

UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
RESTRICTED

A/CN.2/R.311  
7 May 1973

ORIGINAL: ENGLISH

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COMMITTEE ON CONTRIBUTIONS  
Thirty-third session

REPRESENTATION BY HUNGARY

The following communication dated 27 April 1973 from the Permanent Representative of the Hungarian People's Republic to the United Nations addressed to the Secretary-General is submitted to the Committee for consideration:

"The Permanent Representative of the Hungarian People's Republic to the United Nations... has the honour to enclose supplementary information on the national income of Hungary for the use of the Committee on Contribution in its review of the scale of assessments for the years 1974, 1975 and 1976." In connexion with the supplementary information, owing to certain changes that have taken place recently, the following comments and explanation might seem to be necessary:

"1. The figures for 1969 through 1971 expressed in national currency agree with the corresponding data of the national accounts which are regularly provided for the Statistical Office of the United Nations in the reports of the Hungarian Central Statistical Office. One of these reports submitted most recently is entitled "Material Balances Questionary, 1972 Edition". In addition, the national income figures at market prices for 1969 through 1971 compiled according to SNA were sent to the United Nations Statistical Office on 2 March 1973.

"2. The enclosed charts contain further information, based on data of 1971, about the net value of material production and that of the non-material services, as well as about the composition of the incomes thus accrued.

"3. The figures shown in the charts in national currency were converted into United States dollars by applying the rate of exchange used by the National Bank of Hungary in non-commercial transactions. From 1968 to 22 December 1971, the rate of exchange of the United States dollar was Ft 30.00 which, after the 8 per cent devaluation of the dollar on

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\* Not reproduced here.

23 December 1971, dropped to Ft 27.63, and of 27 February 1973, following the next - 10 per cent - devaluation of the dollar, the rate of exchange was fixed at Ft 24.87, and this has been in force ever since. Inasmuch as during the period of 1969-1971, the period of which is to be taken as the basis for the assessment of contribution, the rate of exchange of the United States dollar was Ft 30.00, the values given here in national currency were calculated at the rate of exchange that prevailed during that period of time.

"4. The balance of income from foreign factors realized in Hungary is negligible; therefore the value of the 'net national product' equals 'the value of the national income calculated at market prices'.

"Enclosed herewith is also a short summary of the damage caused by the 1970 inundation and that of the cost of flood control. The Committee on Contributions is kindly requested to use its discretion in fixing Hungary's rate of contribution for the years 1974, 1975 and 1976 and take into consideration the economic difficulties which ensued from the 1970 inundation and which influenced the use of Hungary's national income in the years following the floods."

The damage done by the Tisza Basin inundation of 1970  
and the cost of flood control

During the spring of 1970 the basin of the Tisza River in Hungary was submerged by serious floods whose impetuosity, water level and duration had been unparalleled by any previous inundation in this country. Thanks to the considerable forces employed for the purpose of flood control and their flexible regrouping, as well as to the good organization and advanced techniques of protection, it was possible to avert a major disaster; but a breach in the dike on the Szamos River not only involved exceedingly great expense in the work of flood prevention but caused considerable losses to Hungary's national wealth, too. The damage and extra expenses caused by the flood and the incidentally surging groundwaters amounted to Ft 4,800 million (\$160 million), that is, 1.7 per cent of the 1970 national income. Most of the reconstruction work necessitated by the damage still had to be carried out in 1970, the rest was done in the course of the next year. The related costs of repairs and flood protection were as follows:

	Millions of forints		
	Flood damage	Groundwater damage	Aggregate
<u>I. Damage to fixed assets</u>			
Dwelling houses	1,140	250	1,390
Other buildings	220	50	270
Transport and communications	340	100	440
<u>II. Movable property</u>	170	10	180
<u>III. Agriculture</u>			
Cultivation costs	160	410	570
Production loss	360	700	1,060
<u>IV. Cost of protection</u>	850	-	850
Total	3,240	1,520	4,760

The above figures are based on surveys conducted by the National Office of Water Economy and on calculations made by the Central Statistical Office.

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