

United Nations

Nations Unies

UNRESTRICTED

ECONOMIC  
AND  
SOCIAL COUNCIL

CONSEIL  
ECONOMIQUE  
ET SOCIAL

E/CN.8/4/Add.1  
24 March 1947

ORIGINAL: ENGLISH

FISCAL COMMISSION

DOCUMENTARY MATERIAL CONCERNING THE TERMS OF REFERENCE  
OF THE COMMISSION

(Item 5 of the Provisional Agenda of the First Session)

ADDENDUM

Page 10, the text continues as follows:

"Mr. COLBJØRSEN (Norway):. . . the commission with the terms of reference proposed by the Colombian Representative, is perhaps too narrowly limited to the technical aspects of public finance, in view of the addition of the second line, particularly in its legal, administrative and technical aspects. After all, the technical aspects of public finance are not the most important and they are not the most difficult. The really important and difficult questions are, of course, the problems incident to taxation, the social and economic texts of various types of taxation, the redistribution of income through taxation, and all those things which I need not here further elaborate. Those are the real problems of public finance in the modern social world. When we are directing a Fiscal Commission, I think it is not quite right to narrow its terms of reference too much. I quite understand the difficulties which we are encountering here. Some may like to have a broadening of the terms of reference and some may like to have a narrowing but, at any rate, I think we cannot narrow it further down to its purely technical aspects, which already is the case in the text before us.....So, I am really more in favour of amendments along the line of those proposed by my colleague

/from

RECEIVED

MAR 26 1947

UNITED NATIONS  
ARCHIVES

from Peru, but, as they are amendments going in two different directions, perhaps the only solution is that we stick to the middle one proposed by our Colombian colleague, with a proviso that the terms of reference have to be very carefully considered by the Commission and we can clarify the position at a later session of the Council."\*

"Dr. Zuleta ANGEL, (Colombia): . . . As regards the amendments suggested by the Peruvian Delegation, I should like to say that I consider it to be well-defined, and I agree with it. Furthermore, I must say that I do not see that it is incompatible in any way with the amendment proposed by the Soviet Representative."\*\*

"Dr. MALIK (Lebanon): . . . I believe that the creation of such a Commission will be in line with the general desire to have the United Nations give the proper advice and guidance to the Member States in certain technical fields. I therefore welcome Paragraph 2 which envisages such possibilities, namely that: "The Fiscal Commission is authorized to assist any Member Government . . . in the field of public finance . . ." . . . In fact, I can say that as soon as the Commission is instituted properly and in full swing of action, my country probably avail itself of its technical knowledge. And finally, Mr President, it seems to me that such bodies as this Commission, dealing with specific technical topics, will help give the United Nations added weight and authority. The United Nations through the activity of such bodies and Commissions, will have an autonomous and creative function to perform; in addition to being the public platform where national policies meet and clash...I am, therefore, in favour of strengthening all these independent aspects of the life of the United Nations, aspects whose cumulative effect will be to give the United Nations a separate character of its own."\*\*\*

---

Verbatim Report of the Fifteenth Meeting of the Third Session of the Economic and Social Council,

\* Pages 22 - 23/25 E/P.V.30, 1 October 1946

\*\* Ibid p. 26

\*\*\* Ibid p. 26 - 27/30

/ "Sir G. SHANKAR BAJPAI

"Sir G. SHANKAR BAJPAI (India): ... I think there are two questions involved. The first is whether or not this Commission should be set up, and the second is, if so, what its terms of reference should be. On the first, namely, whether the Fiscal Commission should be set up, there is general agreement. It is only with regard to the terms of reference that some suggestions have been made. Now, Sir, it will be clear to everybody that when we are breaking new ground of this kind, any approach that we make in the first instance can only be an imperfect step and the possibilities of modification and change must be provided for. Those, Sir, are provided for, as has already been pointed out by our Colombian colleague, in paragraph 7: "Shortly after its creation, and thereafter, when appropriate, the Commission shall make recommendations and report to the Council with respect to its terms of reference, organization, and programme of work." That being so, Sir, and considering further that this wording has had very careful consideration already, I am reluctant myself to support any amendment, no matter from what quarter it comes ... If you look at paragraph 2 of the Resolution, or Draft Resolution, it says: "The Fiscal Commission is authorized to assist any Member Government of the United Nations on the matter set forth in 1 (a) above, upon the request of that Government." If we accept the Soviet amendment, we limit 1 (a) to the study and advice to the Council in the field of technical questions concerning public finance. Now, it seems to me that a Member Government may want advice not merely on a technical question. It may want advice on a question of policy. If paragraph 2 is to govern 1 (a), then in that case, there is the risk that this Commission will be precluded by its terms of reference from giving any advice on a question of policy. I think that we have to be a little careful and also a little trusting, to begin with the wisdom of the Commission itself. I, for one, therefore, would be in favour of leaving the text of the Resolution as it stands."\*

\* Ibid pp. 31 - 32

"Mr. HOFFMANN (France): ... I wish to express my support of the Peruvian Representative's proposal, which I know is also accepted by the Representative of Colombia. I think that we must widen the terms of reference of the proposed Fiscal Commission and not limit that Commission in its terms of reference to merely legal, technical and administrative aspects of the problem. If we limit it in any way to legal, technical and administrative work, we shall make it into a body devoted entirely to a work of compilation, codification perhaps, but in any case, a work which will be of interest to scientists from the scientific point of view but which will not be of very much value from the practical point of view. I think we have already recognized the importance of having wider terms of reference, because we laid it down that the Fiscal Commission should study the technical aspects of the problem with a view to preventing depressions and deflations. And I submit that it is impossible for the Commission to do that, to take steps to prevent depression and deflation, without studying the economic foundations which underlie those phenomena."

"Mr. ARGYROPOULOS (Greece): ... as long as we are disposed to accept the creation of this Commission, we ought not to restrict its field of activity. That is why I would like to propose the adoption of this Resolution, but I would admit, with my French colleague, that perhaps the amendment which was proposed by our Peruvian colleague would be very useful, and I would be in favour of its adoption."

Mr. Noel BAKER (United Kingdom): ... I felt much persuaded by our Norwegian and Indian colleagues and I would be prepared to follow them on both points which are under discussion. On the first, namely the definition of paragraph 1 (a) of the aspect of public finance which the Commission is to study, I know that the Colombian Representative who drafted this took into consideration the fact that there had been a lot of international practice on this. In fact, the Fiscal Commission of the League of Nations has continued to meet, I believe, in Mexico in 1940 and

\* Ibid p. 32

in 1943. There was a meeting in March of this year in London. I think it is in the light of that experience that this draft has been made. And I think, for the present, we should adhere to it carefully. ...With regard to the Peruvian amendment, I, personally, would not object to it, but I think it changes the emphasis a little. I feel sure, in fact, that the other Commissions and agencies will refer problems to this Commission for study, and I think it is in that way, by practice and customs that the correlation of the activities of the different Commissions can best be built up. For that reason, I would, like the Norwegian and other Representatives, prefer to stick to the text as it is, recalling always that the Commission is itself, under paragraph 7, to reconsider the matter. We could refer our present discussion to them, so that they should take it into account when they do look into the matter. Of course, we remain master of the situation, and if we do not like what they are doing, whether they make any recommendation to us or not, we can, at our next session or later, reconsider the matter and change the terms of reference.\*

Mr. FILONOV (Soviet Union): ... As regards the field of activity of the Commission, it seems to us that the practical work of the Fiscal Commission should be to give advice to the Economic and Social Council on questions connected with the organization of the interchange of information on the fiscal subjects between various countries. We consider that this would be a useful function. It is not our intention to restrict unduly the terms of reference of the Commission. We should like to propose also, that among the activities of the Fiscal Commission should be that of studying and recommending to the Council upon the technical questions connected with international investments and tariff barriers.

"Mr. ARCA PARRO (Peru): ... my main object in taking part in this debate was to support the adoption of the Resolution. I in no way want

---

\* Ibid p. 33/40

to slow down the discussion of the Resolution - so in spite of the support that the Delegations like the French and Greek have been so kind as to give to my amendment, I would rather be willing to withdraw that amendment having in mind that those terms of reference will be studied carefully by the Commission itself, and I am sure that some of the initiatives that have been brought up to this debate will have to be taken into consideration.\*

"Mr. FEONOV (Soviet Union): ... The Soviet Delegation can agree with your proposal with the following understanding: That in the next session of the Economic and Social Council when we are discussing the terms of reference of the Fiscal Commission, any amendment can be submitted on the understanding also that when the Commission itself meets and discusses the terms of reference that proposals and amendments of any kind -however radical - can be submitted at that time also. On these understandings, Mr. President, we have no objection to your proposal.\*\*

"CHAIRMAN (Dr. STAMPAR), (Yugoslavia) ... It seems to me that all the Members agree that this Sub-Commission should be established at this session. ...The Soviet Representative proposed to appoint a small working group to put some new wording in the terms of reference as it stands here, but as has already been said, paragraph 7 provides that the Members of the Fiscal Commission should discuss the terms of reference of this Organization and submit it to the Council ... If the Soviet Representative is satisfied with the provisions made under Article 7, perhaps it is not necessary to establish more working groups ...\*\*\*

-----

---

\* Ibid - p. 41

\*\* Ibid - pp. - 41 - 42/45

\*\*\* Ibid - p. 45

\*\*\*\* Ibid - p. 46