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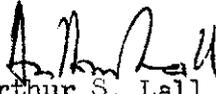
31 August 1954

Sir,

In compliance with General Assembly resolution 765 (VIII) of 27 November 1953, the Committee on Contributions during the session just concluded has reviewed the scale of assessments for the apportionment of the expenses of the United Nations.

On behalf of the Committee, I have the honour to transmit
..... herewith for submission to the General Assembly the Committee's report containing its recommendations for the United Nations scale of assessments for 1955 and on other matters before it.

Accept, Sir, the assurances of my highest consideration.


Arthur S. Lall
Chairman

Committee on Contributions

His Excellency,
Mr. Dag Hammarskjold,
Secretary-General,
United Nations,
New York 17, New York.

REPORT OF THE COMMITTEE ON CONTRIBUTIONS, 1954

I. Membership and Meetings

1. The members of the Committee on Contributions are:

Mr. Klas BÖÖK
Mr. S. M. BURKE
Mr. René CHARRON
Mr. A. H. CLOUGH
Mr. Arthur S. LALL
Mr. Jiří NOSEK
Mr. Stuart A. RICE
Mr. Josué SAENZ
Mr. G. F. SAKSIN
Mr. O. STRAUCH

2. The Committee met at the Headquarters of the United Nations from 16 to 27 August 1954 with all members present. It re-elected Mr. Arthur S. Lall as Chairman and Mr. Jiří Nosek as Vice-Chairman.

II. Terms of Reference

3. The General Assembly resolved on 27 November 1953 (resolution 765 (VIII)):

"That, notwithstanding the provision of rule 159^{1/} of the rules of procedure of the General Assembly, the scale of assessment for the apportionment of the expenses of the United Nations shall be reviewed by the Committee on Contributions in 1954 and a report submitted for the consideration of the General Assembly at its next regular session."

4. For its review of the scale, the Committee applied its original terms of reference laid down in resolution 14 A, (3) (I) of 13 February 1946 in

^{1/} Now rule 161 of the Rules of Procedure of the General Assembly, July 1954, (Document A/520/Rev.3).

conjunction with the directives contained in resolution 238 A (III) of 18 November 1948, resolution 582 (VI) of 21 December 1951 and resolution 665 (VII) of 5 December 1952. These terms of reference and directives are set out in the annex attached to the present report.

III. Statistical Information

5. The Committee is again able to report that there has been an improvement in the statistical information provided by Member States and submitted to the Committee by the Secretary-General. For several Member States, recent official estimates of national income became available for the first time. In other cases the quality and completeness of the estimates showed a considerable improvement compared to previous years. Nevertheless, there are a number of Member States for which the Statistical Office of the United Nations has had to prepare estimates based on available national income data for earlier years, supplementary data provided by governments, and other economic information. In using the statistical material provided, the Committee took account of the varying reliability and accuracy of the statistics presented.
6. At the eighth session of the General Assembly it was agreed that as soon as the opening date of the next session of the Committee on Contributions had been fixed, Member States would be informed of the date with the request that they might transmit any relevant information, in addition to that already made available, which they would wish the Committee to take into consideration in arriving at its recommendations. In response to this request, some Members furnished supplementary data and information which has been taken fully into account in the current review of the scale.
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7. The problem of converting estimates of national income expressed in national currencies into a common unit, namely the United States dollar, has been mentioned in previous reports. In most cases the Committee has used official exchange rates for this purpose, but in a few special cases where there have been recent modifications in exchange rates or where multiple exchange rates prevail, the method of conversion made allowance for the trend of prices, wages and other factors in the countries concerned. The Committee noted that where multiple exchange rate systems are in operation, the Statistical Office has consulted with the governments concerned as to the most suitable rates to be used for converting the national income figures into dollars.

IV. Scale of Assessments

8. According to the original terms of reference of the Committee "the expenses of the United Nations should be apportioned broadly according to capacity to pay". In arriving at the relative capacity to pay of Member States, the Committee is required to take into account comparative estimates of national income and also the following three main factors:

- (a) Comparative income per head of population,
- (b) Temporary dislocation of national economies arising out of the Second World War, and
- (c) The ability of Members to secure foreign currency,

as well as the further directives given to it by the General Assembly and referred to in paragraph 4 of this report.

9. At its session held in August 1952, the Committee decided to base its computations of relative capacity to pay on average national incomes for a series of years rather than on estimates for a single year, so as to reduce

the effect of short-run fluctuations in economic conditions and of movements in exchange rates. It used therefore for the first time a two-year average of national income estimates for each country. At its 1953 session, the Committee decided wherever practicable to base its calculations on an average of national income estimates for three years. At the eighth session of the General Assembly, this decision was widely welcomed. Accordingly in its current work the Committee has used averages of national income estimates for the three latest years for which figures were available, in most cases the years 1951, 1952 and 1953. However, before arriving at its final recommendations for individual assessments the Committee also took into consideration recent trends in economic conditions in each country and other current economic factors bearing on capacity to pay.

10. Comparative income per head of population. In 1951 the General Assembly directed that additional recognition should be given to countries with low per capita income. Accordingly the maximum allowance made for that factor was increased in 1952 from 40 per cent to 50 per cent, and the increased allowance was again applied in 1953. At the last session of the General Assembly an assurance was given that the directive to give additional recognition to countries with low per capita income was not subject to any specific time limit and should be considered to have continuing validity. The Committee has therefore applied to low per capita income countries the same rate of allowances as last year. The method of computation, details of which are set out in paragraphs 11 and 12 of the Committee's report of 1952^{1/}, provides, in

^{1/} Document A/2161.

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 for countries with the very lowest incomes per inhabitant approach a maximum of 50 per cent.

11. Temporary dislocation of national economies arising out of the Second World War. In previous reports the Committee has expressed the view that the extent to which this factor still persists is largely reflected in estimates of national income based on official information provided by the governments of the countries concerned. At the suggestion of Mr. Nosek and Mr. Saksin, who referred to the relevant portion of the Committee's 1946 terms of reference, the Committee has again this year given serious consideration to the question of special allowance for war devastated economies. As a result of this examination the other members reaffirmed the opinion that current national income estimates made sufficient allowance for any remaining dislocation of national economies arising out of the Second World War.

12. Ability of Members to secure foreign currency. The Committee recognised the continuing dollar shortage experienced by most Member States. Although the Committee found that it would not be practicable to make a systematic quantitative allowance for this factor, it was however one of the factors taken into account in arriving at certain individual assessments. In order to lessen the difficulty of dollar payment, the Committee, in paragraph 42 of the present report, recommends that the arrangements for payment of contributions in currencies other than United States dollars should be continued and, if possible, extended.

13. By resolution 665 (VII) of 5 December 1952, the Committee was instructed "to defer further action on the per capita ceiling principle until new Members

15. The implementation of the General Assembly directive in the manner proposed in paragraph 13, results in an increase in the assessment of Canada from the present level of 3.30 per cent to 3.63 per cent, while the assessment of New Zealand remains at 0.48 per cent and that of Sweden is reduced from 1.65 per cent to 1.59 per cent on the basis of their relative capacities to pay.

16. As to the per capita ceiling principle itself, the Committee would like to draw attention to the following problem which arises from its application. The per capita contribution for the country with the highest contribution has been gradually reduced, partly because of the reduction of its assessment to a fixed level of 33.33 by General Assembly resolution and partly owing to the increase in population in that country. On the assumption that the present population trend in the United States of America continues, it seems probable that the per capita contribution of that country will progressively decrease. Consequently, the per capita ceiling in due course would be lowered to a level at which it would become applicable to a number of other countries. This would lead to an automatic shift of the burden - other things being equal - from countries with high per capita income to countries in the middle or low per capita income groups. Unless therefore there are reasons other than economic which in the view of the General Assembly would justify the per capita ceiling principle, the Committee is of the opinion that this criterion for assessment should be reconsidered.

17. In its review of the scale for the last few years the Committee has aimed at the gradual removal of maladjustments so as to make possible the submission of a more permanent scale as envisaged in rule 161 of the rules

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of procedure of the General Assembly. The progress it has made in this direction is indicated by the fact that the overall magnitude of the annual changes in the scale has been steadily declining. The Committee's current review showed however that the inequities still remaining were such that it would not be advisable completely to remove them in one step. Consequently, the Committee recommends that the revised scale of assessments proposed in this report should apply for one year only.

18. As a result of its review the Committee recommends changes in the assessments of twenty-four out of the sixty Member States. Increased assessments are recommended for nine Members as against reductions for fifteen. These changes are set forth in the following table:

Member State	Percentage of total contributions payable by Member States		
	Official Scale for 1954	Recommended Scale for 1955	Change
Argentina	1.40	1.32	- 0.08
Australia	1.75	1.80	+ 0.05
Bolivia	0.06	0.05	- 0.01
Brazil	1.40	1.32	- 0.08
Byelorussian Soviet Socialist Republic	0.50	0.53	+ 0.03
Canada	3.30	3.63	+ 0.33
Chile	0.33	0.30	- 0.03
Cuba	0.34	0.30	- 0.04
Czechoslovakia	1.05	0.94	- 0.11
Denmark	0.78	0.74	- 0.04
Egypt	0.47	0.40	- 0.07
Ethiopia	0.10	0.12	+ 0.02
France	5.75	5.90	+ 0.15
India	3.40	3.30	- 0.10
Indonesia	0.60	0.56	- 0.04
Iran	0.28	0.25	- 0.03
Iraq	0.12	0.11	- 0.01
Mexico	0.75	0.80	+ 0.05
Pakistan	0.75	0.67	- 0.08

<u>Member State</u>	<u>Percentage of total contributions payable by Member States</u>		
	<u>Official Scale for 1954</u>	<u>Recommended Scale for 1955</u>	<u>Change</u>
Sweden	1.65	1.59	- 0.06
Ukrainian Soviet Socialist Republic	1.88	2.00	+ 0.12
Union of Soviet Socialist Republics	14.15	15.08	+ 0.93
United Kingdom of Great Britain and Northern Ireland	9.80	8.85	- 0.95
Venezuela	0.39	0.44	+ 0.05

19. On this basis, the revised scale of assessments recommended for 1955 is as follows:

United Nations Scale of Assessments for 1955

<u>Member State</u>	<u>Per Cent</u>
Afghanistan	0.08
Argentina	1.32
Australia	1.80
Belgium	1.38
Bolivia	0.05
Brazil	1.32
Burma	0.13
Byelorussian Soviet Socialist Republic	0.53
Canada	3.63
Chile	0.30
China	5.62
Colombia	0.41
Costa Rica	0.04
Cuba	0.30
Czechoslovakia	0.94
Denmark	0.74
Dominican Republic	0.05
Ecuador	0.04
Egypt	0.40
El Salvador	0.06
Ethiopia	0.12
France	5.90
Greece	0.21
Guatemala	0.07
Haiti	0.04
Honduras	0.04

United Nations Scale of Assessments for 1955
(Continued)

<u>Member State</u>	<u>Per Cent</u>
Iceland	0.04
India	3.30
Indonesia	0.56
Iran	0.25
Iraq	0.11
Israel	0.17
Lebanon	0.05
Liberia	0.04
Luxembourg	0.06
Mexico	0.80
Netherlands	1.25
New Zealand	0.48
Nicaragua	0.04
Norway	0.50
Pakistan	0.67
Panama	0.05
Paraguay	0.04
Peru	0.18
Philippines	0.45
Poland	1.73
Saudi Arabia	0.07
Sweden	1.59
Syria	0.08
Thailand	0.18
Turkey	0.65
Ukrainian Soviet Socialist Republic	2.00
Union of South Africa	0.78
Union of Soviet Socialist Republics	15.08
United Kingdom of Great Britain and Northern Ireland	8.85
United States of America	33.33
Uruguay	0.18
Venezuela	0.44
Yemen	0.04
Yugoslavia	0.44
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20. Mr. G. F. Saksin opposed and voted against the United Nations scale of assessments for 1955 recommended by the Committee on the ground that it increased the assessments of the Union of Soviet Socialist Republics, the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist

Republic over the rates fixed for those Member States by the General Assembly at its eighth session in the official scale for 1954. He insisted on their assessments being kept at that level. Mr. Saksin stressed that for the past five years the majority of the Committee had systematically recommended unwarranted increases in the contributions of the above-mentioned Member States. Thus, in spite of the basic working rule adopted by the Committee on Contributions to the effect that "generally no change upwards or downwards of more than 10 per cent should be proposed in the percentage assessment of any country", the contributions of the Union of Soviet Socialist Republics, the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic had been increased in 1950 by 11 per cent, in 1951 by 40 per cent, in 1952 by 25 per cent, in 1953 by 15 per cent, and, finally, in the present year a further increase of 7 per cent was being recommended for the scale of assessments for 1955. In making this recommendation, many members of the Committee had failed to take into consideration one of the main factors established by the General Assembly for determining the size of contributions, namely "the ability of Members to secure foreign currency" for payment of contributions to the United Nations in United States dollars. In Mr. Saksin's view, this factor had become particularly acute for the Byelorussian Soviet Socialist Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics during the last four years as a result of the discriminatory policy of the United States of America with regard to those Member States of the United Nations. Some members of the Committee, in assessing those Member States, had neglected another main factor established by the General Assembly, namely, "the temporary dislocation of national



economies arising out of the Second World War". They had similarly failed to take into account the important fact that the Union of Soviet Socialist Republics, the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic had recently extended their participation and membership to a number of United Nations specialized agencies, such as the United Nations Educational, Scientific and Cultural Organization and the International Labour Organization, and also in the United Nations Expanded Programme of Technical Assistance, with the resulting increase in the foreign currency expenditures of the Byelorussian Soviet Socialist Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics, which had to pay contributions to these organizations in addition to their membership contributions to the United Nations.

21. Mr. J. Nosek associated himself with the statement of Mr. G. F. Saksin.

V. Other Matters Considered by the Committee

Assessment of non-Member States

22. As in previous years, the Committee has reviewed the rates at which a number of States which are not Members of the United Nations but participate in certain of its organs or activities should be called upon to make contributions resulting from their obligations. In arriving at percentage assessments for these countries, the Committee has applied the same principles as for the establishment of the assessments of Member States. In this connexion, the Committee notes that although there has been an improvement in the statistical material available for these countries, there remain a number of cases for

which the Committee has had to use very tentative estimates of national income and per capita income. The approximate nature of the statistics has been taken into consideration in establishing the following percentage rates at which the States listed below may be called upon to contribute toward the expenses of the various United Nations organs or activities in which they participate:

<u>Country</u>	<u>Per Cent</u>
Albania	0.04
Austria	0.36
Bulgaria	0.17
Cambodia	0.04
Ceylon	0.13
Finland	0.42
Germany, Federal Republic of	4.35
Hashemite Kingdom of the Jordan	0.04
Hungary	0.50
Ireland	0.25
Italy	2.22
Japan	2.00
Korea, Republic of	0.12
Laos	0.04
Liechtenstein	0.04
Monaco	0.04
Nepal	0.04
Portugal	0.27
Romania	0.58
San Marino	0.04
Spain	1.25
Switzerland	1.26
Viet-Nam	0.17

These rates are subject to consultation with the respective Governments.

International Court of Justice

23. The non-Member States that are parties to the Statute of the International Court of Justice are:

Japan
The Principality of Liechtenstein
San Marino
Switzerland

The Committee recommends that the contributions of the above States shall be established by applying in each case the percentage rate given in paragraph 22 to the expenses of the Court for 1955.

24. As San Marino became a party to the Statute of the Court on 18 February 1954, the Committee recommends that it shall contribute 0.04 per cent of the expenses of the Court for that year. In the case of Japan, which became a party on 2 April 1954, the Committee recommends that it shall contribute 3/4 of the rate of 2.00 per cent applied to the expenses of the Court for 1954.

International Control of Narcotic Drugs

25. The non-Member States that are signatories of international instruments relating to the control of narcotic drugs are:

Albania	Japan
Austria	Laos
Bulgaria	Liechtenstein
Cambodia	Monaco
Ceylon	Portugal
Finland	Romania
Germany, Federal Republic of	San Marino
Hashemite Kingdom of the Jordan	Spain
Hungary	Switzerland
Ireland	Viet-Nam
Italy	

The Committee recommends that these States be called upon to contribute toward the expenses resulting from obligations placed on the United Nations by international instruments relating to the control of narcotic drugs on the basis of the percentage rates given in paragraph 22.

Regional Economic Commissions

26. The non-Member States that under Economic and Social Council Resolution 517 (XVII)^{1/} are eligible for membership in the Regional Economic Commissions are:

^{1/} Official Records of the Economic and Social Council, seventeenth session, Supplement No. 1.

Economic Commission for
Asia and the Far East

Cambodia
Ceylon
Korea, Republic of
Japan
Laos
Nepal
Viet-Nam

Economic Commission
for Europe

Austria
Finland
Ireland
Italy
Portugal

27. At the present time the following States have become members of the Economic Commission for Asia and the Far East or of the Economic Commission for Europe:

	<u>Effective Date</u>
Japan, with respect to ECAFE	24 June 1954
Cambodia, with respect to ECAFE	20 August 1954
Viet-Nam, with respect to ECAFE	23 August 1954
Italy, with respect to ECE	19 July 1954

The Committee recommends that the above States be called upon to contribute toward the 1955 expenses of the Economic Commission of which they have become members at the rates given in paragraph 22, and that for the year 1954 they contribute 50 per cent of the percentage rate applied to the expenses for that year.

28. The Committee further recommends that if any of the other countries mentioned in resolution 517 (XVII) should become members of the Economic Commissions in the course of the year they may be called upon to contribute an amount calculated, as from the quarter in which membership becomes effective, on the basis of the percentage rates listed in paragraph 22.

Indirect Costs

29. In establishing the rates of contributions for non-Member States that are parties to the Statute of the International Court of Justice, the Committee has

in past years taken into account that the contributions should cover a share of the direct expenses of the Court as well as a proportion of the indirect costs. An alternative method to upward adjustments in the percentage rates to allow for this factor would be to add to the amount of actual expenses an appropriate proportion for indirect expenses. The Committee has decided that the latter method should be adopted since several percentage rates would otherwise have to be established for countries that participate in several of the United Nations organs or activities.

Assessment of non-Member States which have become Parties to the Convention on Declaration of Death of Missing Persons

30. General Assembly resolution 493 (V) of 16 November 1950 provided that the expenses of the International Bureau for Declarations of Death of Missing Persons should be assessed upon such non-Member States as may become parties to the Convention.

31. Since so far no non-Member States have become parties to the Convention, no action by the Committee was required at its present session. It is recommended that if any non-Member States should become parties to the Convention during 1954 they should be assessed retroactively in respect of the 1954 expenses of the Bureau.

Relative Merits of the Percentage System and the Unit System of Assessment

32. At the eighth session of the General Assembly it was suggested that the possibility of adopting the unit system of assessment should be examined and it was agreed that the Committee on Contributions would consider this question at its next session. The Committee has at earlier sessions studied the relative

merits of the unit system of assessment and the percentage system in accordance with General Assembly Resolution 69 (I) of 14 December 1946 stating "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". While at its earlier sessions the Committee felt that consideration of the relative merits of the two systems should be deferred until a more permanent scale was proposed, at its session of August 1951^{1/} it expressed its views as follows:

"One of the principal advantages of the unit system is that general recalculation of assessments is not necessary, as is the case in the percentage system, with changes in membership or individual assessments. When a scale contains 'ceilings' and 'floors', however, changes in membership or in assessments will necessitate general reassessments under either system. As it is probable that a more permanent scale, when established, will contain 'ceilings' and 'floors', it is felt that a change from the percentage system to the unit system will not present a real advantage. Moreover, Member States are now accustomed to the percentage system, which has worked well in practice, and a change might not be desirable. The Committee is therefore of the opinion that the percentage system for the United Nations scale of assessment should be continued."

33. It is an essential characteristic of the unit system that the numbers of units assigned to the Member countries remain the same if a new Member country is admitted to the organization or if a Member withdraws so long as no other factors have to be taken into account. The problem as to which system is to be preferred is of a technical nature only, and does not affect the amount of the contributions payable by individual Member States, or the principles upon which a scale of contributions is based.

^{1/} Report of the Committee on Contributions, 1951, document A/1859, paragraph 30.

34. The introduction of "ceilings" and "floors" in a scale of contributions makes the application of a unit system very difficult. The fact that under the unit system changes made in the number of units assigned to a particular country represent either additions to or subtractions from the total number of units (rather than a redistribution within a fixed number of units) means that the value of a unit changes accordingly. This is the principal difficulty when the unit system is used in connexion with "floors", "ceilings", nominal assessments and the principle of the "ceiling" on per capita contributions. In the cases of a considerable number of countries, including the largest contributor, the countries subject to the "ceiling" on per capita contributions and possibly also the "floor" countries, the number of units allotted would have to be changed whenever a plus or minus change were made in the assessment of any other country. This, in effect, destroys the principal advantage of the unit system.

35. As regards the relative merits of the unit system and the percentage system if comparisons have to be made between the scales of different organizations, the Committee concludes that because of differences in membership and in the criteria used, it would not be possible to establish unit systems in such a manner as to permit direct comparisons between scales of different organizations. For the purpose of comparison, scales would have to be converted into percentages.

36. After a reconsideration of the various aspects of the problem and taking into account also the information provided by the organizations that have used the unit system, the Committee has reached the conclusion that the percentage system should be continued for the United Nations scale of contributions.

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Collection of Contributions

37. The Committee took note of a report by the Secretary-General on the collection of contributions which showed that, as at 15 August 1954, 97.84 per cent had been collected for the year 1952, 93.42 per cent for the year 1953 and 67.49 per cent for 1954. The Committee viewed with some concern the shortfall in payments indicated by these figures and recommends that Member States be urged to fulfill their financial obligations as promptly as possible. No arrears of contributions prior to 1952 were outstanding.

38. As no Member State is in arrears in the payment of contributions for two full years, no action was required of the Committee with respect to the application of Article 19 of the Charter.

Collection of a Portion of the 1954 Contributions in Currencies other than United States Dollars

39. The General Assembly resolved on 27 November 1953 (resolution 765 (VIII)) that the Secretary-General, as in previous years, should be authorized 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 1954 in currencies other than United States dollars.

40. Under this authority, the Secretary-General has found it possible to accept from Member States (other than the United States of America) a total of 30.70 per cent of their contributions in currencies other than United States dollars, namely 18.15 per cent in Swiss francs, 6.00 per cent in pounds sterling and 6.55 per cent in eight other currencies. This shows an increase in the proportion of contributions acceptable in currencies other than dollars over last year, when the total percentage acceptable was 28.55

per cent of which 17.40 was in Swiss francs and 11.15 in other currencies (including pounds sterling).

41. The Committee noted that twenty-two Member States had elected to make payments in one or more of the designated currencies to a total amount of the equivalent of \$5,048,270.

42. In view of the continuing dollar shortage experienced by Member States, the Committee recommends that the Secretary-General should again be authorized to accept as large a proportion as possible in currencies other than United States dollars.

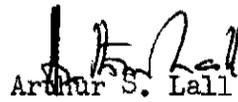
Scales of Contributions of Specialized Agencies

43. 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".

44. Under this authority, the Committee supplied information to the United Nations Educational, Scientific and Cultural Organization, at their request, on the theoretical probable percentages in the United Nations scale for a number of countries which are not Members of the United Nations. It also took note that statistical data and other information, including explanatory material on the technical methods and formulae used by the Committee, had been submitted by the Secretary-General to the Food and Agriculture Organization, the International Civil Aviation Organization, the International Labour Organization and the World Health Organization. In accordance with a point



raised at the eighth session of the General Assembly, the Committee is informing specialized agencies of the formula referred to in paragraph 10 of this report regarding the assessments of low per capita income countries.



Arthur S. Lall
Chairman
Committee on Contributions

ANNEX

TERMS OF REFERENCE OF THE COMMITTEE ON CONTRIBUTIONS

Original Terms of Reference

The original terms of reference of the Committee on Contributions are contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), and were adopted at the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 A, 3 (I)).

The relevant paragraphs of the report of the Preparatory Commission incorporating the amendments of the Fifth Committee are as follows:

"The apportionment of expenses

"13. The expenses of the United Nations should be apportioned broadly according to capacity to pay. It is, however, difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formula. Comparative estimates of national income would appear prima facie to be the fairest guide. The main factors which should be taken into account in order to prevent anomalous assessments resulting from the use of comparative estimates of national income include:

- "(a) Comparative income per head of population;
- "(b) Temporary dislocation of national economies arising out of the Second World War;
- "(c) The ability of Members to secure foreign currency.

"Two opposite tendencies should also be guarded against: some Members may desire unduly to minimize their contributions, whereas others may desire to increase them unduly for reasons of prestige. If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay. The Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations. Once a scale has been fixed by the General Assembly it should not be subjected to a general revision for at least three years or unless it is clear that there have been substantial changes in relative capacities to pay.

"14. Other functions of the Committee would be:

"(a) To make recommendations to the General Assembly on the contributions to be paid by new Members;

"(b) To consider and report to the General Assembly on appeals by Members for a change of assessment; and

"(c) To consider and report to the General Assembly on the action to be taken if Members fall into default with their contributions.

"In connexion with the latter, the Committee should advise the Assembly in regard to the application of Article 19 of the Charter."

Resolution 238 A (III) Adopted by the General Assembly on 18 November 1948

The General Assembly

Recognizing

(a) 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,

(b) 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,

(c) That the Committee on Contributions needs for its work more adequate statistical data,

Accordingly,

1. Reaffirms the terms of reference of the Committee on Contributions accepted by the General Assembly in its resolution of 13 February 1946 (resolution 14 A, 3 (I));

2. Calls upon Member States to assist the Committee on Contributions by providing the available statistics and other information essential to its work;

3. Accepts the principle of a ceiling to be fixed on the percentage rate of contributions of the Member State bearing the highest assessment;

4. Instructs the Committee on Contributions, until a more permanent scale is proposed for adoption, to recommend how additional contributions resulting from (a) admission of new Members, and (b) increases in the relative capacity of Members to pay, can be used to remove existing maladjustments in the present scale or otherwise used to reduce the rates of contributions of present Members;

5. Decides that when existing maladjustments in the present scale have been removed and a more permanent scale is proposed, as world economic conditions improve, the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly.

Resolution 582 (VI) Adopted by the General Assembly on 21 December 1951

The General Assembly

Resolves

.....

3. That the review to be undertaken in 1952 by the Committee on Contributions shall be based on the General Assembly resolutions relating to the criteria for determining the scale of assessments, on the views expressed by Members during the sixth session of the General Assembly, and on rule 159^{1/} of the rules of procedure of the General Assembly, with particular attention to countries with low per capita income which requires special consideration in this connexion.

.....

Resolution 665 (VII) Adopted by the General Assembly on 5 December 1952

The General Assembly

(i) Notes with satisfaction the action taken by the Committee on Contributions to implement the recommendations of General Assembly resolution 582 (VI) of 21 December 1951 by giving additional recognition to countries with low per capita income, and urges the Committee to continue to do so in the future;

(ii) Instructs the Committee on Contributions to defer further action on the per capita ceiling until new Members are admitted or substantial improvement in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale;

(iii) Decides that from 1 January 1954 the assessment of the largest contributor shall not exceed one-third of total assessments against Members.

^{1/} Now rule 161 of the Rules of Procedure of the General Assembly, July 1954, (Document A/520/Rev.3).