

Mr. GRAYDON: Is that following pretty largely the general proportion of contributions by the various nations to the U.N.O.?

The WITNESS: Yes, that is the figure which has been allocated to us as our appropriate proportion. It was previously a little larger. It was 3·35.

Mr. GRAYDON: Has any question ever been raised with the United Nations as to why Great Britain should have to pay 12½ per cent and Russia only 6 per cent?

The WITNESS: That question has certainly been raised. I am not familiar with the most recent discussions but there have been discussions in the administrative committee at Lake Success. As you know these percentages were arrived at after a good deal of discussion which has gone on all the way from San Francisco to this most recent meeting. I have a note here which Mr. Moran has just handed me setting out the principles which are applied in determining these percentages in the measurement of capacity to pay. Comparative estimates of national income are considered *prima facie* to be the guide, but other factors are to be taken into account including (a) comparative income per head of the population, (b) temporary dislocation of national economies arising out of the second world war, (c) the ability of members to secure foreign currency. That does not answer your question fully, but I will be glad to get you some more information on the most recent developments.

Mr. GRAYDON: What is Russia's recent percentage?

The WITNESS: Six.

Mr. GRAYDON: We pay more than half of what Russia pays and Russia pays half of what the United Kingdom pays?

The WITNESS: Yes.

The CHAIRMAN: Mr. Heeny, could you tell the committee if any nation belonging to the United Nations organization has ever defaulted on the payment of membership assessments.

The WITNESS: There certainly were the last time I saw a report on it. I do not know what the situation is today however.

Mr. HANSELL: Do they have any particular formula in arriving at the allocation?

The WITNESS: Yes. Quite a complicated formula as based on national income modified by these three additional factors which are brought to bear in some agreed manner.

Mr. FRASER: The United Kingdom contribution should be down because that formula takes into account the ability of obtaining foreign currency.

The WITNESS: Yes. Depending on the extent to which you apply that factor in the calculation.

Mr. MACINNIS: Was the Soviet percentage increased in 1949?

Mr. MORAN: I have no statistics for the recent assessment,— the formula is based on the ability of a country to supply post war data,—but we would have in the United Nations division the figures for other countries.

Mr. PINARD: Why are all contributions paid in United States dollars?

The WITNESS: The budget is reckoned in United States dollars, but there are expenditures made in other currencies.

Mr. HEMSLEY: There is an option for some assessments to be paid in Swiss francs.

Mr. FRASER: It all depends on the international bank, does it not?

The WITNESS: In what way?

Mr. FRASER: They deal only in American dollars there.