

GENERAL ASSEMBLY

SEVENTH SESSION

Official Records



FIFTH COMMITTEE, 363rd

MEETING

Thursday, 13 November 1952, at 3 p.m.

Headquarters, New York

CONTENTS

Page

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/2161, A/C.5/508, A/C.5/L.192, A/C.5/L.193) (<i>continued</i>)	131
---	-----

Chairman: Brigadier-General Carlos P. ROMULO (Philippines).

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/2161, A/C.5/508, A/C.5/L.192, A/C.5/L.193) (*continued*)

[Item 46]*

1. Mr. JOUBLANC RIVAS (Mexico), as first speaker on the list for the afternoon meeting, expressed his deep regret at the tragic death of Mr. Abraham Feller, the acting Assistant Secretary-General of the Legal Department, a man of great ability and high qualities whose death was a severe loss to the Organization.

2. Turning to the item on the agenda, he recalled that the Mexican Government had raised no objection when its assessment for 1952 had been increased. His country was glad to be able to contribute to the expenses of the United Nations and the specialized agencies, and was up to date in all its payments. However, he felt bound to express concern that the upward trend was apparently to continue. His country was not the only one affected, and he wondered how some of the countries which were already in arrears with their contributions would be able to meet a fresh increase in their quota. The Committee on Contributions had faithfully fulfilled a very thankless task, but he was not altogether happy at its conclusions. The Assembly had admittedly recognized in its resolution 238 A (III) that in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year. But the Assembly had never decided that "normal times" had been reached, or that the time had come to put the principle of a ceiling into practice. The Committee on Contributions could therefore not legally put that principle into practice on its own account, as it was apparently attempting to do by its successive proposals for reduction of the United States assessment.

* Indicates the item number on the agenda of the General Assembly.

3. The Committee had based Mexico's assessment on its average national income estimates for 1950 and 1951. Those years, however, were not at all typical for countries in the low-income group, because they coincided with a boom in the export of raw materials due to the requirements for the Korean war. That boom had now passed, and countries which relied on the export of raw materials would have to face a decrease in trade, inflation at home and increasing difficulty in procuring dollars. It was hardly fair to increase their assessment for 1953 because of a very temporary improvement in their position during 1950 and 1951. He regretted, therefore, that he could not support the proposed scale of assessments so far as it affected his country. That attitude was due less to the proposed increase for 1953 than to its implications for the future. A policy of decreasing the assessments of countries in the high-income group obviously meant that the lower-income countries would have their assessments increased. That seemed unfair, especially as some of the under-developed countries which had not the means to develop their own natural resources were in effect contributing indirectly towards the payment of the high contributions of the wealthier countries.

4. He emphasized that he was speaking purely on behalf of his own delegation and did not wish to be accused of leading a movement of the under-developed countries against the proposals of the Committee on Contributions. His sole concern was to see that the Mexican contribution was not higher than his Government considered justifiable, and to point out that the scale of assessments ought not to be based on the ceiling principle, which had never been formally adopted.

5. Mr. FENAUX (Belgium) added his tribute to those already paid to the Committee on Contributions and to its very able Chairman. He was prepared to adopt the Committee's report (A/2161) as it stood. His country was one of those which had had their assessments increased for 1953, and was quite willing to accept that increase. All that Belgium asked was

that its effort, like the efforts of all the other countries in the middle-income group, should be properly appreciated by the countries which found themselves at the two extremes of the scale. He hoped that those who contributed the least would not be irresponsible and lighthearted in spending the money contributed by others, and that those who paid the highest contribution would refrain from demanding changes in the scale of assessments which would throw an unfair burden on the countries in the middle of the scale. The middle classes had always been and still were a solid, stabilizing influence in many countries, and he hoped that the middle group of countries between the highest and the lowest contributors would be able to fulfill that same stabilizing function in the United Nations.

6. He fully agreed with the recommendation of the representative of the Union of South Africa, that the United Nations should act prudently and gradually, taking all the factors into account so that the problem could be viewed as a whole, and with that representative's views about the Working Capital Fund and the need for an appeal to the conscience of the countries which were in arrears with their contributions. He was glad to be able to say that his country had responded to the Secretary-General's request that 50 per cent of the contributions should be paid during the first three months of the year, and he hoped that other countries would do likewise.

7. He agreed in principle with the United States representative that the highest contributor should not pay more than one-third of the Organization's budget. Indeed, he thought it was wrong to refer to one-third as a ceiling, because he felt that the aim should be eventually to reduce the assessment of the highest contributor to a figure below one-third of the total budget. However, he could not agree to the proposal in the United States draft resolution (A/C.5/L.192) that the one-third ceiling should take effect immediately, because such a sudden change would adversely affect the countries in the middle group which were not protected by any ceilings. There seemed to be some contradiction in the United States proposal because, while requesting an immediate adjustment in the United States assessment, it also confirmed previous decisions on the criteria to be applied in fixing the scale of contributions. Moreover, a change in the United States assessment would obviously have repercussions throughout the whole scale of contributions, and it seemed rather unrealistic to expect the Committee on Contributions to start its work all over again at that stage. He was more sympathetic towards the Canadian proposal for an adjustment in 1954, but even so he would still prefer a more gradual change.

8. Mr. HAGBERG (Sweden) fully agreed with the United States representative that the Committee on Contributions had a most difficult and thankless task. In view of the difficulty of piecing the scale of contributions together, the Fifth Committee must be extremely cautious in recommending adjustments. In fact, for the time being the only practical procedure was to accept the scale as proposed. Fundamentally, he agreed with the general comments of the Canadian representative. The Committee on Contributions had taken an important step towards the full equality which, as the scale was to be applied for one year only,

might be hoped for later. The achievement of that aim should be facilitated by the marked economic improvement in many countries since the end of the war, but satisfactory statistical information was also essential. He was glad to note from the Committee's report that there had been an improvement in that respect, but he assumed that further improvement was possible.

9. From the very beginning Sweden had paid a relatively high contribution. Successive reductions in that initial over-assessment had been made, and he hoped that eventually the contributions to the United Nations budget could be apportioned with complete equity. Sweden had a population of only seven million but paid the ninth highest contribution. The need, due to the abnormal conditions after the war, for a high contribution from countries which had the capacity to pay was of course recognized in Sweden, which had quite willingly, from a sense of duty, assumed considerable international burdens since the war. However, the rate of taxation in Sweden was one of the highest in the world and the Government had to be very careful about its expenditure.

10. He had listened with interest to the appeals for reduction in the assessments of the highest contributors made by the representatives of the United States, the USSR and Poland. He believed that, once the question of principle had been settled, the problems would be mainly technical, although some important psychological and political factors would also be involved. The Committee should avoid all discussion of those latter issues and should even leave aside, until they had been thoroughly studied by the governments concerned, delicate technical problems such as the extra financial burden which participation in the United Nations laid upon the remoter or smaller countries, the returns in the form of taxes which some countries received, the need to reconstruct the war-devastated countries and the generous support in that work given by the United States, the currency shortage, and the different purchasing power of income. Until those problems had lost some of their importance it would be difficult to support any long-term scale of assessment or to make any commitments regarding fixed contributions.

11. He fully agreed with the recommendation in paragraph 38 of the Committee's report regarding the payment of contributions in currencies other than United States dollars, and he was prepared to vote in favour of the scale of assessments recommended by the Committee.

12. Mr. SHTOKALO (Ukrainian Soviet Socialist Republic) remarked that for the third successive year the Committee on Contributions was proposing a totally unjustified increase in his country's assessment. Those increases conflicted with resolution 14 A (I) adopted by the General Assembly on 13 February 1946, which referred specifically to the relevant passages of the Preparatory Commission's report. One of the factors which the Preparatory Commission had recommended for consideration was the temporary dislocation of national economies arising out of the Second World War. In the establishment of his country's original assessment some, but not nearly enough, allowance had been made for that factor, but subsequently it seemed to have been totally ignored. The majority in the Committee on Contributions had attempted to justify their

proposal by referring to the improvement in the economy of the Ukraine since the end of the war. It was perfectly true that great feats of reconstruction had been achieved thanks to the help of the USSR, but even so the dislocation caused by the Second World War still affected his country's economy and should still be borne in mind. The proposal to increase his country's assessment was a flagrant injustice to the Ukrainian people, who had made tremendous sacrifices during the war and a very great contribution to the cause of peace and security.

13. Another pertinent factor referred to in the Preparatory Commission's report was "the ability of Members to secure foreign currency". The Committee on Contributions had failed to take that factor also into account, although it was an extremely important one now that the United States was discriminating against the USSR and its trade policy and thus hindering the countries of Eastern Europe in securing the dollars they needed to pay their United Nations contributions.

14. Furthermore, the Committee on Contributions had decided in 1950 that there should be no change of more than 10 per cent either upward or downward in the assessment of any country in any one year (A/1330, para. 12). It was itself disregarding that working principle in its proposal to increase his country's assessment by approximately 25 per cent.

15. At the same time it proposed to decrease the United States assessment, a proposal for which there could be no possible justification since, far from suffering from the war, the American monopolists had made vast profits. Similar profits were again being made as a result of the frenzied armaments race, and the United States economy was in a very favourable position. Moreover, the location of the Headquarters at New York was extremely profitable to the United States; more than \$1,500,000 was paid back to the United States each year by the United Nations in income-tax reimbursement.

16. For all those reasons he warmly supported the USSR proposal that the assessments of the USSR, the Ukrainian SSR, the Byelorussian SSR and Poland should be kept at the 1950 level (A/C.5/L.193).

17. Mr. LIVERAN (Israel) associated himself with the Mexican representative in expressing his most profound regret at the tragic loss suffered by the United Nations in the death of Mr. Feller, one of its most able and brilliant staff members.

18. His delegation much appreciated the valuable report presented by the Committee on Contributions, and the able and expert guidance of its Chairman.

19. An annual review, not only of the scale of assessment proposed by the Committee on Contributions, but also of the decisions, principles and working rules laid down by the Assembly for the computation of the scale, had hitherto been necessary. The thorough examination just undertaken by the Committee on Contributions now enabled discussion of the relative importance which ought to be attached in future to all those guiding rules, and an agreement on the rate at which they should be put into full effect.

20. The task of reconciling all the principles involved was formidable, and was not made easier by the ambiguous relationship between the preamble and the opera-

tive part of resolution 238 A (III), and by the delicacy of a decision on when times were "normal" within the meaning of the relevant resolutions. The practical implications of the conflicting injunctions laid upon the Committee on Contributions had been dealt with in its report (paragraphs 19 and 20); and the Committee had moreover noted the future consequences of following its previous policy. The system of practical compromise it now proposed pointed the way to a solution likely to prove acceptable to all.

21. The Israeli delegation agreed that a re-examination of the validity of divergent principles for purposes of elimination would not lead to any practical results at the present stage. In practice all the principles involved had become accepted as relevant. The problem was therefore more to define the scope of each principle and agree upon the time to be allowed for gradual implementation of the compromise thus reached. If the principle contenders showed readiness to do that, then the chances for real progress would be considerably enhanced, and the remedy for anomalies arising out of the compromise, particularly those outlined in paragraph 20 of the report of the Committee on Contributions, would possibly be found.

22. While approving the report as a whole and commending it in particular for its approach, the Israeli delegation had to reserve its position on the assessment of Israel's contribution. There had been no change in Israel's assessment for 1953, but the detailed comments of the Israeli delegation on the 1952 assessment were still considered to be valid and relevant. It would require a very real and considerable improvement in Israel's economic situation before the present percentage figure could be accepted as appropriate. The impact upon Israel of the increase of its 1951 assessment by 41 per cent, effected in the previous year and spread over two years, had not yet diminished. Israel had made a special effort to pay its contribution for 1952, but that should not be taken as an indication that its capacity to contribute such considerable sums in foreign currency had changed materially. It indicated rather the importance Israel attached to its international obligations, even when their fulfilment imposed a considerable burden upon its slender resources.

23. The Israeli delegation was favourably impressed by the recommendation of the Committee on Contributions that future assessments should be based on an average of the national income for three years. That wider basis would allow necessary adjustments, particularly for under-developed countries where outside economic aid might cause a decided fluctuation in the income figures for any one year. It would also indicate more surely whether certain factors in the economies of newly-established countries were permanent or ephemeral.

24. The Israeli delegation hoped that at the present session a resolution could be adopted taking note of the real achievement represented by the report of the Committee on Contributions, and at the same time making equitable adjustment even of the smallest contributions both possible and inevitable.

25. Mr. FRIIS (Denmark) said he had no special observations to make on the scale of contributions proposed for 1953. His delegation recognized that the

Committee on Contributions had done its best in difficult circumstances, and felt that its procedure was scarcely open to criticism. It had applied the criteria adopted by the General Assembly, and its recommendations had taken into account the expert advice of the Secretariat and the considered judgment of its members, who had been chosen with due regard to geographical and other considerations. He also noted that the General Assembly might receive at its eighth session proposals for a more permanent scale, to come into force perhaps in 1955.

26. The Fifth Committee should recognize fully that estimates of national income were far from an ideal basis for assessing the contributions of Member States. His delegation realized, of course, that that was not the only criterion the Committee on Contributions used, although it had always occupied a prominent place in the Committee's deliberations. The Fifth Committee was no doubt as fully aware as the Committee on Contributions of the defects inherent in it. Statistical methods for computing national income varied from one country to another; differences in economic structure and in the relative extent of money economies made direct comparisons between national incomes seriously unreliable. Despite the improvement in statistical data, there was apparently still a lack of adequate, up-to-date information on national income for a number of countries. The conversion of estimates of national income into a common monetary unit raised serious problems as to the proper exchange rates to be used. Experts in the Danish administration who had stressed those points had not, however, been able to suggest a better principle for assessment, and his Government was therefore willing to consider in future national income as indicative; but it could never agree that assessments should be based completely or automatically on the changing figures of national income, whether the figures covered a single year or an average number of years.

27. The same considerations applied to the use of the *per capita* principle. He would apply them also to proposals for a permanent scale submitted in 1953.

28. At the present stage he would merely state his general agreement with the proposed scale for 1953 and express the hope that the Fifth Committee would not make drastic amendments likely to destroy the carefully-considered balance of contributions. In that connexion the Danish delegation's views coincided largely with those expressed by the representative of the Union of South Africa.

29. Mr. OYARZUN (Chile) expressed his Government's appreciation of the excellent work done by the Chairman and members of the Committee on Contributions. That did not mean, however, that his Government fully shared all their views. Consequently his delegation wished to record its opinion that in future, when considering the most appropriate method of establishing the scale of assessments, the Committee on Contributions should give special attention to the economic difficulties confronting many nations, among them Chile, and reducing their capacity to pay.

30. His delegation would not object to approval of the scale of assessments proposed for 1953, but it felt that the General Assembly should agree on some directives for a review of the scale for 1954 and

should instruct the Committee on Contributions to pay special attention to the position of those countries whose ability to pay and whose average national income fluctuated considerably.

31. His delegation also thought it essential in future to broaden the authorization given to the Secretary-General to accept, after consultation with the Committee on Contributions, as large a proportion as possible of the contributions of Member States in national currencies.

32. He would refer later to the proposals on the scale of assessments for 1954 put forward during the debate.

33. Mr. PSCOLKA (Czechoslovakia) pointed out that his delegation had opposed during the general debate the continuous rise in the United Nations budget, and consequently supported all justifiable proposals for reductions in the appropriations. The share of the United Nations budget which each Member nation had to bear represented a heavy burden, and it was therefore essential to ensure an equitable distribution of the responsibility.

34. As at previous sessions, the Czechoslovak delegation was still critical of the work of the Committee on Contributions. The Committee, in the recommendations in its report, had not taken due account of the General Assembly resolutions setting out the principles upon which the scale of assessments should be compiled, and had also failed to adhere to its own rules for adjusting the scale.

35. Resolution 14 A (I) of the General Assembly had recommended that contributions should be assessed on the basis of capacity to pay, and had set forth the criteria for determining each country's capacity. The scale of assessments for 1953 fell far short of reflecting those criteria and was therefore inequitable.

36. For the third successive year the Committee on Contributions had proposed an increase in the assessments of the USSR, the Byelorussian SSR, the Ukrainian SSR and Poland totalling 3 per cent of the entire scale, while recommending a reduction in the assessment of the United States, the United Kingdom, Turkey, Sweden, the Union of South Africa, Canada and other countries. Reductions had been proposed for all countries having representatives on the Committee on Contributions. For example, the Netherlands contribution had been reduced successively for the preceding three years.

37. While the assessments of certain countries of Eastern Europe were being increased, striking reductions were being made in the countries members of the North Atlantic Treaty Organization, chief among these being the United States. Nevertheless, those countries were devoting by far the larger portion of their budgets to aggressive designs. According to *The New York Times*, 70 per cent of the United States budget for 1954, which amounted to approximately \$85,000,000,000, would be expended for military purposes.

38. If, as the Committee on Contributions alleged, it had received more satisfactory data on national incomes, he could not understand the decision in the case of the United Kingdom, for it had apparently not taken into account the revenue derived by the

United Kingdom from the exploitation of its colonies and Trust Territories.

39. The Fifth Committee well knew how sorely the countries of Eastern Europe had suffered from the Second World War and that since the end of the war those countries had had to struggle to repair their war-torn economies. The Committee on Contributions had not, however, taken that factor into account in compiling the scale of assessments for 1953. Although it had not recommended an increase in Czechoslovakia's assessment for 1953, large and unjustified increases in that country's assessment had been put into effect in the two preceding years.

40. The Committee on Contributions had also ignored the great difficulties experienced by many countries in obtaining foreign currency. In paragraph 14 of its report it specifically stated that "in view of the wide extent of these difficulties the Committee, while taking them into account in individual cases, found it impracticable to make any systematic allowance for this factor". That was entirely the wrong approach for it ignored that the United States was beset by no currency difficulties and that, in addition, United States international trade policies were responsible for currency difficulties of other countries. The United States had inaugurated discriminatory trade practices against the countries of Eastern Europe and was exerting pressure on other States to follow suit, while at the same time the nations Members of the North Atlantic Treaty Organization were compelled to expend their dollar reserves to purchase weapons of war. Trade statistics were adequate evidence of the trend of United States policies in regard to international co-operation.

41. Although the Committee on Contributions had ignored those essential factors, it had scrupulously observed the preamble of General Assembly resolution 238 A (III) dealing with the application of a one-third ceiling to the largest contributor to the United Nations, namely the United States. The operative part of the resolution, however, made no mention of a *per capita* contribution or a one-third ceiling, which in any case according to paragraph 5 was only to be applied "as world economic conditions improve". A study of the operative part of the resolution made clear that neither the one-third ceiling principle nor the *per capita* principle were intended to bind the Committee on Contributions.

42. It would be time enough for the General Assembly to take a clear decision of principle on the question when normal times had returned. In the meanwhile, however, his delegation would have to disagree to any reduction in the United States assessment.

43. The United States was in a peculiarly fortunate position. It had not had to repair any damages of war; on the contrary, as a result of the war the profits of United States monopolies had increased by leaps and bounds. It had no currency difficulties, and it derived considerable benefit from the presence of the United Nations Headquarters in New York. The greater portion of the United Nations budget was expended in the United States, which was also reimbursed for the income-tax payable by United States nationals employed in the Secretariat; in that way the other

Member States were actually contributing to the United States Treasury. In fact, according to paragraph 45 of the Advisory Committee's report (A/2157), such payments were likely to amount to over \$7,000,000 for the years 1946 to 1952. A simple calculation would show, therefore, that the United States contribution to the United Nations for 1952 had actually been much lower than the 36.90 per cent given in the report of the Committee on Contributions. Taking into consideration reimbursement for income-tax and the other factors he had mentioned, approximately 4 per cent annually should be deducted from the United States contribution, which would bring it well under the one-third ceiling. If that fact were followed to its logical conclusion, the practice of making annual reductions in the United States assessment would appear clearly unjustified. Much the same comment could be made with regard to the assessments of Canada, New Zealand and certain other countries, all of which indicated that resolution 238 A (III) had been interpreted incorrectly. In paragraphs 15 to 20 of its report the Committee on Contributions had recognized the difficulties inherent in applying the principles set forth in resolution 238 A (III), which conflicted with the original General Assembly resolution 14 A (I).

44. His delegation, after considering the report of the Committee on Contributions and after a thorough study of the facts, could not agree to the reduction in the United States contribution and the increase in the assessments of the countries of Eastern Europe. To be fair, the contributions of the USSR, the Ukrainian SSR, the Byelorussian SSR, Poland and Czechoslovakia should not exceed the 1950 level. For those reasons the Czechoslovak delegation would support the USSR draft resolution (A/C.5/L.193), which duly emphasized the pertinent aspects of the currency problem and the devastating effects of the Second World War on the national economies of certain countries.

45. His delegation therefore insisted that the report of the Committee on Contributions should be rejected; that in working out the scale of assessments the important factors to which he had drawn attention and the principles laid down in General Assembly resolution 238 A (III) should be respected; and that the Fifth Committee should request the Committee on Contributions to draft a fresh report.

46. Mr. GANEM (France) thanked the Chairman and members of the Committee on Contributions for the accurate and impartial study they had made. Contrary to the position of certain delegations, he felt that from the very outset the ten experts on the Committee on Contributions had worked objectively and without regard to nationality to arrive at impartial decisions despite the manifold technical difficulties with which they had been confronted.

47. Foremost among those difficulties was the lack of adequate statistical data, and he was therefore gratified to note in the Committee's report (A/2161, para. 6) the comment that the statistical information it had received had shown a marked improvement. He was gratified that more data were being published in the USSR and that the monthly statistical bulletins issued in the Soviet Union were apparently to be given wider circulation. Those developments would undoubtedly

assist the Committee on Contributions in its work in 1953.

48. The Committee on Contributions was not merely to assemble information but also to evaluate the figures with an inquiring mind and interpret them with an understanding of the general situation, for both statistical knowledge and some idea of psychology were required in preparing the scale of assessments.

49. The Committee on Contributions had also had difficulties in applying the principles and recommendations established by the General Assembly and the Fifth Committee. It had had specifically to take into account the one-third ceiling and the *per capita* principle, and it had been instructed to give special attention to the position of the under-developed countries. As representatives of the Union of South Africa and of Venezuela had said, those three principles were contradictory in some respects, and the Committee on Contributions had had to reconcile them in order to work out an acceptable scale.

50. The French delegation had since 1946 consistently supported the idea of a one-third ceiling on the largest contributor to the Organization. It had voted in favour of the preamble of General Assembly resolution 238 A (III) and would not now go back on its decision. It doubted, however, the advisability of putting the principle into practice forthwith, feeling as it did that some further adjustments might first be necessary. His delegation therefore hesitated to support the Canadian and United States texts, on the ground that the Fifth Committee should not categorically instruct the Committee on Contributions to apply the one-third ceiling principle in the 1954 scale. The Fifth Committee had no way of foretelling what world economic conditions would be when the 1954 scale of assessments was worked out, and therefore the United States draft resolution (A/C.5/L.192) could not appropriately be adopted in its existing form. In a spirit of compromise, however, the Fifth Committee could accept the Canadian text if it were amended so that, instead of giving the Committee on Contributions rigid instructions to carry out the principle in the 1954 scale of assessments, it gave the Committee some discretion to go as far as possible in that direction and to postpone the full application of the principle if necessary.

51. The *per capita* principle had been accepted by the Fifth Committee chiefly at the behest of the Canadian delegation. It was a striking fact that, owing to the reduction in the United States contribution, the *per capita* contribution of Canada would exceed that of the United States although the two countries were not equally wealthy.

52. The Fifth Committee had accepted that principle and he was not for a moment suggesting that it should review its decision. The difficulties and risks of an unduly rigid application of the principle, especially for the middle-income countries, had however been emphasized during the debate by various delegations and particularly by the representatives of Mexico, the Philippines and Cuba. The Fifth Committee might well state in its report that the Committee on Contributions should take the *per capita* principle into account but apply it with such flexibility that the middle or lower-income countries did not suffer.

53. In 1951 the Fifth Committee had instructed the Committee on Contributions to take into account the position of the under-developed countries (A/2019). That was a valid instruction but in some cases entailed delicate decisions. Sufficient data on some countries had not been available to the Committee on Contributions. As the Cuban representative had pointed out, his country's contribution had been established when the price of sugar, Cuba's main export crop, was high. Subsequently the market price of sugar had dropped almost 25 per cent. If the Committee on Contributions were still in session to work out the scale of assessments, it would very probably recommend a slightly lower figure for Cuba for 1953. The same comment applied to the Mexican, Philippine and Pakistani assessments, the last-named of which, instead of being continued at the 1952 rate, would probably have been reduced.

54. He was well aware of the effect of the Second World War on the economies of the Eastern European countries, and understood the USSR delegate's plea to mean that the increase in the USSR contribution should be introduced more gradually. The conclusions of the USSR representative had based on the destruction wrought by the war were not very practical or temperate, for to wipe out three years' work done by the Committee on Contributions, to reject its report and to return to the 1950 scale would clearly be both impossible and unwise. The Fifth Committee could not alter in such a fashion a scale of assessments which had been worked out impartially and judiciously by its subsidiary organ.

55. The French Government was in favour of the proposed 1953 scale of assessments. The Fifth Committee might, however, be able to arrive at a compromise that would partially satisfy the feeling of some countries that psychologically, if not materially, the increase in their contribution was unjustified. The French delegation had felt that the Committee on Contributions should not vary the assessments of any State by more than 10 per cent each year. The Committee on Contributions had decided otherwise and his delegation would accept their decision, but taking into account the objections of certain Members he wondered whether the 1952 scale of assessments for contributions to the Working Capital Fund could not be maintained for 1953. He doubted the wisdom of applying the 1953 scale to the Fund, which was rather more permanent. It might be better to postpone adjustments in the scale of contributions to the Fund until the Committee on Contributions had worked out the proposed more permanent scale of assessments for 1954.

56. His suggestion might, if accepted, have definite advantages for the United Nations treasury, as well as partially meeting the objections to the scale and yet not infringing the decisions of the Committee on Contributions. If the Fifth Committee applied the revised 1953 scale to the Working Capital Fund, the adjustments would be recorded as of 1 January 1953; that would result in an immediate loss to the Secretary-General of approximately \$600,000, which he would recover gradually throughout the year. The Fifth Committee was aware that by the middle of the fiscal year the Organization was often in need of funds.

The Secretary-General had in fact had to request the Fifth Committee to increase the Working Capital Fund by over \$1,000,000 in the previous year. The Fifth Committee had acceded to that extraordinary measure, but he hoped that it would not be repeated. If his suggestion were accepted, however, the countries which had suffered the most destruction during the Second World War would be given some relief while from the practical point of view the situation of the Working Capital Fund would be easier.

57. The report of the Committee on Contributions had always been adopted unanimously until 1950. By following his suggestion the Fifth Committee might also be able to reach unanimous agreement on the present report of the Committee on Contributions, especially if the Canadian delegation agreed to amend its proposal as he had suggested.

58. He expressed his regret at the death of Mr. Feller and associated himself with the tributes paid to a devoted servant of the United Nations.

59. Mr. FAHMY (Egypt) complimented the Committee on Contributions and its distinguished Chairman. The report of the Committee on Contributions, which was an excellent analysis of how the scale of assessments had been derived, stated in paragraph 12 that the General Assembly's directive to pay particular attention to countries with low *per capita* income had been heeded; but that factor had unfortunately carried less weight because of the consideration given to the two ceiling principles mentioned in General Assembly resolution 238 A (III), which had been subjected to various interpretations. In fact the report stated in paragraphs 15, 16 and 17 that agreement could not be reached on the interpretation of that resolution and that accordingly the Committee on Contributions had not felt justified in giving full effect to those principles, although it had been compelled to recommend some reductions for the countries benefiting from them.

60. His delegation agreed with the other representatives who had emphasized that the Committee on Contributions should not be asked to work under terms of reference which were not absolutely clear. The Fifth Committee should remedy that defect. It might offer the Committee on Contributions further guidance by giving the views of delegations in its report.

61. His delegation was firmly convinced that special allowance should continue to be made for countries with a low *per capita* income and should not be offset by undue application of the *per capita* and one-third ceilings at the present time. Those criteria were recognized only in the preamble of General Assembly resolution 238 A (III), which made no reference in its operative part to their implementation. Accordingly he thought their application had been explicitly suspended.

62. He again appealed to the United States representative, as he had done in 1951, not to press for the immediate implementation of the one-third ceiling principle, as its application was not justified under existing world economic conditions. The application of both principles should be suspended until economic conditions had improved.

63. Egypt was waging a relentless struggle for the social welfare of its people and was anxious to devote every penny to the pressing needs of the poor, the sick and the handicapped.

64. The arguments adduced in favour of the immediate application of the two ceiling principles were based both on considerations of the issues involved and on the psychological pressure of public opinion in the United States. If such factors were really involved, however, they should rather favour his Government's point of view. He would find it impossible to explain to his countrymen or to other Middle Eastern nations that the world's economy was stable, prosperous or, in a word, normal. A United States correspondent in Cairo had cabled to *The New York Times* that the United States Department of State was recruiting experts to assist the Egyptian Government in surveying the possibility of a rapid development of Egypt's resources, and chiefly to find a way of freeing Egypt, at least partially, from her dependence on cotton as an export. Large quantities of the previous cotton crop were still in storage and prices had declined by almost 50 per cent. Yet cotton exports were Egypt's main source of foreign currency. Egypt was obviously in an unfavourable economic position, and that fact should convince the Fifth Committee that further implementation of the two ceiling principles should be suspended. It should certainly contradict the statement that the world economic situation had returned to normal.

65. His Government appreciated the generous contribution of the United States and the other more advanced countries to programmes of economic development, but he cited the Arab proverb "Do not take with the left hand what you have given with the right".

66. Accordingly his delegation would be unable to support the proposals put forward by the United States and Canada. It would vote for the scale of assessments for 1953 recommended by the Committee on Contributions only on the clear understanding that the Egyptian delegation would be unable in 1953 to support any further application of the two ceiling principles.

67. Mr. LALL (India), as a member of the Committee on Contributions, was gratified to note the large measure of fundamental agreement on its recommendations. At the same time, some representatives apparently felt that it had not given sufficient weight to important economic factors in drawing up the scale of assessments for 1953. He had the impression that a somewhat too idealistic yardstick had been applied in reaching that conclusion. The important fact was that the Committee's recommendations referred to one year only. He was confident that delegations who bore that fact in mind would see how practical the recommendations were and how much effort had been made to conform to all the General Assembly's directives. The Assembly's injunction to give particular attention to countries with low *per capita* income was a case in point. The Committee on Contributions had had to take account of the effect on other Member States of doing so, and had therefore found that it had to be moderate in its help of the under-developed countries.

That help should be regarded as adequate in the light of the various counterbalancing factors.

68. Moreover, in cases where cold statistics might have called for a substantial change in the rate of contribution, the Committee, contrary to what some delegation appeared to believe, had given due weight to general economic factors as well as to the specific considerations enumerated in the General Assembly's relevant resolutions. The assertion that it had overlooked the dollar currency difficulties of certain countries was therefore untrue, although the report had noted the difficulty of determining the allowance that should be made for that factor.

69. Since the *per capita* income ceiling and the one-third ceiling for the highest contributor were two entirely separate proposals, supported by different underlying reasons, it would not be logical to link the two together. It might therefore be better for the application of the *per capita* income ceiling to be limited in the future, so that the contributions of the countries protected by it would not be increased above the present level unless the *per capita* contribution of the United States rose above theirs. That was, however, no more than a suggestion for future years. He felt that the Fifth Committee should accept in full the report of the Committee on Contributions, and hence the Indian delegation would not be able to support any of the draft resolutions proposing modifications.

70. Mr. PACHACHI (Iraq) also praised the report. The task of determining the scale of assessments was, he said, not easy. The various factors to be taken into account, as enumerated in the relevant General Assembly resolutions, were not always compatible and the resultant compromises were bound to excite disapproval in some quarter or other. Nevertheless the Committee on Contributions had been able to chart a middle course, giving partial recognition to all the criteria, and had established a scale of assessments as just and equitable as was possible in the circumstances.

71. The temporary dislocation of national economies arising out of the Second World War could now be regarded as over. Even the countries which had suffered most had, by their own admission, restored their economies and could not therefore claim readjustments on any valid grounds. The Committee on Contributions had rightly stated that currency difficulties were experienced by practically all Member States. Most countries of the world had balance-of-payments problems and were finding it increasingly difficult to obtain the dollars needed to pay for imports. There were a few fortunate exceptional countries with dollar surpluses whose artificial economy was almost entirely supported by large donations from the dollar area. For others less fortunate the problem persisted and no quick solution was in sight. It was accordingly necessary to maintain and improve existing arrangements to enable Member States to pay part of their contributions in national currencies.

72. The most important and the only permanent criterion for determining the scale of assessments was *per capita* income. If any conflict arose in application between that principle and the one-third ceiling, the latter had to be sacrificed. The countries with a low *per capita* income were facing acute economic difficul-

ties. Their economies were mostly based on raw materials, the prices of which had not risen in proportion to the prices of manufactured goods. Many of them, moreover, were undertaking extensive programmes of industrial development with the object of raising living standards. Accordingly the Committee on Contributions should again be asked to pay special attention to those countries. The United Nations was in duty bound not only to assist them with technical aid but also to lighten their financial burden, which was proportionately heavier than that borne by the highly-developed States.

73. The Committee on Contributions was entirely justified in postponing for the time being the full application of the one-third ceiling referred to in General Assembly resolution 238 A (III). The application should be progressive and gradual in order to prevent serious effects on other Member States. He fully understood and sympathized with the United States' desire to have the principle applied immediately, but felt that the time was not ripe, and was therefore unable to support the United States draft resolution to that effect. The Iraqi delegation would vote for the recommendations of the Committee on Contributions and against the USSR draft resolution.

74. Mr. LYNKOV (Byelorussian Soviet Socialist Republic) stated that the report of the Committee on Contributions and the proposed scale of assessments for 1953 were matters of legitimate concern to his delegation because of the number of their inherent inconsistencies and their tendency to increase the rate of contributions for one group of Member States and reduce it for another year after year. The Committee on Contributions had undoubtedly been guided by considerations of form and had not made any impartial study of the facts in particular cases; it certainly had not given due weight to the disastrous consequences of the Second World War on those States which had borne the burden of the struggle and by their titanic efforts had carried the victory.

75. The Committee had also obviously ignored certain post-war economic developments such as the discriminatory trade policy practised by the United States and its dependent countries against the Soviet Republics. In 1951, for instance, the United States had denounced its trade agreement with the USSR and at the same time the United States Congress had enacted legislation to ensure that countries receiving so-called United States aid should cease trading with the Soviet Republics. He would not attempt to analyse the advantages or disadvantages of that policy, but it had a direct bearing on the ability of the Soviet Republics to obtain the necessary foreign currency to pay their contributions to the United Nations. The Committee had again for the third year in succession raised the rate of contribution of Byelorussia, thus consistently ignoring all the relevant General Assembly resolutions and its own working rule not to raise any contribution by more than 10 per cent in any one year. That attitude of the Committee was due to United States pressure on its members.

76. The Committee on Contributions had also overlooked the factor of the temporary dislocation of Byelorussian economy by the Second World War. The assertion in the Committee that normal economic life

had been restored in the war-devastated countries had been made by those who had not directly experienced damage and destruction but had grown rich as a result of the war. The Byelorussian people's great contribution to the defeat of the Nazi menace had meant a tremendous sacrifice in blood and material damage. The latter had been estimated at 75 thousand million roubles, and under another economic and social system and without the help of the other Soviet Republics, in particular the USSR, the Byelorussian people would have been doomed to extinction. The major part of the national income had had to be devoted to liquidating those disastrous effects, and he could not agree with the United Kingdom representative's contention that that factor should now be discarded. Much still remained to be done in order fully to restore and improve living standards. One important project, for instance, to be undertaken in 1953 was the draining of some 3,500,000 hectares of marshland.

77. He accordingly suggested that no change should be made in the 1953 percentage assessment of the Byelorussian SSR. The proposed increase of 25 per cent, following upon previous increases, was totally unjustifiable, particularly since the United States contribution was at the same time being reduced. The United States was in no way affected by the major factors, difficulty in securing dollar currency and temporary dislocation of the national economy by the Second World War. Moreover, in 1953 it would receive \$1,500,000 from the United Nations in reimbursement of taxation paid into the United States Treasury by members of the Secretariat who were citizens of the United States. Furthermore, the location of the Organization's Headquarters in the United States obviated expenditure on the travel of United States delegations. All those facts showed that there was no justification for recommending a reduction in the United States contribution for 1953.

78. He asked that the rate of the Byelorussian contribution to the United Nations should be maintained at the 1950 level, which he regarded as equitable. The Byelorussian delegation would vote against the proposed scale of assessments and would endorse the USSR draft resolution.

79. Mr. SOHL (Lebanon) observed that the discussion had helped to clarify ideas on the report of the Committee on Contributions. Considering the major factors enumerated in its original terms of reference and the statistical information available to it, the Committee had endeavoured to establish a scale of assessments which would apportion the burden of expenditure equitably. Its efforts in that direction, however, and towards the establishment of a permanent scale could not be fully effective in the absence of complete and accurate information on the economies of Member States. He accordingly urged that every effort should be made by Member States to provide information as comprehensive as possible to that end. The Lebanese delegation had no objections to offer to the rates of contribution recommended in the report. It would therefore be unable to support the United States draft resolution.

80. Mr. KAPSAMBELIS (Greece) added his quota of praise for the work of the Committee on Contributions and its able Chairman. The Greek delegation, he said, accepted the slight increase in its rate of contribution recommended by the Committee in a spirit of goodwill. It supported the principle that no country bear a higher proportion of the total budget than one-third, and would accordingly vote for the United States proposal to apply that ceiling. It agreed with the United Kingdom delegation that the reimbursement of national income-tax to United States Secretariat members primarily concerned the United States Government.

The meeting rose at 5.50 p.m.