

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Fifth Session

Scale of Contributions to the Budget of the Contracting Parties

Proposal of the Czechoslovak Delegation

The Czechoslovak Delegation proposes that the future GATT contributions be based on the export data of member countries in 1948. The year of 1948 was selected on account of its being the latest annual period for which statistical data for all member countries, excepting Liberia, are available. Relevant statistical figures were taken from the Statistical Papers, Series T., Volume I, No 1; Direction of International Trade published by the Statistical Office of the United Nations.

The present budget estimates for 1950 were calculated, in so far as the scale of contributions is concerned in the following manner: the basis for fixing the total amount of contributions was the total foreign trade of all the members. Individual member countries were divided into seven groups. To each group a certain number of units was assigned, more or less arbitrarily.

The only fair principle on which individual contributions should be based is the scope of services which each member country can expect from the operation of the GATT. Since the GATT can exercise its functions and influence foreign trade only in regard to its members, figures of trade with the non-participating countries should not be taken into account for the purpose of calculating the scale of contributions. For the same reason it is inappropriate to include both the exports and the imports of the member-countries in the bases for the assessment of their contributions. The principal function of the GATT consists of enabling its members the expansion of their exports to the other participating countries and of assisting them in negotiating and securing favorable terms for that purpose. In the case of member-countries administering dependent territories not even their exports form an accurate basis for establishing their quota of contributions. The trade of the metropolitan countries with their dependent territories and vice versa is in fact an internal trade which is also outside the scope of the GATT influence. A similar observation should also be made in respect of trade among members of the Benelux Union.

In the present scale of contributions are in category A the two largest contributions, i.e. the United States and the United Kingdom. In the last category G are included sixteen countries beginning with Burma and ending with Uruguay.

The scale of contributions is as follows :

<u>Category</u>	<u>Total exports /in mil. dol.</u>	<u>Contributions as of to-day /in dollars</u>	<u>Dollars per one million dollars of exports</u>
A	21450,7	106.017	4,94
C	2971,3	18.553	6,24
D	3075,4	13.252	4,31
E	10948,44	95.416	8,71
F	2942,4	26.500	9,01
G	2386,6	42.407	17,77
totally	43774,8	302.145	6,90

The above table indicates that the member-countries having the smallest exports contribute nearly four times as much as the largest exporting countries.

In columns III and IV of the enclosed Tables the scale of contributions is calculated in such a way that all members pay equal contributions for each million dollars of their exports.

In support of fixing relatively larger contributions for members with a smaller foreign trade the argument is being sometimes advanced that all member countries draw an equal benefit from various administrative services, such as the distribution of papers, etc. This argument is not valid for the members with a larger trade take relatively more space, for instance in the Schedules. Expenses of this kind could be covered by the basic contribution of 200 dollars per member per annum. This basic contribution is not related to the extent of foreign trade. The balance of the budget should then be met from the total of individual contribution which should be related to the exports of each member directed to all the other participating countries only. The scale of contributions thus revised is referred to in columns V and VI of the enclosed Tables.

The method of the computation of contribution for each member-country is very simple, if we introduce the following formulas:

v - volume of exports of the country in question to GATT countries

V - total volume of exports to GATT countries of all members

N - number of all member-countries

B - the total budget

c - the basic contribution of each country

The formula for the contribution of a country is as follows:

$$\text{Exclusive of basic contributions } C = v \times \frac{B}{V}$$

$$\text{Inclusive of basic contribution } C = v \times \frac{B - Nc}{V} = c$$

The coefficient $\frac{B}{V}$ resp. $\frac{B-Nc}{V}$ is the same for the computation of contributions for all member countries.

As this formula can be used for any number of countries with any volume of foreign trade, contributions of the acceding countries can be included in a very simple way.

The Survey of the Proposed Contributions in Comparison to the Contributions fixed for the Year 1950 (in percentages)

Tableau des contributions proposées par comparaison avec les contributions fixées pour l'année 1950 (en pourcentages)

Country Pays	Contribution quoted in column Contribution indiquée dans la colonne				
	II	III	IV	V	VI
United Kingdom	113	107	100	105	98
United States	164	147	166	143	162
France	111	128	47	126	47
Canada	160	197	222	194	218
Australia	108	131	147	130	146
Luxembourg	102	100	76	101	78
Brazil	76	83	93	83	93
China	32	33	38	34	39
India	83	95	107	95	106
Italy	70	51	58	52	58
Netherlands	109	121	107	121	106
South Africa	36	40	45	41	46
Sweden	72	73	82	73	82
Cuba	92	100	113	102	114
Czechoslovakia	98	51	58	54	60
Denmark	74	75	85	77	87
New Zealand	64	85	93	85	95
Norway	54	56	63	58	65
Burma	57	70	79	76	85
Ceylon	74	85	94	89	99
Chile	86	98	111	103	116
Dominican Republic	21	28	32	35	39
Finland	130	106	119	111	124
Greece	26	28	32	33	39
Haiti	8	10	11	17	19
Indonesia	102	115	73	120	79
Syria					
Lebanon	5	1	2	9	9
Liberia	5	5	6	13	13
Nicaragua	7	8	9	15	16
Pakistan	44	55	59	59	66
Southern Rhodesia	51	39	44	46	51
Uruguay	47	53	60	60	66

EXPORTS IN THE YEAR 1948 (In millions U.S.A. \$)
EXPORTATIONS AU COURS DE L'ANNEE 1948 (en millions de dollars
des Etats-Unis)

Country		Total	To GATT member countries only	
			brute	netto
Pays		Total	à destination des pays membres du GATT seulement	
		1	brut 2	net 3
United Kingdom	X	8700,2	6052,0	5092,6
United States		12650,5	8335,8	8335,8
France		2971,3	2533,7	825,2
Canada		3075,4	2787,4	2787,4
Australia		1651,8	1480,6	1480,6
Belgium		1953,9	1420,9	957,5
Luxemburg				
Brazil		1172,7	936,3	936,3
China	X	490,0	377,8	377,8
India		1277,0	1073,8	1073,8
Italy		1067,6	581,3	581,3
Netherlands	X	1672,4	1376,3	1075,4
South Africa		560,0	454,6	454,6
Sweden		1103,0	822,4	822,4
Cuba		709,8	567,7	567,7
Czechoslovakia		752,9	290,6	290,6
Denmark		569,0	426,2	426,2
New Zealand		495,1	469,8	469,8
Norway		415,6	314,4	314,4
Burma	X	220,0	198,5	198,5
Ceylon		283,3	236,3	236,3
Chile		329,8	277,9	277,9
Dominican Rep.		82,3	79,6	79,6
Finland		500,3	300,0	300,0
Greece	X	100,0	79,8	79,8
Haiti		29,8	28,7	28,7
Indonesia		392,1	325,9	183,1
Lebanon /		35,8	7,7	7,7
Syria /				
Liberia	X	20,0	X 15,0	X 15,0
Nicaragua		26,7	22,2	22,2
Pakistan	X	170,0	149,4	149,4
S. Rhodesia		117,6	111,4	111,4
Uruguay		178,9	151,3	151,3
		43774,8	32285,3	28647,3

X Estimate

Column 1./ Total Export
 " 2./ Export to GATT member countries only brutto, i.e. the total recorded exports to GATT member countries and to their dependencies and from their dependencies to all GATT countries.
 " 3./ Exports to GATT member countries only, netto, i.e. as in col. 2./ but excluding the exports from the metropolitan countries to their dependencies and vice versa and excluding the exports inside the Customs Unions.

X Estimation.

Colonne 1. Total des exportations.

- " 2. Exportations brutes à destination des pays membres du GATT seulement, c'est à dire le total des exportations enrégistrées à destination des pays membres du GATT et de leurs territoires dépendants et des exportations de ces territoires dépendants à destination de tous les pays membres du GATT.

- " 3. Exportations nettes à destination de tous les pays membres du GATT seulement, c'est à dire comme dans la colonne 2, mais à l'exclusion des exportations des pays métropolitains à destination de leurs territoires dépendants et vice versa et à l'exclusion des exportations à l'intérieur des Unions douanières.

CONTRIBUTIONS OF GATT MEMBERS

in U.S.A. \$

CONTRIBUTIONS DES MEMBRES DU GATT

(en dollars des Etats-Unis)

Country	Contrib. fixed March 20 1950	accord, to the total export	According to exports to GATT member countries only					
			without basic C	basic c.200 \$				
Pays	Contribution fixe le 20 Mars 1950	Selon le total des exportations	Selon les exportations à destination des pays membres du GATT seulement					
			Sans C de base	c. de base 200 \$				
			Btto Brut	Ntto Net	Btto Brut	Ntto Net		
			I.	II.	III.	IV,	V.	VI.
United Kingdom	53008,60	60051	56638	53047	55564	52054		
United States	53008,60	87317	78011	87918	76456	<u>86140</u>		
France	18553,01	20509	23712	8703	23378	<u>8708</u>		
Canada	13252,15	21227	26036	29399	25699	<u>28937</u>		
Australia	10601,72	11401	13856	15616	13745	<u>15464</u>		
Belgium	10601,72							
Luxemburg	2650,43	13436	13298	10099	13398	<u>10271</u>		
Brazil	10601,72	8094	8762	9875	8765	<u>9853</u>		
China	10601,72	3382	3536	3995	3656	<u>4095</u>		
India	10601,72	8514	10049	11325	10023	<u>11270</u>		
Italy	10601,72	7369	5440	6131	<u>5518</u>	<u>6193</u>		
Netherlands	10601,72	11543	12880	11342	12790	<u>11287</u>		
South Africa	10601,72	3866	4254	4795	4359	<u>4838</u>		
Sweden	10601,72	7613	7696	8674	7723	<u>8679</u>		
Cuba	5300,06	4899	5313	5988	5393	<u>6053</u>		
Czechoslovakia	5300,06	5197	2720	3065	2858	<u>3196</u>		
Denmark	5300,06	3927	3989	4495	4099	<u>4594</u>		
New Zealand	5300,06	3417	4397	4955	4498	<u>5043</u>		
Norway	5300,06	2869	2942	3316	3076	<u>3441</u>		
Burma	2650,43	1519	1858	2094	2016	<u>2246</u>		
Ceylon	2650,43	1955	2211	2492	2362	<u>2636</u>		
Chile	2650,43	2276	2601	2931	2742	<u>3065</u>		
Dominican Rep.	2650,43	568	745	840	<u>928</u>	<u>1021</u>		
Finland	2650,43	3453	2808	3164	2944	<u>3293</u>		
Greece	2650,43	690	747	842	930	<u>1023</u>		
Haiti	2650,43	206	269	303	463	<u>496</u>		
Indonesia	2650,43	2706	3050	1931	3181	<u>2088</u>		
Lebanon	2650,43	247	72	81	470	<u>479</u>		
Syria	2650,43							
Liberia	2650,43	138	140	158	337	<u>355</u>		
Nicaragua	2650,43	184	208	234	403	<u>429</u>		
Pakistan	2650,43	1174	1398	1576	1568	<u>1740</u>		
South Rhodesia	2650,43	813	1043	1175	1219	<u>1348</u>		
Uruguay	2650,43	1235	1416	1596	1584	<u>1760</u>		
			302145,02	302145	302145	302145	302145	

See note next page

Voir note page suivante

NOTE :

≠ Colonne I.	Contributions fixées le 20 mars 1950
" II.	Contributions correspondant au total des exportations, col.1
" III.	Contributions correspondant aux exportations brutes à destination des pays du GATT, col. 2
" IV.	Contributions correspondant aux exportations nettes à destination des pays du GATT, col. 3
"	Col.III et IV sans contribution de base
" V.	Contributions correspondant aux exportations brutes à destination des pays du GATT 2.
" VI.	Contributions correspondant aux exportations nettes à destination des pays du GATT 3. Col. V et VI sans contribution de base de 200 \$.

≠ Column I.	Contributions fixed March 20, 1950
" II.	Contributions corresponding to total exports, col. 1
" III.	Contributions corresponding to brutto exports into GATT countries col.2
" IV.	Contributions corresponding to netto exports into GATT countries col.3 Col.III and IV without basic contributions
" V	Contributions corresponding to brutto exports into GATT countries 2.
" VI.	Contributions corresponding to netto exports into GATT countries 3. Col. V and VI with basic contribution of \$ 200.