

## REPORT OF THE COMMITTEE ON CONTRIBUTIONS

(Item 39 (a) of the Provisional Agenda of the Second Regular Session)

## I. MEMBERSHIP AND MEETINGS

1. The Committee held nineteen meetings from 11 to 29 August 1947, and the following members attended:

Mr. M. Baumont  
Mr. J.B. Bridgen  
Mr. K.V. Dzung  
Mr. Seymour Jacklin  
Sir Cecil Kiach  
Mr. G. Martinez-Cabanas  
Mr. Jan Papenek  
Mr. James E. Webb

Mr. K. Orlov and Mr. Radin el-Fachachi were unable to attend.

Mr. Orlov designated Mr. Chernyshev to represent him. The Committee accepted this designation, and Mr. Chernyshev attended throughout the session of the Committee.

The Committee re-elected Mr. G. Martinez-Cabanas Chairman for one year.

## II. SCALE OF CONTRIBUTIONS

Terms of Reference

2. The General Assembly, on 14 December 1946, adopted scales of assessments for the 1946 and 1947 budgets and the Working Capital Fund, and resolved:\*

"That, notwithstanding the provisions of rule 43 of the provisional rules of procedure, the scale of assessments for the apportionment of expenses of the United Nations shall be reviewed by the Committee on Contributions in 1947 and a report submitted for the consideration of the General Assembly at the session to be held in September 1947."

3. The Committee, in submitting the scale included in its report last year, stated that it had "confined its work to making estimates of relative capacity to pay, recognizing that factors other than capacity

\* Resolution 69 (I).

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to pay, including ceiling provisions, which raise political issues, may be discussed by the General Assembly."

4. The General Assembly decided to modify the Committee's scale. It fixed the contribution of the United States of America at a proportion substantially lower than that attributed to it in the Committee's scale. It also decided on a minimum proportion that any member should pay. Other changes were made, and the general effect was to increase the proportions for most members above the figure included in the Committee's scale. Thus, the scale approved by the General Assembly involves factors other than the principle of capacity to pay.

5. The General Assembly took no specific action to modify the terms of reference of this Committee as outlined in paragraph 13 of section 2 of chapter IX of the Report of the Preparatory Commission, and confirmed by Assembly resolution 14 (I) adopted on 13 February 1946. These terms of reference, while indicating various considerations that might be taken into account, laid particular emphasis upon capacity to pay as the criterion on which the Committee should base its scale. Nevertheless, the action taken by the General Assembly seems to the Committee to have laid down certain indications regarding the interpretation to be given to the terms of reference in their application to the present revision. The Committee felt that it would be acting contrary to the intentions of the General Assembly if it were to propose either a reduction in the minimum assessment involved by membership of the United Nations or an increase in the assessment of the largest contributor.

#### Conclusions and Recommendations

6. After a full examination of the proceedings of the General Assembly, the Committee decided that its task in 1947 was to recommend changes in the scale adopted by the General Assembly only if warranted by the new information available on the relative capacity to pay of the members. This conclusion was not reached until a preliminary survey had been made, based on further information within the scope of the Committee's terms of reference. The Committee assured itself that no evidence existed to warrant any considerable changes in the relative positions of members as determined by the General Assembly, and proceeded to examine the problem in more detail.

7. In reporting last year on the data then available to it, the Committee pointed out their limitations. National income does not mean precisely the same thing in all countries, and the task of converting currencies to a comparable basis is difficult. While the new information furnished this year has not disposed of these problems, it represents a real

/Improvement

improvement over the material available last year. However, it will always be difficult to establish conclusions solely on statistical data. While the quality and completeness of the data are of the greatest importance, their use in the future, as now, will be to contribute towards the well-informed judgment on which, in the last resort, the Committee's conclusions must always depend.

8. The new information available this year has not altered the general conclusions reached by the Committee last year. Had it again prepared a scale based on capacity to pay, that scale would not have differed materially from the scale submitted a year ago.

9. Having reached this conclusion, and taking into account the considerations referred to in the previous paragraph, the Committee unanimously recommends that, with the modifications indicated in paragraph 10 below, the scale approved by the General Assembly last year be continued for the 1948 budget. It confines its recommendation to one year, as it considers that the time has not yet arrived for a three-year scale, as provided by rule 43 of the provisional rules of procedure.\*

10. The modifications that the Committee recommends are:

- (a) That Siam be assessed at 0.27 per cent;
- (b) That Sweden be assessed at 2.04 per cent;
- (c) That Yemen be assessed at 0.04 per cent, if its membership is approved.

11. In the course of its general review, the Committee considered the assessments of Afghanistan, Iceland and Sweden, which had not been included in the original scale submitted by the Committee last year. It found that no alteration was required in the cases of Afghanistan and Iceland and has recommended a change in the assessment of Sweden as indicated above.

12. The Committee has considered the effect on the scale of the admission of Pakistan to membership in the United Nations. If its admission is approved, the Committee recommends that the assessment attributed to India and Pakistan in the proposed scale be divided between those two members by the General Assembly.

13. The Committee feels bound to refer to the reaction that the prospective increase in the budget of the United Nations over that of last year may have on the position of members in the matter of the

\* Note by Mr. James E. Webb: I have joined in the Committee's unanimous report because I believe that in the present state of world economy the present scale should be continued for another year. However, in my judgment, the general interest and economical administration of the United Nations requires recognition that no nation should normally contribute more than one third of the administrative budget.

/payment

payment of their contributions. It seems inevitable that the amount of the contributions of members to the United Nations will increase very substantially in 1948 as compared with last year.\* Furthermore, the budget of the United Nations is by no means the only claimant for contributions in respect of international co-operation. Last year the Committee, recognizing that the activities of the United Nations would increase, stated in its report that economy in administration and an equitable scale of contributions offered the best prospect of the punctual payment of contributions, essential to the stability of an international organization.

14. The Committee has again been unable to make any specific allowances in its scale of contributions in respect of differences in "the ability of Members to secure foreign currency." Since the Committee reported last year, the shortage of dollars has grown more acute and has affected a larger number of members. The Committee feels it to be its duty to draw the attention of the General Assembly to the gravity of the foreign exchange situation and to its significance for the United Nations.

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

Scale of Contributions for the Year 1948

	\$
Afghanistan	0.05
Argentina	1.85
Australia	1.97
Belgium	1.35
Bolivia	0.08
Brazil	1.85
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

\* For example, the draft budget published by the Secretary-General (document A/318, 14 July 1947) would, in general, increase the contribution of each member by about 48 per cent.

/Ecuador

Scale of Contributions for the Year 1948 (continued)

Ecuador	0.05
Egypt	0.79
El Salvador	0.05
Ethiopia	0.08
France	5.00
Greece	0.17
Guatemala	0.05
Haiti	0.04
Honduras	0.04
Iceland	0.04
India and Pakistan	3.95
Iran	0.45
Iraq	0.17
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
Panama	0.05
Paraguay	0.04
Peru	0.20
Philippines	0.29
Poland	0.95
Saudi Arabia	0.08
Siam	0.27
Sweden	2.04
Syria	0.12
Turkey	0.91
Ukrainian Soviet Socialist Republic	0.84
Union of South Africa	1.12
Union of Soviet Socialist Republics	6.34
United Kingdom	11.48
United States	39.89

/Uruguay

Scale of Contributions for the Year 1948 (continued)

Uruguay	0.18
Venezuela	0.27
Yemen	0.04
Yugoslavia	0.33
	<u>100.00</u>

III. OTHER MATTERS CONSIDERED BY THE COMMITTEE

Unit Basis of Assessment

16. The General Assembly resolved\* last year "that as it may be more convenient for the United Nations to adopt a unit basis of assessment in lieu of the percentage basis, the Committee on Contributions is directed to give consideration to the relative merits of each method." The Committee recommends that the percentage basis should be continued, but that the question of adopting the unit basis of assessment in lieu of the percentage basis should be reconsidered when a more permanent scale for a period of at least three years is proposed.

Assessment of Siam for 1946

17. The General Assembly also resolved\* "that new Members be required to contribute to the annual budget of the year in which they are first admitted, at least 33-1/3 per cent of their percentage of assessment determined for the following year, applied to the budget for the year of their admission."

In view of the fact that Siam became a Member of the United Nations on 16 December 1946 and did not participate in the first session of the General Assembly, and that the United Nations was not called upon to contribute to the travelling expenses of the Siamese delegation, the Committee recommends that the Assembly should authorize an exception in this case to the resolution quoted above, and that no assessment should be levied on Siam for the year 1946.

\* Resolution 69 (I) of 14 December 1946.