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Chairman: Mr. Omar LOUTFI (Egypt).

AGENDA ITEM 46

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/3121 and Add.1; A/C.5/673; A/C.5/L.398, 399, 401 and 405) (*continued*)

1. Mr. BRAVO CARO (Mexico) commended the report of the Committee on Contributions (A/3121 and Add.1) for its judicious application of the *per capita* ceiling principle. As far as payments in non-convertible currencies were concerned, too much latitude might cause the Organization difficulty and it would therefore be advisable to proceed with caution. The Mexican delegation had not yet had an opportunity of studying the United States amendment (A/C.5/L.405) to the draft resolution in the Secretariat's note (A/C.5/L.399) but it was in favour of paragraph 4 of the original United States proposal (A/C.5/L.398) as it was quite in order for the principles relating to the scale of assessments to be re-examined if a Member State so desired.

2. Mr. DAVIN (New Zealand) paid a tribute to the spirit in which the Committee on Contributions had carried out its work and supported all the Committee's proposals, not excepting the rate of assessment assigned to New Zealand. It was desirable that the new scale should, as suggested, remain in force for three consecutive financial years. Since the three States admitted at the beginning of the session would be paying very small contributions, the New Zealand delegation would agree that, as an exception, their contributions should be deducted from the sums payable by other Member States. With regard to the assessments of the sixteen States admitted at the end of 1955, there again the Committee's proposals were the only ones acceptable. Since the admission of Thailand and Israel, the services and facilities available to Member States had greatly improved, and he could not agree to either the complete waiver or the proportionate assessment proposed by certain delegations. In that connexion, the New Zealand delegation warmly congratulated the Ceylonese delegation which had recognized the justice of the Committee's position.

3. Contrary to the argument of the United States representative, the establishment of the new scale did not constitute a general revision within the meaning

of rule 161 of the Assembly's rules of procedure, and the Committee had acted in accordance with its mandate, the more so in that it had taken full account of the *per capita* ceiling approved by the General Assembly. Consequently, the contributions paid for 1956 by the new Member States should not be regarded as miscellaneous income. Moreover, that method was not unfair to the United States of America upon which the ceiling of 33.33 per cent already conferred a great advantage. With regard to the examination of the principles relating to the scale of assessment, including the assessment of the highest contributor such a debate would probably be inevitable at the twelfth session, since the Committee, which was to present a report to the thirteenth session, might have to ask the General Assembly for instructions in 1957. However, the United States proposal was drafted in terms which implied a general revision of the ceiling to which the New Zealand delegation could not subscribe. Capacity to pay should constitute the basic criterion in determining assessments. If the ceiling was reduced to 30 per cent, what assurance would there be that it would not be reduced still further at a later date? Moreover, the principle of the *per capita* ceiling was at present of advantage only to Canada, New Zealand and Sweden, but if the United States contribution was reduced, it might come into play in the case of other Member States and its application might further increase the burden on the less prosperous States. The reduction of the 33.33 per cent ceiling would therefore have inequitable consequences and the New Zealand delegation hoped that the United States would not stress the point, either at the current session or at subsequent sessions.

4. Thus, of the various draft resolutions before the Committee, only the Secretariat resolution (A/C.5/L.399) seemed acceptable, provided it was duly amplified.

5. Mr. DAN (Romania) could not agree to the reduction of the ceiling proposed by the United States. In point of fact, if the United States' assessment were calculated according to the usual standards, it would be about 50 per cent and not 33.33 per cent. Moreover, the sums spent in the United States by the United Nations and by delegations, and the repayment of taxes to international officials of United States nationality, were very important advantages for the United States. Lastly, any reduction in the United States contribution would impose new burdens on the economically weaker countries whose financial situations were already difficult.

6. Mr. SALOMON (Haiti) felt that the Committee on Contributions had carried out its difficult and unrewarding task very fairly. However, the Committee could not disregard the request of the United States of America which had, in the past, agreed to bear a very large proportion of the United Nations expenses. The

Haitian delegation realized that the new Member States were labouring under financial difficulties, but it wondered whether the Committee ought not to devote itself primarily to reducing the budget of the Organization.

7. Mr. LAVRIK (Ukrainian Soviet Socialist Republic) thought that the Committee on Contributions had taken sufficient account of the tremendous damage caused to a number of countries by the Second World War, the effects of which were still being felt. The Ukraine was among the countries that had suffered most, but since the Committee had slightly reduced its assessment and had stabilized the scale for three years, the Ukrainian delegation would support its conclusions. The United States proposal as it appeared in documents in A/C.5/L.398 and A/C.5/L.405 was unacceptable for the reasons already stated by a number of delegations, including those of the USSR and France.

8. Mr. BUNCHOEM (Thailand) accepted the recommendations of the Committee on Contributions regarding the assessments of old and new Members; he was glad that the Committee had been able for the first time to abide strictly by the *per capita* ceiling principle. With regard to the new Members' contribution for the year of their admission, the members of the Committee were agreed, it appeared, that it should be reduced to one-ninth of the annual contribution. However, in the first part of its proposal (A/C.5/L.401), the Cambodian delegation requested that the sixteen Members admitted in 1955 should not pay any contribution. On that point, the delegation of Thailand had no very positive views and it was willing to follow the majority. With regard to the second part of the proposal, he did not think that the Cambodian request could be granted, but he hoped that the Secretary-General would bear in mind the fact that Cambodia was experiencing very great difficulty in acquiring dollars. Lastly, the delegation of Thailand understood the reasons which had impelled the United States delegation to make its proposal (A/C.5/L.398); certain points in that proposal had long preoccupied his delegation. It had not yet had time to study the United States amendment (A/C.5/L.405) to draft resolution A/C.5/L.399 and reserved the right to state its views on that text at a later meeting.

9. Mr. DIEGUEZ (Guatemala) said that he was in favour of the scale recommended by the Committee on Contributions, on the grounds that it represented an equitable solution which took into account all the aspects of the problem; he also accepted the recommendation in paragraph 21 of the Committee's report regarding the assessment of the new Members for the year of their admission. In his view, the Committee, acting in a truly democratic spirit, ought to agree to examine the principles governing the scale of assessments as the United States requested; he would therefore vote in favour of paragraph 4 of the United States proposal (A/C.5/L.398). In the recommended scale (A/3121, paragraph 15) no change was indicated in the assessment of eleven countries (Afghanistan, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Lebanon, Luxembourg, Panama, Saudi Arabia and Syria) to which neither the "ceiling" nor the "floor" applied. That was contrary to the statement in paragraph 14 of the Committee's report, and he asked the reasons for that anomaly.

10. Mr. TURNER (Controller) replying, explained that the contributions of the eleven States in question had not been reduced proportionately because that could not be done by a calculation of the percentages to two decimal places; in the case of States whose assessment was under 0.10 per cent the proportional reduction was less than 0.01 per cent. The operation would be possible only if the assessments were calculated to three decimal places. Hence the Committee on Contributions had proportionally reduced all assessments over 0.09 per cent but had not changed assessments under that figure.

11. Mr. AHMED (Sudan) wished to comment on paragraph 25 of the report of the Committee on Contributions (A/3121). Despite the figure of 0.12 suggested to the United Nations Educational, Scientific and Cultural Organization (UNESCO) for Sudan, the Sudanese delegation would vote in favour of the recommendations of the Committee, whose report seemed satisfactory in all other respects, but it emphasized that the figure suggested to UNESCO bore no relation to the country's financial resources. Like many other members of the Committee, he felt that the Committee on Contributions should determine the assessment of the three new Members admitted in 1956 as soon as possible, so as to avoid their having to pay arrears. In his opinion, the Committee's recommendation regarding the contribution of the new Members for the year of their admission was reasonable; on that point, he was in full agreement with the representative of Ceylon.

12. Mr. COLOMA (Ecuador) shared the United States representative's views regarding the functions of the Committee on Contributions as defined in rule 161 of the rules of procedure and agreed with him that the Committee had departed from its terms of reference. While he appreciated the work the Committee had done, in view of the provisions of the rules of procedure he would naturally vote against its report (A/3121).

13. Moreover, it would be difficult for the Fifth Committee to depart from the Committee's recommendations, since the majority, including the United States delegation, had approved them as a whole and accepted the scale for 1957 proposed by the Committee. The Ecuadorian delegation could not support the suggestion that the contributions of the new Members admitted in 1955, for both 1956 and the year of admission, should be entered under the heading "Miscellaneous Income" but it was not opposed to reducing the contribution for the year of admission to one-ninth of the assessment for the full year.

14. He could see no valid ground for objection to paragraph 5 of United States proposal (A/C.5/L.398) and much less, to paragraph 4; he would therefore vote in favour of those two paragraphs. He associated himself with the observations made by the Guatemalan representative.

15. Mr. BLANCO (Cuba) observed that the United States of America showed a change of attitude in its amendment (A/C.5/L.405) and no longer opposed the application of the scale of assessments recommended by the Committee on Contributions for 1956. The Cuban delegation might accept the provision whereby the principles relating to the scale of assessments would be considered at the twelfth session but it expressed a reservation regarding paragraph 7 (b)

under which a new rule, establishing a "ceiling" of 30 per cent, would be applied. That request placed the Committee on Contributions in a difficult situation and tended to prejudge the question. His delegation would therefore be unable to support the United States amendment.

16. Mr. GUSTAFSON (Sweden) expressed satisfaction that the Committee on Contributions had for the first time succeeded in adhering strictly to the *per capita* ceiling principle. He felt that a reduction of the contribution of new Members for the year of their admission was justified. He supported the recommendations of the Committee on Contributions and would vote against the United States proposal but that did not mean that he was opposed to the examination of the principles at the twelfth session, for he found paragraph 6 of the United States amendment (A/C.5/L.405) acceptable.

17. Mr. JONES (United States of America) recalled that he had taken a moderate stand at the 537th meeting although he had been firmly convinced that the recommendation of the Committee on Contributions was inequitable and inconsistent with the basic principle of the United Nations: the sovereign equality of all Members. As he had stated, he had been willing to offer a compromise solution in order to avoid controversy at a time when the Organization had to face so many weighty problems. In that connexion, his delegation was particularly appreciative of the support that it had received from Burma, Canada, the United Kingdom and, especially, Iraq.

18. He wished first to clear up certain misunderstandings. First, contrary to what several delegations appeared to believe, the United States of America was not asking the Fifth Committee to decide now to reduce its contribution to 30 per cent, in other words, to establish a new ceiling. It merely sought an understanding to the effect that the Assembly would consider that question at its twelfth session and that the Committee would ask the Committee on Contributions to provide sufficient documentary material at its next session to that it would have available all the information it needed to consider that aspect of the matter. That was surely a reasonable request.

19. Secondly, many representatives apparently did not understand that the proposal calling for the treatment of the contributions of new Members for 1956 as miscellaneous income would be to the advantage not only of the United States, but of all Member States whose assessment was 0.08 per cent or less. Accordingly, he was surprised to learn that countries in that category considered the proposal inequitable and that other delegations rejected it on the ground that it was in the interest of the less prosperous countries to do so.

20. It could hardly be claimed further, as some delegations had, that that proposal would throw the greater burden on countries less able to pay. On the contrary, it would make it possible for the advantages resulting from the admission of new Members to be shared by all Member States without exception, as all would pay less than they would have done under the scale adopted in 1955, whereas the retroactive application of the new scale would benefit certain Members at the expense of others.

21. Thirdly, as the Assembly had decided at its preceding session to adopt a scale applicable for three years, there was apparently an impression that the Committee would be bound to accept the new scale now proposed by the Committee on Contributions for a three-year period—in other words, until 1958. That was not the case at all. If the decision taken the preceding year was to be binding, the scale adopted in 1955 would have to be maintained until 1958, the contributions of new Members for that period being treated as miscellaneous income. As the scale now before the Committee was a completely new one, its acceptance would automatically supersede the decision taken the preceding year. Furthermore, it was obvious that no one expected the recommended scale to be applied up to and including 1958. Three new Members had just been admitted and other States, such as Japan, might be admitted; the delegations would certainly wish the Committee to take the contributions of those new Members into account when it established the scale for 1958.

22. That being the case, his delegation was astonished that a country such as the Soviet Union should defend the three-year scale as sacrosanct while under the new scale the USSR would enjoy a reduction of approximately \$750,000 each year in comparison with the assessment that it would have to pay under the scale adopted in 1955. In that connexion some had argued that to regard the contributions of the new Members for 1956 as miscellaneous income would be to grant the greatest reduction in terms of dollars to the United States, which had the highest capacity to pay; if that argument was valid—and he did not believe it was—it should apply equally against the recommendation of the Committee on Contributions to grant the USSR the greatest reduction, although that country had a higher capacity to pay than all the other countries for which the Committee had recommended a reduction.

23. Certain other observations had been made which could not stand unchallenged. The Hungarian representative, for example, after speaking of the devastation of a large part of his country—for which he had blamed no one in particular—had mentioned other difficulties allegedly due to the trade policy of Western States. Further, the USSR representative had tried to create the impression that the United States of America profited from its position as the host country of the United Nations, as though the role of host country conferred certain financial advantages. The remarks regarding capacity to pay, he found particularly irrelevant. A figure had been mentioned as representing present United States capacity to pay without any statistical proof. Figures mentioned by the French representative could be used to show that the assessment of the United States had initially been fixed at less than two-thirds of its relative capacity to pay. If it was true that the income of the United States at present represented 45 per cent of the total income of Member States, as the Committee had been told, then on the 1956 basis its contribution should correspond to two-thirds of that amount, i.e., to less than 30 per cent. Consequently, with an assessment of 33.33 per cent the United States was paying more than in 1946 in proportion to its relative capacity to pay—a point which would surely be of interest to those delegations which had held that the part borne by the United States had progressively diminished in recent years.

Nevertheless, as he had already said, capacity to pay was not a decisive factor in establishing contributions; in fact, it had only a limited bearing; the important thing was to ensure that all the countries, which participated on a footing of equality in the undertaking of the United Nations, were accorded wise and fair treatment. The figure of 33 per cent—and that was a ceiling figure—did not in itself represent a “principle”; the principle in the present case was that no Member should pay a disproportionate share of the costs of the United Nations.

24. His delegation would feel justified in urging that its initial proposal should be put to the vote. However, in a spirit of compromise, it had agreed not to oppose the new scale for 1956 and 1957, thereby giving up at least \$2 million to which the United States

felt it should have become entitled as a result of the admission of new Members. However, it absolutely refused to accept the new scale for 1958. Moreover, it maintained the proposals made in paragraphs 4 and 5 of its initial draft (A/C.5/L.398); and, of course, it could always raise the question at the Assembly's twelfth session. It would accept reasonable amendments to paragraphs 4 and 5 provided that they did not affect the substance. The amendments that the United States delegation (A/C.5/L.399) would like to see made to the draft resolution prepared by the Secretariat on the basis of the report of the Committee on Contributions appeared in document (A/C.5/L.405).

The meeting rose at 4.35 p.m.