



Sixth session

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Memorandum by the Secretary-General

1. The provisional agenda of the sixth session of the General Assembly (A/187) contains the item "Economic development of under-developed countries" (item 26) and gives as specific topics the following subjects: (a) financing of economic development of under-developed countries (resolution 400 (V) of 20 November 1950); (b) land reform (resolution 401 (V) of 20 November 1950); (c) technical assistance for the economic development of under-developed countries.
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 economic development. In accordance with this request, the report of the Council to the General Assembly* contains a chapter (chapter III) entitled "Economic development of under-developed countries", which also contains a section on technical assistance for economic development. This chapter gives an account of the activities of the Council in the field of economic development during its twelfth and thirteenth sessions. The attention of the General Assembly is also drawn to chapter II of the Council's report, on general economic questions which describes the work of the Council with regard to the current world economic situation and includes the Council's recommendations concerning the new problems which the under-developed countries have been facing as a consequence of the current economic situation, and to chapter VIII, relating to the specialized agencies, which also includes

* See Official Records of the General Assembly, Sixth Session, Supplement No. 3

references to the activities of these agencies in connexion with the economic development of under-developed countries.

Financing of economic development of under-developed countries

3. The Economic and Social Council continued to give major attention to the problem of financing economic development of under-developed countries during its twelfth and thirteenth sessions, bearing in mind General Assembly resolution 400 (V), of 20 November 1950, which recommended that the Economic and Social Council, in giving further study to the problem of financing economic development should "consider practical methods, conditions and policies for achieving the adequate expansion and steadier flow of foreign capital, both private and public, and pay special attention to the financing of non-self-liquidating projects which are basic to economic development". The General Assembly further requested the Economic and Social Council to submit its recommendations to the sixth session of the General Assembly. The recommendations of the Economic and Social Council on this matter are contained in its resolution 368 (XIII) adopted on 22 August 1951.

Land reform

4. In connexion with General Assembly resolution 401 (V), of 20 November 1950, on land reform, which calls upon the Economic and Social Council "to prepare recommendations to the General Assembly with a view to the improvement of the conditions of agricultural populations", the Council's recommendations are contained in resolution 370 (XIII), adopted on 7 September 1951. In this resolution the Council, inter alia, recommends that the General Assembly should consider the subject of land reform from time to time in order that all governments of Member States may have an opportunity to take part in the discussion of developments in respect of this subject.

Technical assistance for the economic development
of under-developed countries

5. Another major problem with which the Economic and Social Council dealt during both its twelfth and thirteenth sessions was that of technical assistance for economic development of under-developed countries. Activities in this field are being carried out in accordance with the regular programme of the United Nations, which is administered under General Assembly resolutions

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200 (III), 246 (III) and 418 (V), and in accordance with the expanded programme under Council resolution 222 A (IX) (see also General Assembly resolution 304 (IV)).

6. The matter now presented for the consideration of the General Assembly in connexion with technical assistance relates to the activities under both these programmes.

- (a) With respect to technical assistance activities under General Assembly resolutions 200 (III), 246 (III) and 418 (V), action is recommended by means of a draft resolution reading as follows:*

"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."

- (b) With respect to the expanded programme for technical assistance, the action recommended is contained in Council resolution 400 (XIII), of 30 August 1951, reading as follows:

* Contained in Council resolution 399 (XIII). See Official Records of the Economic and Social Council, Thirteenth Session, Supplement No. 1.

"The Economic and Social Council,

"Having considered the report of the Technical Assistance Committee* on the expanded programme of technical assistance, together with the report of the Technical Assistance Board**,

"Convinced that the continuation and expansion of such a programme under the auspices of the United Nations is of vital importance for the economic development of under-developed countries,

"1. Notes with appreciation the progress achieved in the establishment of the expanded programme in accordance with Council resolution 222 (IX);

"2. Considers that the first results of this endeavour constitute an important step forward in the field of international co-operation;

"3. Notes with satisfaction the measures undertaken to maintain effective co-operation with other international activities, both bilateral and multilateral, directed to the same and similar ends;

"4. Approves the participation of the International Telecommunication Union and the World Meteorological Organization in the expanded programme of technical assistance;

"5. Urges governments to make contributions to the programme for the year 1952, with a view to ensuring total contributions for that year which will be equal to or greater than the total amounts pledged for the first financial period;

"6. Requests the General Assembly to make appropriate arrangements for soliciting and receiving such pledges at an early date;

"7. Invites the General Assembly at an early date in its sixth session to give approval to the following financial arrangements;

"(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

* E/2102.

** E/2054 and E/2054/Add.1/Rev.1.

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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 ensuring 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, 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

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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."

7. The attention of the General Assembly is also drawn to the action of the Economic and Social Council concerning technical and financial assistance in Libya, contained in its resolution 401 (XIII), of 6 September 1951, and arising out of the request of the General Assembly contained in its resolutions 398 (V) and 387 (V).

Other related questions

8. Other matters relating to economic development are dealt with in sections IV to VII of chapter III of the Council's report. The Council's action in respect of these matters would not, however, appear to require specific mention under item 26 of the provisional agenda of the sixth session.

9. The summary records of the discussion of the problem of economic development of under-developed countries during the twelfth and thirteenth sessions of the Council are contained in the records of its plenary and committee meetings as follows:

- (a) Financing of economic development of under-developed countries: Economic Committee meetings 106 to 115 and plenary meetings 498 to 505, 507 to 509, 511 and 514;
- (b) Land reform: plenary meetings 533 to 541;
- (c) Technical assistance for the economic development of under-developed countries: Technical Assistance Committee meetings 11, 12 and 13 to 20 and plenary meetings 449, 450, 459, 461 to 466, 527, 528 and 531.

10. The attention of the General Assembly is also drawn to the following documents relating to this item and which are referred to in chapter III of the report of the Economic and Social Council:

/(a) Measures

- (a) Measures for the Economic Development of Under-Developed Countries: report by a group of experts appointed by the Secretary-General of the United Nations (United Nations Publications, Sales No. 1951.II.B.2).
- (b) Report of the Economic, Employment and Development Commission (sixth session), E/2006).
- (c) Replies from Member States to the Secretary-General's communications of 2 January 1951 and 3 May 1951 concerning General Assembly resolution 400 (V) and Economic and Social Council resolution 342 (XII) on financing economic development (E/2007 and addenda 1 to 5).
- (d) Replies of specialized agencies to the United Nations Secretariat's communication of 7 May 1951 concerning General Assembly resolution 400 (V) and Economic and Social Council resolution 342 (XII) on financing economic development (E/2029 and Add.1).
- (e) Relation of fluctuations in the prices of primary commodities to the ability of under-developed countries to obtain foreign exchange (E/2047 and Add.1).
- (f) Volume and distribution of national income in under-developed countries (E/2041).
- (g) Land reform: defects in agrarian structure as obstacles to economic development (United Nations Publications, Sales No. 1951.II.B.3).
- (h) Investment service of under-developed countries and statutory and administrative measures designed to provide for servicing foreign investment in times of exchange stringency in under-developed countries: memoranda prepared by the International Monetary Fund (E/2024).
