

the thirteenth session. By this means it is hoped to avoid the need for urgent measures to meet unexpected costs.

The drain on the Working Capital Fund of \$22.00 million has been so heavy during May, June and July each year, that the Secretary-General found it necessary to seek some way of preventing a complete exhaustion of the Fund during this period as has happened in the past. This Fund provides the Secretariat with the necessary cash to meet regular expenditures during the first several months of each year pending receipt of the annual budgetary assessments from members. The suggestion made by the Secretary-General was to have September 1 substituted for July 1 as the due date for the annual payment of \$2.00 million to the United States for the repayment of the Headquarters loan. This is the loan made by the United States at the time the present Headquarters building was constructed in New York. A resolution was adopted authorizing the Secretary-General to conclude an agreement with the United States modifying the original agreement as indicated above.

Scale of Assessments

Members of the United Nations contribute to the expenses of the budget on a scale determined by the General Assembly on the recommendation of the Committee on Contributions and the Fifth (Administrative and Budgetary) Committee. With the admission of new members the scale of assessments is reviewed and adjusted. The eleventh session (1956-57) had, however, deferred until the twelfth session a decision on the scale of assessments for 1958 for the six new members admitted in 1957. It was understood also that the United States would request a review at the twelfth session of the principles of assessment.

The principles governing the scale of assessments therefore received careful study by the Fifth Committee at the twelfth session. A resolution (1137 (XII)) was adopted which provided that in principle the maximum contribution to be paid by any member was not to exceed 30 per cent of the total; that the percentage contributions of the new members for 1956 and 1957 should constitute miscellaneous income but for 1958 should be incorporated into the scale of assessments by the application of *pro rata* reductions of the percentage contributions of all members except those assessed at the minimum rate; and that during the three-year period 1959-61 further steps be taken to reduce the share of the largest contributor. The maximum percentage contribution has thus successively been reduced from 39.89 per cent in 1946 and 33.33 per cent in 1948 to the projected 30 per cent. The rate set for Canada for 1958 is 3.09 per cent reduced from 3.15 per cent.

In the debate on this question the United States took the position that capacity to pay was not the sole criterion for assessing the highest contributor but that the Assembly had established that size of membership and the sovereign equality of member states were also important factors. The successive reductions in percentages with the increase in membership, it was argued, confirmed these factors. A number of countries considered that capacity to pay was the principal criterion and that a reduction of the percentage of the highest contributor (the United States) would increase the burdens of countries with lower per capita incomes. A compromise was worked out, in which Canada was a co-sponsor, whereby a *pro rata* reduction was provided in the assessment of members as a result of the admission of new members.