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Chairman: The Maharaja Jam Saheb of NAWANAGAR (India).

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/1330 and Corr.1, A/C.5/407) (*continued*)

[Item 40]*

1. The CHAIRMAN invited the members of the Committee to continue their consideration of the report of the Committee on Contributions (A/1330).
2. Mr. RIBAS (Cuba) said that, after carefully examining the report of the Committee on Contributions and hearing the excellent statement of the Chairman of the Committee, Miss Witteveen, at the previous meeting, he wished to raise certain objections regarding the Committee's recommendation that Cuba's percentage contribution should be raised by 0.02 per cent. Noting that the Committee's report contained no figures to justify the recommendation, he read paragraph 10, which stated that "Some of these maladjustments [in the scale of assessments] have arisen because of changes in the relative capacity to pay of the various countries since the scale was originally determined".
3. He pointed out that according to the United Nations *Monthly Bulletin of Statistics*, volume IV, number 10 (October 1950) the national income of certain countries had in fact substantially increased. Thus, the national income of Australia in 1946 was 1,358 million pounds (Australian) and in 1949 1,955 million; the national income of the Netherlands had risen from 9,326 million florins in 1946 to 14,050 million in 1949, while the national income of the Union of South Africa had risen from 699.4 million pounds (South African) in 1946 to 831.7 million in 1948. It was no doubt a coincidence that those three countries were members of the Committee on Contributions and that the Committee proposed to reduce their percentage contributions.
4. Cuba was not represented on the Committee on Contributions and he had thus had no opportunity to

* Indicates the item number on the General Assembly agenda.

explain to the Committee why he regarded any increase in its percentage contribution as unjustified. Nevertheless, in his opinion, the Committee on Contributions should consult the governments of Member States when it recommended any change in their percentage contribution.

5. In conclusion, he requested the Chairman of the Committee on Contributions to inform him regarding the statistical data which had served as a basis for the Committee's recommendation of increases and reductions in the percentage contributions appearing in the new scale of assessments for the financial year 1951.
6. Mr. WEDEN (Sweden) recalled that his delegation had on several occasions requested that Sweden's percentage contribution should be reduced. From the outset that contribution had been too high; the fact had been recognized and Sweden had obtained several successive reductions. In its present report, the Committee on Contributions recommended a further reduction of 0.13 per cent. He appreciated that recommendation as he understood the difficulties facing the Committee; he felt nevertheless that in the future his country's contribution would have to be reduced even more so that it could at last be regarded as equitable.
7. He hoped that when the Committee on Contributions studied the percentage contributions of new Member States, it would reconsider that of Sweden and would fix it at a fair and reasonable level.
8. Mr. DICKEY (Canada) congratulated the Chairman of the Committee on Contributions and her colleagues on the energy and sincerity with which they had done their work and the ability they had shown. The report of the Committee on Contributions was a model of brevity and showed the patience and skill with which the members of the Committee had studied statistical and other data in formulating their conclusions.
9. Nevertheless, the delegation of Canada was greatly disappointed by the Committee's recommendations. Although the scale of assessments recommended by the Committee was better than the scale in force, he thought

that the improvement was not enough to remove all the shortcomings of the scale in operation. At the fourth session of the General Assembly, the delegation of Canada had said that, in its opinion, the scale proposed by the Committee appeared not to take into account the rapid and substantial improvement which had taken place in the economic position that some Member States claimed to have achieved (191st meeting,¹ para. 8). It felt therefore that Canada's contribution was relatively higher than it should have been on a purely objective basis. It had nevertheless accepted the scale proposed by the Committee in the hope that the latter, with the full co-operation of all Member States, would be in a position to propose a scale of assessments for 1951 more in keeping with the factual situation reported by the representatives of certain Member States.

10. He recalled the circumstances in which the first scale of assessments for the apportionment of the expenses of the United Nations had been established. The nations of a shattered world which was emerging from the most destructive war in history had sent their representatives to San Francisco to lay the foundations of a new world organization which was to help to prevent the recurrence of catastrophes like those they had recently suffered. In view of the great differences between the size and wealth of the various nations, it had been agreed, quite logically, that the financial support of the Organization should be based on their relative capacity to pay. The contribution of each Member was to be determined after the examination of objective statistical data each year by a Committee on Contributions. In view, however, of the special circumstances prevailing at that time and in order to take into account the dislocation due to the war and the serious damage suffered by some countries, certain Member States had been granted special exemptions, on the understanding that those exemptions would be gradually eliminated as the effects of the war disappeared. Consequently, the scale adopted at the first session of the General Assembly had had serious defects but it would have been difficult to do better at the time, given the information available and the prevailing circumstances.

11. The Second World War had been over for more than five years; in many Member States the economic position had substantially improved and more comprehensive and accurate statistics were available to evaluate the progress achieved. Unfortunately, the scale of assessments for the apportionment of the expenses of the United Nations did not reflect that progress.

12. He explained that those remarks were not intended in any way as a direct criticism of the Committee on Contributions which had not shirked its responsibilities. It had proved extremely difficult to establish a new scale because of the fact that certain Member States had not been in a position to furnish adequate statistical data or had not shown their readiness to do so. In the circumstances, the Committee had had to proceed very cautiously. As the only data available were inaccurate and inadequate, it had decided to avoid hasty conclusions which the future might show to be unwarranted. It had accordingly established an arbitrary limitation on the extent to which the contribution of any country might be changed in any one year.

¹ See *Official Records of the General Assembly, Fourth Session, Fifth Committee*.

13. It was reasonable that the Committee should proceed with caution in order to avoid the necessity for unwarranted fluctuations in a scale regarded as definitive. The situation had, however, changed considerably since 1946 and he doubted whether the Committee's adherence to the rule it had set itself could be justified any longer. The Committee explained its position in paragraphs 11 and 12 of its report. He realized the difficult political position in which the Committee had found itself and for that reason did not propose to press the objections he would be entitled to make against the Committee's recommendations. He wished, however, to protest strongly against the continuation in the future of the limitation which the Committee had set itself.

14. If the Committee continued to make it a rule not to make changes of more than 10 per cent in any one year in the percentage contributions of Member States, the latter would have to resign themselves to a situation in which some States would for many years pay much less than their fair share of the costs of the United Nations. The retention of that arbitrary rule would make it impossible for the Committee on Contributions to establish a scale of assessments taking into account the rapid reconstruction in many countries of war damage and devastation; the effect would be to make much too permanent the compensatory arrangements designed to meet special and temporary circumstances. Further, the Committee on Contributions would be unable to take into account the economic consequences of the astonishing progress claimed by certain Member States in productivity and national income. Such a procedure would be inconsistent with the best interests of the Organization.

15. The delegation of Canada had on many occasions directed the attention of the Committee to the fact that, if the expenses incurred in the operation of the United Nations were not shared in a fair and equitable manner by all Member States, the effect on the public at large and upon national legislatures in particular could only be unfavourable and detrimental to the long-range interest of the Organization. The Committee on Contributions could not therefore be permitted to continue to be guided by a rule which tended to perpetuate the inequities of the existing scale.

16. The Government of Canada had always adopted an understanding attitude with regard to countries which had had to solve reconstruction problems and, to the extent possible, had endeavoured to assist them. It could not, however, accept the use by certain countries of past difficulties to evade their responsibilities indefinitely. The representative of Poland on the Second Committee had said that, although more than one-third of his country's national wealth had been destroyed during the war, industrial production in 1949 had been 77 per cent above the pre-war level; he had quoted equally impressive figures for the progress achieved in the various sectors of the Polish national economy. The representative of the USSR had also proudly announced the economic progress his country had made since the war. In the light of such testimony, he thought that those Member States could perhaps be expected to carry a considerably higher proportion of the cost of the United Nations.

17. The delegation of Canada felt that those States which played a predominant part in the discussions of

the United Nations should pay a contribution fully corresponding to their capacity to pay. The representatives of the States concerned had themselves advanced arguments in the Committees of the General Assembly which fully confirmed the validity of the views of the delegation of Canada.

18. The contributions of several of those countries had originally been arbitrarily fixed at a low rate in order not to increase excessively their financial burdens during the difficult post-war period. In the present situation, when their reconstruction had made great progress, those countries should assume a fair share of the expenses of the Organization. No rule that had been adopted should be allowed to prevent that result from being achieved.

19. The delegation of Canada realized, nevertheless, that it would be very difficult to establish a new scale and to abandon the 10 per cent rule. In a conciliatory spirit, it would therefore accept, with reservations, the recommendations of the Committee on Contributions. It did so on the express condition that appropriate action should be taken at the next session of the General Assembly. It asked in particular that the Fifth Committee should state in its report to the General Assembly that the 10 per cent rule would not be applied in 1951 and that all Member States would be required to bear a fair share of the expenses of the Organization. The delegation of Canada would be prepared to submit a draft resolution to that effect.

20. He added that the *per capita* contribution of any one Member State should in no case exceed the *per capita* contribution of the largest contributor. That was a most important principle, already stated in resolution 238 (III) of the General Assembly and one which the Committee on Contributions had always taken into account.

21. To carry out its terms of reference, it was essential that the Committee on Contributions should have at its disposal all the necessary data. No doubt there were some countries whose statistical services had not yet reached a state which would permit them fully to meet those requirements. Those were exceptional cases, however, and the delegation of Canada hoped that in its next report, the Committee on Contributions would state which Member State had not communicated the desired information.

22. If the scale of assessments proposed in 1951 was not more equitable, the Canadian delegation would reconsider its entire position with respect to the scale of assessments. For the present, it accepted the recommendations of the Committee on Contributions for the financial year 1951; nevertheless, if the scale of assessments so established were modified during the current session, the delegation of Canada would be unable to agree to pay a contribution which it did not regard as reasonable and fair.

23. Mr. ROSHCHIN (Union of Soviet Socialist Republics) stated that the Committee on Contributions proposed to change the percentage contribution of twenty-three countries and had recommended an increase in the percentage contribution of fourteen countries including the USSR, the Ukrainian SSR, the Byelorussian SSR, Poland and Czechoslovakia.

24. He recalled that in 1946 the General Assembly had decided that the scale of contributions should be established in the light of the following factors: national income, *per capita* income, temporary dislocation of national economies arising out of the Second World War and the ability of Members to secure foreign currency. The scale so established had not been changed from 1946 to 1950. In its report, the Committee on Contributions recommended very substantial changes which the delegation of the USSR considered were, for the most part, unwarranted.

25. He pointed out that the Second World War had profoundly disorganized the economy of the USSR. His country had lost millions of men and had suffered war damage amounting to \$375,000 million; in addition, losses inflicted on private and public property and losses due to looting by the occupying armies had been estimated at \$125,000 million. It was true that the population of the USSR had made a remarkable effort to reconstruct their economy and had obtained results of which they could be proud. Nevertheless, because of the losses it had suffered, the USSR had no choice but to oppose any increase in its rate of contribution; he therefore requested that the percentage contribution of the USSR should not be changed.

26. He remarked that some of the countries whose percentage contribution the Committee on Contributions had recommended should be decreased could easily obtain foreign currency, and in particular, dollars, thanks to the policy followed by the United States and certain other countries and their discriminatory trade practice. Those discriminatory practices were aimed particularly at the USSR, the Byelorussian SSR, the Ukrainian SSR, Poland and Czechoslovakia. In the case of those countries, the difficulty of securing foreign currency had steadily increased.

27. The factors he had mentioned had the reverse effect in the case of the United States. That country had suffered no destruction during the Second World War; on the contrary, its national income and industrial production had increased. There was therefore nothing to justify any reduction of the percentage contribution of the United States. Nor had the United States any difficulty in obtaining the necessary currency since contributions were paid in dollars. Further, the bulk of the contributions of Member States was spent in the United States in the form of salaries, rent and maintenance costs. In addition, the United States collected the taxes paid by its nationals who were members of the Secretariat; in all, those taxes amounted to more than \$1 million, a sum to which the other Member States contributed.

28. The criteria adopted by the Committee on Contributions in making its recommendations were not consistent with the provisions of resolution 14 A, 3 (I). In its report for previous years, the Committee on Contributions had examined the various criteria on which the scale of assessments was based, and neither in 1949 nor in 1948 had the Committee recommended any changes.

29. If certain States were admitted to the United Nations it would no doubt be possible to make a slight reduction in the percentage contribution of countries like Sweden which had consistently requested that that

should be done. For the reasons he had stated, however, he proposed that no change should be made in the existing scale of assessments for the financial year 1951.

30. Mr. MELAS (Greece) said that the Committee on Contributions recommended that Greece's percentage contribution should be raised by 0.01 per cent. The increase was not very large but it should be remembered that Greece's contributions to the specialized agencies would also be increased in consequence.

31. He asked that the percentage contribution of his country should be maintained at the existing rate. He pointed out in that connexion that the General Assembly resolution, 14 A, 3 (I), confirmed by resolution 238 (III), had provided that in establishing the scale of assessments, account should be taken of income *per capita*, the temporary dislocation of the national economies arising out of the Second World War and the ability of Member States to secure foreign currency. Greece had been at war until the autumn of 1949. Since the cessation of hostilities, the *per capita* income had indeed increased to some extent, but the country's military expenditure was still substantial and a large part of the gainfully-employed population was now engaged in the restoration of the havoc caused by ten years of war. After deducting taxes and other reconstruction spending, the net *per capita* income in 1950 was less than in 1949, taking into account the rise in prices. Greece also had experienced great difficulty in obtaining foreign currency.

32. None of the three criteria established by the General Assembly justified any increase in the Greek contribution; moreover, that country had made sacrifices to provide assistance for Korea and Greek public opinion would not find it easy to understand any increase in its contribution to the expenses of the Organization.

33. In spite of its considerable financial difficulties, Greece's contribution to the United Nations was greater than its contribution to the League of Nations. Moreover, because of the duration of the sessions of the General Assembly the indirect expenditure incurred by the Greek Government had likewise increased.

34. Greece would have preferred stricter economy in the United Nations, as its delegation's speeches and votes had shown. It realized, however, that other more fortunate States had the right not to follow it on that path. But that was all the more reason not to burden Greece.

35. He repeated his request that the percentage contribution of Greece should not be increased. The Greek contribution would rise in any case since the United Nations budget for 1951 would be larger than the budget for 1950. Consequently, the financial burden on Greece should not be even further increased.

36. Mr. HAMBRO (Norway) supported the recommendations of the Committee on Contributions. The Committee's task was a very difficult one, since many countries acknowledged that their economic situation was improving but, far from agreeing to any increase in their own contributions, hoped that contributions of the other Member States would be raised.

37. All that the Committee could do was to accept or reject the recommendations of the Committee on Contributions as a whole. To accept merely some of those

recommendations and reject others would completely disrupt the scale of assessments.

38. He could not support the USSR proposal; the situation of the various countries was changing constantly at the present time and the scale of assessments therefore had to be revised almost every year. The Committee on Contributions had recommended an increase in the percentage contribution of the USSR. It should be noted that the representative of the USSR had not attended the meetings of the Committee on Contributions; had he done so, he could have explained why his delegation considered that the USSR contribution should not be increased. He hoped that the economic situation of the USSR and several other countries would improve to such an extent that they would agree to, and even ask for, an increase in their contributions.

39. Document A/C.5/407 contained a list of arrear contributions to the United Nations budget for the financial years 1949 and 1950. It would be useful if the Committee could also be informed of the total arrear contributions to the specialized agencies.

40. Mr. KRAJEWSKI (Poland) said that the Canadian representative appeared to be unaware that certain countries, and Poland in particular, had suffered considerably during the Second World War. The reconstruction of the Polish economy was due to the enthusiastic efforts of the Polish people, efforts which had been on an unimaginable scale. It would be a good thing to compare the economic situation of Poland with that of certain other countries which, far from suffering, had benefited greatly from the war.

41. He was opposed to the recommendation of the Committee on Contributions that his country's percentage contribution should be increased, and he supported the USSR proposal.

42. Mr. KAHANY (Israel) recalled that the Committee on Contributions had considered the question of Israel's percentage contribution. The Israeli Government had submitted to the Committee on Contributions a memorandum on the subject, containing the relevant data which made it clear that Israel's contribution should be reduced. He asked whether copies of that memorandum could be circulated to the members of the Committee.

43. The Canadian representative had mentioned that according to an equitable principle established in the early days of the United Nations, certain Member States had then been assessed at a lower scale because they had suffered particularly heavy damage through the Second World War. The object had been to limit their financial burdens during the difficult period of post-war reconstruction. Those countries had enjoyed the benefit of the reduction for five years.

44. Israel, a recently admitted Member of the United Nations, was now in the position of those countries. In 1948, Israel had had to wage a defensive war for survival and as a direct consequence had sustained very heavy damage. In addition, Israel had been and still was faced with a special problem of mass immigration, that being a vital factor in the country's national reconstruction. He therefore regretted that the Committee on Contributions had confined itself to the few observations to

be found in paragraph 19 of its report. If, in coming to a decision on the report of the Committee on Contributions, the Committee was to revise the scale of assessments, the Israeli delegation would ask for a reduction of the Israeli percentage contribution for the following three years; if, on the other hand, the scale of assessments was not revised, his delegation would agree in a spirit of compromise to the percentage laid down for the financial year 1951 only. It proposed, however, to raise the question again and to claim an equitable reduction in Israel's assessment at the next session of the General Assembly.

45. Mr. ORANTES LUNA (Guatemala) was not satisfied with the explanation given by the Committee on Contributions in support of its recommendation for an increase in the percentage contribution of Guatemala (A/1330, para. 14). He therefore asked that the Committee on Contributions should be invited to state the grounds on which it had made that recommendation.

46. Mr. SPARKMAN (United States of America) congratulated the Committee on Contributions and its Chairman on the manner in which they had carried out their difficult task. He said that he would give his delegation's views with regard to the scale of assessments recommended by the Committee on Contributions, the failure or refusal of Member States to provide the Committee with adequate statistics, the ridiculously low percentage contribution to the United Nations budget of one of the greatest nations in the world and, lastly, the contrast between the expenditure incurred in the service of peace and mankind and the expenditure involved in the pursuit of an imperialistic and aggressive policy.

47. The report of the Committee on Contributions was of great concern since it bore directly on the amount which each Government was to provide in 1951 to finance the ordinary budget of the United Nations. It was also important for another reason: the scale of assessments should be a tangible expression of the principles of the United Nations. Any scale which was drawn up without respect for those principles would constitute a threat to the stability of the United Nations, however productive of income it might be.

48. It was in that spirit that, at its third session, the General Assembly had, in resolution 238 (III), laid down two principles to be observed in determining the scale of assessments: assessments should be levied on the basis of capacity to pay, and no one Member out of sixty Members, in an organization of sovereign States, should bear too large a share of the Organization's expenses. The General Assembly had recognized that "in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year", and that "the *per capita* contribution of any Member should not exceed the *per capita* contribution of the Member which bears the highest assessment".

49. In 1949 the Committee on Contributions had recommended a token reduction of 0.10 per cent in the contribution of the United States as a "first step" in implementing the decision of the General Assembly in 1948 (A/954,² para. 16). The United States represen-

tative in the Committee at that time had expressed his satisfaction at that recommendation but believed that a more significant reduction in the United States contribution was clearly justified by the improved economic conditions in countries given special reductions for war damage.

50. The report of the Committee on Contributions before the Committee recommended a reduction of 0.87 per cent in the contribution of the United States; that reduction could not be regarded as substantial and the arguments which the United States representative had advanced in 1949 (190th meeting,³ para. 47-57) were even more valid in 1950.

51. Nevertheless, his delegation would not oppose the scale of assessments recommended by the Committee on Contributions and would vote in favour of it. It felt, however, that with regard to the financial year 1952 the Committee on Contributions should discard those restrictive considerations which had prevented it, in 1950, from taking the true economic situation of certain Member States fully into account.

52. Two serious obstacles had hampered the work of the Committee on Contributions: failure or the refusal of certain Member States to provide the Committee with adequate statistics, and the rule against changing the contribution of any Member by more than 10 per cent in any one year.

53. If the Fifth Committee was dealing with upward or downward adjustments in a scale of assessments which already accorded with the principles laid down by the General Assembly, it would be possible to recognize as valid the rule which the Committee on Contributions had set itself; even then 10 per cent would seem to be too narrow a range to reflect economic changes. The problem at the present time, however, was quite different: the Committee had to "catch up" by revising substantially the contributions of certain Member States so as to take into account the great changes in the economic situation of those countries which had occurred in recent years. Until that was done the Committee on Contributions must lay aside that rule.

54. The great majority of Member States were entitled to ask that the contributions of certain States, which had consistently been under-assessed, should be brought into better relationship with their own contributions. If differences of population and national income were taken into account, one could see the inconsistency of a scale of assessments under which the contribution of the USSR was 6.98 per cent, whereas that of the United Kingdom was 11.37 per cent and those of France and China were 6 per cent, and under which the contributions of Canada (3.30 per cent) and India (3.41 per cent) together were almost equal to the USSR contribution. Under the rule established by the Committee on Contributions, the USSR contribution, for example, could not be brought up to the same level as the United Kingdom contribution in less than five years, irrespective of the USSR's capacity to pay. No amount of tortured logic could justify such discrepancies.

55. In the circumstances he strongly urged the Committee on Contributions, when drawing up the scale for

² *Ibid.*, Fourth Session, Fifth Committee, Annex, Vol. I.

³ *Ibid.*, Fourth Session, Fifth Committee.

1952, to abandon the rule it had established and to propose a scale which was a more accurate reflection of the changed economic situation of Member States.

56. The failure of certain Member States to provide the Committee with reliable information on their national income and their economic situation was one of the most serious obstacles to the work of the Committee on Contributions. That obstacle must be removed. As in previous years, that Committee had noted in its latest report that "there are a number of Member States for which the Statistical Office of the United Nations had to base its estimates on inadequate information" (A/1330, para. 7). That situation was understandable in the case of some Member States which were economically under-developed and did not possess statistical services capable of providing the comprehensive information required; most of those countries were making every effort to develop those services with the help of the United Nations and the specialized agencies.

57. Certain other Member States were, however, open to criticism. That was particularly the case when the lack of information was due to a fixed policy of indifference or hostile silence on the part of certain governments, which in reality were fully equipped to provide that information. Thus, the Fifth Committee was unable to carry out its duties and obey the instructions it had received from the General Assembly as a result of the failure of several governments to fulfil their obligations to the United Nations. Such an attitude was inadmissible on the part of the government of the most important of those countries, the USSR, which prided itself on its control over all economic activity in the country and could not therefore claim ignorance of its own affairs.

58. Like the majority of Member States the United States of America did not regard information concerning national income and economic activity as matters of secrecy. Like them it did not fear the publication of such information; in fact, the majority of governments published and circulated the most detailed information on national income, economic activity, trade balances etc. The research work undertaken by private research bodies, universities and other institutions was readily available. That information was freely discussed in the press, and the information submitted by governments to the Statistical Office of the United Nations could be verified without difficulty. There was no question of insisting that the governments of all Member States should have free research institutions, a free press and private organizations capable of obtaining and publishing information on the economic situation of every country, but the General Assembly must insist that all governments which were able to do so should provide the United Nations with adequate and reliable official information.

59. Those observations applied to several Member States but were particularly pertinent in the case of the USSR, which was one of the greatest Powers. Since the establishment of the United Nations, however, its contribution had remained fixed at the very modest rate of 6.34 per cent and the Committee on Contributions had recommended increasing it to only 6.98 per cent. A contribution of 6 or 7 per cent did not really represent the relative ability of the Government of the USSR to share in the expenditure of the United Na-

tions. The Fifth Committee should urge the Committee on Contributions to abandon its established practice by which no change of more than 10 per cent was made in the contribution of any country in any one year, if that was the sole reason which impelled the Committee to withhold from the USSR its rightful place of dignity as an adequate and strong supporter of the United Nations. If, however, it was lack of reliable information which was preventing the Committee from taking action, the Fifth Committee should urge it to turn to the most readily available sources of reliable information.

60. The members of the various United Nations bodies had heard a large number of official statements concerning the unprecedented economic expansion of the Union of Soviet Socialist Republics. Doubts concerning the reliability of those statements or any suspicions that they were for propaganda purposes only, and therefore not to be taken seriously, should not stand in the way. The information given must be used. For example, the Soviet publication *Trud* reported a speech given on 10 March 1950 by Mr. Malenkov, in which he said that, as a whole, the economy of the USSR had significantly surpassed the 1940 level, as a result of the fulfilment of the plan for the first four years of the post-war five-year plan. The gross industrial output of the country had been 41 per cent higher in 1949 than in 1940, and at the end of 1949 industry was working on a level higher than that foreseen for 1950 in the five-year plan. The gross agricultural output in 1950 had surpassed the level of the best pre-war year. The grain problem had been solved; the bread supplies and needed reserves had been assured.

61. The following day, *Trud* published a report of a statement by Mr. Molotov who had said that in 1948, industry in the USSR had not only reached but exceeded the pre-war level; that level had been exceeded by 41 per cent in 1949, and in the last quarter of that year, industrial production had surpassed the level prescribed for 1950 in the five-year plan.

62. On 12 June 1950, Mr. Katz-Suchy, member of the Polish delegation to the United Nations, stated that the USSR economy had achieved a triumphant advance in 1949: industrial production had increased by 20 per cent as compared with 1948, and by 41 per cent as compared with 1940; the war damage in the areas occupied by the Nazi invaders had been repaired, and production in those areas had regained the 1940 level.

63. Consequently it would appear that the USSR was not bearing its equitable share of the expenses of the United Nations, owing to application of the 10 per cent rule established by the Committee on Contributions and to the absence of sufficient statistics.

64. Nevertheless, it was important not to draw hasty conclusions from the statements which he (Mr. Sparkman) had cited, as there might be extenuating factors. It might be asked whether the USSR was carrying a heavy burden of commitments to international organizations other than the United Nations; if so, he would certainly understand a plea for sympathetic consideration. Most of the Member States contributed to the support of international organizations, the activities of which went far beyond those financed by the regular budget of the United Nations. The representatives of Norway (245th meeting, para. 61) and Australia had

expressed the justifiable concern of their governments regarding the increasing financial burden facing them as a result of the regular and emergency activities of the various international organizations.

65. The United States was a loyal supporter of the United Nations system as a whole and a substantial contributor to all the voluntarily financed activities of the United Nations. That participation was a source of pride to the United States, but it was also a matter of considerable expense. During the last fiscal year, United States contributions to the United Nations and to its seven specialized agencies had amounted to more than \$24 million. During the same period, the United States Government had contributed over \$96 million to the International Refugee Organization, the United Nations International Children's Emergency Fund, the United Nations Relief for Palestine Refugees (UNRPR), and to the Joint Support Programme of the International Civil Aviation Organization.

66. Contributions on a similar scale had been made by many other countries. But the USSR Government could not rightly complain that its support of other international activities was a reason for not increasing its contribution to the regular budget of the United Nations. The USSR had never been a member of the Food and Agriculture Organization, the International Civil Aviation Organization or the United Nations Educational, Scientific and Cultural Organization. It had recently withdrawn from the World Health Organization, leaving its obligations unfulfilled. The USSR gave its support to only two specialized agencies: the Universal Postal Union and the International Telecommunication Union, the two specialized agencies with the most modest budgets. Those memberships were held before both the present régime in Russia and the United Nations came into existence. Lastly, as far as he knew, the USSR had never given a single ruble to the ICEF, the IRO or the UNRPR. It had contributed nothing to the expanded programme of technical assistance to improve the standard of living of all the peoples of the world, despite the fact that its representatives were proclaiming the USSR's interest in the welfare of the peoples of the under-developed countries.

67. Hence, support for other more costly activities of the United Nations and its specialized agencies could not be used as an argument for relief from the obligation to support the regular budget of the United Nations in a manner more commensurate with the USSR's capacity to pay.

68. The relatively low level of the USSR contribution might still be explained by alleging special strain which placed a heavy burden on its domestic budget. In fixing the percentage of its contribution the General Assembly had taken ample account of the damage the USSR had suffered during the Second World War. The existence of similar circumstances in 1950 might justify the Committee in maintaining the percentage of the USSR contribution at the present level. It would be found, however, that while the USSR was contributing less than 7 per cent of the United Nations regular budget, it was devoting a large share of its domestic resources to military expenditures. All available information indicated that the USSR was devoting to military expenditure a larger proportion of the total resources available

to it than any other Member State. Although many countries had been compelled to increase their military expenditures because of the aggressive policy of the USSR, they were continuing to bear their fair share of the expenses of the United Nations. There was no reason, therefore, why the USSR should not contribute to the peaceful activities of the United Nations to the extent compatible with its economic resources as its representatives had pictured them.

69. He therefore urged the Committee forthwith to make it crystal clear that the Committee on Contributions should progress more rapidly towards conforming to the directives it had received from the General Assembly by abandoning its self-imposed rule not to propose in any one year changes of more than 10 per cent of the assessment of a nation and by making use of all the data available if it did not receive official information. Those two measures should enable the Committee on Contributions to submit to the sixth session of the General Assembly a scale of assessments which recognized more adequately the facts of the world economic situation as well as the previous decisions of the General Assembly.

70. In conclusion, he said that his government believed in and supported the Charter. It had no intention of haggling over its financial contribution to the United Nations. It applied the principle of economy in its own administration and encouraged other governments to do the same, yet it never intended to effect economies at the expense of human lives and at the expense of organizing a lasting peace. In every country large public expenditures for international purposes meant the postponement of important domestic improvements. The United States was sure that the money it was devoting to international co-operation would help to settle international problems, but the taxpayers who were supplying the funds had the right to expect that the financial burden of the international organization should be fully shared. They must not have the impression that Member States which thundered in the Council Chambers and General Assembly spoke only with a whisper in their financial support of the common work.

71. As Senator Vandenberg had stated in the Fifth Committee in 1946,⁴ the United Nations must conduct its financial affairs in such a manner that the provisions of the Charter giving each Member State equal and sovereign rights should not be rendered ineffective in practice. All the Member States should share equally in the financial burdens just as they shared equally in the political burdens. The Committee must be certain that the failure of a few Members to share in those burdens did not destroy the principle of sovereign equality by either forcing one Member to bear a disproportionate share of the expenses of the Organization or by placing heavy burdens on those Members least able to pay. He appealed for real comradeship and justice in the great struggle for peace which lay before the United Nations.

72. Lord CROOK (United Kingdom) congratulated the Committee on Contributions on its excellent work. The representative of Norway had been perfectly right in saying that the Committee's recommendations could only be accepted or rejected as a whole.

⁴ *Ibid.*, Second Part of First Session, Fifth Committee, 22nd meeting.

73. He agreed with the Canadian representative's statement and his reservations regarding the rule discussed in paragraph 12 of the report of the Committee on Contributions (A/1330). The United Kingdom delegation considered that it was a convenient rule, but should in no way be binding on the General Assembly; indeed, in certain years a change of more than 10 per cent might appear justified.

74. The United Kingdom delegation was not entirely satisfied with the recommendations of the Committee on Contributions, as they did not include a reduction of the percentage contribution of the United Kingdom. The United Kingdom was foremost among the countries which made their contribution in currency other than their national currency. Moreover, as a result of the devaluation of the pound sterling, that contribution, in terms of the pound sterling, had increased by 40 per cent. He hoped that the Committee on Contributions in the future would give careful consideration to the percentage contribution of the United Kingdom in conformity with the provisions contained in paragraph 18 of its report.

75. With reference to the USSR representative's statement, the United Kingdom had recognized in 1946, and continued to recognize, that the USSR had suffered considerable losses as a result of the Second World War. The USSR was not, however, the only country which had suffered from the war. For a year the United Kingdom had fought alone against Germany and Italy; it had lost all its assets abroad and had suffered enormous devastation. The United Kingdom Government had had to reconstruct and rehabilitate the economy of the country. He therefore understood the USSR delegation's concern in that regard.

76. He had, however, been greatly impressed by certain statements which the representatives of the USSR, Poland and Czechoslovakia had made in the Second Committee. Mr. Chernyshev, the USSR representative, had in fact stated that the damage suffered by his country as a result of the war amounted to \$128,000 million. Yet, according to that representative, the gross industrial output under the five-year plan would rise by 48 per cent as compared with 1940; during the fourth quarter of 1949, it had actually increased by 53 per cent and during the first ten months of 1950, by 70 per cent. The development of the metallurgical industry had also exceeded expectations; it should have risen by 35 per cent as against 1940, and had actually risen by 44 per cent in the first ten months of 1950. Coal output had surpassed the pre-war production by 57 per cent during the first ten months of 1950, and the USSR had now become the second coal-producing country in the world. Oil production had increased by 21 per cent in comparison with pre-war, and electric power output by 87 per cent. Similarly, industrial output had increased by 40 per cent as against pre-war. According to the USSR representative, the results in agriculture had been equally remarkable. The total grain production in 1950 had surpassed that of 1940 by 300 million *pounds*,⁵ and the cotton production had increased by 40 per cent. The national income in the USSR in 1950 was to have risen by 38 per cent in relation to 1940, but the actual

increase exceeded 60 per cent. The real income of salaries and wage-earning employees in 1949 had been 24 per cent above the pre-war level, and the farmers' income had risen by 30 per cent.

77. According to Mr. Katz-Suchy's statement in the Second Committee, the national income of Poland, which in 1938 had been 15,400 million zlotys, had amounted to 10,300 million in 1946, to 13,400 million in 1947, 16,300 million in 1948, and 19,200 million in 1949. Under the six-year plan, the national income was to increase by 13.4 per cent each year. The Vice-President of the Council of Ministers of Poland had stated in 1946 that the Polish people would eat better, dress better and live in better conditions. In thirty-four months the three-year plan had been carried out by 100.6 per cent.

78. The United Kingdom representative then cited a statement by Mr. Tauber, the representative of Czechoslovakia in the Second Committee, to the effect that industrial output in Czechoslovakia was rising steadily.

79. He considered that the facts must be taken into account in discussing the scale of assessments; he had communicated to the Committee some of those facts as stated by the representative of the USSR, Poland and Czechoslovakia in the Second Committee. In examining the scale of assessments, the size of the Organization's budget must also be taken into consideration and, in particular, an effort must be made to surpass the expenditure involved by the meetings of needless commissions which met without any necessity to perform utterly useless work in distant lands. His government made a contribution to the United Nations and the specialized agencies which was smaller only than that of the United States. He thought, therefore, that it had the right to ask for a more equitable apportionment of the Organization's expenses. He recognized, like the United States representative, that the contributions made by Member States were an excellent investment if they made it possible to ensure the maintenance of international peace and security.

80. Mr. ROSHCHIN (Union of Soviet Socialist Republics) remarked that in his previous statement he had deliberately avoided raising certain questions, or else he might have asked the cost of the cold war which the United States was carrying on against several countries, the cost of the North Atlantic Treaty and the cost to France and some other countries of rearmament. He might also have pointed out that in 1950 the military expenditure of the United States had been threefold that of 1949, and that the additional credits passed for that purpose in July 1950 by the United States Congress had already been exhausted. But he had thought those questions had no direct connexion with the matter being studied by the Committee.

81. The United States representative had just made slanderous accusations against the USSR which were much of the same kind as the venomous diatribes of the Voice of America. The United States was carrying on a propaganda war and one might well ask how much it was costing. In any case, the United States representative's statement showed in what manner his government participated in the work of the United Nations. The Charter had entrusted to the Organization the task of

⁵ One *pound* equals about thirty-six pounds.

maintaining international peace and security and of establishing peaceful relations between States. One might well wonder what was the use of the sessions of the General Assembly if the United States delegation made such unjustified accusations against certain countries and requested that questions quite unrelated to maintenance of international peace and security should be placed on the agenda of the General Assembly.

82. The United States representative had alleged that when the USSR representative spoke of the economic progress made by his country he was merely indulging in propaganda. It should not be forgotten, however, that the military expenditure of the United States was increasing more rapidly than that of the USSR, that the United States had 400 naval bases outside its territory and that it was making every endeavour to rearm the countries which were signatories of the North Atlantic Treaty.

83. During the last war, the USSR had lost millions of men and had suffered damage amounting to hundreds of thousands of millions of dollars. The Preparatory Commission, as well as the General Assembly at its first session, had taken into account those facts which apparently it was now desired to disregard. Moreover, the difficulty experienced by the USSR and some other countries in obtaining foreign currency was due to the discriminatory trade measures taken by the governing circles of the United States. The United States representative had of course taken care to avoid that question in his lengthy speech.

84. For the reasons he had already mentioned he requested that the Committee should not increase the percentage contribution of the USSR. He reserved the right to make further observations on the subject later.

The meeting rose at 6.10 p.m.