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COMMITTEE ON CONTRIBUTIONS  
Fifteenth session, 19 March 1956  
New York

ASSESSMENT OF THE UNION OF SOUTH AFRICA

1. The following communication has been addressed to the Secretary-General by the Deputy Permanent Representative of the Union of South Africa to the United Nations:

"12th March, 1956

The Deputy Permanent Representative of the Union of South Africa to the United Nations presents his compliments to the Secretary-General of the United Nations and has the honour to refer to Note FI. 313/1(1) of the 15th February, 1956, from the Controller advising, in compliance with the arrangement made at the Eighth Session of the General Assembly, that the next session of the Committee on Contributions is scheduled to be convened on the 19th March, 1956.

It will be recalled that on the 5th July, 1955, the Deputy Permanent Representative transmitted to the Secretary-General, for consideration by the Committee on Contributions at its 1955 Session, the views of the Government of the Union of South Africa on the percentage contributions of South Africa. It was pointed out that on the basis of the directives issued to the Committee on Contributions by the General Assembly the Union of South Africa was greatly over-assessed. Detailed arguments and figures were submitted to substantiate this conclusion which was further borne out by a comparison with the assessments of a cross-section of the membership of the United Nations.

It was with regret that the Government of the Union of South Africa learned that notwithstanding its submission the Committee had decided to maintain the percentage assessment of South Africa at 0.78 per cent, although it was noted from the scale of contributions proposed by the Committee for 1956 that some countries whose national income statistics showed a trend no less favourable than that of the Union of South Africa and countries which on the basis of national income adjusted in accordance with the low per capita income formula, were already assessed proportionately lower than the Union of South Africa, were given a reduction in their percentage assessments for 1956. However, recognizing the complexity of the Committee's task, the South African Government instructed its delegation to the Tenth Session of the General Assembly not to oppose the scale of assessments recommended by the Committee on Contributions but to place on record its disagreement with the percentage of the South African assessment and to request that at its next meeting the Committee should give urgent consideration to the South African request for a reduction of its percentage.

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In the circumstances it would be appreciated if the Secretary-General could inform the Committee on Contributions that the South African Government continues to hold the view that it is greatly over-assessed and it again refers the Committee to the arguments contained in its submissions of the 5th July, 1955. It trusts that the Committee will at its forthcoming session recognize the validity of this claim and effect the necessary adjustments to the percentage assessment of South Africa."

2. The letter of 5 July 1955 from the Deputy Permanent Representative of the Union of South Africa to the United Nations referred to in the above communication is annexed.

ANNEX

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 the 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 recognized 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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