

Text of a statement made on November 15, 1954  
by Mr. Paul Martin, Acting Chairman of the  
ninth session of the United Nations General  
Assembly, New York, on agenda item 41 -  
Scale of assessments for the apportionment of  
the expenses of the United Nations: Report of  
the Committee on Contributions

NOTE: The text of the resolution adopted by the  
Committee and the results of the voting  
are included at the end of the statement.

The Canadian Government has long recognized  
that the Committee on Contributions has a difficult task  
to perform. Canadian Delegations in past sessions of the  
General Assembly have always expressed their appreciation  
of the Committee's conscientious efforts to provide a  
reasonable basis for apportioning the expenses of the  
United Nations. They have in particular, supported  
Committee proposals designed to remove maladjustments and  
make possible a more permanent scale which would remain  
in effect for a period of at least three years. Canada  
has always voted for the adoption of the scale of assess-  
ments recommended by the Contributions Committee.

It is therefore a matter of real regret to the  
Canadian Government that it must disagree with the  
Committee's opinion -- contained in paragraph 13 of its  
Report -- that the decision taken by the seventh assembly  
to defer further action on the per capita principle applies  
to the per capita payment and not the percentage assessment.  
In our view an examination of the record clearly demonstrates  
that the Committee's interpretation contravenes Assembly  
Resolution 665 (VII) and defeats the purpose of the per  
capita principle.

Members of this Committee will recall that the  
seventh assembly directive grew out of the Committee's  
Contributions' recommendation that the Assembly partially  
apply the per capita principle by granting "some  
reductions" to New Zealand, Sweden and Canada. When this  
proposal was debated during the seventh session, several  
members noted that immediate application of the per capita  
ceiling would shift part of the financial burden from  
countries with high per capita incomes to those less able  
to pay. To relieve these fears, the Canadian representa-  
tive gave assurances that the Canadian Government would  
be satisfied to have the per capita principle applied  
as improvements in the economic capacity of other member  
states or the admission of new members permitted the  
additional burdens to be readily absorbed. In accordance  
with this view, Canada supported an Egyptian amendment  
calling on the Contributions Committee to continue to  
give additional recognition to countries with low per  
capita incomes. Although the Egyptian-Canadian resolution

embodying these principles received wide support, the Canadian Representative, in order to avoid any future misunderstanding on its interpretation, intervened in the discussion of the Rapporteur's report to state, and I quote from the Official Record:

"In practical terms the Canadian Delegation understood that the Committee on Contributions would "freeze" any further upward movement in the contributions of those Member States whose per capita contributions would thereby exceed the per capita contribution of the United States. At the same time, downward adjustments would await fulfilment of the conditions referred to in the resolution."

NOTE: The text of the resolution is in the Report of the Committee and the results of the voting.

This interpretation was not challenged by anyone in either the Fifth Committee or the General Assembly. Furthermore, the Committee on Contributions adhered to this interpretation when preparing the 1954 scale by deciding that the best way to implement the seventh assembly resolution was to maintain the 1953 rates of assessment on the countries subject to the per capita ceiling. The eighth assembly accepted this recommendation and issued no new directives on the interpretation of the per capita principle.

It seems to me that this record clearly indicates that the seventh assembly decided, in effect, to avoid aggravating the per capita disparity by "freezing" any further upward movement in the percentage contributions of those Member States whose per capita contributions already exceeded the per capita contribution of the highest contributor.

Reinforcing this belief is the fact that the Contributions Committee's new interpretation of the seventh assembly resolution would defeat the purpose of the per capita principle and create the situation its sponsors were trying to avoid. When the United Nations was first established, the General Assembly decided that the cost of administering the organization should be shared among Member States broadly according to capacity to pay. Although the Canadian Government accepted this formula, it was argued by some members that in an organization of sovereign equals no nation should pay too high a share of the budget and it was proposed that a ceiling of 33 1/3 per cent be placed on the contributions of the highest contributor. Adoption of this proposal would have meant that Canada and others would be required to pay more on a per capita basis than the United States, the country with the highest per capita income in the world. To avoid this inequitable situation, the Canadian Delegation pressed for the adoption of a related principle: that the per capita contribution of any member should not exceed the per capita contribution of the highest contributor. The Canadian Delegation expressed the belief that it would be difficult to convince the Canadian Parliament and public that each Canadian citizen should make a higher contribution to the United Nations than each citizen of the United States. My delegation went on to suggest that no other delegation would wish to be placed in a similar position. The third assembly accepted this view and approved Resolution 238A (III) recognizing

that the one-third ceiling and the per capita ceiling should both apply in normal times. This demonstrates that the per capita principle was adopted as a means of achieving an equitable relationship between the United States contribution and those of other members. However, under the Committee on Contributions' new interpretation, Canada's per capita contribution not only continues at a higher level than the United States per capita contribution but the disparity would be widened.

My Government also regrets that it must disagree with the Committee on Contributions on another point. The Committee observes - in paragraph 16 of its Report - that unless there are reasons other than economic which, in the view of the General Assembly would justify the per capita ceiling principle this criterion of assessment should be reconsidered. The Committee justifies this observation on the grounds that differences in the growth of national populations will increase the number of members subject to the per capita principle and result in an automatic shift of the burdens - other things being equal - from countries with high per capita incomes to countries in the middle or low per capita income groups. However, the United Nations' own estimates of population growth show that this is unlikely to occur. Barring a drastic shift in relative national incomes or a change in rates of population growth that would invalidate current United Nations population projections, the only members that will be affected by the principle during the next 25 years are Canada, New Zealand and Sweden - the same countries that are now protected by the principle. Furthermore, since the populations of Canada and New Zealand are growing more rapidly than that of the United States, the per capita contributions of these countries will be reduced to the level of the United States approximately by 1970. If new members are admitted, these processes will be accelerated.

Another important consideration is that an Assembly decision to abandon the per capita principle would mean that Canada would be the only member to be assessed on the basis of its full national income. It is a strongly held Canadian view that the practice of granting exemptions of up to 50 per cent in the assessable incomes of all members with a per capita income of less than \$1,000 a year, the one-third ceiling and the per capita principle are designed to apportion the Organization's expenses in a manner that will receive the widest measure of support. Working within this framework for the past six years, the Committee on Contributions has gradually removed maladjustments with a view to adopting a three-year scale as envisaged in its original terms of reference. The abandonment of any of the basic principles of assessment at this late stage would only lead to further delays before the United Nations can achieve its objective of a more permanent scale.

For these reasons, my delegation believes that it would be fully justified in requesting this Assembly to reject the Committee on Contributions' interpretation of the per capita principle and asking them to draft a new scale based on the seventh assembly decision.

However, as I indicated at the beginning, we are mindful of the difficult task the Committee on Contributions has to perform. We are also aware of the serious problems that would arise if this Committee attempted to formulate a new scale. Therefore, in a spirit of cooperation, and to expedite the work of the Fifth Committee, the Canadian Delegation will vote for the scale recommended for 1955 on the understanding that this Assembly reaffirms the seventh assembly's decision on the per capita principle and the eighth assembly's interpretation of this decision, and instructs the Committee on Contributions to return the Canadian assessment to the 1953 level of 3.3 per cent in 1956. It is the belief of my delegation that this can be achieved without affecting the contributions of most member states by removing the anomalies that still exist in the scale. This will mean that the Committee on Contributions will return to the interpretation it adopted in preparing the 1954 scale. The percentage contributions of those members subject to the per capita principle will be frozen against further upward movement until per capita parity is established with the highest contributor. At the same time, downward adjustments will only occur when the conditions cited in Resolution 665(VII) have been fulfilled or when changes in relative national income warrant a lower assessment. My delegation has submitted a draft resolution which would achieve these ends.

In conclusion, I should like to stress that these objections to part of the Report of the Contributions Committee are not based on financial considerations alone. Canada has always paid a full and fair share of the expenses of the United Nations. Our voluntary contributions to the relief, rehabilitation and economic assistance programmes established by the General Assembly are evidence of this. To date, Canada has contributed nearly \$209 million to these special programmes. Included in this amount is approximately \$9 million to the Children's Fund, \$7.2 million to Korean Reconstruction, \$3.7 million to Palestine Refugees and \$4 million to Technical Assistance. Canada's contribution to the Expanded Programme of Technical Assistance for 1954 was increased by \$700,000 or 87 per cent. From the Programme's inception in 1951 to 1954, Canada's share of the total contribution has increased from 3.9 per cent to 5.9 per cent. This enlargement of the Canadian share has taken place at a time when the total number of contributing states and total contributions have substantially increased. At the present time Canada is contributing a larger percentage of its national income to this important programme than most of the other large contributors.

To be perfectly frank my Government takes a most serious view of the Contributions Committee's recommendations. We have fully met our financial and other obligations to the United Nations and we shall continue to do so. We believe, however, that we would be imposed upon if our contribution were permanently increased for reasons that are demonstrably unsound.

These are all the observations my delegation wishes to put forward at this stage of the debate. We of course reserve our right to intervene later should the occasion warrant it.

Voting  
Results

Following is the text of the amended Canadian Resolution (U.N. Doc.A/2822) as passed by the Fifth Committee on November 18, 1954, by a vote of 29 in favour (including Canada) to 5 against, with 18 abstentions; and in the 32nd plenary meeting on December 4, 1954, by a vote of 45 in favour (including Canada) to 5 against, with 7 abstentions.

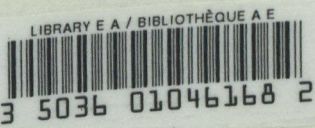
Text of  
Resolution

"The General Assembly

REAFFIRMS the decision of the seventh session of the General Assembly 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;

REAFFIRMS its Resolution 582 (VI) of 21 December 1951, by which the Committee on Contributions was requested to give additional recognition to countries with low per capita income, and instructs the Committee to continue to do so in the future;

INSTRUCTS the Committee on Contributions to apply the decision referred to in paragraph 1 to future scales of assessments, so that the percentage contributions of those members subject to the per capita principle will be frozen against any increase over the level approved for the 1955 budget until they reach per capita parity with the highest contributor and that downward adjustments will occur when the conditions cited in Resolution 665 (VII) have been fulfilled or changes in relative national incomes warrant lower assessments."



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Text of Resolution

"The General Assembly"

REAFFIRMS the decision of the seventh session of the General Assembly 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;

REAFFIRMS its Resolution 282 (VI) of 21 December 1951, by which the Committee on Contributions was requested to give additional recognition to countries with low per capita income, and instructs the Committee to continue to do so in the future;

INSTRUCTS the Committee on Contributions to apply the decision referred to in paragraph 1 to future scales of assessments, so that the percentage contributions of those members subject to the per capita principle will be frozen against any increase over the level approved for the 1955 budget until they reach per capita parity with the highest contributor and that downward adjustments will occur when the conditions cited in Resolution 282 (VII) have been fulfilled or changes in relative national incomes warrant lower assessments."