

plan would be used to offset any taxes which it might levy on its nationals in the Secretariat. The effect of this plan would be that member states, notably the United States, would themselves carry most of the burden of reimbursing their nationals in the Secretariat for national taxes. Although most delegations at the ninth session appeared to be in favour of some such plan, nevertheless they agreed to accede to United States wishes for a one year delay and passed a resolution by a substantial majority postponing consideration of the Secretary-General's plan until the tenth session in 1955. In the Canadian view, the Secretary-General's plan provided a sound basis for dealing with this problem; however Canada voted in favour of the one year delay.

At the tenth session of the Assembly, the Secretary-General's plan for dealing with the problem of "double taxation" was adopted, Canada voting in favour; the main revision in the plan was made in response to a United States request that the charges against credits in the Tax Equalization Fund would exclude charges arising from local and state income tax. While the main problem has been satisfactorily solved, there still remains the problem of income tax levied by local and state governments,—New York state in particular. It was agreed by the Assembly that the Secretary-General should study this remaining aspect of the question and report to the eleventh session in 1956 on ways and means of solving it.

## **Apportionment of Expenses 1955 and 1956**

### **United Nations**

In its report to the ninth session of the General Assembly, the Committee on Contributions, a committee of ten members selected on the basis of expert knowledge and broad geographic representation, placed an interpretation on one of the principles established for setting the contributions of member states which was different from that which had been accepted in previous years. This new interpretation resulted in an increase in the Canadian contribution to the United Nations budget from 3.3 to 3.63 per cent, and it was made despite earlier Assembly decisions that there should be no further increase in the percentage assessment of members (like Canada) which paid a higher per capita contribution than the United States.

In its earlier decisions, the Assembly had been guided by the per capita principle which had its origin in a resolution<sup>1</sup> recognizing that "in normal times no member should contribute more than one-third of the ordinary expenses of the United Nations for any one year", and 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". In sponsoring the latter proposal, which has become widely known as the "per capita principle", the Canadian Delegation stressed that it would be inequitable for any member state to pay a higher per capita contribution than the United States, the country with the highest per capita income in the world. Succeeding Assemblies established a number of scales of contributions in which the validity of this principle was accepted. As the United States contribution was gradually reduced to 33 $\frac{1}{3}$  per cent, the United States per capita contribution finally reached a point where it was below that of Canada, New Zealand and Sweden. The Contributions Committee at the seventh session therefore recommended that the per capita principle be partially applied, and proposed a token reduction in the assessment of Canada and the other states concerned. When considering these proposals, certain members drew attention to the fact that

<sup>1</sup>Resolution 238 A (III).