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Chairman: Mr. Awni KHALIDY (Iraq).

Scale of assessment for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/2461, A/C.5/548, A/C.5/L.244) (*continued*)

[Item 42]*

1. Mr. LEWANDOWSKI (Poland) pointed out that despite the fact that at previous sessions there had been criticism of the tendency of the Committee on Contributions to raise the rates of contribution of one group of Member States while lowering those of certain other Member States, the same trend was again apparent. The Committee was recommending, for the fourth time, that the contributions of Poland, the USSR, the Byelorussian SSR and the Ukrainian SSR should be increased; at the same time, the rates of contribution of other Member States, including the United States and the United Kingdom, had again been substantially reduced. For the past few years the Committee on Contributions had systematically recommended an increase in the rates of contribution of only the USSR, Czechoslovakia, the Ukrainian SSR, the Byelorussian SSR and Poland; where the rates of other Member States had been increased in a given year, there had been a decrease the following year, while the rates of contribution of some Member States had been maintained at the same level for several years. The increase in the rates of the five States he had mentioned represented 90 per cent of the total increase in those of all Member States, while the decrease in the United States rates over the past three years amounted to 33 per cent of all the decreases during that period. That unjustifiable trend was contrary to the basic principles established by the General Assembly.

2. The Committee on Contributions had failed to take into consideration the difficulties which those five States experienced in obtaining foreign currency, owing to the discriminatory policies of the United States in international trade, as also the temporary dislocation of their economies arising out of the Second World War—two of the three factors that the General Assembly had agreed should be taken into account in preparing the scale of assessments.

3. A further point to be borne in mind was that, while Poland's rate of contribution had been almost doubled over the past four years, the increase in

actual dollars had been far greater than that, since the United Nations budget had itself increased considerably during that period. Poland was among the ten States paying the highest contributions, despite the fact that it had suffered great losses during the Second World War and was still obliged to direct much of its revenue to the reconstruction of its towns and villages.

4. As for the unjustifiable decrease in the rate of contribution of the United States, which had not suffered economic losses during the Second World War, he pointed out that the sum refunded by the United States in reimbursement of the income tax the United States insisted upon levying on its nationals employed by the United Nations would amount, in 1953, to 4 per cent of the United Nations budget. It was obvious, therefore, that the actual amount paid by the United States was considerably less than the contribution for which it was assessed. Furthermore, it must be remembered that the permanent headquarters of the United Nations was on United States territory and that, as a result, more than 80 per cent of the United Nations budget was spent in the United States, not to mention the money spent there each year by the personnel of the various delegations.

5. Convinced as it was of the unfairness of allowing the losses arising from unjustified reductions in the rate of contributions of some Member States to be covered by the small group of Member States whose rates had been systematically raised, the Polish delegation would vote against the proposed scale of assessments.

6. Mr. PACHACHI (Iraq), after paying a tribute to the excellent work of the Committee on Contributions and its distinguished Chairman, declared that his delegation would vote in favour of the scale of assessments that Committee had recommended. The Committee had faithfully followed its terms of reference and had paid attention to the directive the Fifth Committee had given it at the last session to give additional recognition to countries with low *per capita* income.

7. The Iraqi delegation considered that to be the most important single factor to be taken into account in preparing the scale of assessments, for the contributions of the low *per capita* income countries to international bodies represented a very heavy burden on their budgets; in the case of Iraq, its annual contributions to the United Nations and the specialized agencies amounted to about 0.1 per cent of its regular budget, a figure which was undoubtedly higher than the percentage of their budgets paid by some of the more developed countries. Secondly, most of the low *per capita* income countries were carrying out extensive programmes of economic and social development, which necessitated vast expenditure on capital goods. Thirdly, their economies depended upon the marketing of raw materials; world prices of raw materials had not kept pace with the rise in the prices of industrial and

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

manufactured goods, a fact which had considerably reduced the dollar-earning capacity of those countries.

8. In the light of those three considerations, the Iraqi delegation had no hesitation in giving its whole-hearted support to the proposal made at the 393rd meeting by the Egyptian representative that the Committee on Contributions should continue to give recognition to the low *per capita* income countries—a matter that the Iraqi delegation regarded as more important than the implementation of the *per capita* ceiling principle; the admission of new Members to the United Nations and the expected improvement in the economic conditions of some Members would undoubtedly enable the Committee to give effect to the latter principle in the future.

9. Finally, he associated himself with the Egyptian representative's constructive suggestion that the specialized agencies should be recommended to follow the principles adopted by the Committee on Contributions in preparing the scale of assessments for their own Member States.

10. Mr. FRIIS (Denmark) said that his delegation accepted the scale of assessments recommended by the Committee on Contributions.

11. As there seemed to be a reasonable possibility that proposals for a more permanent scale would be put forward at the following session, he ventured to suggest that it would be useful if those proposals could be in the hands of governments early enough to allow reasonable time for their consideration by financial experts. He hoped that that would be possible, in spite of technical difficulties upon which the Committee on Contributions was probably better informed than the General Assembly.

12. Sir Alec RANDALL (United Kingdom) associated himself with other members of the Committee who had paid a tribute to the work of the Committee on Contributions, which had again carried out its exacting and invidious task with its customary skill and impartiality. The Fifth Committee was much indebted to the Committee on Contributions for its expert guidance in the difficult question of what should constitute a fair proportion of the expenses of the United Nations to be borne by each Member State and he felt sure that all members would agree on the importance of maintaining the high standard and prestige of that Committee.

13. It was important to bear in mind that the General Assembly resolution which laid down the principles that should govern the apportionment of the United Nations expenses prescribed that those expenses should be apportioned broadly according to capacity to pay. The USSR representative, opposing the increase the Committee on Contributions had recommended in the rates of contribution of his country and those of Poland, the Byelorussian SSR and the Ukrainian SSR, had suggested that that Committee had not given sufficient attention to the temporary dislocation of their national economies as a result of the Second World War and to the difficulties they experienced in obtaining foreign currencies. The United Kingdom delegation would be the last to underrate the terrible damage those countries had suffered during the war; indeed, while the British people, too, had suffered heavy loss, devastation and widespread ruin, especially during the year when they had stood alone, their ordeal had been swallowed up in a flood of admiration and sympathy for the Russian people and gratitude for their valiant

efforts in defeating the common enemy. Many countries beside the USSR had suffered from the physical and economic effects of war. The true guide to the relative capacity to pay, however, was surely not so much the continued existence of war damage as the country's economic position and the prevailing economic trends when the scale of assessments was drawn up.

14. The large productive capacity of the Soviet Union should not be underestimated. Its own representatives had on various occasions reported the tremendous strides it had made in economic recovery during recent years. Speaking at the Nineteenth Party Congress, Mr. Malenkov had declared that industrial production in the Soviet Union had been steadily rising until, by 1951, the production figure had increased twelve times over that for 1929 and nearly two and a half times as great as immediately before the war; he had added that the post-war switch-over of industrial production in the USSR had been basically completed during 1946, after which production had started to grow at a rapid rate. Again, in his speech at the Session of the Supreme Court in August 1953, Mr. Malenkov had said that the volume of industrial output for the Soviet Union in 1953 would be approximately two and a half times greater than in 1940. In February 1953 the Central Statistical Board of the Council of Ministers of the USSR had told the Press that the national income of the USSR was 11 per cent greater in 1952 than in 1951. Finally, only a few weeks earlier, Mr. Vyshinsky had told the General Assembly at its 383rd plenary meeting how the East European countries had solved the problem of the balance of trade against which the West struggled in vain.

15. Sir Alec affirmed that his sole reason for quoting those facts was to refute the USSR representative's suggestion that, in affording the United Kingdom some slight reduction, the Committee on Contributions had dealt unjustly with a Soviet Union still devastated by the war. As far as the United Kingdom was concerned, the past two years had shown a considerable improvement in its economic position: the serious danger of inflation had been averted and its balance of payments position had improved; moreover, there had been a further steady increase in its productive capacity. As he had said, however, the prime consideration in examining the proposed scale of assessments was relative capacity to pay. After a full examination of the relative economic positions of the United Kingdom and the Soviet Union, the Committee on Contributions had concluded that by that criterion the Soviet Union should carry a larger share of the burden than it did at present.

16. The Committee on Contributions had given careful consideration in previous years to the existence of temporary dislocation of national economies arising out of the Second World War and had reached the conclusion that, to the extent to which that factor still persisted, it was largely reflected in estimates of national income based on official information provided by the governments of the countries concerned. It had that year given the matter further consideration, with special reference to the Soviet Union and other countries, when changes in the rate of contribution had been recommended, but the majority of its members had reached the same conclusion. In the light of the impressive particulars given by USSR leaders of the great strides those countries had made in economic recovery since the war, there appeared to be no grounds upon which that conclusion could be challenged.

17. The USSR representative had also claimed that the Committee on Contributions had not taken into account the effects of discriminatory practices of the United States and other Western countries which were alleged to have reduced the USSR's ability to secure foreign exchange. That argument was surely devoid of any real significance in relation to the great natural resources of the Soviet Union and the relatively small contribution asked of it for the United Nations.

18. With regard to the USSR representative's complaint that his country's rate of contribution had been increased in each of the four previous years, he would point out that the need for that constant increase lay largely in the fact that, in the early days of the United Nations, the United Kingdom and a number of other States had, in their determination to set the United Nations well on its path, assumed an undue share of the cost. In the light of the improved position of the Soviet countries in recent years, the Committee on Contributions and the Fifth Committee had felt for some years past that it was only right that those countries should take a share of United Nations expenses that was more proportionate to their resources and importance. He could only assume, however, that in putting forward proposals to that end the Committee on Contributions had felt that the upward adjustment of the contribution of the Soviet countries should be applied gradually rather than by an immediate increase that would have had to be very substantial. To the extent to which those countries had hitherto been excused from bearing their due share of the burden, the United Kingdom and other Governments had for years had to carry more than their share. The USSR representative's plea that there should be no further increase in his country's contribution was tantamount to saying that because the USSR had so far escaped paying a contribution in keeping with the importance and strength of its national economy, that situation should be perpetuated. The fallaciousness of such a plea needed no comment; he would merely suggest that the USSR could best put into effect the policy of full support for the United Nations which Mr. Malenkov had enunciated on 8 August 1953 by willingly assuming the share of the burden which an expert and impartial Committee had allotted to it.

19. The Polish representative had largely reproduced the arguments of the USSR representative. Sir Alec would merely point out, therefore, that according to official statements national income in Poland had approximately doubled and industrial production had almost trebled since 1947.

20. To revert to his own country, not only had the United Kingdom, in a spirit of generosity and sacrifice, assumed far too heavy a proportion of the expenses of the United Nations in the early years, but there was scarcely a beneficent inter-governmental organization to which the British taxpayer did not subscribe. He felt that other States which assumed no comparable burdens should not, by attempting to reduce their own just obligations, place unfair burdens on those whose contribution to the United Nations was only one among many such payments.

21. In conclusion, he stressed the importance of upholding the authority of the Committee on Contributions. The General Assembly had appointed that body of experts who, year by year, went into the question of the proper assessment of Member Governments with a full knowledge of the facts and with the ability

to make a fair and just judgment of the various considerations involved. To fail to support the recommendations of the Committee on Contributions was to run the risk of endeavouring to make judgments based upon no solid foundation. The United Kingdom delegation firmly supported the recommendations of the Committee on Contributions and recommended them to the Fifth Committee for its acceptance.

22. Mr. BOTHA (Union of South Africa) expressed his delegation's appreciation of the valuable work the Committee on Contributions had performed. While his delegation had hoped that it would prove possible to propose a more permanent scale at the present session, it understood the Committee's reasons for considering a further review of the scale necessary in 1954 and would merely urge it to present the more permanent scale at that time.

23. The South African delegation was glad to note that there had been an improvement in the statistical information available to the Committee and that the Committee had moved towards the general use of official exchange rates in converting national income estimates into United States dollars, a method that had been advocated by the South African delegation for several years. It also welcomed the Committee's decision to base its calculations of capacity to pay on an average of national income estimates for three years, thereby reducing the influence of short-run fluctuations in economic conditions (A/2461, paragraph 9).

24. The South African delegation noted that the Committee on Contributions had again taken a step towards removing existing maladjustments and that some relief was being afforded to those States which had for so many years been over-assessed. Although the proposed scale did not entirely correct the position and the South African delegation had hoped for a larger reduction, it would not oppose the Committee's recommendations.

25. He found it difficult to understand the USSR representative's objection to the reductions recommended for some States, including South Africa. It was surely common knowledge that when the scale had first been established, some countries, including South Africa, had accepted a share that was quite out of proportion to their relative capacity to pay, while others had been much under-assessed. It was for that reason that the Committee on Contributions had been forced to meet annually, in order to bring about a gradual rectification of the position as conditions became more normal and war-devastated countries succeeded in re-establishing their national economies on a sound basis. The statements made from time to time by the competent Soviet authorities showed how successful the USSR had been in that respect; it was a record of which it could justly be proud. It would have been wrong of the Committee on Contributions to disregard that tremendous improvement in the economic position of the USSR in establishing the scale of assessments for 1954. The South African delegation therefore submitted that the USSR representative should accept the scale recommended by the Committee on Contributions, whereby his country would pay contributions more closely related to its capacity to pay.

26. One objection of the USSR representative had been that the Committee on Contributions had not taken into account the war damage suffered by his

country. While no one would deny that the USSR had suffered severely from the ravages of the Second World War, it did not follow that the Committee on Contributions should continue to make allowances for war damage. When the Preparatory Commission had decided, in 1946, to make allowances for the temporary dislocation of national economies caused by the Second World War, it had done so because, in the absence of post-war statistical data, all calculations had had to be based on pre-war figures which did not reflect war damage suffered. Once the post-war figures had become available, there had no longer been any need for adjustment, since the damage sustained by any economy had been automatically reflected in the national income statistics.

27. With regard to the USSR representative's argument concerning the difficulty of obtaining foreign exchange, he ventured to suggest that the Committee on Contributions had no method of assessing the capacity of Member States to obtain foreign exchange. Moreover, nearly all Member States had difficulty in obtaining United States dollars. Fortunately some relief was afforded in the arrangements whereby Member States might pay a portion of their contributions in currencies other than United States dollars. The South African delegation was pleased to note that the same arrangement would be possible in 1954.

28. For all those reasons, the South African delegation would support the recommendations of the Committee on Contributions.

29. Mr. SILVA SUCRE (Venezuela) said his Government's contribution had been increased every year and the recommended assessment for 1954 was 0.04 per cent higher than the 1953 figure. Of all the Latin-American countries only Venezuela, Colombia and Mexico had their assessments substantially increased.

30. He would support in principle the scale of assessments recommended by the Committee on Contributions. If any revision of the scale were undertaken, he reserved the right to propose reconsideration of his Government's assessment.

31. One of the most important and difficult tasks of any organ was to determine the capacity to pay of each country and to assign to each Member State an equitable share of United Nations expenses. Statistics alone, however, would not give the true picture. Many other criteria had to be taken into account which were difficult to define. That made the task of the Committee on Contributions very difficult, particularly in the light of the recent and somewhat restrictive instructions of the General Assembly (resolution 665 (VII)).

32. At its 1952 session, the Committee on Contributions had felt that it would be unwise to increase Venezuela's assessment until more precise national income data had been obtained from the *Banco Central*, since the figures available to the United Nations Statistical Office were rather high. No further information had been transmitted in 1953 and the 1954 assessments had therefore been based on information already available which was not very reliable. The *Banco Central* had failed to furnish additional data owing to the difficulty of determining the amount of national income.

33. In countries like Venezuela, it was dangerous to measure wealth on the basis of *per capita* national income. Far from being an indication of prosperity that factor might indicate that the national income was shared by too small a population.

34. Mr. HEMSLEY (Canada) noted that in its admirable report to the General Assembly the Committee on Contributions had continued its policy of gradually removing maladjustments in the scale of assessments and, in so doing, had applied the directives contained in General Assembly resolution 665 (VII). While the Canadian delegation thought that the Committee's recommendations represented a great improvement over previous scales and a useful contribution towards the development of more equitable assessments which might ultimately provide the basis for a more permanent scale, it recognized that further improvements were possible for the future.

35. His delegation was therefore glad to see that the scale was proposed for one year only. Moreover, it noted and concurred in the observations contained in document A/2461, paragraph 15, which was an acceptable interpretation of the Canadian position: the Committee deferred further action on the *per capita* ceiling principle while at the same time recognizing that it would be expected to take appropriate action as soon as the conditions set out in General Assembly resolution 665 (VII) were fulfilled.

36. He recalled that in the discussion of the same question at the previous session (361st meeting), the Canadian representative had indicated the importance his Government attached to the *per capita* ceiling principle but had agreed that further implementation should be deferred until new Members were admitted to the United Nations or substantial improvements in the economic capacity of existing Members permitted adjustments to be gradually absorbed in the scale. Moreover, Canada had been co-sponsor at the 364th meeting, with Egypt, of an amendment embodying those principles and directing the Committee on Contributions to continue to observe the instructions laid down in General Assembly resolution 582 (VI), whereby special consideration was to be given to countries with low *per capita* income. That demonstrated Canada's genuine desire to avoid shifting financial burdens to countries less able to pay, while at the same time maintaining intact the *per capita* ceiling principle embodied in the 1948 resolution (238 A (III)).

37. The Canadian delegation, confident that Member States would be willing to show their customary patience for another year and to allow the Committee on Contributions to proceed in an orderly way to the successful conclusion of its task, was prepared to accept the scale recommended by that Committee for 1954.

38. Mr. PERRY (New Zealand) paid a tribute to the brief and concise report of the Committee on Contributions and to the impartiality and wisdom that Committee had displayed in performing its onerous task.

39. In preparing the 1954 scale of assessments, the Committee on Contributions had decided in principle to base its calculations on an average of national income estimates for three years, a decision which marked an important step towards eliminating the influence of short-run fluctuations in economic conditions. The action had been possible partly as a result of the improvement in the statistical data available to the Committee and further improvements of the kind might pave the way for the adoption of a more permanent scale of assessment. The 1954 scale however, should apply for one year only. In attempting to

establish a permanent scale the Committee on Contributions should review the bases of its computations and consider, in particular, whether a three-year average of national income—although an excellent mark of progress—represented the best possible starting point.

40. Viewing the question impartially, the Committee on Contributions had decided that it could best implement the General Assembly's instructions concerning the *per capita* ceiling by maintaining the 1953 rates of assessment on the countries concerned. In the light of the adjustments recommended in the scale, that decision had increased the discrepancy in existing *per capita* contributions. The Committee had also noted that that discrepancy might further increase. His delegation had consistently argued that in apportioning the expenses of the United Nations the basic criterion should be ability to pay. Since the General Assembly had introduced other criteria, he relied on the Committee on Contributions to apply all the principles involved as appropriate, subject to the General Assembly's specific instructions. He did not urge, however, that the *per capita* ceiling principle should take precedence over other criteria, such as the position of low *per capita* income countries.

41. The establishment of a scale of contributions was a delicate matter and no Member State was likely to be completely satisfied with the results. It should be noted, however, that the General Assembly had laid down the principle of the *per capita* ceiling among other criteria. Having regard to that principle, the proposed scale for 1954 would compel New Zealand to pay appreciably more than its due. If the recommended scale of assessment for 1954 was adopted as it stood he would accept the New Zealand assessment, but if it was subjected to revision he would reserve his Government's position. He hoped, however, that the Fifth Committee would not undertake such a review. The Committee on Contributions had weighed all the relevant factors in determining the proposed scale and the results of its deliberations should not be disturbed unless proof of manifest injustice were forthcoming. No such evidence had as yet been adduced.

42. Mr. CAFIERO (Argentina) paid a tribute to the excellent work of the Committee on Contributions and added that his Government would support the recommended scale of assessments for 1954 which had been worked out with due regard to the instructions of the General Assembly. The expenses of the United Nations must obviously be borne by the Member States and having attempted to reduce the budget estimates so far as possible, the Fifth Committee must now decide how those expenses should be apportioned among the Member States. The basis for the scale of assessments was to be found in General Assembly resolutions 14 A (I), 238 A (III) and 582 (VI) which cited as the main factors to be taken into account national income, comparative *per capita* income, temporary dislocation of national economies arising out of the Second World War and the ability of Member States to secure foreign currency. If those factors were taken into account, the development of an equitable scale should be possible. Any slight maladjustments in the scale which had become apparent in practice should be progressively eliminated.

43. The contribution of each State should be based not merely on cold figures, but on the principle of equality of sacrifice. While certain States might be able without difficulty to defray as much as twenty per

cent of the Organization's expenses, even one per cent might prove a heavy burden for other States. The contribution of an under-developed country might represent a far greater sacrifice to its people than the sum for which the population of a more highly developed country was assessed. The problem therefore was to find the most equitable formula and that in turn raised the question of capacity to pay.

44. In determining that factor the Committee on Contributions had been guided by various resolutions of the General Assembly. Its calculations had been based primarily on national income statistics for the past three years. That approach should be carefully reviewed, for a three-year average might not adequately reflect fluctuations in national income and an average of five or more years might be more appropriate. As the present scale was not permanent, however, it would be more logical to base the calculations on annual statistics. That would take account of the position of the raw material producing countries; their income had fluctuated sharply upward and then downward as the result of events in Korea.

45. Another problem was to find a common denominator with which to express the national income of various countries, since all States did not compile statistics in the same way. He was glad to note that there had been an improvement in the statistics supplied by Member States; much of that progress was probably the result of the efficient work of the United Nations Statistical Office. He hoped that on the basis of the Statistical Commission's work the United Nations could progressively evolve a method of computing national income in terms useful for purposes of comparison. In that connexion he wondered whether in arriving at the three-year average for national income statistics the Committee on Contributions had applied the same rate of conversion to the statistics for each year.

46. The Committee on Contributions had taken no steps towards applying the *per capita* ceiling, although consideration had quite properly been given to the position of countries with low *per capita* income. He did not know how the Committee on Contributions had applied the factor of the temporary dislocation of national economies arising out of the Second World War but he felt the principle should gradually be dropped in view of the economic recovery achieved in those countries.

47. In considering the ability of Member States to secure foreign currency, more account should be taken in future of the balance of payments position, which was to a certain extent an indication of a country's ability to secure foreign currency. He endorsed the Committee's recommendations in paragraphs 13 and 34 of its report that arrangements for the payment of contributions in currencies other than United States dollars should be continued and extended. More purchases should be made in soft currency countries. Printing of certain United Nations publications, such as the Treaty Series, for example, could also be undertaken in those countries, thus conserving dollar contributions. A Member State might even offer to print a certain publication as its contribution. That however was merely a suggestion which might provide a basis upon which other proposals could be worked out.

48. Experience showed that other criteria should be taken into account in preparing a permanent scale of assessment. The question of terms of trade was a

case in point, for the steady deterioration noted in that direction affected the economy of the under-developed countries. That factor might appropriately be considered in conjunction with the economic trends in each country, an element which, according to paragraph 9 of its report, the Committee on Contributions had been taking into account. As individual assessments were intimately related to total expenditures, a reduction in the United Nations budget might lessen the impact of the scale of assessments. He hoped that after considering the question of the reorganization of the Secretariat, the Secretary-General would be able to propose significant reductions in the budget.

49. Despite the fact that in the 1954 scale of assessments Argentina would still occupy twelfth place, as it had in 1952 and 1953, he would accept the recommendation. It would be useful, however, if in future the Committee on Contributions would annex to its report a statement of the reasons why it had recommended changes in the contribution of any particular country. Any defects in the work of the Committee on Contributions were however to be ascribed to the system and not to the Committee itself. The Secretary-General should therefore review the entire question and, after consultation with the departments and subsidiary bodies concerned, submit the matter to the Fifth Committee for its consideration.

50. The problem of contributions seriously affected the under-developed countries. The United Nations was attempting to improve economic conditions in those areas. When that improvement had been achieved, the results would be reflected directly not only in those countries' economies but also in the scale of assessments.

51. Mr. CHERNUSHCHENKO (Byelorussian Soviet Socialist Republic) pointed out that over the past three years the contributions of the Byelorussian SSR, the USSR and the Ukrainian SSR had increased by 10 per cent, 40 per cent and 25 per cent respectively, and that a further increase of 15 per cent had been recommended for 1954. The Byelorussian contribution for 1954 was more than twice what it had been in 1950. There was however no basis for such increases.

52. Those facts, coupled with the recommended reduction in the United States and United Kingdom contributions, raised the question of the principles on which the Committee on Contributions based its work. The scale of assessment recommended for 1954 was unwarranted and contrary to the provisions of rule 159 of the General Assembly's rules of procedure. It might therefore reflect a desire to circumvent that rule as well as certain decisions of the General Assembly.

53. The continuing increase in the Byelorussian contribution was unjustified and arbitrary; the proposed figure of 0.50 per cent indicated that the Committee on Contributions had ignored certain essential factors, such as the temporary dislocation of national economies arising out of the Second World War and the ability of Member States to secure foreign currency. While recognizing the significance of the first factor in paragraph 12 of its report the Committee on Contributions had failed to apply it when working out his Government's assessment. Certain States had not experienced the horrors of the last war during which their economies, far from being destroyed, had been strengthened. In his country, the Nazi occupation had caused damage estimated at 75,000 million roubles, apart from the loss of human life which could not be calculated. Industries

had been destroyed and cities and villages laid waste; farms, communications, housing and institutions of learning had suffered heavy damage. The destruction had reached a scale unprecedented in his nation's history. The effects of the catastrophe were still being felt and although his country with the aid of the USSR had succeeded in restoring large portions of its economy at colossal cost, much still remained to be done.

54. His country also experienced difficulty in obtaining foreign currency owing largely to the United States economic blockade of the USSR, the Byelorussian SSR and the other peoples' democracies, which had virtually halted trade between the Eastern European countries and the hard currency areas. The volume of trade in 1951 had declined to one-tenth of the 1937 volume; that had affected his Government's ability to obtain foreign exchange, and the fact should not be overlooked in establishing the scale of contributions. On the other hand, the United States encountered no difficulty in obtaining hard currency. Over the period of seven years, moreover, the sum of \$7 million had been charged against the United Nations budget for the reimbursement of United States income taxes. The USSR representative had also outlined in detail the direct advantages accruing to the United States from the fact that the United Nations Headquarters was situated in New York. He had cited an article published in *The New York Times* stating that the presence of the United Nations in New York contributed twice as much to the United States economy as that country contributed to the United Nations budget. It was therefore unrealistic to reduce the United States contribution.

55. The fact that the Byelorussian assessment had been increased to 0.50 per cent, or double its contribution in 1950, showed that the effects of the dislocation of its economy and other factors had been ignored and that the increase had been motivated purely by political considerations. His Government was opposed to that increase and to the increase in the contributions of the USSR, the Ukrainian SSR and Poland. It likewise opposed the reduction in the United States' and certain other countries' contributions. He would vote against those arbitrary and unwarranted recommendations. In justice he urged the Fifth Committee to reject the proposals of the Committee on Contributions.

56. Mr. FENAUX (Belgium) paid a tribute to the excellent work of the Committee on Contributions as described in its concise but complete report. The present Chairman, Mr. Lall, had cited the important achievements of his predecessor, Miss Witteveen, which had done much to enhance the prestige of the Committee on Contributions. He was sure that the Committee would maintain that authority which was essential to the proper functioning of the United Nations. He had been struck by the sudden modesty of certain delegations in describing the achievements of their countries. They decried their economic progress in an effort to have their assessment reduced to the lowest possible level. It should not, however, be forgotten that the future of the United Nations depended largely on the development of a balanced and equitable scale of assessment.

57. His delegation wished once more to plead the cause of the average contributor, sharing the concern expressed on that subject by the Netherlands representative. The States in the middle of the scale were not in a very favourable position. The larger con-

tributors called for a reduction of, or attempted to prevent any further increase in their assessments, even though in many instances these were below the level dictated by the countries' actual capacity to pay. On the other hand, the smaller contributors were also petitioning for relief. As the total burden on States remained constant and would remain so unless new Member States were admitted, a heavier share must be borne by the Member States in the middle bracket if those at both ends of the scale were to be afforded some relief. The Committee on Contributions had drawn attention to that danger in paragraph 20 of its 1952 report (A/2161). The danger was still very real and he requested the Committee on Contributions to continue to devote particular attention to the problem. In attempting to remove maladjustments in the existing scale and in moving towards a more permanent scale, it should attempt to ensure a more equitable apportionment of the Organization's expenses so that the States in the middle group would not be burdened unduly. In view of the role of those countries as a balancing force in international organizations, that approach would also be politically expedient.

58. He also endorsed the observation contained in paragraph 15 of the current report of the Committee on Contributions (A/2461) namely, that the definition of the criteria by which it might decide at some future date that "a substantial improvement in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale" would need further study.

59. Although the recommendations of the Committee on Contributions included an increase in the Belgian contribution for the second consecutive year he would accept them, since the scale was provisional for one year only and would be subject to review.

60. Mr. GAVIRIA (Colombia) was dismayed to note the proposed increase of 0.06 per cent in the revised assessment for his country. He felt that the Committee on Contributions had not paid due attention to General Assembly resolutions 582 (VI) and 665 (VII) in the case of Colombia, which remained a country of low *per capita* income. The revised assessment represented an increase of some 17.1 per cent over the 1953 contribution; it was extremely doubtful whether the *per capita* income of Colombia had in fact increased in the past year to that extent.

61. Referring to part III of the Committee's report, he submitted that the Committee had perhaps been over-optimistic in its estimate of the national income of Colombia on the basis of the data available. The Economic Commission for Latin America had estimated in a recent study that Colombia's gross national income had increased by 5.5 per cent between 1945 and 1952; allowing for normal population increase that figure might be corrected to 5.2 per cent. There seemed little justification therefore for the relatively large increase in the figure proposed by the Committee on Contributions. He hoped that the Fifth Committee would bear his observations in mind in considering the Committee's report and would adjust the assessment for Colombia accordingly.

62. Mr. GREZ (Chile) complimented the Committee on Contributions on the way it had accomplished the difficult task of analysing the economic situation of each country, often without sufficient data.

63. When the matter of assessments had been discussed the year before, his delegation had urged the

Committee on Contributions to pay particular attention to the economic difficulties of certain countries, including Chile. In proposing a contribution of 0.33 per cent for Chile in 1954, the Committee had based its assessment on data for the years 1950 to 1952, which were three abnormal years in the economy of a number of countries, as the Cuban representative had already pointed out. In 1953, Chile's dollar holdings had shrunk owing to the fall in the price on world markets of her main export products, saltpetre and copper; furthermore, production had declined as the result of decreased demand. Consequently the *per capita* income of Chile was much reduced in the current year, and there was little likelihood of its rising in 1954. Great sacrifices would therefore be required if Chile was to meet its obligations and, while not seeking preferential treatment, he hoped that that fact would be taken into account in the following year in the assessment of his country's contribution.

64. Mr. GANEM (France) said that members of the Fifth Committee usually acknowledged the wisdom of the recommendations made by the Committee on Contributions. The Soviet Union delegation, however, had raised strong objections to the Committee's latest proposals. He was surprised that the Soviet Union representative should attack the Committee itself and not the decisions of the General Assembly by which it was governed. As the USSR representative was aware, decisions of the General Assembly were binding on subsidiary organs of the United Nations. Furthermore, as the representatives of the United Kingdom and the Union of South Africa had amply demonstrated, the upward trend in the assessment for the Soviet Union merely reflected the progress in industrial development revealed by the statistical information published by that country's government and leaders. There was of course no means by which the Committee could judge the accuracy of that information, but if the Soviet Union were to invite the Organization to hold the next session of the General Assembly in Moscow, members would no doubt be happy to go and see for themselves the evidence of that progress; they would be prepared to vote a supplementary appropriation for the purpose.

65. He pointed out that had it been possible for the eighteen countries mentioned in paragraph 23 of the Committee's report, and, in addition, the three countries of Libya, Korea and Outer Mongolia, to become Members of the United Nations, their contributions would have released some 12 per cent of the total for the relief of other contributors. He hoped that in 1954 France would be able to follow the excellent example set by Norway in 1952 and 1953 and, if its economic situation allowed, offer to increase its contribution for the benefit of the under-developed and heavily-populated countries. Apart from that continuing appeal to the generosity of the more advanced countries, there occurred at times dramatic instances of a country faced with disasters which made it difficult for it to fulfil its financial obligations. That was the case with Greece. He regretted that under the rigid system of contributions in force no country could be relieved of part of its assessment without the assessment of another country undergoing a corresponding increase. It was unlikely that another Member would volunteer to assume responsibility for paying the 0.02 per cent increase in the Greek assessment. He therefore suggested that Greece should be relieved of the obligation to pay that difference and that the budget should be covered

only to the extent of 99.98 per cent by contributions from Member States. The 1954 surplus would then be \$8,000 less than had been anticipated, and the sum would be carried over to the 1956 contributions. Mr. Ganem moreover wished that the Committee on Contributions would review the contributions system and would consider the possibility of reverting to the unit system, employed by the League of Nations, whereby a decrease in the total number of units would result in only a very small increase in the contributions of all Members.

66. Mr. NATANAGARA (Indonesia) paid tribute to the excellent work accomplished by the Committee on Contributions under its able Chairman in arriving at a scale of contributions which was the fairest in relation to the national and *per capita* income data available. His delegation had no hesitation in supporting the recommendations made by the Committee on Contributions, but felt it apposite to point out that Members' capacity to pay was greatly affected by their opportunities of securing the appropriate foreign currency. Many countries, including his own, experienced difficulties in that respect; Indonesia had also suffered from the general fall in raw materials prices in 1953.

67. The Secretary-General's agreement to accept contributions in part in non-United States currencies had eased the problems of a number of countries, but since the range of acceptable currencies was small and the amount of contributions payable in them limited by the needs of the United Nations, few countries were able to benefit from the arrangement. On the basis of the Committee's report (A/2461, paragraph 34), he suggested that after exhausting the possibilities of payment in currencies which could be used by the Organization, the Secretary-General should be invited to consider negotiating with the International Bank for Reconstruction and Development with a view to converting into United States dollars such contributions as could not be paid in that currency or in any other which could be absorbed by United Nations expenditure.

68. In connexion with paragraphs 26 and 27 of the Committee's report, he endorsed the remarks made at the previous meeting by the representative of Egypt with regard to the guidance which the Committee might give to the specialized agencies in assessing the scale of contributions appropriate to their Members.

69. Mr. ARZE QUIROGA (Bolivia) referred to the re-statement in paragraph 14 of the Committee's report of the General Assembly's directive to it to continue to give additional recognition to countries with low *per capita* incomes, and noted that the assessment against Bolivia for 1954 remained the same as in 1953, although the fall in the price of tin had critically affected the economy of the country, which depended largely on the export of that commodity. The situation had called for drastic measures but it would be impossible to avoid an enormous deficit in the budget; in the current year, Bolivia had the lowest *per capita* income of all the Latin-American States. He therefore appealed to the Committee to reduce his country's contribution to the minimum.

70. He paid tribute to the excellent work of the Committee on Contributions and thanked it for a clear and accurate report.

71. Mr. POSHEVELYA (Ukrainian Soviet Socialist Republic) noted that the Committee on Contributions had recommended a further increase of 15 per cent in the assessment against the USSR, the Byelorussian SSR and the Ukrainian SSR, while reducing the contributions proposed for the United Kingdom and the United States. That procedure had been practised ever since 1951; the Ukrainian SSR's contribution had more than doubled in the interval. His delegation considered it wholly unjust and contrary to the working rule adopted by the Committee on Contributions that the assessment against any country should never be more than 10 per cent greater than the previous year's contribution. The Committee had also violated rule 159 of the General Assembly's rules of procedure by revising a scale of assessments within three years of its approval by the General Assembly. It had, further, ignored the principles laid down by General Assembly resolution 14 A (I) of 13 February 1946, whereby contributions were to be assessed according to the ability of Members to secure foreign currency and bearing in mind the "Temporary dislocation of national economies arising out of the Second World War".

72. The Committee had failed to take into account his country's difficulties in obtaining foreign currency, and also the extent of the damage and destruction it had suffered as a result of the Second World War. The whole of the Ukraine had been occupied; thousands of its cities and villages had been burned down; millions of buildings had been destroyed, including hospitals, schools and libraries and countless head of livestock had been lost. The loss in human life had been incalculable. In 1946 the General Assembly had estimated that as much as 40 per cent of the national economy of the Ukraine had been destroyed. The figure was a conservative one. In the eight years since that time much had been done to restore Ukrainian industry and agriculture; great progress had been achieved but much remained to be done to make good the losses suffered in the war. Thousands of millions of roubles were still required for capital construction, agriculture, the consumer industries, compensation to widows and orphans, and so forth.

73. Yet the Committee on Contributions had reduced the contribution of the United States which far from suffering had grown rich as the result of the war. Moreover, that country's actual contribution was a good deal less than it appeared, for, as the author of an article published in *The New York Times* on 16 March had pointed out, the United Nations was a "paying guest" in the United States. More than twice the amount of the United States contribution returned to it in the form of payment for equipment and supplies of all kinds, for the maintenance of permanent missions and the cost of sending delegates and advisers to meetings, and in the form of tourist income and reimbursements of the income tax paid by its nationals.

74. On the basis of all those facts, his delegation considered the recommendations of the Committee on Contributions to be wholly unjust. It could not accept the proposal to reduce the contribution of the United States and to increase that of the Ukrainian SSR, and would vote against the draft resolution proposed by the Secretariat on the basis of the recommendations made by the Committee on Contributions (A/C.5/L.244).

The meeting rose at 6 p.m.