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COMMITTEE ON CONTRIBUTIONS
Fourteenth session, 17 August 1955
New York

DATA FOR THE REVIEW OF THE SCALE OF ASSESSMENTS FOR THE
APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS

Report by the Secretary-General

1. At the eighth session of the General Assembly, it was agreed by the Fifth Committee that Member States should be informed of the dates fixed for the meetings of the Committee on Contributions in order that they might be enabled to make available their latest estimates of national income and other relevant data in time for the Committee to take such information into account in the formulation of its recommendations to the General Assembly on the scale of assessments.
2. Consequently, the Secretary-General on 13 May 1955 informed Member States of the opening date of the present session of the Committee and requested that any data relevant to the work of the Committee that they might wish to submit should be made available at the earliest possible date and at the latest by 1 July 1955.

3. A summary of the replies received to the Secretary-General's communication is given in the following:

<u>Member State</u>	<u>Date of Letter</u>	<u>Summary of Letter</u>
Belgium	14 July 1955	Information was given to the effect that it was expected that the National Institute of Statistics would shortly be able to make available the national income estimates for Belgium for 1954.
Chile ^{1/}	14 July 1955	Submitted a table giving details of the national income estimates of Chile for the years 1950-1954 prepared by the "Instituto de Economia" of Chile.
Colombia	9 June 1955	Information was given concerning the effect of the decline in coffee prices on the economy of Colombia (For text of letter see Annex I.)
Denmark ^{1/}	24 June 1955	Submitted "Economic Survey of Denmark 1954" and "Economic Survey March 1955".
Egypt ^{1/}	18 May 1955	Submitted detailed estimates of the national income of Egypt for 1953.
Greece	11 July 1955	Submitted information concerning the effects on the economy of Greece of the earthquakes suffered (For text of letter see Annex II.)
Pakistan ^{1/}	25 July 1955	Submitted two publications: (1) Explanatory Memorandum on the Budget of the Central Government for 1955-56 and Economic Survey for 1954, and (2) National Income Estimation in Pakistan.
Sweden ^{1/}	13 July 1955	Submitted a table giving national income estimates for Sweden for the years 1952, 1953 and 1954.
Union of South Africa	5 July 1955	Set out various considerations leading to the conclusion that the assessment for the Union Government should be considerably lower than that established by the Committee for 1955. (For text of letter see Annex III.)
Yugoslavia ^{1/}	20 July 1955	Submitted the latest estimates of the national income of Yugoslavia (1953) and other relevant data. (For text of letter see Annex IV.)

^{1/} The national income estimates submitted by the Governments of Chile, Denmark, Egypt, Pakistan, Sweden, and Yugoslavia have been used by the United Nations Statistical Office in the preparation of the estimates given for the six countries, respectively, in the document "Survey of National Income Estimates for 1952-1954" (A/CN.2/R.80).

LETTER ADDRESSED TO THE SECRETARY-GENERAL BY THE PERMANENT
REPRESENTATIVE OF COLOMBIA TO THE UNITED NATIONS

Translated from Spanish

"9 June 1955

Sir,

I refer to your letter FI 48/1/05 of 13 May 1955.

I would most earnestly ask you to bring to the notice of the Committee on Contributions the following facts concerning the reduced value of exports from Colombia last year so that the Committee may consider the possibility of reducing the contribution to be paid by Colombia next year.

In 1953, the total exports of Colombia amounted to \$596 million, of which \$492 million were derived from coffee, \$60 million from petroleum, \$12 million from gold and the remainder from bananas and other commodities.

As you will see, coffee exports accounted for 80 per cent of our foreign-currency receipts.

The high coffee prices lasted only through the second half of 1953 and the first half of 1954, so that our coffee exports amounted to \$267 million and \$300 million respectively in those two half-years. As is generally known, coffee prices began to fall at the middle of last year and have been continuing downward ever since. During the first four months of 1955 our coffee exports amounted to only \$131,519,272, and although the decline seems to have halted, there is no prospect of any increase in prices for the time being. Thus, our coffee exports for 1955 will not exceed \$390-400 million, representing a reduction for the year of \$100 million in comparison with 1954 and of over \$150 million in comparison with 1953.

The exact figures for coffee exports in 1953, 1954 and the first four months of this year are as follows:

First half of 1953	\$225,050,859
Second " " "	267,223,834
First half of 1954	300,215,195
Second " " "	249,936,340
January - April 1955	131,519,272

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I feel sure that the Committee on Contributions will take these facts into account, since it would be unreasonable if Colombia had to pay the same contribution for the coming year as for last year with its foreign-currency receipts reduced by twenty per cent.

Accept, Sir, the renewed assurances of my highest consideration.

(Signed) Francisco Urrutia
Ambassador of Colombia to the
United Nations"

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LETTER ADDRESSED TO THE SECRETARY-GENERAL BY THE PERMANENT
REPRESENTATIVE OF GREECE TO THE UNITED NATIONS

"11 July 1955

Sir,

I have the honour to refer to your letter FI 48/1/05 of 13 May 1955, concerning the forthcoming sessions of the Committee on Contributions and more specifically to the last paragraph requesting information which might assist the Committee to establish Greece's rate of contribution to the expenses of the United Nations for the year 1956.

As you and the Committee are aware, during the last three years Greece has suffered the most disastrous earthquakes in her recent history. The damages in the Ionian Islands alone have been estimated at 100 million dollars. In spite of the nearly two years which have elapsed since that catastrophe the burden is still present in the Greek economy, as the relief and reconstruction programme was so disproportionate to the economic possibilities of the country, that it had to be split up and met in a four-year period.

In addition to the damages caused by the earthquakes in the Ionian Islands, Greece suffered another loss of 23 million dollars in the property from the Thessaly earthquakes in 1954 and again very recently the devastation of Volos, one of the most prosperous Greek cities, with an estimated loss of property of 33 million dollars.

Those consecutive heavy blows to the Greek economy make imperative every possible limitation of our financial commitments and I dare hope that the Committee will take this into full consideration when establishing my country's rate of contribution to the expenses of the Organization.

Please accept, Your Excellency, the assurances of my highest consideration.

(Signed) Christian X. Palamas
Permanent Representative of Greece
to the United Nations"

LETTER ADDRESSED TO THE SECRETARY-GENERAL BY THE DEPUTY PERMANENT
REPRESENTATIVE OF THE UNION OF SOUTH AFRICA TO THE UNITED NATIONS

"5th July, 1955

Sir,

I have the honour to refer to your letter No. FI 48/1/05 of 13th May, 1955 in regard to the formulation by the Committee on Contributions of its recommendations to the General Assembly on the scale of assessments.

In this regard I have the honour to inform you that as far as the transmission of national income statistics is concerned the United Nations is already in possession of the latest information on the Union of South Africa as the relevant data are forwarded regularly by the South African Bureau of Census and Statistics.

As regards the suggestion that the Union Government submit such supplementary data relevant to the work of the Committee as it may consider necessary, it is desired to comment on the size of the contribution assessed on the Union of South Africa by the Committee on Contributions at its 1954 session.

The terms of reference and directives of the Committee on Contributions are contained in the annex to its report (Document A/2716). It will be noted that the original directive laid down that the expenses of the United Nations should be apportioned broadly according to capacity to pay. For this purpose comparative estimates of national income were to be used, taking into account the following three factors:-

- (a) Comparative income per head of population
- (b) Temporary dislocation of national economies arising out of the war
- (c) The ability of members to secure foreign currency.

As regards factors (b) and (c), the Committee has ceased to make any allowance for temporary dislocation of national economies arising out of the war, in view of the fact that the extent to which this factor still exists is largely reflected in estimates of national income provided by the governments of the countries concerned. As far as ability to secure foreign currency is concerned the Committee recognised that the dollar shortage is felt by most countries and that it would not be practicable to make a quantitative allowance for this factor. Therefore, apart from applying it to some extent in certain individual assessments, the Committee also gave it no further weight.

The Government of the Union of South Africa agrees that these two factors are now outdated and should be ignored.

Subsequent directives to the Committee on Contributions laid down that in normal times the assessment of the highest contributor should not exceed one-third of the ordinary expenses of the United Nations for one year and the per capita contribution of any member should not exceed the per capita contribution of the highest contributor. Finally the Committee was asked to give special consideration to countries with low per capita income.

To sum up, with the exception of those countries whose contributions are subject to fixed percentages, the expenses of the United Nations are apportioned broadly according to capacity to pay, taking into account comparative income per head of population in such a way as to give special consideration to countries with low per capita income.

On this basis the Union of South Africa gave further study to the 1954 report of the Committee on Contributions with reference to its own assessment for 1955.

It was found that the percentages of those countries whose contributions are frozen, namely the highest contributor, the three countries which benefit from the per capita ceiling principle and the nine countries which are assessed the minimum percentage, total 39.39%. If to this percentage is added that of China because of the special nature of its assessment, and the percentage of the U.S.S.R., Byelorussia and the Ukraine because their national income statistics are not available, a total of 62.62% is reached. Consequently the percentage left for apportionment among the remaining members is 37.38%.

According to our calculations the total of the national incomes of all the remaining members, adjusted in accordance with the low per capita income, formula used by the Committee, amounts to 146,316 million dollars. The national income for the Union of South Africa according to the statistics used by the Committee was 3,492 million dollars, which, when adjusted for low per capita income, should be reduced to 2,209 million dollars. This figure, expressed as a percentage of the adjusted total national income of the remaining members, is 1.51%. The assessment of the Union of South Africa should therefore be 1.51% of 37.68%, that is 0.564%. The actual assessment was, however, determined by the Committee at 0.78%.

A comparison of the assessment of the Union of South Africa with those of some of the other members bears out the conclusion reached above that South Africa is greatly over-assessed. The countries shown in the table below have been chosen as representing a fair cross-section for purposes of comparison. Two of the countries have a very low per capita income, another has a slightly lower per capita income than South Africa while the per capita income of another is approximately the same as that of South Africa, and the remaining two enjoy medium and high per capita incomes.

<u>Name of Country</u>	<u>Adjusted National Income</u>	<u>Assessment</u>	<u>Proportionate Assessment for South Africa</u>
Argentina	5,198	1.32%	0.56%
Australia	7,465	1.80	0.53
Cuba	1,016	0.30	0.65
India	11,878	3.30	0.61
Pakistan	2,551	0.67	0.58
Turkey	2,289	0.65	0.63

The final column indicates what the percentage of South Africa would have been if assessed at the same ratio to adjusted national income as the countries concerned.

The Government of the Union of South Africa trusts that the Committee on Contributions will give due consideration to all these facts when considering the assessment of South Africa for 1956.

I have the honour to be,

Sir,
Your obedient servant

(Signed) J.R. Jordaan
DEPUTY PERMANENT REPRESENTATIVE"

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LETTER ADDRESSED TO THE SECRETARY-GENERAL BY THE CHARGE D'AFFAIRES
OF THE PERMANENT MISSION OF THE F.P.R. OF YUGOSLAVIA TO THE
UNITED NATIONS

Sir,

"20 July 1955

In the absence of the Permanent Representative of the Federal People's Republic of Yugoslavia to the United Nations, replying to your letter FI 48/1/05 of 13 May 1955, concerning the latest estimates of national income and other relevant data, on behalf of my Government I have the honour to transmit the following information:

The Yugoslav national income in 1953:	-	1,022,596,000,000 dinars
Deficit in balance of trade in 1953:	-	62,700,000,000 dinars
Deficit in balance of trade in 1954:	-	29,700,000,000 dinars
Losses in national economy caused by the unfavourable elements of nature)	in 1950: - about 93 million U.S. dollars
)	in 1952: - about 169 million U.S. dollars
)	in 1954: - 70,000,000,000 dinars

It is hoped that the submittance of the foregoing information for the consideration of the Committee on Contributions, which is scheduled to begin its next session in New York on 17 August 1955, will be helpful in formulating its recommendations to the General Assembly on the scale of assessments.

I avail myself of this opportunity to express to Your Excellency the assurances of my highest consideration.

(Signed) Dimce Belovski
Chargé d'Affaires of the Permanent Mission
of the F.P.R. of Yugoslavia to the
United Nations"
