



## 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> ) .....	125
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*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. CALO (Philippines) said the Committee on Contributions had recommended that the Philippines' contribution should be increased by one-third: that was the largest increase proposed for 1953. The economic recovery of the Philippines was a reality. Industry was making rapid strides; the Government had introduced sound controls governing imports and had granted fiscal relief to new undertakings. Agriculture had not been neglected; the area of cultivated land had risen from 3,900,000 hectares in 1949 to 6,600,000 hectares in 1951. The production of rice, sugar and copra had registered a notable increase. The population's standard of living had risen; at the same time the cost of living had been stabilized. But so far as the three factors which decisively influenced the amount of contributions were concerned, the Philippines' position was not so satisfactory as appeared at first sight. The Philippines was the under-developed country which had suffered the heaviest war damage; five years had been required for the economy to return to its pre-war level; a large part of its production had been absorbed by the country's rehabilitation; so far as Philippine dollar holdings were concerned, exports, which had risen sharply upon the outbreak of hostilities Korea, had shown a marked regression in 1951: at that time the Philippines' balance of trade had shown a deficit of more than \$90,000,000. To that figure should be added \$37,000,000 in respect of transport, insurance, services and various other items, of which the Government had been deprived during the same year. Moreover, the principal exports of an un-

der-developed country like the Philippines were agricultural products, the output of which might vary considerably from year to year, and which hence could not be taken as a firm foundation for assessing the country's contribution to the Organization's budget. Finally, owing to the current industrialization programme which required the import of capital goods, much of his country's foreign currency reserve was tied up. The Philippines was therefore feeling the widespread dollar shortage as acutely as other Member States. Passing to the third factor, *per capita* income, he pointed out that the Philippines still belonged to the group of twenty-five countries whose *per capita* income was less than \$200.

2. For all those considerations his delegation urged the Committee on Contributions to allow more amply for the country's true position when assessing its contribution for 1954. In future perhaps the Committee should give the countries in whose contributions it contemplated an increase an opportunity to state their views and explain their real circumstances. His Government considered the increase in its contribution recommended for 1953 excessive and unjustified. His delegation would therefore be compelled to vote against the recommendations of the Committee on Contributions. If the Fifth Committee adopted those recommendations in spite of his delegation's just representations, he hoped the Committee on Contributions would revise the scale of contributions in 1953 and reduce the percentage applicable to the Philippines.

3. Mr. FOURIE (Union of South Africa) said there would be little point in referring the question back to the Committee on Contributions for reconsideration unless that Committee were given new instructions. The Committee had carried out its work perfectly within the limits imposed on it by the General Assembly's instructions. It was now for the Fifth Committee to adopt or reject all the recommendations submitted by the Committee in its report (A/2161).

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

4. In calculating capacity to pay, the Committee had made use of average national income; in establishing the new scale, it had taken into consideration comparative *per capita* income, the two ceilings referred to in resolution 238 A (III) and the special case of China.

5. The Committee was quite justified in taking average national income over several years as a basis for calculating capacity to pay. The merits of that method were described in paragraph 10 of the Committee's report; it would probably be possible in future to take a longer period as a basis so as to meet objection raised by the Cuban representative at the previous meeting.

6. The Assembly having requested the Committee to give special study to the case of countries having a low *per capita* income, the Committee had altered the method it customarily employed in dealing with comparative *per capita* income so as to make it more favourable to those countries. That had considerably affected the establishment of the scale; if the Assembly thought the Committee had gone too far in that direction, it should say so clearly. The result of that measure—which tended to reduce the contribution of countries with a low *per capita* income—added to the application of the *per capita* contribution ceiling—which tended to reduce the contribution of countries having a high *per capita* income—would be to place an ever larger share of the burden on the intermediate group. That raised a problem which the Committee had explained in paragraph 20 of its report, a problem which deserved the attention of the Fifth Committee and of the General Assembly. He could not but approve the Committee's recommendation on the contribution of China (paragraph 21).

7. In 1946, the Preparatory Commission had decided to make allowance for the temporary dislocation of national economies owing to the Second World War. In the absence of statistics for the post-war years, the only figures available, those for pre-war years, had had to be corrected so as to make the basis of calculation correspond to new economic conditions. That situation should no longer apply, since the Committee now had post-war statistics which reflected the dislocations caused by the war in so far as they still persisted.

8. The Committee had no way of assessing the capacity of States to obtain foreign exchange; all States, with the exception of a few, had difficulty in obtaining dollars. In that connexion, it would be advisable to adopt the Committee's recommendation to allow a large part of the contributions to be paid in currencies other than United States dollars.

9. The Assistant Secretary-General in charge of Administrative and Financial Services had been able to state at the previous meeting that the arrears of contributions were no longer so substantial as on 15 August 1952; nevertheless, the situation remained serious. So long as contributions were not paid when they fell due, the Organization would have difficulties with the Working Capital Fund.

10. Replying to the Cuban representative's remark that the contributions of one group of countries were steadily declining while the contributions of some other countries were constantly rising, he explained that that was due to the way in which the scale had originally

been drawn up on the basis of certain hypotheses. The Committee had no choice of ways in which to correct the anomalies resulting from that method.

11. With regard to the United States draft resolution (A/C.5/L.192), he recalled that in 1948 his country had voted for resolution 238 A (III) establishing the principle that, in normal times, no Member should contribute more than one-third of the Organization's regular expenditure; but, so long as the Assembly could not adopt a permanent scale, it could not be claimed that times were normal. Moreover, since the contributions of some countries were relatively higher than that of the United States, there was surely no justification for the General Assembly to adopt a different rate of reduction for different States. Lastly, if allowance was made for the fact that the United States taxed the income of its nationals in the Secretariat, it was by no means absolutely sure that the United States was still contributing more than one-third. With regard to the second and third paragraphs of the operative part of the draft resolution, his delegation doubted whether the time had come to reaffirm the previous decisions relating to the criteria for determining the scale of assessments, and would prefer no change to be made for three years, after which the question should be re-examined. He therefore hoped, lest a negative vote should be misinterpreted, that the United States delegation would withdraw its proposal.

12. His delegation would wait to hear the views of other delegations before commenting on the Canadian proposal that the United States draft resolution should provide for complete application of the one-third ceiling principle in 1954 rather than in 1953.

13. Mr. HAMBRO (Norway) endorsed the remarks of the South African representative. There were no absolute criteria; if greater stress was laid on one principle, difficulties were created elsewhere. The Committee had, without preconceived notions, made the amplest possible allowance for all factors. The Fifth Committee should therefore accept or reject its recommendations *in toto*, unless members could reach agreement on certain adjustments.

14. His delegation could not vote for the United States draft resolution because that proposal would reopen the whole question of the scale of assessments. There was an English proverb, "He who pays the piper calls the tune"; that proverb should certainly not be applicable to any State; it would be easy to make the necessary corrections in normal times, but for the time being it was impossible. Besides, the United States representative had not disputed his country's capacity to pay; it was a question of principle, but principles should be applied with discretion.

15. He supported the Philippine proposal that countries in whose contributions the Committee proposed an increase should be authorized to explain their points of view.

16. It was regrettable that States which in other Committees boasted of their advances in many directions should in the Fifth Committee complain about recommendations to raise the rate of their contributions; they should rather look on such recommendations as a source of pride.

17. His country noted that its contribution had not been increased, but it would be prepared to accept an increase of say 2 per cent, to convince the United States representative of its desire to co-operate with other countries. So small a sum might not solve all the difficulties, but if all delegations approached the problem in the same spirit, the world would have taken a big step along the path of international peace.

*Mr. Friis (Denmark), Vice-President, took the chair.*

18. Mr. ROSCHIN (Union of Soviet Socialist Republics) pointed out that the substantial changes made by the Committee in the scale of assessments were reflected in an increase of approximately 25 per cent in the contributions of the Byelorussian Soviet Socialist Republic, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics and Poland—the worst sufferers from the war—and in a reduction of the contribution of the United States, which had enriched itself as a result of the war, and of the United Kingdom, which had suffered much less than the countries mentioned before.

19. The Committee's unjust recommendations violated the three criteria which the Preparatory Commission had formulated in 1946, and which had been adopted by the General Assembly (resolution 14 A (I)).

20. He reviewed the assessments question and recalled, in particular, how the Anglo-American majority, acting solely from political motives, had succeeded in 1951 in causing the assessments of the four countries mentioned by him to be increased without justification in order that the contributions of the United States, the United Kingdom and other States might be reduced. Moreover, the Committee on Contributions had not followed its own basic working rule adopted in 1950, in which year it had decided that no change of more than 10 per cent should be proposed in the percentage assessment of any country (A/1330, para. 12).

21. It should be noted, first of all, that the populations of those four countries had increased by more than three million. In the second place, the countries in question not only had continued to spend considerable funds on repairing war damage but had also had to pay widows' and orphans' pensions. He then cited some figures which had been prepared by a special government committee appointed to determine the extent of war damage. Thirdly, the United States had applied discriminatory trade measures against those countries and had denounced the 1937 trade agreement. The said countries were therefore finding it increasingly difficult to obtain sufficient foreign exchange to pay their contributions.

22. He pointed out that the machinations of the Anglo-American majority were designed to reduce the United States assessment. That country, however, had no difficulty in obtaining the foreign exchange necessary to pay its assessment, and it enjoyed other advantages. The United Nations and its delegations spent most of their money in the United States, and the staff spent most of their salaries there. In addition, the United States treasury recovered about \$1,500,000 by way of tax on the salaries of United States citizens employed by the United Nations. As the United Nations reimbursed those taxes, part of the contribu-

tions of other countries were eventually paid into the United States Treasury.

23. The USSR delegation could not, therefore, accept the recommendations of the Committee on Contributions that the assessments of the Byelorussian SSR, the Ukrainian SSR, the USSR and Poland should be increased, and he submitted a draft resolution (A/C.5/L.193) instructing the Committee on Contributions to review the matter and to report back to the General Assembly, with a view to bringing the assessments of those countries for 1953 back to the 1950 level.

24. Mr. DAVIN (New Zealand) congratulated the Committee on Contributions on its work and said that his delegation would vote for the proposed scale of assessments for 1953. Any attempt by the Fifth Committee to revise or modify a scale that was so delicately balanced would result in difficulties and delay. It was by no means surprising that some representatives were not entirely satisfied, for that was inevitable in any such undertaking.

25. For the reasons stated in paragraph 17 of its report, the Committee on Contributions recommended that New Zealand's contribution for 1953 should be reduced by 0.02 per cent. Even with that reduction, however, New Zealand's *per capita* contribution would still be higher than that of the United States. The New Zealand delegation nevertheless believed that assessments should correspond to capacity to pay, and would not request any further reduction.

26. The representative of the United States had regarded the reduction recommended for his country by the Committee on Contributions as insufficient and had formally proposed that the United States assessment should be reduced to 33 $\frac{1}{3}$  per cent so that immediate effect might be given to General Assembly resolution 238 A (III). The New Zealand delegation could not support the United States proposal, and had, in 1948, objected to the application of a ceiling on the largest assessment. It continued to believe that capacity to pay was the most equitable basis for apportioning the expenses of the Organization. In consideration of the General Assembly resolution, it had later agreed that the United States assessment should be reduced to 33 $\frac{1}{3}$  per cent at a reasonable rate of progress. New Zealand had on a previous occasion expressed the view that a reasonable rate would be 1 per cent per annum. The reduction recommended by the Committee on Contributions for 1953 was 1.78 per cent, which could be regarded as reasonable progress towards the ceiling. Another point, which had just been referred to by the South African representative, was that the world was not enjoying "normal times" in so far as economic conditions were concerned.

27. Accordingly, he asked the United States delegation to accept, in a spirit of co-operation, the assessment recommended by the Committee on Contributions. As to the amendment proposed by Canada, he considered it inadvisable for the time being to bind the Committee on Contributions to rigid instructions and thought that the matter might better be considered at a subsequent session of the General Assembly.

28. Mr. LEE (China) thought that if China's national income and capacity to pay were considered, that country's assessment would be found to be far too high. The Chinese delegation was nevertheless prepared

to accept the assessment recommended by the Committee on Contributions because no price could be put upon goodwill and co-operation among nations. Despite its many difficulties, his Government would do everything in its power to pay the higher contribution.

29. It should not be forgotten that the administrative expenses of the Organization, to which the scale of assessments related, accounted for only part of the Organization's total expenses. The representative of the United States had shown how generously his country had contributed towards the Organization's operational expenses and had asked the Fifth Committee not to delay in applying the ceiling principle to his country's assessment. The principle recommended by the General Assembly in resolution 238 A (III) was reasonable, and the United States representative's request deserved attentive consideration by the Fifth Committee. However, a change in the assessment of a particular country might influence the scale of assessments as a whole. The Fifth Committee certainly had a right to modify the scale proposed, but to use that right would be inadvisable. For practical reasons he preferred the Canadian amendment providing for the complete application of the 33 $\frac{1}{3}$  per cent ceiling in 1954 without, however, modifying the scale of assessments before the Committee. He would vote for that amendment.

30. Several members of the Fifth Committee had referred to paragraphs 19 and 20 of the report of the Committee on Contributions. He recognized that resolution 238 A (III) was far from being explicit, but he did not believe that any difficulty would arise from applying the principles referred to in those two paragraphs when new Members were admitted to the Organization.

31. In its terms of reference, which went back to 1946 (resolution 14 A (I)), the Committee on Contributions was invited to note in particular the "temporary dislocation of national economies arising out of the Second World War". Although that provision had been perfectly justified in 1946, it was somewhat out of date in 1952. The Committee's terms of reference should perhaps be modified on that point. The Second World War had been over for seven years and it was a reasonable question how long the "temporary" dislocation arising out of it had lasted or was likely to last. Conditions appeared to have improved greatly. For example, according to the International Monetary Fund, world trade had amounted to \$157,000,000,000 in 1951, as against \$45,000,000,000 in 1938. In addition, output in most countries had far exceeded the pre-war level. The Chinese delegation therefore believed that consideration might very well still be given to a temporary dislocation of national economies, but not to a dislocation arising out of the Second World War, and that that provision should be eliminated from the Committee's terms of reference.

32. Mr. NASS (Venezuela) said that his country was prepared, as were various other States, to pay a fair share of the Organization's expenses, that is, a contribution corresponding to its capacity to pay. Yet his delegation was disturbed at a trend, represented as an attempt to apply certain principles and reach artificial ceilings, to transfer the burden of expenses from the more developed to the less developed and

under-developed countries. He referred especially to the principles of the 33 $\frac{1}{3}$  per cent ceiling and the *per capita* ceiling.

33. The General Assembly had stated in its resolution 238 A (III), that the two principles in question should only be applied in times that were normal from an economic point of view. Moreover, the principle of a 33 $\frac{1}{3}$  per cent ceiling was barely mentioned in paragraph (a) of the preamble of the resolution, and paragraph 5 of the operative part stated merely that "the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly". It was thus clear that the 33 $\frac{1}{3}$  per cent ceiling had not been definitively established and that there was a risk of creating a paradoxical situation if the rate of contribution for the highest assessment were reduced to a ceiling that had not yet even been established. The juridical validity of the *per capita* ceiling principle was even more doubtful, since that principle was referred to only in paragraph (b) of the preamble of resolution 238 A (III) and was not mentioned at all in the operative part. The Venezuelan delegation therefore did not believe that that principle could be regarded as legally valid.

34. Those considerations should be borne in mind in any study of paragraphs 17, 19 and 20 of the report of the Committee on Contributions, since it was evident from those paragraphs that the changes made by the Committee for the purpose of bringing the scale of assessments closer to the two ceilings meant that the less developed and under-developed countries would have to pay a higher proportion of the total expenses. With the exception, therefore, of the countries paying the smallest assessment, all countries not protected by the one or other of the ceilings were affected by the scale proposed for 1953. The assessments of most of them had increased, and the assessments that had been reduced would have been curtailed even more if the principles in question had not been taken into account. It was therefore not surprising that some States were inclined to question the fairness of assessments based on principles the validity of which was at least doubtful.

35. According to paragraph 19 of the report, some members of the Committee on Contributions had believed that no further action in the matter should be taken until the General Assembly had given a directive or a clear decision. The Venezuelan delegation adopted a conciliatory attitude. It had voted for the increases in its assessments recommended by the Committee on Contributions in 1950 and 1951, and would likewise vote for the increase proposed for 1953. It would do so in the same spirit that had moved the representative of Norway and in response to the appeal made by the representative of the United States. It was unwilling, however, that the increase should continue indefinitely or be justified by principles without legal force. Those assessments which had been artificially limited by the application of the *per capita* ceiling principle would be further reduced as the assessment of the United States approached the 33 $\frac{1}{3}$  per cent ceiling. Since, moreover, most of those countries were immigration countries, he was afraid that there would be a tendency to continue reducing the assessments of those countries even after the rate of assessment for the United States had been brought down to the 33 $\frac{1}{3}$  per cent ceiling; the reduc-



tions of those more highly developed countries would have to be absorbed by the medium and small countries.

36. The Venezuelan delegation would accordingly vote for the recommendations of the Committee on Contributions, with the reservation that the General Assembly should give that Committee specific instructions, so that it would not at its next session recommend the adoption of a scale which gave full effect to the provisions of paragraphs (a) and (b) of the preamble of resolution 238 A (III). For the same reasons, the Venezuelan delegation could not support either the United States draft resolution or the amendment submitted by Canada.

37. The Cuban representative had rightly pointed out that the years 1950 and 1951, which the Committee on Contributions had taken as the base years for computing the average national income of each country, were not normal years. The basis for those calculations should be broadened; at its following session, the Committee on Contributions should calculate the average national income for the years 1949, 1950, 1951 and 1952. It was true that the scale of contributions had been changed only slightly between 1946 and 1950; but that did not justify the haste with which the Committee on Contributions set about remedying its imperfections. It was necessary to proceed with caution and at a slower tempo. Finally, the terms of reference of the Committee on Contributions were confused, parts of them were inconsistent and it was virtually impossible to apply some of the factors which under resolution 14 A (I) should govern the capacity to pay. The Venezuelan delegation would not propose at the current session a complete revision of those terms of reference, but would simply stress the need for changing the scale of contributions less rapidly and for refraining, for the moment, from any further application of principles of doubtful legal validity, in particular the principle of a *per capita* ceiling.

38. Lord CALDECOTE (United Kingdom) said that although he could not accept the United States resolution as it stood, he appreciated the sentiments expressed by Senator Wiley and was very glad to have this assurance that the remarks made in the course of his defence of the United States draft resolution should in no way be taken as a threat.

39. He had been surprised that the Philippine representative should have objected to the increase in the assessment of the Philippines after giving such an impressive account of the improved economic situation of his country.

40. With regard to the remarks of the representative of the USSR, while the United Kingdom delegation fully appreciated the extent of the devastation which that country had suffered as a result of the war it could not let some of his arguments go unchallenged. The USSR representative had objected to the way in which the criterion of national income had been applied to the USSR; but they had all been amazed at the extent and rapidity of the economic revival of the USSR as described by its own leaders. The USSR had for long enjoyed the benefit of the allowance for war damage and it was quite unreasonable to expect these allowances to be continued indefinitely and to object to an increased assessment, now that the country's

economy had made such progress. Lastly, it might be pointed out that discrimination allegedly exercised against the foreign trade of the USSR by some Member States in any case only affected its imports. There were no restrictions on exports from the USSR and it thus had every opportunity of obtaining foreign currency for paying its contribution to the budget of the United Nations. The United Kingdom delegation took the strongest exception to suggestions made by the USSR representative that an "Anglo-American" majority within the Committee on Contributions had been used to secure unjust treatment of the USSR.

41. He would set forth as briefly as possible his delegation's attitude to the report of the Committee on Contributions. He congratulated that Committee on the skill and impartiality with which it had accomplished its task. The United Kingdom delegation agreed with the South African delegation that there was no need to alter the Committee's conclusions or to ask it to reconsider its recommendations for the financial year 1953. Indeed, the General Assembly should as a general rule refrain from action of this kind although it could always give guidance for the future. In this way it might limit the degree of controversy liable to be engendered by this delicate as well as highly technical subject. The United Kingdom Government unreservedly accepted the scale of assessment proposed for 1953. In its opinion, the Committee on Contributions had faithfully carried out the instructions of the General Assembly. It had entered upon the second phase of the proposed three-year transition to a more permanent scale; it had continued to bear in mind the principles laid down in 1946 and in 1948; and it had made some additional allowance for the difficulties encountered by countries with a low *per capita* income.

42. He then turned to the question of applying the principle of the 33½ per cent ceiling. The United Kingdom delegation recognized that this principle had not been explicitly confirmed in the operative portion of the General Assembly resolution 238 A (III); the fact remained, however, that it had never been questioned in practice, and the United Kingdom Government was prepared to acknowledge its eventual validity. The United Kingdom Government had very much in mind the burden of sacrifice borne by the United States for the sake of the United Nations and also the importance of public opinion in these matters. Nevertheless, the United Kingdom Government felt that the 33½ per cent ceiling should not be applied as from the financial year 1953, since the sharp rise which it would entail in the contributions of certain other countries might well add to their difficulties in discharging their obligations towards the United Nations. It had been contended that, for the purpose of fixing the assessment of the United States, consideration should be given to the fact that that country collected considerable sums in the form of income-tax paid by those of its nationals who were employed by the United Nations. In the United Kingdom view, however, that was a separate question which could not usefully be linked with the problem of assessments and which might be left to the good sense of the United States Government. The United States delegation would however be showing wisdom and goodwill if they could agree not to press for the immediate application of the 33½ per cent ceiling.

43. With regard to the *per capita* ceiling it was agreed that its effect would be to cause the relative burden borne by countries belonging to the intermediate group to be larger, while countries with a low *per capita* income continued to enjoy a special allowance. The countries of the intermediate group could scarcely consent to contribute not only more in relation to their national income but also more per head of population than the wealthiest Member State. While appreciating the views of the South African representative, the United Kingdom delegation considered that the reduction granted to countries with a low *per capita* income and of the principle of a *per capita* ceiling were complementary devices for distributing the burden of assessments in a manner which would gain the greatest measure of acceptance among the peoples. As the deduction in the case of countries with a low *per capita* income had been increased for 1953, the United Kingdom delegation was opposed to any proposal for modifying or abolishing the *per capita* ceiling in principle, though it was willing that the process of conforming to it should be carried out by stages.

44. All Member States hoped that a permanent and equitable scale of contributions would be drawn up, but any thoughtless haste would only hinder the achievement of that end. It was therefore much more advisable to wait until the Committee on Contributions prepared a balanced and stable scale for 1954. Like the Norwegian Government, the United Kingdom Government was willing to bear its fair share of any changes in assessments which might result from progress towards a permanent scale of contributions.

45. Mr. KRAJEWSKI (Poland) noted that, for two or three years, the recommendations of the Committee on Contributions had tended on the one hand to increase progressively the rates of assessment applicable to the USSR, the Ukrainian SSR, the Byelorussian SSR, Czechoslovakia and Poland and, on the other hand, to reduce systematically the rates applicable to the wealthiest and most powerful capitalist countries, in particular the United States of America. It was proposed that the USSR and the peoples' democracies, which in 1950 had paid 9.25 per cent of the expenses of the United Nations, should pay 16.97 per cent, or nearly double, in 1953. Those proposals had been made despite the rule which the Committee on Contributions had set itself of never increasing any country's rate of assessment by more than 10 per cent over and above the rate for the preceding year. Such a procedure was inadmissible.

46. The USSR and the peoples' democracies were still suffering from the effects of war devastation. Poland, in particular, had been an economically backward country before the war and in addition had suffered terrible destruction. The Committee on Contributions had ignored those facts and had also not taken into

account those countries' difficulties in obtaining foreign currency. In the latter connexion, he recalled the steps taken by the United States to compel other countries of the Atlantic bloc to adopt discriminatory economic measures against the USSR and the peoples' democracies. That policy had considerably reduced trade between the capitalist countries and the peoples' democracies. The Polish Government consequently experienced more and more serious difficulties in obtaining the currency required for the payment of its contribution. The Polish delegation rejected the view expressed by the Committee on Contributions in paragraph 14 of its report, that practically all Member States, with the exception of the United States of America, experienced the same currency difficulties. The policy of discrimination practiced by the capitalist countries against the USSR and the peoples' democracies created special difficulties for the latter.

47. If both the increase in the rate of assessment applicable to Poland and the general increase in the budget since 1950 were taken into account, it would be seen that Poland's actual contribution in 1953 would be 2.4 times what it had been in 1950.

48. The United States, by contrast, was in an exceptionally privileged position: it did not pay its contribution in foreign currency, but in its own national currency; approximately 80 per cent of the funds appropriated under the budget of the United Nations was spent in the United States; members of delegations and of the Secretariat and journalists also spent most of their salaries in New York; lastly, the United States Treasury each year collected, in the form of income-tax paid by United States members of the Secretariat, a sum of about \$1,500,000 drawn directly from the contributions of all the other Member States. The budget estimates for the financial year 1953 amounted to altogether \$45,000,000. It was estimated that the reimbursement of income-tax paid by United States members of the Secretariat would cost \$1,660,000, or approximately 3.7 per cent of the budget total. If that percentage were subtracted from the rate recommended by the Advisory Committee for the contribution of the United States, namely 35.12 per cent, it could be seen that the rate of contribution of the United States would really be less than 32 per cent. The United States was thus in an entirely privileged financial position. Yet the Committee on Contributions had felt it necessary to recommend a further reduction in that country's rate of assessment.

49. The Polish delegation considered that the scale of assessments proposed by the Committee on Contributions was unfair and unacceptable. It would vote against the United States draft resolution and would vote for that of the USSR.

The meeting rose at 1 p.m.