



GENERAL ASSEMBLY

Fourth session

REPORT OF THE COMMITTEE ON CONTRIBUTIONS

I. MEMBERSHIP AND MEETINGS

1. The Committee met at Lake Success from 5 to 18 August 1949. The following members were present:

Mr. Rafik ASHA
Mr. H. CANNON
Mr. René CHARRON
Mr. P. M. CHERNYSHEV
Mr. K. V. DEJONG
Mr. Jan PARNIEK
Mr. Josué SAENZ
Miss M.Z.H. WITTEVEEN

2. Mr. Seymour Jacklin and Mr. James E. Webb, who are members of the Committee, were unable to attend. They designated Mr. A. H. Mertsch and Mr. Frank Pace respectively to represent them. The Committee accepted these designations and the two substitute members participated in the work of the Committee throughout the session.

3. The Committee elected Miss M.Z.H. Witteveen as Chairman, and Mr. Josué Saenz as Vice-Chairman.

II. TERMS OF REFERENCE

4. The original terms of reference of the Committee on Contributions are contained in General Assembly resolution 14 (I) A, 3 of 13 February 1946; furthermore, the functions of the Committee are described in rule 149 of the rules of procedure of the Assembly. In its report for 1948 (A/620) the Committee had drawn attention to the uncertainty in which it found itself in interpreting its terms of reference. The General Assembly, during the first part of its third session, thereupon gave further instructions to the Committee. The original terms of reference were confirmed and additional directives were given as a guidance for the Committee in its work by the resolution adopted by the General Assembly on 18 November 1948 (resolution 230 (III) A). The original terms of reference and resolution 230 (III) A, are set out in the attached Annex.

5. In reviewing the scale of assessments this year the Committee has been guided by these instructions. The conclusions reached and the considerations leading to the recommendations made are set out in Chapter IV of this report.

/III. STATISTICAL INFORMATION

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III. STATISTICAL INFORMATION

6. The resolution adopted by the General Assembly during the first part of its third session called upon Member States to help the Committee by providing the available statistics and other information essential to its work.
7. The Committee noted with satisfaction that the information available this year was more comprehensive and reliable than previously but it had still to rely too much on unofficial and often incomplete data. It therefore hopes that Member States will find it possible to help it in future years by providing more statistics about their countries. Such information is needed before a more permanent scale of assessments can safely be established and to help the Committee in removing maladjustments in the present scale of assessments.
8. There are still considerable statistical difficulties to be resolved before comparisons can satisfactorily be made between the size of the national incomes of different countries using either present exchange rates or adjusted pre-war rates. The Committee has requested the Secretary-General to prepare before its next session a special study on the problems of making inter-country comparisons of national income.
9. While in many instances the data now presented substantiate the provisional figures given earlier, the incomplete and unofficial character of much of the information available necessarily made the Committee somewhat cautious in proposing changes in the assessment of Members.

IV. SCALE OF ASSESSMENTS

10. The General Assembly at its last session adopted, on 18 November 1948, the following resolution (238 III,B,3):

"That, notwithstanding the provision of rule 149 of the rules of procedure of the General Assembly, the scale of assessments for the apportionment of the expenses of the United Nations shall be reviewed by the Committee on Contributions in 1949 and a report submitted for the consideration of the General Assembly at its next regular session."

11. In accordance with these instructions the Committee again considered the scale of assessments of Member States and undertook a systematic review of the statistics available.
12. Although in many countries there has been an improvement in some branches of economic activity compared with a year ago, a number of factors make it difficult for the Committee to suggest for 1950 any appreciable change in the present scale of assessments. A number of countries have still to devote a large share of their resources to the
/repair of war damage.

repair of war damage. Many States are experiencing even greater difficulties than last year in securing foreign exchange and, in particular, United States dollars and Swiss francs. For some countries the statistics available are somewhat inconclusive as to the extent of the real improvement which has taken place. Moreover, there is uncertainty in the external trade and balance of payments position of many countries. For all these reasons the Committee was of the opinion that it would be difficult to suggest any major revision in the present scale of assessments and that certainly the time had not arrived to propose a more permanent scale.

13. Accordingly the Committee recommends that the scale of assessments it proposes should be applied for one year only.

14. The Committee also recommends that, in view of present world conditions, the 1949 scale of assessments should continue for 1950 except for such minor adjustments as can be made owing to the admission of Israel to membership in the United Nations.

15. The Committee recommends that Israel should be assessed at 0.12 per cent.

16. The Committee recommends that the following reduction should be made in the rates of contribution:

Sweden	0.02 per cent
United States of America	0.10 per cent

The decision to allow further relief to Sweden was made in the light of the general review of the information available for Sweden and the discussions which took place on the application of Sweden for a reduction of its contribution in the Working Group of the Fifth Committee of the General Assembly in Paris last year. The reduction proposed in the contribution from the United States of America represents a first step in implementing the decision of the General Assembly last year and the instructions given by the Assembly to the Committee on Contributions.

17. The scale recommended for adoption by the General Assembly is as follows:

Scale of assessments for 1950

	<u>Per cent</u>
Afghanistan	0.05
Argentina	1.85
Australia	1.97
Belgium	1.35
Bolivia	0.08
Brazil	1.85
Burma	0.15
Byelorussian Soviet Socialist Republic	0.22
Canada	3.20
Chile	0.45
China	6.00
Colombia	0.37
Costa Rica	0.04
Cuba	0.29
Czechoslovakia	0.90
Denmark	0.79
Dominican Republic	0.05
Ecuador	0.05
Egypt	0.79
El Salvador	0.05
Ethiopia	0.08
France	6.00
Greece	0.17
Guatemala	0.05
Haiti	0.04
Honduras	0.04
Iceland	0.04
India	3.25
Iran	0.45
Iraq	0.17
Israel	0.12
Lebanon	0.06
Liberia	0.04
Luxembourg	0.05
Mexico	0.63
Netherlands	1.40
New Zealand	0.50
Nicaragua	0.04
Norway	0.50
Pakistan	0.70
Panama	0.05
Paraguay	0.04
Peru	0.20
Philippines	0.29
Poland	0.95
Saudi Arabia	0.08
Sweden	1.98
Syria	0.12
Thailand	0.27
Turkey	0.91
Ukrainian Soviet Socialist Republic	0.84
Union of South Africa	1.12
Union of Soviet Socialist Republics	6.34
United Kingdom	11.37
United States of America	39.79
Uruguay	0.18
Venezuela	0.27
Yemen	0.04
Yugoslavia	0.33
TOTAL	<u>100.00</u>

V. OTHER MATTERS CONSIDERED BY THE COMMITTEE

Assessment of Israel for its first year of Membership

18. Israel became a Member of the United Nations on 11 May 1949. The Committee recommends that for the year 1949 Israel shall contribute 7/12 of its percentage assessment for 1950.

Contribution of Switzerland towards the expenses of the International Court of Justice

19. The General Assembly resolved on 18 November 1948 (resolution 238 III, B) that Switzerland should contribute 1.65 per cent of the expenses of the International Court of Justice for the year 1949. After consideration of the data available, the Committee recommends that for the year 1950 and thereafter, until a revision of this assessment may be necessary, Switzerland shall contribute 1.65 per cent of the expenses of the International Court of Justice for each financial year. In accordance with the terms of General Assembly resolution 91 (I) of 11 December 1946, the assessment is subject to consultation with the Swiss Government.

Percentage or unit system of assessment

20. In its last report (A/628) the Committee on Contributions recommended that consideration of the relative merits of the unit and the percentage system of assessment should be deferred until a more permanent scale is proposed. Since the Committee now recommends that the proposed scale of assessments for 1950 be adopted for only one year, the question of a unit or percentage system has again been deferred.

Collection of contributions

21. The Committee received a report on the collection of contributions for this year. By 10 August 1949, 71.53 per cent of the total contributions for 1949 had been collected. No arrears of contributions were due except for the year 1948; 98.91 per cent of the contributions for that year had been collected as at 31 July 1949. Since no Member State is at the present time in arrears in the payment of contributions for two full years, no action was required by the Committee in respect of the application of Article 19 of the Charter.

Collection of a portion of the 1949 contributions in currencies other than United States dollars

22. The General Assembly on 18 November 1948 decided again to make an exception to Financial Regulation 20, which provides that contributions shall be paid in the currency of the State in which the United Nations has its headquarters and resolved (resolution 238 (III), B) that "the Secretary-General shall be empowered to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial year 1949 in currencies other than United States dollars."

/23. The Committee

23. The Committee has noted that only five Member States availed themselves of this provision and that the total amount to be paid by these States in 1949 in currencies other than United States dollars is the equivalent in Swiss francs of \$2,199,478.

ANNEX

TERMS OF REFERENCE OF THE COMMITTEE
ON CONTRIBUTIONS

Original terms of reference

The original terms of reference of the Committee on Contributions are contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), and were adopted at the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 (I) A, 3).

The relevant paragraphs of the report of the Preparatory Commission incorporating the amendments of the Fifth Committee are as follows:

"The Apportionment of Expenses

13. The expenses of the United Nations should be apportioned broadly according to capacity to pay. It is, however, difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formulae. Comparative estimates of national income would appear prima facie to be the fairest guide. The main factors which should be taken into account in order to prevent anomalous assessments resulting from the use of comparative estimates of national income include:

- (a) comparative income per head of population;
- (b) temporary dislocation of national economies arising out of the second world war;
- (c) the ability of Members to secure foreign currency.

Two opposite tendencies should also be guarded against: some Members may desire unduly to minimize their contributions, whereas others may desire to increase them unduly for reasons of prestige. If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay. The Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations. Once a scale has been fixed by the General Assembly it should not be subjected to a general revision for at least three years or unless it is clear that there have been substantial changes in relative capacities to pay.

14. Other functions of the Committee would be:

- (a) to make recommendations to the General Assembly on the contributions to be paid by new Members;
- (b) to consider and report to the General Assembly on appeals by Members for a change of assessment; and
- (c) to consider and report to the General Assembly on the action to be taken if Members fall into default with their contributions.

In connexion with the latter, the Committee should advise the Assembly in regard to the application of Article 19 of the Charter."

RESOLUTION 238 (III) A ADOPTED BY THE GENERAL ASSEMBLY
ON 18 NOVEMBER 1948

The General Assembly,

Recognizing

(a) 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,

(b) That in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment,

(c) That the Committee on Contributions needs for its work more adequate statistical data,

Accordingly

1. Reaffirms the terms of reference of the Committee on Contributions accepted by the General Assembly in its resolution of 13 February 1946 (resolution 14 (I), A, 3);

2. Calls upon Member States to assist the Committee on Contributions by providing the available statistics and other information essential to its work;

3. Accepts the principle of a ceiling to be fixed on the percentage rate of contributions of the Member State bearing the highest assessment;

4. Instructs the Committee on Contributions, until a more permanent scale is proposed for adoption, to recommend how additional contributions resulting from (a) admission of new Members, and (b) increases in the relative capacity of Members to pay, can be used to remove existing maladjustments in the present scale or otherwise used to reduce the rates of contributions of present Members;

5. Decides that when existing maladjustments in the present scale have been removed and a more permanent scale is proposed, as world economic conditions improve, the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly.
