

UNITED



NATIONS

REPORT OF THE COMMITTEE ON CONTRIBUTIONS

GENERAL ASSEMBLY

OFFICIAL RECORDS : THIRTEENTH SESSION

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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 seventeenth session of the Committee on Contributions was convened at the Headquarters of the United Nations from 5 to 12 August 1958. The following members were present:

Mr. G. P. ARKADEV
Mr. F. A. GALVÃO
Mr. A. H. M. HILLIS
Mr. Arthur S. LALL
Mr. Jiří NOSEK
Mr. José PAREJA
Mr. Sidney POLLOCK
Mr. Agha SHAHI

2. René Charron and Mr. Robert E. Merriam, who are members of the Committee, were unable to attend. They designated Mr. Louis Bruneau and Mr. Raymond T. Bowman, respectively, to represent them. The Committee accepted these designations on the understanding that the substitutes would remain in consultation with the members they represented.

3. The Committee re-elected Mr. Lall as Chairman and elected Mr. Galvão as Vice-Chairman.

II. TERMS OF REFERENCE

4. The General Assembly, in resolution 1223 (XII) of 14 December 1957, instructed the Committee to review the scale of assessments in 1958 and to submit a report for the consideration of the General Assembly at its thirteenth session, and in resolution 1137 (XII) of 14 October 1957, gave the Committee certain specific directives with regard to the establishment of the scale for 1958 and future years. The text of resolution 1137 (XII) is annexed to this report.

5. The Committee applied the above directives in conjunction with its original terms of reference laid down in resolution 14 A 3 (I) of 13 February 1946, and with those contained in resolutions 238 A (III) of 18 November 1948 and 665 (VII) of 5 December 1952.^{1/}

^{1/} For the Committee's terms of reference and the text of resolutions 238 A (III), and 665 (VII) see its 1955 report, *Official Records of the General Assembly, Tenth Session, Supplement No. 10 (A/2951)*, annex.

III. STATISTICAL INFORMATION

6. In accordance with its original terms of reference, the Committee uses comparative estimates of national income as a guide in determining the relative capacity to pay of Member States. The Committee noted that since its last comprehensive review of the scale of assessments in 1955, the national income data furnished by Member States and submitted to the Committee by the Secretary-General had shown improvement, but for a number of countries the data was still far from adequate for the purposes of the Committee. From the economic surveys prepared by the regional economic commissions and from the reports of statistical experts appointed under the Expanded Programme of Technical Assistance, valuable information continued to be obtained enabling the Statistical Office of the United Nations to improve its methods of estimation for countries for which recent official figures are not yet available. In all instances, and more particularly when the estimates of national income had to be regarded as only tentative,

the Committee considered other relevant information in reaching its recommendations.

7. The Committee would wish to emphasize the importance of adequate national income and other related statistical data for all Member States as a necessary preliminary basis for arriving at an equitable scale. In this connexion, it has noted the recommendations of the Statistical Commission in its report to the twenty-sixth session of the Economic and Social Council (E/3126), and in particular those relating to the points of correspondence and difference between the United Nations System of National Accounts and the system employed in countries with centrally planned economies. The Committee noted that it is proposed to set up an expert group to study the co-ordination of these different systems. The Committee hopes, further, that Member States for which official national income data is not available will make every possible effort to provide such data.

8. In previous reports, the Committee has mentioned the problem of converting estimates of national income expressed in national currencies into a common unit, namely, the United States dollar. Normally the official exchange rates have been used for this purpose although the Committee recognizes that the use of exchange rates for conversion is not entirely satisfactory. The difficulty is greatest under conditions of rapidly fluctuating rates, multiple rates, or rates subject to major controls. In the absence of special country-to-country price comparisons, which more accurately reflect the internal purchasing power of the monetary unit, the Committee has had to rely upon official rates when they were available and were actually effective in financing the trade of the country. In other cases, reliance has had to be placed on

conversion rates constructed from previously acceptable ones on the basis of relative changes in price levels, wages and other factors in the countries concerned.

9. In accordance with the procedure established at the eighth session of the General Assembly, Member States were informed of the opening date of the session of the Committee on Contributions and were requested to remit the latest national income estimates and other relevant information that they might wish the Committee to consider in arriving at its recommendations. In response to this request, a number of Member States furnished national income estimates and other data. The information submitted has been taken fully into account in arriving at the assessments recommended in the present report.

IV. SCALE OF ASSESSMENTS

10. The existing scale of assessments was originally drawn up in 1955 on the basis of averages of national income estimates then available for the period 1952-1954, and was approved by the General Assembly for the three years 1956, 1957 and 1958 (resolution 970 (X) of 15 December 1955). On account of the admission of new Member States to the Organization, the scale was revised in 1956 and again in 1957 to include the new Members. In arriving at the assessments for the new Member States, the Committee used the same basis of assessment as for the original scale, namely 1952-1954 national income estimates.

11. For its review of the scale at the current session, the Committee used as a starting point for its computations averages of national income estimates for the three-year period 1955-1957. The method of using averages of national income estimates for a series of years was adopted so as to mitigate the effect on assessments of short-term fluctuations in economic conditions and variations in exchange rates. Before arriving at its final recommendations for individual assessments the Committee also had regard to current economic trends and special factors affecting the economies of certain countries. In most cases, the proposed adjustments in the scale reflect the changes in relative economic conditions of Member States that have occurred during the three-year period since the last general review. In some cases, however, the changes represent corrections of anomalies in the scale that have become apparent through the availability of improved estimates of national income.

Comparative income per head of population

12. In using comparative estimates of national income as a guide to relative capacity to pay, the Committee is called upon by its terms of reference^{2/} to take into account "comparative income per head of population". In compliance with the General Assembly directives that particular attention should be given to countries with low per capita income, the Committee at its session in 1952 increased the maximum allowance granted to these countries from 40 to 50 per cent. The

increased allowance has been applied in all subsequent scales and it was decided to apply it again at the present session. The method of computation, the details of which are set out in the Committee's report of 1952,^{3/} provides, in short, that all countries with a per capita income below \$1,000 per annum obtain a reduction of their basis of assessment by amounts which approach the maximum of 50 per cent for countries with the very lowest incomes per capita.

Other factors

13. The Committee also considered the two other main factors specifically mentioned in its terms of reference: "temporary dislocation of national economies arising out of the Second World War", and "the ability of Members to secure foreign currency". In previous reports, the Committee has set out the conclusions reached with regard to these two factors 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. The Committee re-examined these factors, and decided to maintain its previous conclusions. The Committee recognized, however, that the difficulty of obtaining United States dollars, the main currency required for the payment of contributions, still continued for many Member States, and took this into account in arriving at certain individual assessments.

14. The Committee also noted that the arrangements for payment of part of the annual contributions in currencies other than United States dollars continued to provide substantial and increasing relief from payment in dollars for a number of Member States. In paragraph 29 of this report, the Committee has recommended that these arrangements be continued and that efforts be made wherever possible to make them as comprehensive as practicable.

^{2/} See A/2951, op cit., annex.

^{3/} Official Records of the General Assembly, Seventh Session, Supplement No. 10 (A/2161), paras. 11 and 12.

Ceiling Principle

15. At its twelfth session, the General Assembly decided 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 directives with regard to the steps to be taken to reduce the share of the largest contributor to this percentage (resolution 1137 (XII)). In compliance with these directives, the assessment for the United States of America was reduced to 32.51 per cent in the 1958 scale. The resolution further provided that "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". As no new Members have been admitted to the Organization since the existing scale was adopted, the assessment of the largest contributor has been maintained at the 1958 level.

Per Capita ceiling principle

16. The per capita 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 was fully implemented when the scales for 1956 and 1957 were revised to include the new Member States admitted to the Organization on 14 December 1955 and was again fully maintained in the 1958 scale. As population statistics indicate a faster rate of population growth for Canada than for the United States, the assessment for Canada in the scale recommended has been correspondingly raised from 3.09 to 3.11 per cent, and the per capita ceiling principle is still fully maintained. The only other Member State that is now affected by the per capita ceiling principle is New Zealand, whose assessment has been maintained at the 1958 level.

Minimum assessment

17. At the twelfth session of the General Assembly it was suggested in the Fifth Committee^{4/} that the Committee on Contributions should examine the possibility of a reduction in the minimum assessment of 0.04 per cent. The Committee has given careful consideration to this suggestion, but does not consider that, on balance, there is a convincing case for any reduction. It is true, as has been pointed out, that since the minimum assessment was fixed at 0.04 per cent, the total budget of the United Nations has considerably increased. But even on the basis of the provisional figures for the budget estimates of 1959, an assessment of 0.04 per cent represents a total payment of no more than about \$19,000, and it is difficult to believe that payment of such a sum would seriously strain the resources of even the smallest Member States, particularly as a substantial part, ranging up to nearly \$10,000 in the case of countries furthest away from New York, is reimbursed by the

Organization in respect of the travel of delegates to the sessions of the General Assembly. In return for its contribution, the country concerned acquires all the advantages, both tangible and otherwise, which accrue from membership in the United Nations, as well as a share in the equity of the value of the Headquarters building in New York and of the Palais des Nations in Geneva. Even if these advantages are left out of account, as well as the advantages derived from the many operational programmes of the United Nations, from which the smallest countries benefit no less (and it may be proportionately more) than others, a considerable part of the annual expenditures of the United Nations is undertaken for the common benefit of all Member States in respect of the upkeep and maintenance of the Headquarters building and its contents, for utilities such as heating, lighting and telephone services, and for the various common services, such as translation and documentation, which are at the disposal of all delegations alike. It is difficult to assign any precise figure for the proportion of these costs which could properly be attributed to any particular Member State. The provision in the 1959 budget for direct maintenance costs of premises and equipment is rather more than \$3 million, while for printing, stationery and office supplies it is about \$2.1 million. These figures take no account of the costs of the staff concerned, which fall as a charge to the Headquarters Secretariat, and they may therefore be regarded as a minimum estimate of the direct charges involved in keeping the purely mechanical side of the Organization's activities in being. If they were divided equally between the eighty-one present Member States, the cost per Member would be approximately \$63,000. Even making all due allowance for the greater use that may be made by the larger delegations of the facilities provided by the Organization, it is clear that even the smallest States receive more value in the form of Headquarters services than is represented by the amount of their net subscription. Any reduction in the present floor of 0.04 per cent would thus seem not only to be unjustified in terms of services received, but would press inequitably on other Members and particularly on those "middle income group" countries which under the present arrangements benefit neither from the "ceiling" provisions nor, except to a limited extent, from the provisions relating to low per capita incomes.

Appeals for changes in assessments

18. With reference to the appeals by Member States for changes in their assessments, the Committee stated in last year's report^{5/} that it "recognized that the information presented by certain Members seemed to suggest anomalies which, if verified by comprehensive analysis within the framework of a general review, might justify downward revisions". These appeals, as well as the recent appeals for changes in assessments submitted by Member States, and the representations made by delegations at the twelfth session of the General Assembly, were carefully examined, and the conclusions reached have been reflected in the proposed scale.

^{4/} See Official Records of the General Assembly, Twelfth Session, Annexes, agenda item 44, A/3798, para. 8.

^{5/} Official Records of the General Assembly, Twelfth Session, Supplement No. 10 (A/3714), para. 9.

Recommendations

19. As a result of its review and of the considerations stated above, the Committee recommends the following revised scale of assessments (the 1958 scale is also

indicated for comparison). It further recommends that the scale should be applicable for the three years 1959, 1960 and 1961, which is the normal period of application under rule 161 of the rules of procedure of the General Assembly:

UNITED NATIONS SCALE OF ASSESSMENTS FOR 1959, 1960 AND 1961

<u>Member States</u>	<u>Scale recommended for 1959-1961</u>	<u>1958 Scale</u>	<u>Member States</u>	<u>Scale recommended for 1959-1961</u>	<u>1958 Scale</u>
Afghanistan	0.06	0.06	Laos	0.04	0.04
Albania	0.04	0.04	Lebanon	0.05	0.05
Argentina	1.11	1.14	Liberia	0.04	0.04
Australia	1.79	1.61	Libya	0.04	0.04
Austria	0.43	0.35	Luxembourg	0.06	0.06
Belgium	1.30	1.24	Malaya, Federation of	0.17	0.22
Bolivia	0.04	0.05	Mexico	0.71	0.68
Brazil	1.02	1.06	Morocco	0.14	0.12
Bulgaria	0.16	0.14	Nepal	0.04	0.04
Burma	0.08	0.10	Netherlands	1.01	1.12
Byelorussian Soviet Socialist Republic	0.47	0.47	New Zealand	0.42	0.42
Cambodia	0.04	0.04	Nicaragua	0.04	0.04
Canada	3.11	3.09	Norway	0.49	0.48
Ceylon	0.10	0.11	Pakistan	0.40	0.54
Chile	0.27	0.29	Panama	0.04	0.05
China	5.01	5.01	Paraguay	0.04	0.04
Colombia	0.31	0.36	Peru	0.11	0.15
Costa Rica	0.04	0.04	Philippines	0.43	0.40
Cuba	0.25	0.26	Poland	1.37	1.52
Czechoslovakia	0.87	0.82	Portugal	0.20	0.24
Denmark	0.60	0.64	Romania	0.34	0.49
Dominican Republic	0.05	0.05	Saudi Arabia	0.06	0.07
Ecuador	0.06	0.05	Spain	0.93	1.11
El Salvador	0.05	0.06	Sudan	0.06	0.11
Ethiopia	0.06	0.11	Sweden	1.39	1.43
Finland	0.36	0.36	Thailand	0.16	0.16
France	6.40	5.56	Tunisia	0.05	0.05
Ghana	0.07	0.07	Turkey	0.59	0.61
Greece	0.23	0.19	Ukrainian Soviet Socialist Republic	1.80	1.80
Guatemala	0.05	0.07	Union of South Africa	0.56	0.67
Haiti	0.04	0.04	Union of Soviet Socialist Re- publics	13.62	13.62
Honduras	0.04	0.04	United Arab Republic	0.32	0.43
Hungary	0.42	0.39	United Kingdom of Great Britain and Northern Ireland	7.78	7.62
Iceland	0.04	0.04	United States of America . .	32.51	32.51
India	2.46	2.90	Uruguay	0.12	0.16
Indonesia	0.47	0.50	Venezuela	0.50	0.42
Iran	0.21	0.26	Yemen	0.04	0.04
Iraq	0.09	0.12	Yugoslavia	0.35	0.35
Ireland	0.16	0.18			
Israel	0.14	0.16			
Italy	2.25	2.03			
Japan	2.19	1.92			
Jordan	0.04	0.04			
			Total	100.00	100.00

V. OTHER MATTERS CONSIDERED BY THE COMMITTEE

Assessment of non-member States

20. The General Assembly, in resolution 1223 (XII) of 14 December 1957, 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 1958 expenses of such activities. At its present session, the Committee reviewed these rates, and in arriving at the percentage assessments now recommended for non-member States applied the same principles as for the establishment of the assessments of Member States. The same allowance for low per capita 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 capita ceiling" provisions.

21. 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 1959, 1960 and 1961 expenses of the activities in which they participate should be as follows:

	Percentage rates recommended for 1959-1961	Present rates
Germany, Federal Republic of	5.33	4.15
Korea, Republic of	0.21	0.13
Liechtenstein	0.04	0.04
Monaco	0.04	0.04
San Marino	0.04	0.04
Switzerland	0.97	0.98
Viet-Nam	0.20	0.16

These rates are subject to consultation with the respective Governments.

22. 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 capita ceiling principle, and the rate has been reduced to achieve per capita parity with the highest contributor in the United Nations scale.

23. 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 21, above, are:

The International Court of Justice

Liechtenstein San Marino Switzerland

International Control of Narcotic Drugs

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

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

24. The Committee took note of a report by the Secretary-General on the status of collection of contributions. This report showed a decline in the collection of contributions for 1958 as compared with 1957. As at 31 July 1958, collection for the current year totalled 63.99 per cent, as compared with 66.77 per cent for 1957 at the same time last year. For the 1957 and 1958 contributions, the collection as at 31 July 1958 totalled 91.30 per cent and 98.96 per cent, respectively, while the corresponding figures a year ago were 94.05 per cent and 98.69 per cent.

25. The Committee also noted that in the case of one Member State, Bolivia, part of the contribution for 1955 as well as the total contribution for 1956, 1957 and 1958 remained unpaid. The attention of the General Assembly is therefore invited to the terms of Article 19 of the Charter, which provides:

"A Member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member."

Collection of contributions in currencies other than United States dollars

26. The General Assembly, on 15 December 1955 (resolution 970 (X)), 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 1956, 1957 and 1958 in currencies other than United States dollars.

27. The Committee in its 1957 report^{6/} outlined the arrangements made by the Secretary-General under this authority for payment of part of the 1956 and 1957 contributions in non-U.S. currencies, and recommended that the arrangements for 1958 be again made as comprehensive as practicable. This recommendation was endorsed by the General Assembly (resolution 1223 (XII) of 14 December 1957).

28. Under this authority, the Secretary-General has found it possible to accept from Member States in currencies other than United States dollars, a total of 34.75 per cent of Members' contributions payable in 1958, namely 10.30 per cent in pounds sterling, 18.65 per cent in Swiss francs and 5.80 per cent in a group of five currencies. The proportion of contributions acceptable in non-U.S. currencies for 1957 totalled 33.75 per cent, of which 9.00 per cent was in pounds sterling, 18.30 per cent in Swiss francs and 6.45 per cent in a group of currencies.

^{6/} Official Records of the General Assembly, Twelfth Session, Supplement No. 10 (A/3714), paras. 34 and 35.

29. The Committee recommends that the Secretary-General should be authorized to continue similar arrangements for the period 1959-1961 and that efforts should be made, wherever possible, to raise the proportion of contributions payable in currencies other than dollars.

Scales of contributions for specialized agencies

30. The General Assembly, on 24 November 1949 (resolution 311 B (IV)), authorized the Committee "to recommend or advise on the scale of contributions

for a specialized agency if requested by that agency to do so".

31. In accordance with the arrangements made in pursuance of the above resolution, the Secretary-General has supplied statistical data and other relevant information, including the formula used for making allowance in the United Nations scale for low per capita income and other explanatory material on the technical methods used by the Committee, the International Labour Organisation, to the International Civil Aviation Organization, the World Health Organization and the United Nations Educational, Scientific and Cultural Organization.

ANNEX

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;

"2. The percentage contributions fixed by the Committee on Contributions for Japan, Morocco, Sudan and Tunisia for 1956 and 1957, and for Ghana and Malaya (Federation of) for 1957, shall constitute miscellaneous income of the United Nations;

"3. The Committee on Contributions shall take the following steps in preparing scales of assessment 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."