which deals with the economic development of under-developed countries.<sup>1/</sup>

3. At the 34<sup>th</sup> meeting, the Committee decided to take up sub-item (b) on the international finance corporation before sub-item (a) on the special fund. The Rapporteur submits the present report on sub-item (b).

4. A general debate on item 24 as a whole, covering all three of the sub-items, was held during eight meetings (A/C.2/SR.347 to 353 and part of 359), in which forty delegations took part.

5. Sub-item 24 (b) was considered at four meetings (A/C.2/SR.362 to 365) at which statements were made by twenty-two delegates.

6. The Committee had before it a draft resolution jointly submitted by Canada, Cuba, Mexico, Pakistan, Peru, United Kingdom and United States of America (A/C.2/L.267 and Add.1, A/C.2/L.267/Rev.1 (Spanish only)), by which the General Assembly, noting that a substantial number of Governments had taken steps towards acceptance of membership or had declared their intention of acquiring membership in the Corporation in order to further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas, would (a) express its appreciation to the International Bank for Reconstruction and Development for the manner in which it had carried out the tasks entrusted to it under General Assembly resolution 823 (IX); and (b) look to early and successful results from the operations of the International Finance Corporation.

7. At its 36<sup>th</sup> meeting, the Committee received the following amendments:

(1) by Guatemala (A/C.2/L.268) proposing to replace in the preamble the words "productive private enterprise" by the words "productive enterprise in the private sector". This amendment was subsequently withdrawn by its sponsor.

(2) by Afghanistan, Indonesia and Iran (A/C.2/L.269) proposing (a) to amend operative paragraph 1 to read as follows:

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<sup>1/</sup> See Official Records of the General Assembly, Tenth Session, Supplement No. 3, Document A/2943.

"1. Expresses its appreciation to the International Bank for Reconstruction and Development for:

- (a) preparing the draft Articles of Agreement for the International Finance Corporation;
- (b) bringing about agreement by a large number of its members to join in the establishment of the International Finance Corporation;"

and (b) to insert in operative paragraph 2, the word "establishment" after the word "early".

8. The three-power amendments contained in A/C.2/L.269 were accepted, at the 364th meeting, by the sponsors of the joint draft resolution; they further accepted a drafting change made orally by China at the 365th meeting, to have the amended operative paragraph 2 read as follows:

"2. Looks to the early establishment of the International Finance Corporation and to successful results from its operations".

9. At its 365th meeting, the Committee voted on the joint draft resolution (A/C.2/L.267 and Add.1, A/C.2/L.267/Rev.1 (Spanish only)), as amended (see paragraph 8 above), with the following results:

The second paragraph of the preamble, on which a separate vote was requested by Yugoslavia, was adopted by 42 votes to none, with 7 abstentions.

The amended joint draft resolution as a whole was adopted by 45 votes to none, with 5 abstentions.

10. The Second Committee therefore recommends to the General Assembly the adoption of the following resolution:

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

ESTABLISHMENT OF AN INTERNATIONAL FINANCE CORPORATION

The General Assembly,

Having received the report of the Economic and Social Council<sup>1/</sup> on the establishment of an International Finance Corporation submitted in response to General Assembly resolution 823 (IX) of 11 December 1954,

<sup>1/</sup> See Official Records of the General Assembly, Tenth Session, Supplement No. 3, document A/2943, chapter III, paras. 178-190.

Noting that a substantial number of Governments have taken steps towards acceptance of membership or have declared their intention of acquiring membership in the Corporation in order to further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas.

1. Expresses its appreciation to the International Bank for Reconstruction and Development for:

(a) preparing the draft Articles of Agreement for the International Finance Corporation;

(b) bringing about agreement by a large number of its members to join in the establishment of the International Finance Corporation;

2. Looks to the early establishment of the International Finance Corporation and to successful results from its operations.

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