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CONTENTS

	Page
<i>Agenda item 67:</i>	
<i>Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (continued)</i>	367
<i>Financial implications of General Assembly resolution 1762 (XVII) on agenda item 77.</i>	368

Chairman: Mr. Jan Paul BANNIER
(Netherlands).

AGENDA ITEM 67

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/5210, A/C.5/920 and Add.1, A/C.5/L.732, A/C.5/L.769) (continued)

1. Mr. PECHOTA (Czechoslovakia) said that, in examining the report of the Committee on Contributions (A/5210), the Fifth Committee should consider the abnormal situation resulting from the increase in the assessments of the socialist countries and the reduction of those of the United States and other Western countries. That situation was scarcely conducive to mutual understanding among Member States and was harmful to the interests of various countries, particularly the socialist countries. The principle of setting a ceiling for the percentage contribution of the Member State with the highest assessment should be abolished, for it conflicted with the fundamental principle that the scale of assessments should be established on the basis of certain specific factors which were recalled in the draft resolution submitted by the delegation of the Soviet Union (A/C.5/L.732).

2. The delegations of the socialist countries had already pointed out at the sixteenth session that the Committee on Contributions was calculating the national income of the socialist countries, and consequently fixing their assessments, by incorrect methods which had resulted, for example, in an increase of 36 per cent in the assessment of Czechoslovakia.

3. In its resolution 1691A (XVI), the General Assembly had asked the Committee on Contributions to examine at its meeting in 1962 the scale of assessments for the years 1962, 1963 and 1964, in the light of the discussion in the Fifth Committee at the sixteenth session and in the light of such further information as might be made available to it. It now transpired from the report of the Committee on Contributions, however, that no progress had been made on the important question of the estimation of the national income of the socialist countries, and

that the Committee on Contributions had made no recommendation concerning the ceiling for the percentage contribution of the Member State with the highest assessment.

4. Once again, his delegation considered the increase in its country's assessment to be unjust and much too high. That increase was the result of errors made by the Committee on Contributions in trying to adjust the estimates of Czechoslovakia's national income for comparability with the national income estimates for Member States which used the United Nations System of National Accounts. Since the same errors were made in calculating Czechoslovakia's contributions to the specialized agencies, the situation had serious consequences for the Czechoslovak budget.

5. It was evident from the report of the Committee on Contributions that that Committee and the United Nations Secretariat were well aware of the errors thus incurred in estimating the national income of the socialist countries. The Committee on Contributions also knew quite well that Czechoslovakia's assessment ought not to be increased by more than 10 per cent. Czechoslovakia would be prepared to accept an increase in its assessment corresponding to the development of its economy, but it refused to pay sums which greatly exceeded what could be required of it.

6. In order to solve the problems of comparability in the national income estimates for the socialist and the capitalist countries, the Committee on Contributions should request the Secretary-General to undertake detailed expert studies of such questions, as recommended in paragraph 9 of its report. The Committee on Contributions and the Secretariat could also utilize the results of the work of the Conference of European Statisticians, in which eminent specialists had taken part. The Committee on Contributions should take into account the methods which had been developed to ensure the comparability of national income estimates. The calculations for all countries, whether socialist or non-socialist, should be made on the basis of market prices, which were comparable.

7. The Czechoslovak Government had provided the Committee on Contributions with written statistical information on its national income when it had been asked to do so; hence that Committee would have had time to seek any expert assistance which it might have required. The Czechoslovak Government was perfectly willing to put qualified Czech specialists at the Secretariat's disposal.

8. Mr. VIAUD (France) considered that the Committee on Contributions had done its duty conscientiously. It was true that inaccuracies or errors were always possible, but it could be stated that that Committee's proposal on the scale of assessments were the most

objective that could be made having regard to the inaccuracy—which sometimes reached major proportions—of the statistics submitted by Member States themselves.

9. The USSR representative had said at the 975th meeting that he considered it abnormal that there was always a majority of nine members against a minority of two in the Committee on Contributions. It might be considered still more abnormal that there were always two members who disagreed with the majority's decisions. The French delegation fully endorsed the comments made by that Committee, in paragraph 14 of its report, expressing regret at the conditions in which it had adopted the report.

10. One of the main problems with which the Committee on Contributions had to contend with regard to methods of calculating the scale of assessments was that resulting from the difference between the planned-economy countries and the free-economy countries in the method of compiling national income statistics.

11. A difficulty which had become apparent at the twentieth session of the Committee on Contributions in 1961 was that the planned-economy countries did not regard as productive or, consequently, as constituting income the services whose value the Western countries normally added to that of the good produced by the various sectors of the national economy.

12. A more technical question will have arisen at that Committee's twenty-first session in 1962: namely, that of allowing for the indirect taxes which countries using the United Nations System of National Accounts usually deducted from their net national product at market prices. On that point the Committee had expressed the desire to obtain the opinion of qualified experts in national accounting. The French delegation considered it desirable that the Committee on Contributions should be assisted by a group of experts, and fully supported the recommendations made at the end of paragraph 9 of that Committee's report.

13. Similarly, his delegation fully endorsed the view expressed by the Committee on Contributions that, if some adjustments might later prove necessary on account of the taxation factor, that aspect required further expert study before decisions could be reached (A/5210, para. 10). That question too could be submitted to the expert group whose establishment was recommended by the Committee on Contributions.

14. The second important question which raised problems for the Committee on Contributions was that of special arrangements: i.e., the question of the ceiling and the minimum percentage fixed for the calculation of certain States' contributions.

15. The Committee on Contributions had not found it possible to comply fully with the General Assembly's recommendations that the contribution of the country with the highest assessment should be brought as close as possible to a maximum of 30 per cent (resolution 1137 (XII)).

16. In paragraph 18 of its report to the General Assembly at its sixteenth session,^{1/} the Committee on Contributions had stated that, in the opinion of

some of its members, a greater reduction than that applied to the contribution of the United States in order to bring it nearer to the 30 per cent maximum might operate to the detriment of countries with low per caput income and middle-income countries.

17. It was incumbent on the Committee on Contributions, under the resolutions of the General Assembly and in the interests of fairness, to do all it could to reduce the burden on the low-income countries. Any action towards a further reduction in the percentage contribution of the United States, and consequently of the countries protected by the per caput ceiling principle, would place an unjust burden of taxation on the middle income countries, which were already paying a larger share of the expenses of the United Nations than they would have to pay if the scale included no special reductions for any countries.

18. In the circumstances, his delegation considered that it had become impossible to make any further reduction in the contribution of the country which paid the highest assessment. If special arrangements were to be made for the benefit of the low-income countries, the General Assembly would have to be asked to abandon the principle of the 30 per cent ceiling.

19. He could not support the USSR delegation's proposal to that effect, but fully agreed that the Committee on Contributions should give those questions further consideration, as it had stated its intention of doing in paragraph 12 of its report, provided that it examined the principle of the maximum contribution and the per caput ceiling principle at the same time, so as to avoid a situation in which the middle-income countries alone would bear the brunt of whatever action was taken. He fully endorsed the conclusions of the Committee on Contributions and considered that it should be relied upon to continue its examination of the question still unresolved.

20. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said it was his impression that some Member States were trying to avoid all discussion on that important item, which his delegation regarded as the most important on the Fifth Committee's agenda. The Committee should not take hasty decisions and it was essential that all delegations should be able to make their views known at whatever time suited them best.

FINANCIAL IMPLICATIONS OF GENERAL ASSEMBLY RESOLUTION 1762 (XVII) ON AGENDA ITEM 77* (A/5347, A/C.5/960)

21. The CHAIRMAN drew the Committee's attention to the report of the Secretary-General (A/C.5/960) and that of the Advisory Committee (A/5347). The Secretary-General was requesting a supplementary appropriation in the amount of \$141,500, under section 2—Special meetings and conferences—of the 1962 budget estimates, to meet the expenditure resulting from the implementation of resolution 1762 (XVII), adopted by the General Assembly on 6 November 1962. The Advisory Committee had recommended approval of the Secretary-General's request.

^{1/} Official Records of the General Assembly, Sixteenth Session, Supplement No. 10.

*The urgent need for suspension of nuclear and thermo-nuclear tests.

22. In the absence of proposals, he would put to the vote the Advisory Committee's recommendation for a supplementary appropriation of \$141,500 under section 2 of the 1962 budget estimates.

The Advisory Committee's recommendation (A/5347, para. 5) was approved by 61 votes to none, with 1 abstention.

The meeting rose at 4.40 p.m.