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FIFTH COMMITTEE **604th** MEETING

Wednesday, 9 October 1957, at 3.40 p.m.

NEW YORK

CONTENTS

Chairman: Mr. W. H. J. VAN ASCH VAN WIJCK (Netherlands).

AGENDA ITEM 44

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/C.5/708, A/C.5/L.463)

1. The CHAIRMAN put to the vote the revised draft resolution submitted by the United States (A/C.5/L.463), as amended by the sponsor at the 603rd meeting.

At the request of the representative of the Union of South Africa, a vote was taken by roll-call on operative paragraph 1.

The Union of Soviet Socialist Republics, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: United States of America, Uruguay, Venezuela, Albania, Austria, Bolivia, Bulgaria, Byelorussian Soviet Socialist Republic, Cambodia, Canada, Chile, China, Colombia, Cuba, Denmark, Ecuador, El Salvador, Finland, Greece, Honduras, Hungary, Iran, Iraq, Japan, Lebanon, Liberia, Luxembourg, Nepal, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Romania, Spain, Sweden, Thailand, Turkey, Ukrainian Soviet Socialist Republic.

Against: United Kingdom of Great Britain and Northern Ireland, Yemen, Argentina, Australia, Belgium, Burma, Ceylon, Ethiopia, France, India, Indonesia, Libya, Morocco, Netherlands, New Zealand, Saudi Arabia, Sudan, Syria, Tunisia, Union of South Africa.

Abstaining: Union of Soviet Socialist Republics, Yugoslavia, Afghanistan, Brazil, Czechoslovakia, Egypt, Ghana, Guatemala, Haiti, Ireland, Israel, Italy, Jordan, Federation of Malaya, Mexico, Poland.

Operative paragraph 1 of the revised draft resolution was adopted by 41 votes to 20, with 16 abstentions.

Operative paragraph 2 was adopted by 58 votes to 2, with 15 abstentions.

The opening sentence of operative paragraph 3 and the first sentence of sub-paragraph (a) were adopted by 62 votes to none, with 12 abstentions.

The second sentence of operative paragraph 3, sub-paragraph (a), was adopted by 47 votes to 10, with 18 abstentions.

Operative paragraph 3, sub-paragraph (b), was adopted by 42 votes to 20, with 12 abstentions.

Operative paragraph 3, sub-paragraph (c), was adopted by 42 votes to 19, with 16 abstentions.

Operative paragraph 3, sub-paragraph (d), as amended, was adopted by 52 votes to 2, with 18 abstentions.

The revised draft resolution (A/C.5/L.463) as a whole, as amended, was adopted by 43 votes to 17, with 17 abstentions.

2. Mr. CARRILLO (El Salvador) said that his delegation had voted in favour of the revised draft resolution as a whole on the understanding that the words "those assessed at the minimum rate" in operative paragraph 3, sub-paragraph (a), referred only to those Member States assessed at 0.04 per cent. His country's assessment had been raised, and it had voted for the proposal in the hope that its assessment would in due course be restored to the previous figure.

3. Mr. MENDOZA LOPEZ (Bolivia) said that his delegation had gladly voted in favour of the revised draft resolution because, while the scale of assessments was essentially based on the criterion of the per capita income, the case of the Great Powers and the countries assessed at the minimum rate, which escaped that rule, had also to be taken into account. The provision for an eventual reduction in the assessment of the United States was a significant indication that that country wished to avoid the unduly preponderant position which would result from the payment of a disproportionately large contribution.

4. On a future occasion the Committee might consider reducing the minimum assessment as a useful measure of economic assistance to the under-developed countries. The principle of payment according to capacity was well established, and its application in that way would help to redress the economic mballance between the less affluent and the more fortunate countries.

5. Mr. SINGH (India) explained that India had not taken part in the debate on the item under discussion because it had stated its views at the eleventh session (538th meeting). His delegation had voted against most of the operative provisions of the revised draft resolution, but had abstained on the draft resolution as a whole in order to avoid giving the impression that it wished to prejudge the decisions of India's permanent representative to the United Nations who, in his personal capacity, was Chairman of the Committee on Contributions.

6. Mr. AITKEN (United Kingdom) said that, while his delegation was able to support certain of the provisions of the revised draft resolution, it was not in favour of the change in principle the resolution contained. He felt too that a country's assessment

should never be considered in isolation. Those two considerations were the basic motivations behind his delegation's vote.

7. Mr. M. I. BOTHA (Union of South Africa) recalled that the original terms of reference of the Committee on Contributions had been set forth in chapter IX, section 2A, paragraph 13, of the report of the Preparatory Commission (PC/20). Those provisions had subsequently been amplified by "ceiling" and "floor" provisions.

8. During the early years of the United Nations the Committee on Contributions had had to calculate the scale of assessments on the basis of pre-war national income statistics, adjusted to allow for war damage. That system had given countries which had suffered war damage a percentage rebate which had automatically led to an increase in the assessments of other Members, an increase which they, including the Union of South Africa, had gladly borne. Post-war national income statistics had then become available, and the adjustment for war damage had declined, until eventually the Committee on Contributions had been able to report that the extent to which temporary dislocation of national economies arising out of the Second World War still existed was now largely reflected in estimates of national income;1/ the Committee had accordingly ceased to allow for that factor.

9. The factor of ability to secure foreign currency had also lost its importance, because the Committee had recognized that the dollar shortage was felt by most countries and that it would not be practicable to make a quantitative allowance for that factor. Apart from applying it to some extent in individual assessments, the Committee had given it no further weight. Hence, for all practical purposes, the present basis for assessment was national income adjusted to take account of low per capita income and the "floor" and "ceiling" provisions.

10. As post-war statistics had become available and the economies of war-damaged countries had been restored, those countries' relative capacity to pay had increased, with a consequential increase in their assessments and a reduction in the assessments of those countries which had been over-assessed. South Africa had received its share of that reduction until 1954, but had since received no further reduction apart from the adjustment for the admission of new Members.

11. Since South Africa's assessment for 1954 had not been a true reflection of its relative capacity to pay and it had not subsequently been reduced, its contribution was now completely out of line with its capacity to pay. Its assessment for 1957 was 0.71 per cent, whereas the percentage indicated by its national income, adjusted accordingly to the low per capita income, "floor" and "ceiling" provisions, was only 0.50 per cent. That represented an over-assessment of 42 per cent, and, while the Committee on Contributions could not produce a scale precisely corresponding to the arithmetical calculations, there should be a close relationship between the two; the South African Government could not concede that any secondary factors, over and above the basic criteria, justified a divergence of 42 per cent.

12. Furthermore, his Government did not consider that the type of commodity a country produced and exported - for example, gold in South Africa's case - should appreciably affect its assessment. The Committee should remember that gold was the only commodity the price of which had not increased since 1935. The argument that certain types of exports justified an increase in the contribution of the exporting country, because they facilitated the earning of foreign currency, was offset by the fact that the Committee on Contributions had itself admitted the impracticability of assessing that factor. Exports obviously could not be considered in isolation, but in conjunction with other counter-balancing factors, such as the country's essential imports. At all events, the Committee's application of the foreign currency principle appeared to be limited to the granting of reductions in a few instances where countries encountered special difficulty in obtaining foreign exchange, and that limited application should have no noticeable effect on the assessments of other Member States.

13. His Government had submitted to the Committee on Contributions detailed arguments and figures to support its claim that it was greatly over-assessed. It was obliged to press for a readjustment of South Africa's assessment, and to request that the Committee on Contributions should consider the matter at its next session.

The meeting rose at 4.15 p.m.

1/ Official Records of the General Assembly, Sixth Session, Supplement No. 10, para. 15.

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