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REPORT OF THE COMMITTEE ON CONTRIBUTIONS

GENERAL ASSEMBLY

OFFICIAL RECORDS : SIXTEENTH SESSION
SUPPLEMENT No. 10 (A/4775) ✓

NEW YORK

(14 p.)

CONTENTS

	<i>Page.</i>
I. Membership of the Committee.....	1
II. Terms of reference.....	1
III. Statistical information	1
IV. Scale of assessments.....	2
V. Other matters considered by the Committee.....	5
VI. Recommendations of the Committee.....	7
<i>Annex:</i> Terms of reference of the Committee on Contributions.....	9

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

Report of the Committee on Contributions

I. MEMBERSHIP OF THE COMMITTEE

1. The twentieth session of the Committee on Contributions was convened at the Headquarters of the United Nations from 9 May to 2 June 1961. The following members were present:

Mr. Antonio Arráiz	Mr. J. Michalowski
Mr. Raymond T. Bowman	Mr. Sidney Pollock
Mr. P. Chernyshev	Mr. Pareja y Paz Soldan
Mr. C. S. Jha	Mr. Maurice Viaud
Mr. F. Nouredin Kia	

2. Mr. A. H. M. Hillis, who is a member of the Committee, was unable to attend the session and designated Mr. C. H. W. Hodges to represent him. Mr. Michalowski attended part of the session and, after his departure for urgent duties elsewhere, designated Mr. J. Machowski to represent him for part of the session and Mr. A. Czarkowski for the remainder. Mr. Chernyshev, who was absent one day, on account of illness, designated Mr. R. M. Timerbaev to represent him. The Committee accepted these designations on the understanding that the substitutes would remain in consultation with the members they represented. Some members of the Committee believe that the admission of substitutes designated by appointed members should be more restrictive.

3. The Committee elected Mr. Jha as Chairman and Mr. Kia as Vice-Chairman.

II. TERMS OF REFERENCE

4. The General Assembly, in resolution 1308 (XIII) of 10 December 1958, instructed the Committee to review the scale of assessments in 1961 and to submit a report to the General Assembly for consideration at its sixteenth session. For the review of the scale, the Committee applied its original terms of reference as adopted by the General Assembly on 13 February 1946 (resolution 14 A (I), paragraph 3), in conjunction with the further directives given to it by the General Assembly in resolution 238 A (III) of 18 November 1948, resolution 665 (VII) of 5 December 1952 and resolution 1137 (XII) of 14 October 1957. These terms of reference and directives are set in the annex attached to the present report.

III. STATISTICAL INFORMATION

5. At the eighth session of the General Assembly, it was agreed in the Fifth Committee that Member States should be informed of the dates of the meetings of the Committee on Contributions as soon as these had been fixed in order to ensure that Governments would submit the requisite national income and other data in time for the Committee to take it into account in the formulation of its recommendations to the General Assembly on the scale of assessments. In its report¹ to the General Assembly at its fifteenth session, the Committee on Contributions announced that its next session would open on 9 May 1961 at United Nations Headquarters. At the beginning of the current year, the Statistical Office of the United Nations, following instructions from the Committee on Contributions, requested Member States to submit for the use of the Committee national

income estimates for the years 1957, 1958 and 1959 and any available estimates for 1960. The Secretary-General in a communication addressed to Member States on 15 March 1961 again called the attention of Governments to the opening date of the next session of the Committee and asked them to make available as soon as possible any relevant supplementary data or information that they might wish to submit to the Committee for consideration. Seventy-eight States furnished statistics in response to the Secretary-General's requests. The national income estimates and other data and supplementary information submitted by Member States in response to these requests have been taken fully into account by the Committee in the current review of the scale.

6. Comparative estimates of national income are used by the Committee as a guide in determining Member States' relative capacity to pay, in accordance with the

¹ Official Records of the General Assembly, Fifteenth Session, Supplement No. 10 (A/4566).

Committee's terms of reference. The Committee found that during the three-year period since the last comprehensive review of the United Nations scale of assessments in 1958 there had been considerable improvement in the national income data provided by Member States. The number of Member States from which official national income estimates were available for all three of the base years had increased, which to some extent was due to the Committee's decision to use 1957-1959 estimates. Several Governments had, moreover, been able to improve the quality and coverage of their estimates of national income and to publish revised estimates based on more adequate data. From the economic surveys prepared by the regional economic commissions and from the reports of statistical experts provided under the technical assistance programme, valuable information continues to be obtained enabling the Statistical Office to improve its methods of estimation for countries for which recent official figures are not yet available. In cases where extrapolations from previous years were found necessary, the publication of more detailed basic economic and financial statistics has also enabled the Statistical Office to arrive at generally better estimates than in previous years. In many cases, however, the estimates could still only be regarded as approximate. The Committee expressed the hope that Member States would continue their efforts to improve their statistics and that, where appropriate, increased United Nations technical assistance would be available to this end.

7. International comparison of national income estimates presents special difficulties and adequate national income data for all Member States is important as a preliminary basis for arriving at an equitable scale. In addition to the varying quality of the national income estimates as at present available, there are problems of differences in concept of national income and of the conversion of national income expressed in national currencies into a common unit.

8. In previous reports, the Committee has referred to the differences between the United Nations System of National Accounts and the system employed in countries with centrally planned economies. The concept of national income prevalent in the centrally planned economies is restricted to net material production and excludes activities such as public administration and defence, personal and professional services and similar activities, which are included in the System of National Accounts recommended by the Statistical Commission and used by a majority of Member States. The Committee noted that in the case of the Union of Soviet Socialist Republics an approximate calculation has been published in the *Economic Survey of Europe, 1959*, of the Economic Commission for Europe, indicating the relation of net material product to the more comprehensive net national product at factor cost. While the percentage indicated for the USSR could not be assumed necessarily to apply to the net material product estimates of the other centrally planned economies, it

afforded, nevertheless, a basis for arriving at reasonably accurate estimates. The Committee decided, therefore, that, at the current session, it was necessary to make the national income estimates for the centrally planned economies comparable to those of other Member States. In arriving at an estimate of the value or percentage of services not included in the net material product for the countries with centrally planned economies, the Committee, after consideration of various alternatives and on the basis of the best estimates available, adopted percentages which may err on the side of underestimate. This was partly due to the fact that the percentages reflected only approximately the proportion which net non-material product was to the *aggregate* of material and non-material product. The problem of the comparability of the two systems is being studied by United Nations and other experts and it may be expected that before the Committee's next review of the scale further progress will have been made in this field.

9. The assessment of the Union of Soviet Socialist Republics, the Byelorussian Soviet Socialist Republic and Ukrainian Soviet Socialist Republic was determined as a single unit because data were available only on this basis. The allocation was then based on the proportions accepted in 1946 when the first scale was adopted.

10. The problem of converting estimates of national income expressed in national currencies into a common unit, namely, the United States dollar, has been dealt with in previous reports. The Committee recognizes that the use of exchange rate for the conversion of national income into a common unit may not be entirely satisfactory, but since no better methods are available, it has had to rely upon them. Normally, official exchange rates have been used for this purpose. In cases, however, where multiple exchange rates are in operation, or for countries with rapidly fluctuating rates, other methods had to be used. In some such cases, reliance had to be placed on conversion rates constructed from previously acceptable rates on the basis of relative changes in price levels, wages and other factors in the countries concerned, while in others, simple or weighted averages of prevalent rates of exchange had to be adopted. In selecting appropriate exchange rates for converting national incomes in national currencies into United States dollars, the Committee considered several alternative calculations before arriving at its decisions.

11. In using national income estimates to measure relative capacity to pay, one of the factors the Committee has to take into account is comparative income per head of population. In order to arrive at the *per caput* income of Member States, reliable population censuses are essential and for some countries only rough estimates exist. In this connexion, the Committee took note with satisfaction of resolution 820 B (XXXI) of the Economic and Social Council on the 1960 World Population Census Programme, which included a request to the Secretary-General to intensify efforts to ensure international co-operation in the evaluation, analysis and utilization of population census results and related data.

IV. SCALE OF ASSESSMENTS

12. The existing scale of assessments was originally established in 1958 and was approved by the General Assembly for the years 1959, 1960 and 1961 (resolution 1308 (XIII)). In 1959, one State and in 1960, seventeen

States were admitted to membership in the Organization. As a basis for assessing the new Members in respect of the remainder of the assessment period 1959-1961, the Committee used as a guide national income estimates

for the same period as had been used for other Members, namely, 1955-1957. It was decided, however, not to adjust the existing scale to include the new Members but to make the percentage assessments for the latter, totalling 0.95 per cent, additional to the existing scale of 100 per cent (resolutions 1373 A (XIV) of 17 November 1959 and 1552 (XV) of 18 December 1960).

13. Under the Committee's terms of reference, "the expenses of the United Nations should be apportioned broadly according to capacity to pay",² and national income estimates are used as a guide in measuring such capacity. Since 1952, the Committee has used averages of national income estimates for a series of years so as to reduce the effect on assessments of short-term fluctuations in economic conditions and variations in exchange rates. For its current review, the Committee decided to base its computations on national income estimates for the three years 1957, 1958 and 1959. The decision to adopt 1957-1959 as the base period, rather than 1958-1960, was made in order to ensure that the Committee would have as complete statistical data as possible for all Member States and thus achieve a greater comparability. In basing itself on national income estimates for 1957-1959, the Committee also took into account special factors affecting the economies of certain countries.

14. In using national income estimates for measuring relative capacity to pay, the Committee is required to take into account certain factors dealt with in the following paragraphs:

COMPARATIVE INCOME PER HEAD OF POPULATION

15. In 1951, the General Assembly in resolution 582 (VI) directed that particular attention should be given to countries with low *per caput* income, and this directive was reaffirmed at the seventh and again at the ninth session of the General Assembly. In compliance with this directive, the Committee at its session in 1952 increased the maximum allowance granted to such countries from 40 to 50 per cent, and the increased allowance has been applied in all subsequent scales. At its current session, the Committee reviewed its method of making allowance for low *per caput* income, which is briefly as follows: a deduction is made from the national income of each country with a *per caput* income equivalent to less than \$1,000. The difference between \$1,000 and a country's *per caput* income is expressed as a percentage, and 50 per cent of that percentage is deducted from the country's national income for the purpose of arriving at the assessment. Thus, since the allowance is progressive, the lower the *per caput* income the more nearly the percentage deduction approaches 50 per cent of the national income, while a country with a *per caput* income of \$1,000 or over receives no reduction at all. Some members felt that the General Assembly's directive that additional recognition should be given to low *per caput* income countries was not adequately met by the formula used hitherto and that the very low *per caput* income countries, many of whom had enormous problems of development and availability of foreign exchange, needed further consideration. The view was advanced that the present allowance might be increased for the very low *per caput* income countries. Various alternatives were considered, including one in which the maximum allowance for countries with *per caput* income below \$200 was increased to 60 per cent,

and computations on this basis were made to determine the resulting effects on the scale. The Committee recognized that the implementation of the ceiling principle combined with an increase in the allowances for very low *per caput* income would place the whole burden of such increases on other countries with low *per caput* income and on the middle income countries. The Committee also recognized the difficulty in disturbing the balance in the scale reached as a result of giving effect to a number of General Assembly directives. After considering alternative possibilities, the Committee finally decided to maintain the present system of allowances for low *per caput* income.

OTHER FACTORS

16. Two other factors specifically mentioned in the Committee's terms of reference are: "temporary dislocation of national economies arising out of the Second World War", and "the ability of Members to secure foreign currency".³ The Committee considered how much weight could be given to these factors and decided to maintain the conclusions set out in previous reports, namely: (1) that the consequences of war dislocations are largely reflected in the national income figures and therefore the countries concerned are receiving appropriate consideration for war damage under the existing system of allowances, and (2) that it would not be practicable to make a systematic allowance for the difficulty in securing foreign currency, although it may be possible to take this into account in arriving at certain individual assessments.

17. The Committee recognized, however, that many Member States still experienced serious difficulties in obtaining United States dollars, the main currency required for the payment of contributions. In paragraph 35 of the present report, the Committee has referred to the arrangements made by the Secretary-General for the payment of part of Member States' contributions in currencies other than United States dollars. In view of the interest shown by many Member States in the possibility of meeting their financial obligations to the United Nations in currencies other than dollars, the Committee recommends that the Secretary-General should be authorized to continue similar arrangements for the period 1962-1964, and that efforts should be made, if possible, to extend the range of currencies and the amounts acceptable in such currencies.

CEILING PRINCIPLE

18. At its twelfth session, the General Assembly decided (resolution 1137 (XII)) that "in principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total," and gave certain specific directives with regard to the steps to be taken in preparing the scale of assessments for 1958, in compliance with which the assessment for the United States of America was reduced to 32.51 per cent in the 1958 scale. In paragraph 3 of the resolution it was further provided that:

"(b) During the three-year period of the next scale of assessments (1959-1961), further steps to reduce the shares of the largest contributor shall be recommended by the Committee on Contributions when new Member States are admitted;

² See annex, section A.

³ *Ibid.*

"(c) The Committee on Contributions shall thereafter recommend such additional steps as may be necessary and appropriate to complete the reduction ;

"(d) The percentage contribution of Member States shall not in any case be increased as a consequence of the present resolution."

The Committee at its session in 1958, when the existing scale for 1959-1961 was originally drawn up, decided that, since no new Members had been admitted to the Organization since the 1958 scale had been adopted, the assessment of the largest contributor in the scale recommended for 1959-1961 should be maintained at the 1958 level. As the 1959-1961 scale was not adjusted to include the percentage assessments for the new Members admitted to the Organization in 1959 and 1960, no reduction was made in the assessment of the largest contributor as a result of this increase in membership. At its current session, the Committee considered the downward revision in the assessment of the largest contributor that would be appropriate in the light of the General Assembly directive. If the total amount of the percentage contribution of the eighteen new Members was applied to a *pro rata* reduction of the percentage contribution of all Member States, the United States assessment would be reduced to 32.20 per cent. The majority of the members were of the opinion that, in order to comply with the General Assembly directive and particularly paragraph 3 (c), it was obliged to make a slightly larger reduction in the United States assessment than that resulting from a *pro rata* distribution of the percentage contributions for the new Members, namely, a reduction to 32.02 per cent. Some Members felt difficulty in applying the General Assembly resolution otherwise than through a proportionate reduction in the assessment of the highest contributor as a result of the entry of new Members. They felt that a lowering of the ceiling greater than such a proportionate reduction was difficult to justify as it would mean smaller decreases in the assessment of countries with low *per caput* income which deserved additional consideration, and middle income countries.

Per caput CEILING PRINCIPLE

19. The *per caput* ceiling principle was laid down in resolution 238 A (III) of 18 November 1948, in which the General Assembly recognized "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." This principle has been fully implemented in the scale since 1956. The only assessment now affected by the *per caput* ceiling principle is that of Canada, which it will be noted has, nevertheless, been increased from 3.11 to 3.12 per cent, as a result of a faster rate of population growth for Canada than for the United States.

SPECIAL CASES

20. Several Member States had submitted representations concerning their assessments. These representations were carefully examined, and the conclusions reached have been reflected in the proposed scale. In the case of Chile, the Committee found that the effects on its economy of the severe earthquakes in May 1960 justified a downward adjustment in its assessment in the scale for 1962-1964.

21. In its 1960 report, the Committee recommended that the 1961 assessment for Congo (Leopoldville)

should be the minimum of 0.04 per cent pending further examination at the next session of the Committee. In the special circumstances still applicable in the case of the Congo (Leopoldville), the Committee decided that its assessment should be fixed at a level lower than that justified by the statistical data.

CONCLUSIONS

22. As a result of its review the Committee has recommended a number of upward and downward revisions in the scale. In general, these adjustments reflect the changes in relative capacity to pay that have occurred during the period since the last general review of the scale. In some cases, the changes represent corrections of anomalies in the scale that have become apparent through the availability of improved estimates of national income.

23. The changes in the scale recommended by the Committee as a result of its review will be seen from the following table in which are listed (1) the present 1961 assessments totalling 100.95 per cent, and (2) the 1961 assessments integrated to 100 per cent and (3) the scale of assessments recommended for the years 1962, 1963 and 1964:

Scale of assessments

Member State	(1) Present scale	(2) Present scale (after integration)	(3) Scale recommended for 1962-1964
Afghanistan	0.06	0.06	0.05
Albania	0.04	0.04	0.04
Argentina	1.11	1.10	1.01
Australia	1.79	1.77	1.66
Austria	0.43	0.42	0.45
Belgium	1.30	1.29	1.20
Bolivia	0.04	0.04	0.04
Brazil	1.02	1.01	1.03
Bulgaria	0.16	0.16	0.20
Burma	0.08	0.08	0.07
Byelorussian Soviet Socialist Republic	0.47	0.46	0.52
Cambodia	0.04	0.04	0.04
Cameroon	0.04	0.04	0.04
Canada	3.11	3.08	3.12
Central African Republic	0.04	0.04	0.04
Ceylon	0.10	0.10	0.09
Chad	0.04	0.04	0.04
Chile	0.27	0.27	0.26
China	5.01	4.96	4.57
Colombia	0.31	0.31	0.26
Congo (Brazzaville) ..	0.04	0.04	0.04
Congo (Leopoldville) ..	0.04	0.04	0.07
Costa Rica	0.04	0.04	0.04
Cuba	0.25	0.25	0.22
Cyprus	0.04	0.04	0.04
Czechoslovakia	0.87	0.86	1.17
Dahomey	0.04	0.04	0.04
Denmark	0.60	0.59	0.58
Dominican Republic ..	0.05	0.05	0.05
Ecuador	0.06	0.06	0.06
El Salvador	0.05	0.05	0.04
Ethiopia	0.06	0.06	0.05
Federation of Malaya ..	0.17	0.17	0.13
Finland	0.36	0.36	0.37
France	6.40	6.34	5.94
Gabon	0.04	0.04	0.04
Ghana	0.07	0.07	0.09
Greece	0.23	0.23	0.23
Guatemala	0.05	0.05	0.05
Guinea	0.04	0.04	0.04
Haiti	0.04	0.04	0.04

Scale of assessments (continued)

<i>Member State</i>	(1) <i>Present scale</i>	(2) <i>Present scale (after integration)</i>	(3) <i>Scale recommended for 1962-1964</i>
Honduras	0.04	0.04	0.04
Hungary	0.42	0.41	0.56
Iceland	0.04	0.04	0.04
India	2.46	2.44	2.03
Indonesia	0.47	0.46	0.45
Iran	0.21	0.21	0.20
Iraq	0.09	0.09	0.09
Ireland	0.16	0.16	0.14
Israel	0.14	0.14	0.15
Italy	2.25	2.23	2.24
Ivory Coast	0.06	0.06	0.04
Japan	2.19	2.17	2.27
Jordan	0.04	0.04	0.04
Laos	0.04	0.04	0.04
Lebanon	0.05	0.05	0.05
Liberia	0.04	0.04	0.04
Libya	0.04	0.04	0.04
Luxembourg	0.06	0.06	0.05
Madagascar	0.06	0.06	0.04
Mali	0.04	0.04	0.04
Mexico	0.71	0.70	0.74
Morocco	0.14	0.14	0.14
Nepal	0.04	0.04	0.04
Netherlands	1.01	1.00	1.01
New Zealand	0.42	0.41	0.41
Nicaragua	0.04	0.04	0.04
Niger	0.04	0.04	0.04
Nigeria	0.21	0.21	0.21
Norway	0.49	0.48	0.45
Pakistan	0.40	0.39	0.42
Panama	0.04	0.04	0.04
Paraguay	0.04	0.04	0.04
Peru	0.11	0.11	0.10
Philippines	0.43	0.42	0.40
Poland	1.37	1.36	1.28
Portugal	0.20	0.20	0.16
Romania	0.34	0.34	0.32
Saudi Arabia	0.06	0.06	0.07
Senegal	0.06	0.06	0.05
Somalia	0.04	0.04	0.04
Spain	0.93	0.92	0.86
Sudan	0.06	0.06	0.07
Sweden	1.39	1.38	1.30
Thailand	0.16	0.16	0.16
Togo	0.04	0.04	0.04
Tunisia	0.05	0.05	0.05
Turkey	0.59	0.58	0.40
Ukrainian Soviet So- cialist Republic	1.80	1.78	1.98
Union of South Africa	0.56	0.55	0.53
Union of Soviet So- cialist Republics	13.62	13.50	14.97
United Arab Republic..	0.32	0.32	0.30
United Kingdom of Great Britain and Northern Ireland ...	7.78	7.71	7.58
United States of America	32.51	32.20	32.02
Upper Volta	0.04	0.04	0.04
Uruguay	0.12	0.12	0.11

Scale of assessments (continued)

<i>Member State</i>	(1) <i>Present scale</i>	(2) <i>Present scale (after integration)</i>	(3) <i>Scale recommended for 1962-1964</i>
Venezuela	0.50	0.49	0.52
Yemen	0.04	0.04	0.04
Yugoslavia	0.35	0.35	0.38
TOTAL	100.95	100.00	100.00

24. Mr. Chernyshev voted against the proposed scale. In his opinion, the assessment of the USSR, the Byelorussian SSR, the Ukrainian SSR, Czechoslovakia, Hungary and Bulgaria is unscientific since the basic principle of determination of the scale of assessments on the basis of objective statistical data has been violated. The Soviet Union's contribution, on the basis of objective data, should have been no more than 14.5 per cent, including the Ukrainian SSR and the Byelorussian SSR, and those of Czechoslovakia and Hungary should have been 0.99 and 0.54 per cent, respectively. The unscientific character of the Committee's decision is, in his opinion, also expressed in the fact that the Committee, in determining the contribution of the USSR and other socialist countries, has not taken into consideration two other important factors, namely, the damage caused by the Second World War and the difficulty in obtaining United States dollars as a result of discrimination in world trade as applied to the socialist countries. Besides, the Committee, in the opinion of Mr. Chernyshev, has unduly reduced the United States contribution to 32.02 per cent, while, on the basis of objective statistical data, that assessment should have been fixed at the level of 38.5 per cent.

25. Mr. Czarkowski, on behalf of Mr. Michalowski, stated that he could not support this report since the Committee had calculated the percentage contributions of the socialist countries to the United Nations budget for the years 1962-1964 at a level higher than it should be on the basis of principles established in this respect by the General Assembly. In particular, the principle of ability to secure foreign currency and the recognition that war damages are still affecting the economies of some States had been disregarded. This had resulted in vertical increases of the contributions of Bulgaria, Czechoslovakia, Hungary, the USSR, the Ukrainian SSR and the Byelorussian SSR. On the other hand, the Committee had recommended considerable decreases in the contributions of almost all remaining highly developed States. The statistical data and the existing principles of assessing United Nations Member States did not, in his opinion, justify such a shift in the recommended scale of assessments.

26. The majority of the Committee wish to record that, in their opinion, the scale recommended has been worked out with the utmost thoroughness and in an expert manner, on the best available data and in accordance with the terms of reference given to the Committee by the General Assembly.

V. OTHER MATTERS CONSIDERED BY THE COMMITTEE

ASSESSMENT OF NON-MEMBER STATES

27. The General Assembly, in resolution 1308 (XIII) of 10 December 1958, approved the percentage

rates at which States that are not Members of the United Nations but which participate in certain of its activities should be called upon to contribute towards the 1959, 1960 and 1961 expenses of such activities.

At its present session, the Committee reviewed the rates, and in arriving at the percentage assessments now recommended for non-member States applied the same principle as for the establishment of the assessments of Member States. The same allowance for low *per caput* income was used, and the rates were computed by relating the adjusted income of each country to the combined adjusted income of those Member States that are not subject to "ceiling", "floor" and "*per caput* ceiling" provisions.

28. As a result of its review, the Committee recommends that the percentage rates at which non-member States may be called upon to contribute towards the 1962, 1963 and 1964 expenses of the activities in which participate should be as follows:

	Percentage rates recommended for 1962-1964	Present rates
Germany, Federal Republic of	5.70	5.33
Korea, Republic of	0.19	0.21
Liechtenstein	0.04	0.04
Monaco	0.04	0.04
San Marino	0.04	0.04
Switzerland	0.95	0.97
Viet-Nam	0.23	0.20

These rates are subject to consultation with the respective Governments.

29. In arriving at the above rate for Switzerland, the Committee took into account the consideration that Switzerland, if included in the United Nations scale of assessments, would be affected by the *per caput* ceiling principle, and the rate has been reduced to achieve *per caput* parity with the highest contributor in the United Nations scale.

30. The United Nations activities to the expenses of which the various non-member States may be required to contribute on the basis of the rates recommended in paragraph 28, above, are:

The International Court of Justice

Liechtenstein
San Marino
Switzerland

International control of narcotic drugs

Germany, Federal Republic of
Korea, Republic of
Liechtenstein
Monaco
San Marino
Switzerland
Viet-Nam

International Bureau for Declarations of Death of Missing Persons

Germany, Federal Republic of

Economic Commission for Asia and the Far East

Korea, Republic of
Viet-Nam

Economic Commission for Europe

Germany, Federal Republic of

STATUS OF COLLECTION OF CONTRIBUTIONS

31. Under its terms of reference, one of the functions of the Committee is "to consider and report to

the General Assembly on the action to be taken if Members fall into default with their contributions", and, in this connexion, it shall "advise the Assembly on the action to be taken with regard to the application of Article 19 of the Charter".⁴ As at present no Member State is in arrears in the payment of its contribution to the extent that Article 19 of the Charter would apply, no action of the Committee was required in this respect.

32. The Committee took note of a report by the Secretary-General on the status of payment of Member States' contributions as at 30 April 1961. This report showed the following totals of unpaid contributions on that date:

	Contributions due for 1961 ⁵ \$US	Arrears due for prior years ⁵ \$US
United Nations budget	49,078,114	5,792,372
United Nations Emergency Force Special Account	13,860,215	21,446,738
United Nations Congo <i>ad hoc</i> Account	84,694,404	22,112,217
TOTAL	147,632,733	49,351,327

The Committee viewed with grave concern the large amounts of arrears outstanding as indicated by the above figures. It expressed the hope that the Member States concerned will meet their outstanding financial obligations with the least possible delay, and will co-operate fully with the Secretary-General in his efforts to accelerate the collection of contributions.

COLLECTION OF CONTRIBUTIONS IN CURRENCIES OTHER THAN UNITED STATES DOLLARS

33. The General Assembly at its thirteenth session (resolution 1308 (XIII)) authorized the Secretary-General 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 years 1959, 1960 and 1961 in currencies other than United States dollars.

34. The Committee in its 1959 and 1960 reports outlined the arrangements made by the Secretary-General under this authority for payment of part of the 1959 and 1960 contributions in non-United States currencies.

35. The Committee took note of a report by the Secretary-General on the arrangements made for payment of part of the 1961 currencies. This report indicated that seventeen Member States availed themselves of the option to pay in one or other of the non-United States currencies in which payment was acceptable to the equivalent of a total of 10.1 million dollars in respect of contributions to the regular budget, to the United Nations Emergency Force Special Account and to the Congo *ad hoc* Account. The currencies in which payment could be accepted are: Belgian francs, Chilean escudos, Ethiopian dollars, French francs, Mexican pesos, Netherlands guilders, pounds sterling, Swiss francs and Thailand baht.

36. In paragraph 17 of the present report, the Committee has recommended that the Secretary-General should be authorized to make similar arrangements for the period 1962-1964 and that the arrangements be made as comprehensive as practicable.

⁴ *Ibid.*

⁵ For details see ST/ADM/SER.B/144, Statement on the Collection of Contributions as at 30 April 1961.

SCALES OF CONTRIBUTIONS FOR SPECIALIZED AGENCIES

37. The General Assembly on 24 November 1949 authorized the Committee (resolution 311 B (IV)) "to recommend or advise on the scale of contributions for a specialized agency if requested by that agency to do so."

38. Under this authority, the Committee supplied to specialized agencies at their request theoretical probable percentages in the United Nations scale for States that

are members of such agencies but not Members of the United Nations. In accordance with the arrangements made by the Committee in pursuance of the above resolution, the Secretary-General has supplied to specialized agencies at their request statistical data and other relevant information, including the formula used for making allowance in the United Nations scale for low *per caput* income and other explanatory material on the technical methods used by the Committee.

VI. RECOMMENDATIONS OF THE COMMITTEE

39. The Committee on Contributions recommends to the General Assembly the adoption of the following draft resolution:

"The General Assembly

"Resolves that:

"1. The scale of assessments for Members' contributions to the United Nations budget for the financial years 1962, 1963 and 1964 shall be as follows:

<i>Member State</i>	<i>Per cent</i>
Afghanistan	0.05
Albania	0.04
Argentina	1.01
Australia	1.66
Austria	0.45
Belgium	1.20
Bolivia	0.04
Brazil	1.03
Bulgaria	0.20
Burma	0.07
Byelorussian Soviet Socialist Republic	0.52
Cambodia	0.04
Cameroun	0.04
Canada	3.12
Central African Republic	0.04
Ceylon	0.09
Chad	0.04
Chile	0.26
China	4.57
Colombia	0.26
Congo (Brazzaville)	0.04
Congo (Leopoldville)	0.07
Costa Rica	0.04
Cuba	0.22
Cyprus	0.04
Czechoslovakia	1.17
Dahomey	0.04
Denmark	0.58
Dominican Republic	0.05
Ecuador	0.06
El Salvador	0.04
Ethiopia	0.05
Federation of Malaya	0.13
Finland	0.37
France	5.94
Gabon	0.04
Ghana	0.09
Greece	0.23
Guatemala	0.05
Guinea	0.04
Haiti	0.04
Honduras	0.04
Hungary	0.56
Iceland	0.04
India	2.03
Indonesia	0.45
Iran	0.20
Iraq	0.09
Ireland	0.14

<i>Member State</i>	<i>Per cent</i>
Israel	0.15
Italy	2.24
Ivory Coast	0.04
Japan	2.27
Jordan	0.04
Laos	0.04
Lebanon	0.05
Liberia	0.04
Libya	0.04
Luxembourg	0.05
Madagascar	0.04
Mali	0.04
Mexico	0.74
Morocco	0.14
Nepal	0.04
Netherlands	1.01
New Zealand	0.41
Nicaragua	0.04
Niger	0.04
Nigeria	0.21
Norway	0.45
Pakistan	0.42
Panama	0.04
Paraguay	0.04
Peru	0.10
Philippines	0.40
Poland	1.28
Portugal	0.16
Romania	0.32
Saudi Arabia	0.07
Senegal	0.05
Somalia	0.04
Spain	0.86
Sudan	0.07
Sweden	1.30
Thailand	0.16
Togo	0.04
Tunisia	0.05
Turkey	0.40
Ukrainian Soviet Socialist Republic	1.98
Union of South Africa	0.53
Union of Soviet Socialist Republics	14.97
United Arab Republic	0.30
United Kingdom	7.58
United States	32.02
Upper Volta	0.04
Uruguay	0.11
Venezuela	0.52
Yemen	0.04
Yugoslavia	0.38
	100.00

"2. Subject to rule 161 of the rules of procedure of the General Assembly, the scale of assessments given in paragraph 1 above shall be reviewed by the Committee on Contributions in 1964, when a report shall be submitted for the consideration of the Assembly at its nineteenth session;

"3. Notwithstanding the terms of regulation 5.5 of the Financial Regulations of the United Nations, 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 years 1962-1964 in currencies other than United States dollars;

"4. Subject to rule 161 of the rules of procedure of the General Assembly, States which are not Members of the United Nations but which participate in certain of its activities shall be called upon to contribute towards the 1962-1964 expenses of such activities on the basis of the following rates:

<i>Non-member State</i>	<i>Per cent</i>
Germany, Federal Republic of.....	5.70
Korea, Republic of.....	0.19
Liechtenstein	0.04
Monaco	0.04

<i>Non-member State</i>	<i>Per cent</i>
San Marino	0.04
Switzerland	0.95
Viet-Nam	0.23

the following countries being called upon to contribute:

"(a) To the International Court of Justice: Liechtenstein, San Marino and Switzerland;

"(b) To the international control of narcotic drugs: Federal Republic of Germany, Republic of Korea, Liechtenstein, Monaco, San Marino, Switzerland and Viet-Nam;

"(c) To the International Bureau for Declarations of Death of Missing Persons: Federal Republic of Germany;

"(d) To the Economic Commission for Asia and the Far East: Republic of Korea and Viet-Nam;

"(e) To the Economic Commission for Europe: Federal Republic of Germany."

ANNEX

Terms of reference of the Committee on Contributions

A

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 of the United Nations (PC/20) and in the report of the Fifth Committee of 11 February 1946 (A/44), and were adopted at the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 A 3 (I), paragraph 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 formula. 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 Committees should advise the Assembly in regard to the application of Article 19 of the Charter."

B

RESOLUTION 238 A (III) 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 A (I) 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. *Instructions* 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 of the highest assessment shall be fixed by the General Assembly."

C

RESOLUTION 665 (VII) ADOPTED BY THE GENERAL ASSEMBLY
ON 5 DECEMBER 1952

"The General Assembly

"1. *Notes with satisfaction* the action taken by the Committee on Contributions to implement the recommendations of General Assembly resolution 582 (VI) of 21 December 1951 by giving additional recognition to countries with low per capita income, and urges the Committee to continue to do so in the future;

"2. *Instructions* the Committee on Contributions to defer further action on the per capita ceiling until new Members are admitted or substantial improvement in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale;

"3. *Decides* that from 1 January 1954 the assessment of the largest contributor shall not exceed one-third of the total assessment against Members."

D

RESOLUTION 1137 (XII) ADOPTED BY THE GENERAL ASSEMBLY
ON 14 OCTOBER 1957

"The General Assembly,

"*Recalling* its resolutions 14 (I) of 13 February 1946, 238 (III) of 18 November 1948 and 665 (VII) of 5 December 1952, regarding the apportionment of the expenses of the United Nations among its Members and the fixing of the maximum contribution of any one Member State,

"*Noting* that, when the maximum contribution of any one Member State was fixed at 33.33 per cent effective 1 January 1954, the United Nations consisted of sixty Member States,

"*Noting further* that, since 1 January 1954, twenty-two States have been admitted to membership in the United Nations,

"*Recalling* its resolution 1087 (XI) of 21 December 1956, whereby the percentage contributions of the first sixteen new Member States admitted since 1 January 1954 were incorporated into the regular scale of assessments for 1956 and 1957 and were applied to reduce the percentage contributions of all Member States except that of the highest contributor and those of the Member States paying minimum assessments,

"*Noting* that there are now six new Member States—Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia—whose percentage contributions have not yet been fixed by the Committee on Contributions or incorporated into the 100 per cent scale of assessments,

"*Decides that:*

"1. In principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total;

"...

"3. The Committee on Contributions shall take the following steps in preparing scales of assessments for 1958 and subsequent years;

"(a) The percentage contributions fixed by the Committee on Contributions for Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia for 1958 shall be incorporated into the 100 per cent scale for 1958; this incorporation shall be accomplished by applying the total amount of the percentage contributions of the six Member States named above to a *pro rata* reduction of the percentage contributions of all Members except those assessed at the minimum rate, taking into account the per capita ceiling principle and any reductions which may be required as a result of a review by the Committee on Contributions, at its session commencing 15 October 1957, of appeals from recommendations made previously by that Committee;

"(b) During the three-year period of the next scale of assessments (1959-1961), further steps to reduce the share of the largest contributor shall be recommended by the Committee on Contributions when new Member States are admitted;

"(c) The Committee on Contributions shall thereafter recommend such additional steps as may be necessary and appropriate to complete the reduction;

"(d) The percentage contribution of Member States shall not in any case be increased as a consequence of the present resolution."