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SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE
UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS

Report of the Fifth Committee

Rapporteur: Mr. B. G. FOURIE (Union of South Africa)

1. In accordance with instructions given by the General Assembly at its 285th plenary meeting, the Fifth Committee, at its 271st to 274th meetings inclusive held on 29 and 30 November 1950, considered the scale of assessments for the apportionment of the expenses of the United Nations for the financial year 1951. The Committee had before it the report of the Committee on Contributions (A/1330 and Corr.1).*
2. In the course of the discussions, several representatives stressed the necessity of the Committee's having at its disposal adequate and accurate statistical data. Such information it was stated, was required to establish a scale which fully reflected the facts of the world economic situation. It was realized that lack of data in certain cases was due to the fact that countries did not possess statistical services capable of providing the comprehensive information required, but Member States were urged, as far as possible, to provide the United Nations with adequate and reliable data for their countries. When the Committee had not sufficient official information, it should turn to the most readily available sources of reliable information.
3. Considerable comment was made on the working rule of the Committee on Contributions that generally no change, either upwards or downwards, of more than 10 per cent in any one year should be proposed in the percentage contribution of any country. This rule had been adopted by the Committee because it felt that it should not recommend drastic changes but should move with caution, gradually eliminating imbalanced adjustments in the scale. The view was expressed in the Fifth

* See Official Records of the General Assembly, Fifth Session, Supplement No. 13

Committee that if this rule was followed, some States would for many years pay a contribution very much lower than would be equitable according to their capacity to pay. The retention of the rule would make it impossible for the Committee on Contributions to establish a scale of assessments reflecting the rapid reconstruction in many countries of war damage and destruction. The Committee on Contributions should therefore not continue to be guided by a rule which tended to perpetuate the inequalities of the existing scale, but should abandon it at least as long as the scale had not become more permanent. On the other hand, the view was also expressed that it should be left to the discretion of the Committee to apply the rule, bearing in mind that a somewhat greater flexibility might be necessary during the next few years.

4. In connexion with the ceiling principle, the representative of the United States of America said that, in 1948, the General Assembly had recognized "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" (resolution 238A (III) of 18 November 1948). In 1949, a token reduction of 0.10 per cent in the contribution of the United States of America had been made. A further reduction of 0.87 per cent was now recommended. That reduction could not be regarded as substantial and he believed that a more significant reduction in the United States contribution was justified by the improved conditions in countries which had been given special consideration for war damage. The representative of the Union of Soviet Socialist Republics pointed out that the United States of America had suffered no war damage. On the contrary, its national income and industrial production had increased. Nor had the United States any difficulty in obtaining the necessary currency, since contributions were paid in dollars. There was therefore nothing to justify a reduction of the United States contribution. The view was also expressed that attempts to achieve the ideal envisaged in General Assembly resolution 238 A (III) should not proceed faster than the economic recovery of the world.

5. Owing to the continuing dollar shortage in many countries the proposal that the Secretary-General should again, for the year 1951, be authorized to accept part of the contributions for that year in currencies other than United States dollars was strongly supported. It was stressed that every possible effort should be made to make the arrangement for payment of contributions in currencies other than United States dollars as comprehensive as possible.

/6. Several

6. Several members of the Committee expressed the hope that in future it would be possible to consider the report of the Committee on Contributions at an earlier stage in the General Assembly session.

7. The representative of Cuba objected to his country's percentage contribution being raised by 0.02 as this was not justified by the economic conditions of Cuba. Its exports were closely tied to fluctuations in the world market and had been steadily declining since 1947. He suggested that the Committee on Contributions should consult the governments of Member States when it recommended any changes in their percentage contribution. He would, therefore, have to vote against the report of the Committee on Contributions.

8. The representative of Sweden stated that it had been recognized from the outset that the assessment for Sweden was too high. Successive reductions had been made, but his country's contribution would have to be reduced even more before it could be considered equitable. He hoped that the Committee on Contributions, when studying the assessments of new Members, would reconsider Sweden's percentage contribution and would fix it at a fair and reasonable level.

9. The representative of Canada pointed out that, although the scale of assessments recommended by the Committee was an improvement on the scale in force, he felt that the improvement was not sufficient to remove all its shortcomings. The scale appeared not to take into account the rapid and far-reaching improvement which had taken place in certain countries. Consequently, the contribution of Canada was relatively higher than it should have been. He also stressed the importance of the application of the per capita contribution principle. The Canadian delegation was, however, reluctantly prepared to accept the recommendations of the Committee on Contributions for the year 1951 on the understanding that the 10 per cent rule would not be applied next year. If the scale proposed in 1951 were not more equitable, the Canadian delegation would review its position entirely.

10. The representative of the USSR pointed out that the economy of the Soviet Union had suffered serious dislocation as a result of the second world war. War damage had been considerable and, in spite of the remarkable effort to reconstruct the economy and the results obtained he had, due to the heavy losses suffered, to oppose any increase in his country's rate of contribution. Furthermore, the difficulty of securing foreign currency had steadily increased.

/He therefore

He therefore recommended that no change should be made in the existing scale for 1951.

11. Certain other delegations, however, maintained that in view of official statements concerning the economic expansion of the USSR, it would appear that that country was not bearing its equitable share of the cost of the United Nations, owing to the application of the rule established by the Committee on Contributions and to the absence of sufficient statistics.

12. The representatives of the Byelorussian SSR, the Ukrainian SSR, Czechoslovakia and Poland also opposed the proposed increases in their contributions, due to the heavy war damage suffered and the lack of foreign currency. They supported the USSR proposal to maintain the present scale for the year 1951.

13. The representative of Greece expressed the view that, although the proposed increase of 0.01 per cent was not very large, the economic conditions of his country, which had been at war until the autumn of 1949, did not justify an increase. Other war-stricken countries had had five years in which to recover, whereas Greece had had only one year. Furthermore, Greece had experienced considerable difficulty in obtaining foreign currency. He therefore proposed that the percentage contribution of his country should be maintained at the existing rate. On the basis of a subsequent proposal referred to in paragraph 20, he withdrew his motion on the further understanding that his statement and any additional information made available by his Government would be considered by the Committee on Contributions.

14. The representative of Israel stated that his Government had submitted information to the Committee on Contributions which showed that Israel's contribution should be reduced. If it were decided to revise the Committee's scale of assessments, his delegation would ask for a reduction. If not, it would be prepared to accept the percentage contribution recommended for the year 1951, but proposed to raise the question again at the next session of the General Assembly.

15. The representative of Guatemala felt that sufficient grounds had not been given for the increase proposed in the percentage contribution of his country and that the data used were somewhat inaccurate. The economic situation in Guatemala had not improved since 1948. He requested that the 1950 scale of assessments should be used also for 1951.

/16. The representative

16. The representative of India thought that the economic situation of his country did not warrant an increase in its percentage contribution. Referring to the economic effect of partition and the difficult position of India in regard to foreign exchange and other factors, as well as the improvement effected in the economic conditions of other countries which had suffered temporary dislocation on account of the Second World War, he suggested that the Committee on Contributions should in 1951 reconsider its recommendations in the light of up-to-date statistics. Pending this revision, he proposed that the present scale of assessments should continue in force for 1951.

17. The representative of Venezuela reluctantly accepted the proposed increase in his country's rate of contribution of 0.03, which, he pointed out, was more than 10 per cent, provided the recommendations of the Committee were accepted as a whole. If, however, the scale were changed as a result of the incorporation of the Indonesian assessment, he would ask the Committee on Contributions to consider the possibility of reducing the increase in his country's rate of contribution from 0.03 to 0.02 per cent. In conclusion, he intimated that the action of his delegation in the matter was prompted by a spirit of goodwill and conciliation and a desire to facilitate the work of the Fifth Committee.

18. The representative of Australia proposed that the question of the contribution to be paid by Indonesia should be referred to the Committee on Contributions for immediate consideration. No attempt should be made to integrate the Indonesian assessment into the scale for 1951, since this would necessitate adjusting the scale as a whole. The contribution to be paid by Indonesia for 1951 should be taken into account as income so that all Member States would benefit proportionately from the proceeds.

19. The representative of France suggested that the contribution of Indonesia should be placed in reserve. The Committee on Contributions should be invited to suggest how the contribution could most equitably be divided among Member States and the decision reached on the basis thereof should be retroactive for 1951.

20. The representative of the Union of South Africa suggested a combination of the Australian and French proposals. If it was agreed to accept the scale recommended by the Committee on Contributions, the Committee might be asked to re-examine at its 1951 session the case of Member States such as Greece whose contributions had been increased before incorporating the assessment of Indonesia into the scale.

21. The USSR proposal that the scale of assessments for 1951 should remain the same

/as in 1950

as in 1950 was rejected by 24 votes to 5, with 15 abstentions.

22. A Pakistani proposal that the report of the Committee on Contributions should be referred back to it for revision of the scale of assessments in the light of the statements made by various delegations during the discussions on the subject, and that meanwhile the rate of contribution for 1951 should remain as for 1950, was rejected by 25 votes to 15, with 4 abstentions.

23. The draft resolution embodying the recommendations of the Committee on Contributions was voted on paragraph by paragraph.

Paragraph 1 (scale of assessments) was adopted by 34 votes to 8, with 3 abstentions.

Paragraph 2 (providing that the scale should be reviewed again in 1951) was adopted by 39 votes to 5, with 1 abstention.

Paragraphs 3, 4 and 5 (providing for the contributions to be paid by Switzerland and Liechtenstein to the expenses of the International Court of Justice, and authorizing the Secretary-General to collect part of the 1951 contributions in currencies other than United States dollars) were adopted unanimously.

The draft resolution as a whole was adopted by 37 votes to 7, with 1 abstention.

24. It was agreed to refer the assessment of Indonesia to the Committee on Contributions for urgent consideration and report. The report of the Committee on Contributions on this subject (A/1602) was considered by the Fifth Committee at its 276th meeting on 6 December 1950.

25. The representative of Indonesia accepted, on behalf of his Government, the recommendations of the Committee on Contributions which were considered equitable in view of the economic conditions of his country. He also expressed agreement with the draft resolution presented by the Secretary-General in accordance with which Indonesia would be called upon to pay a sum in respect of the Working Capital Fund for 1951 amounting to 0.60 per cent of the total amount of the Fund.

26. The recommendations of the Committee on Contributions and the Secretary-General were approved, and it was decided to incorporate these recommendations in the draft resolution to be presented to the General Assembly (see paragraph 23).

27. In consequence, the Fifth Committee decided to recommend to the General Assembly the following resolution:

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

The General Assembly resolves:

1. That the scale of assessments for the 1951 budget shall be as follows:

<u>Country.</u>	<u>Per cent</u>
Afghanistan.	0.06
Argentina.	1.85
Australia.	1.92
Belgium.	1.35
Bolivia.	0.08
Brazil.	1.85
Burma.	0.15
Byelorussian Soviet Socialist Republic.	0.24
Canada.	3.30
Chile.	0.41
China.	6.00
Colombia.	0.37
Costa Rica.	0.04
Cuba.	0.31
Czechoslovakia.	0.99
Denmark.	0.79
Dominican Republic.	0.05
Ecuador.	0.05
Egypt.	0.71
El Salvador.	0.05
Ethiopia.	0.08
France.	6.00
Greece.	0.18
Guatemala.	0.06
Haiti.	0.04
Honduras.	0.04
Iceland.	0.04
India.	3.41
Iran.	0.45
Iraq.	0.17
Israel.	0.12
Lebanon.	0.06
Liberia.	0.04
Luxembourg.	0.05
Mexico.	0.63
Netherlands.	1.35
New Zealand.	0.50
Nicaragua.	0.04
Norway.	0.50
Pakistan.	0.74
Panama.	0.05
Paraguay.	0.04
Peru.	0.20

/Philippines

<u>Country</u>	<u>Per cent</u>
Philippines.	0.29
Poland	1.05
Saudi Arabia	0.08
Sweden	1.85
Syria.	0.11
Thailand	0.24
Turkey	0.91
Ukrainian Soviet Socialist Republic.	0.92
Union of South Africa.	1.04
Union of Soviet Socialist Republics.	6.98
United Kingdom of Great Britain and Northern Ireland	11.37
United States of America	38.92
Uruguay.	0.18
Venezuela.	0.30
Yemen.	0.04
Yugoslavia	0.36
Total	100.00

2. That, notwithstanding the provisions of rule 159 of the rules of procedure of the General Assembly, the scale of assessments for the apportionment of the expenses of the United Nations shall be reviewed by the Committee on Contributions in 1951 and a report submitted for the consideration of the General Assembly at its next regular session;
3. That Switzerland shall contribute 1.65 per cent of the expenses of the International Court of Justice for the year 1951, this assessment having been established after consultation with the Swiss Government, in accordance with the terms of General Assembly resolution 91 (I) of 11 December 1946;
4. That the Principality of Liechtenstein, having become a party to the Statute of the International Court of Justice on 29 March 1950, shall contribute 0.04 per cent of the expenses of the Court for 1950, this assessment having been established after consultation with the Liechtenstein Government, in accordance with General Assembly resolution 363 (IV) of 1 December 1949;
5. That, notwithstanding the terms of financial regulation 5.5, the Secretary-General be empowered to accept, at his discretion, and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial year 1951 in currencies other than United States dollars;
6. That, for the year 1951, the assessment for the Republic of Indonesia shall be 0.60 per cent, which shall be in addition to the scale of assessments amounting to 100 per cent set out in paragraph 1 above;
7. That, in view

7. That, in view of the fact that the Republic of Indonesia became a Member of the United Nations on 28 September 1950, it shall contribute for the year of admission to membership an amount equal to one-third of the percentage assessment for 1951, calculated on the basis of the budget for 1950;

8. That, notwithstanding the provisions of financial regulation 5.8, Indonesia shall not be required to provide its proportion of the total advances to the Working Capital Fund for the year 1951, but shall deposit with the United Nations an amount corresponding to 0.60 per cent of the total amount of the Fund, which shall, upon determination of the 1952 scale of assessments, be credited to the Fund subject to any necessary adjustment.
