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CONTENTS

Organization of the Committee's work,	Page 345
Agenda items 31 and 32:	
Progress and operations of the Special Fund (continued)	345
United Nations programmes of technical co- operation (continued):	
(a) Report of the Economic and Social Council	
Agenda item 31:	
Progress and operations of the Special Fund (continued)	346
Agenda items 12, 28, 29 and 30:	
Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (continued)	
Economic development of under-developed countries (continued):	
(a) Industrial development and activities of the organs of the United Nations in the field of industrialization;	
(b) Establishment of a United Nations capital development fund: report of the Com- mittee established by General Assembly resolution 1521 (XV);	
(c) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General;	
(d) Land reform: interim report of the Secre- tary-General	
Questions relating to international trade and commodities (continued):	
(a) Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Eco- nomic and Social Council;	
(b) Improvement of the terms of trade be- tween the industrial and the under-de- veloped countries: report of the Economic and Social Council	
Questions relating to science and technology (continued):	
(a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General;	
(b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such know- ledge for peaceful ends: report of the Economic and Social Council	
Consideration of draft resolutions (con- tinued)	347

Chairman: Mr. Blasco LANZA D'AJETA (Italy).

Organization of the Committee's work

1. The CHAIRMAN said that it had been suggested that consideration of the agenda item entitled "Use of volunteer workers in the operational programmes of the United Nations and related agencies" (item 32 (b)) should be postponed until the seventeenth session in view of the pressure of time and the lack of complete reports on the subject from the specialized agencies. If there were no objections, that would be done.

It was so decided.

AGENDA ITEMS 31 AND 32

Progress and operations of the Special Fund (A/4820 and Corr.2, chapter III, section III; A/4897, E/3435, E/3521, SF/L.45 and Corr.1, SF/L.45/Add.1 and Corr.1, A/C.2/L.555 and Add.1-3) (continued)

United Nations programmes of technical co-operation (continued):

(a) Report of the Economic and Social Council (A/4820 and Corr.2, chapter III, sections I, II and IV; A/C.2/L.555 and Add.1-3)

2. The CHAIRMAN invited delegations wishing to do so to explain their votes on the fifteen-Power draft resolution (A/C.2/L.555 and Add.1-3), which had been adopted at the 777th meeting.

3. Mr. BROWN (Australia) said that while his delegation had been happy to support the fifteen-Power draft resolution, there had been no change in Australia's position with regard to its contribution to the Expanded Programme of Technical Assistance and the Special Fund. In spite of its own difficulties, Australia had recently increased its contribution to the Expanded Programme, and was increasing its annual expenditure on assistance for New Guinea. No major change was therefore likely in the level of its contributions towards the combined target referred to in the draft resolution.

4. Mr. ERROCK (United Kingdom) pointed out that his delegation's vote in favour of a joint target of \$150 million contained in the fifteen-Power draft resolution implied no commitment to increase the United Kingdom's contribution. That contribution was, and would continue to be, regularly reviewed each year.

5. Mr. MAKEEV (Union of Soviet Socialist Republics) said his delegation felt that the time had come to remove the long-standing obstacle to full international technical co-operation created by the refusal, for political reasons, to allow the United Nations assistance programmes to become universal in character. A decision to do so would serve the interests of the developing countries and promote the spirit of co-operation which should animate both the United

Nations assistance programmes and the work of the United Nations as a whole. His delegation therefore regretted that the Bulgarian amendments (A/C.2/L.612) had been rejected and that the unjust policy of discrimination between countries offering assistance would be continued. It also regretted the rejection of the Hungarian amendment (A/C.2/L.611) which would leave the way open, under operative paragraph 2 of the draft resolution, for penetration of the under-developed countries by private capital. The draft resolution moreover made no reference to the need for improving the work of the United Nations aid programmes by making fuller use of the resources already available to them, including the contributions offered by his own Government. For these reasons, his delegation regarded the draft resolution as inadequate, and had abstained in the vote on it.

6. Mr. LINGAM (India) explained that his delegation had abstained in the vote on the Bulgarian amendments because it had felt that it would be unwise to impose on the Special Fund, at the present stage in its development, ideas which carried political implications and might therefore engender controversy. His delegation supported the principle of universality and hoped that it would not be long before that principle was applied in the Special Fund.

7. India had likewise abstained in the vote on the Hungarian amendment because, although it felt that the principle expressed was sound, it considered that the imposition of conditions to which the investing public was not at present attuned would have the effect of retarding investment in the developing countries.

8. Mr. WOULBROUN (Belgium) said that his delegation had voted in favour of the draft resolution on the understanding that, as had been repeatedly emphasized in the Committee, contributions to the Special Fund and the Expanded Programme were voluntary and that the combined target represented an ideal goal which left Governments entirely free to decide their contributions in the light of their own circumstances.

AGENDA ITEM 31

Progress and operations of the Special Fund (A/4820 and Corr.2, chapter III, section III; A/4897, E/3435, E/3521, SF/L.45 and Corr.1, SF/L.45/Add.1 and Corr.1, A/C.2/L.614) (continued)

9. The CHAIRMAN invited the Committee to consider the draft resolution concerning the activities of the Special Fund and its association with assistance from other sources (A/C.2/L.614).

10. Mr. KAKITSUBO (Japan), introducing the draft resolution, said that in his statement during the general debate (732nd meeting) he had suggested the idea that the activities of the Special Fund might be associated with the pre-investment assistance available from other multilateral and bilateral sources, with the Fund acting as a kind of catalyst, and the draft resolution was a joint attempt of the co-sponsors to spell out the idea.

11. There were three main categories of projects assisted by the Special Fund: manpower training and technical education, applied research and, finally, surveys and feasibility studies. A survey by the Netherlands Economic Institute estimated that the first and third categories of projects alone required

an annual assistance of \$1,000 million, if the less developed countries were to achieve a 2 per cent per caput income increase annually for the decade 1960-1970. Admittedly, the Special Fund was not the only source for pre-investment assistance, and assuming that it participated in half of those projects, sharing about 40 per cent of the total project costs, the annual requirement of its assistance for the two categories of projects would be about \$200 million as compared to the actual resources, which were about \$55 million for all three categories in 1962. In order to narrow the gap between the demand and the resources available, it was necessary continually to urge Member States to increase their contributions to the Special Fund. However, there was a limit to the increase in multilateral contributions and it must also be realized that the resources not available to the Special Fund were sometimes available for bilateral assistance.

12. The objectives of the draft resolution were to explore the possibilities of mobilizing assistance from other sources and to maximize the effectiveness of assistance from various sources through co-ordination at the receiving end. The idea of associating the activities of the Special Fund with other multilateral or bilateral assistance was not new and a variety of arrangements had been made for that purpose, as was noted in the first preambular paragraph of the draft resolution. The Lower Mekong River Basin Project, for example, had been financed by the Special Fund and from additional multilateral and bilateral sources. As of March 1961, the total assistance offered amounted to \$12.5 million, of which the Special Fund shared \$1.3 million; other United Nations assistance was \$0.6 million, with twelve countries contributing bilaterally or multilaterally nearly \$9 million and the recipients \$1.3 million.

13. Close association of the activities of the Special Fund with assistance from other sources would help to achieve co-ordination among different technical assistance and pre-investment programmes. The importance of such co-ordination, which was mentioned in the third preambular paragraph, had been emphasized in resolutions of the Economic and Social Council, including resolutions 851 (XXXII) and 856 (XXXII). The Resident Representative of the Technical Assistance Board and the Director of Special Fund Programmes played the key role in achieving that co-ordination. Such arrangements would help the recipient countries to build up their own machinery to co-ordinate the assistance they received and would thus indirectly contribute to the integration of external aid into their development plans. The need for such co-ordination was stipulated in part B, subparagraph 2 (f), of General Assembly resolution 1240 (XIII) establishing the Special Fund, that subparagraph being quoted in the third preambular paragraph of the draft resolution.

14. Realizing that the bulk of technical and pre-investment requirements of the less developed countries still had to be met from sources other than the Special Fund, and the growing necessity of co-ordination of such assistance from various sources, it was thought useful to explore the possibilities of closer association of the activities of the Special Fund and the assistance available from other sources. It was not intended to impose upon the Managing Director of the Special Fund fixed ideas about the possibilities of arranging for closer association. The main purpose of the draft resolution was to draw

the attention of the General Assembly to such possibilities in getting maximum value through co-ordination. Operative paragraph 2 requested the Managing Director, who was undoubtedly best qualified to report on the matter, to study those possibilities in consultation, as appropriate, with other agencies within the United Nations family. In requesting such a study, no rigid directives were given, no commitment of any kind was involved and the outcome of the study was not prejudged.

15. However, certain principles were fundamental to such an undertaking. The study should take into account the existing framework of the Special Fund as defined in General Assembly resolution 1240 (XIII); no change in that framework was contemplated. Any arrangements to be made by the Managing Director for the closer association should be acceptable first to the recipient countries; the arrangements should be made only at their request and should not involve any obligation to accept outside multilateral or bilateral assistance in connexion with the Special Fund assistance requested. They should also be acceptable to the donor countries, which should not be obliged to render assistance unless willing to do so. Lastly, they should be acceptable to the Special Fund, which should not be obliged to request or accept outside assistance from donor countries, even if asked to do so, unless it thought fit in the light of the guiding principles in its basic legislation. He would emphasize that the draft resolution was not intended to divert into other channels any part of possible contributions to the Special Fund. The Managing Director would be the last person to desire such diversion. The representative of Japan stressed again that the draft resolution merely asked for a study, without prejudging the result, and the Managing Director's report would be examined by the Governing Council of the Special Fund and the Economic and Social Council before being sent to the Assembly.

16. Mr. VIAUD (France), supported by Mr. LAVRI-CHENKO (Union of Soviet Socialist Republics), requested that the discussion of the draft resolution should be postponed, since the text had not been circulated on the preceding day, in accordance with rule 121 of the rules of procedure.

17. Mr. HARLAND (New Zealand) thought that, in view of the limited time at the disposal of the Committee, the discussion should be started immediately.

18. After a procedural debate, the CHAIRMAN invited the Committee to postpone the discussion of the draft resolution until the earliest possible date.

It was so decided.

AGENDA ITEMS 12, 28, 29 AND 30

Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (A/4820 and Corr.2, A/4911) (*continued*)

Economic development of under-developed countries (A/4820 and Corr.2) (*continued*):

- (a) Industrial development and activities of the organs of the United Nations in the field of industrialization;
- (b) Establishment of a United Nations capital development fund: report of the Committee established by General Assembly resolution 1521 (XV) (A/4878, E/3514, E/AC.6/SR.305-309);

- (c) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (A/4906, E/3556);

- (d) Land reform: interim report of the Secretary-General (A/4850)

Questions relating to international trade and commodities (A/4820 and Corr.2, E/3452/Rev.1, E/3466, E/3468, E/3486, E/3497) (*continued*):

- (a) Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Economic and Social Council (A/4885, E/3519, E/3520 and Add.1, E/3530);
- (b) Improvement of the terms of trade between the industrial and the under-developed countries: report of the Economic and Social Council

Questions relating to science and technology (A/4820 and Corr.2) (*continued*):

- (a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General (A/4904, E/3515);
- (b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such knowledge for peaceful ends: report of the Economic and Social Council (A/4898)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.565/REV.1) (*continued*)

19. The CHAIRMAN invited the Committee to take up the two-Power draft resolution on the role of patents in the transfer of technology to under-developed countries (A/C.2/L.565/Rev.1).

20. Mr. GUERREIRO RAMOS (Brazil) introduced the draft resolution. He observed that in the course of time patents had come to be recognized as a means of rewarding and encouraging creative endeavour in the technological field. Originally, technology had been an empirical and local phenomenon; now it had become scientific and universal. Gone were the days of the lone inventor, the rare and gifted individual. Modern inventions were the product of teamwork and socially organized research. Only pure science could give the answers to technological problems. Man could invent whatever he wished provided adequate material conditions were available. Even the problem of secrecy was becoming irrelevant. Much of the technological backwardness affecting many countries today could be remedied if the pertinent political decisions were adopted.

21. The existing international system of patents had been unable to prevent abuses which were detrimental to the public interest and it still suffered, to a large degree, from monopolistic interference. In certain cases, patents were requested by foreigners without any thought of manufacturing the patented product locally or of applying the new technique. Licensing agreements authorizing local firms to use an invention often contained restrictive provisions. Documents published by the Senate Sub-Committee on Patents and by the Anti-Trust Division of the Department of Justice of the United States contained abundant information on abuses of patents by large corporations.

22. For the moment, at any rate, the present system of patents should not be abolished. It was still useful and merely needed to be improved. One of the basic aims of the Brazilian Government was to defend local industry. Brazilian industrialists were not only encouraging technical innovations within their own enterprises but were also beginning to export patents.

The Brazilian Government did not hold any radical views on the subject of the international patents system but recognized that the abuses that were committed deserved careful study by organizations such as the United Nations.

The meeting rose at 1.10 p.m.