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REPORT
OF THE COMMITTEE
ON CONTRIBUTIONS

GENERAL ASSEMBLY

OFFICIAL RECORDS : TWENTY-FOURTH SESSION

SUPPLEMENT No. 11 (A/7611)

UNITED NATIONS

(47 p.)

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New York, 1969

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. Membership of the Committee	1 - 2	1
II. Subjects of the session	3 - 5	1
III. Review of the criteria and terms of reference used in establishing the scale of assessments	6 - 50	2
A. Summary of the views expressed in the Fifth Committee at the twenty-third session of the General Assembly and in the representations submitted by Member States	10 - 11	3
B. Review of the criteria and terms of reference used in establishing the scale of assessments and comments on the views expressed during the discussion in the Fifth Committee and in representations	12 - 46	7
C. General conclusions	47 - 50	22
IV. Other matters considered by the Committee	51 - 53	23

ANNEXES

I. Terms of reference of the Committee	25
II. Statements listing for the financial years 1967 and 1968 assessments and voluntary contributions paid by Member States . .	31
III. Development of net national product, population and <u>per capita</u> product for various groups of countries	41

I. MEMBERSHIP OF THE COMMITTEE

1. The twenty-ninth session of the Committee on Contributions was convened at United Nations Headquarters from 31 March to 25 April 1969. The following members were present:

Syed Amjad Ali
Mr. Raymond T. Bowman
Mr. N. Fakhreddine
Mr. J.P. Fernandini
Mr. T. Idzumbuir
Mr. F. Nouredin Kia
Mr. S. Raczkowski
Mr. John I.M. Rhodes
Mr. D. Silveira da Mota
Mr. Maurice Viaud
Mr. A.V. Zakharov
Mr. Abele Zodda

2. The Committee re-elected Syed Amjad Ali as Chairman and Mr. Kia as Vice-Chairman.

II. SUBJECTS OF THE SESSION

3. The General Assembly on 21 December 1968 adopted the following resolution (resolution 2472 B (XXIII)):

"The General Assembly,

"Considering that at its recent sessions a number of doubts have been expressed concerning the guidelines developed over the past twenty years as a framework for the work of the Committee on Contributions,

"Considering also that at the twenty-second session of the General Assembly it was suggested in the Fifth Committee that the Committee on Contributions should review the various criteria applied in determining the scale of assessments,

"Considering further that, after making the requested review, the Committee on Contributions itself concluded, in paragraph 52 of its first report, 1/ that whether or not those terms of reference, some of which were prescribed twenty years ago, were still appropriate and sufficiently precise was primarily a matter for decision by the General Assembly,

1/ Official Records of the General Assembly, Twenty-third Session, Supplement No. 10 (A/7210).

"Expressing its desire to have available all the elements of judgement needed in order to be able to accomplish the task indicated in the preceding paragraph and, if necessary, to be able to give the Committee on Contributions guidelines as closely as possible in keeping with the economic realities of Member States, especially those of the developing countries, and with other realities of Member States in relationship to the United Nations,

"1. Requests the Committee on Contributions to keep under review the criteria it now uses in establishing the scale of assessments, and also its terms of reference, in the light of the debates on the subject at the twenty-second and twenty-third sessions of the General Assembly and of the opinions which Member States have already expressed or may express in writing to the Committee;

"2. Also requests the Committee on Contributions to submit a report to the General Assembly for consideration at its twenty-fourth session."

4. In compliance with the General Assembly's request, the Committee made a detailed review of the criteria it now uses in establishing the scale of assessments and of its terms of reference, in the light of the debates on the subject at the twenty-second and twenty-third sessions of the General Assembly and of the opinions which Member States had expressed in writing to the Committee. The Committee's terms of reference are set out in annex I to the present report.

5. Under rule 161 of the rules of procedure of the General Assembly, the Committee also considered the status of collection of contributions.

III. REVIEW OF THE CRITERIA AND TERMS OF REFERENCE USED IN ESTABLISHING THE SCALE OF ASSESSMENTS

6. In section IV of its report to the twenty-third session of the General Assembly 2/ the Committee on Contributions summarized and commented on the views expressed on the subject of the scale of assessments in the Fifth Committee at the twenty-second session of the General Assembly, and in the representations submitted by Member States.

7. During the debate on the report of the Committee on Contributions in the Fifth Committee at the twenty-third session of the General Assembly, some delegations expressed the view that the report gave a careful analysis of the comments made in the Fifth Committee at the previous session of the General Assembly and a clear representation of the interrelationship between all the various criteria that had to be taken into account in determining assessments. Several delegations also endorsed the conclusion of the Committee on Contributions in its report that the scale of assessments it had recommended for 1968, 1969 and 1970, and which was approved by the General Assembly, was fair and equitable and fully consistent with the existing terms of reference and directives of the Assembly. Other delegations expressed disappointment that the Committee had

2/ Ibid.

neither found it possible to support any of the various suggestions made by delegations for changes in the present system of assessment nor analysed the problems involved. These delegations were of the opinion that it was time to review, clarify and perhaps extend the terms of reference of the Committee on Contributions.

8. When the twenty-ninth session of the Committee on Contributions was scheduled to convene on 31 March 1969, the Secretary-General, in line with the agreed practice, informed Member States of the dates fixed for the meetings in order to give them the possibility of submitting their opinions in writing.

9. At its twenty-ninth session, the Committee considered the views expressed at the 1257th, 1258th, 1263rd and 1266th meetings of the Fifth Committee when it considered agenda item 77 (Scale of assessments for the apportionment of the expenses of the United Nations), and in the report of the Fifth Committee on that item, 3/ as well as the views expressed on the subject in the Fifth Committee at the twenty-second session of the General Assembly, and in the representations submitted by Member States. Furthermore, the Committee considered the representations submitted for consideration at its current session by Canada, Greece and Japan.

A. Summary of the views expressed in the Fifth Committee at the twenty-third session of the General Assembly and in the representations submitted by Member States 4/

10. The Committee on Contributions noted the following main observations which were expressed during the discussion in the Fifth Committee at the twenty-third session of the General Assembly, some of which had also been expressed at the twenty-second session:

(a) It was stated that the scale adopted for 1968, 1969 and 1970 had demonstrated the need for a review of the present criteria and guidelines for assessment. In that scale highly industrialized and developed countries, with only a few exceptions, had received reductions in their assessments, while those of many developing countries had been increased. This, it was held, was in conflict with the economic reality of the world situation.

(b) With reference to the allowance for low per capita income and the General Assembly's request in resolution 2118 (XX) that due attention be given to the special problems of the developing countries, it was suggested that:

(i) The Committee on Contributions might find it possible to devise a more systematic method of making allowance for low per capita income than by making small downward adjustments in the rates of countries with per capita income below \$300;

3/ Ibid., Twenty-third Session, Annexes, agenda item 77, document A/7451.

4/ The views summarized in this section of the report are, to a very large extent, expressed in the same words as those used by the delegations making the observations or suggestions as recorded in the documents before the Committee.

- (ii) Under the current system of assessment the countries with per capita income between \$300 and \$1,000 were at a disadvantage in comparison with countries with less than \$300, while the General Assembly in its resolutions made no such distinction;
- (iii) Special attention should be given to developing countries whose contributions had been substantially increased since their admission to membership in the Organization;
- (iv) The difficulties involved in classifying countries with per capita income below \$1,000 as "highly industrialized" or "developing" might be overcome through the use of selected statistical indicators;
- (v) A review of its terms of reference might facilitate re-examination by the Committee of previous proposals, especially for the present amount of allowance for low per capita income to be calculated and established as an "invariable percentage".

(c) It was suggested that consideration might be given to the possibility of applying an adjustment factor to the net national product of each country including those with per capita income above \$1,000, the adjustment to be graded downwards for countries with per capita income below \$1,000 and upwards for countries with per capita income above that level.

(d) It was observed that, in determining the capacity to pay of Member States, the Committee based itself on national income for a specific period of years, and failed to consider wealth accumulated over the centuries. While it was recognized that there were as yet no reliable national standards for estimating that factor, it might, nevertheless, be advisable to envisage taking it into account in the future.

(e) While recognizing the difficulties involved in devising a systematic method of making allowance for the ability of Members to secure foreign currency, it was suggested that certain easily identifiable elements, such as the external debt of countries, particularly the developing countries, might be taken into account in making allowance for that factor. Other elements mentioned were the effects of discriminatory practices in commercial activities, the application of the most-favoured-nation clause and the artificially fixed price of gold in the United States market, which complicated the payment of contributions in United States dollars by certain countries.

(f) It was pointed out that it was difficult to justify a ceiling on the contributions of the United States of America, the richest country in the world. Furthermore, the United Nations Headquarters was located in the United States and the major portion of the United Nations budget was spent in New York, so that it gained a considerable influx of foreign currencies. The per capita ceiling principle was equally difficult to justify, since it provided for possible reductions in the assessments of the countries with the highest per capita incomes. Even if the per capita ceiling principle at the present time affected only one Member State, it was not excluded that radical changes in the economy of countries could occur that would again make this principle operative in other cases.

(g) It was indicated that the Committee should keep under study the minimum rate of assessment, since some countries assessed at the floor rate of 0.04 per cent might find the cost of participating in the work of the United Nations a heavy burden.

(h) With reference to the use by the Committee of averages of net national product for a base period of three years, it was suggested that in the interest of further reducing the effect of short-term fluctuations in economic conditions and variations in exchange rates, the Committee might consider the possibility of extending the base period to six or even to nine years.

(i) In connexion with the stated objective of the Committee to obtain for all Member States data as nearly comparable as possible, the suggestion was made that the Committee should examine the possibility of using national income statistics expressed in constant prices instead of in current prices, as at present, thereby mitigating the effects of inflation on rates of assessment.

(j) It was suggested that the present system of assessment does not provide sufficiently prompt compensation for changes in exchange rates.

(k) Several delegations expressed their satisfaction with the present criteria and guidelines for the establishment of the scale. They felt that the system of broadly apportioning the expenses according to capacity to pay, as measured by national income statistics adjusted for low per capita income, had resulted in a fair and equitable scale and was fundamentally sound. The terms of reference of the Committee, although originally prescribed twenty years ago, had not in fact, it was stated, remained unchanged, but had been adapted to meet changing world economic conditions by subsequent General Assembly directives. Instead of a general revision of the terms of reference, it might be preferable, it was said, to follow as hitherto a course of evolution. If, however, it was the intention that any of the principles applied in the assessment of contributions should be revised before the establishment of the next scale in 1970, it would be necessary to review the whole system of assessment. For instance, the question of the relief to be given to developing countries could not be considered in isolation from, for instance, the implementation of the ceiling principle. The relationship between the size of the contribution and the financial responsibility of Member States must also be borne in mind in order to ensure that the interest of Member States in sound budgetary procedures was maintained.

(l) In connexion with the observations made on the ceiling principle, it was stated that in the original terms of reference of the Committee on Contributions adopted by the General Assembly in 1946 the possibility of a ceiling on the contribution of the highest contributor had been recognized. From the beginning the Assembly had therefore seen no conflict between the ceiling principle and the principle of capacity to pay. The reason for the adoption of the ceiling principle was that in an organization of sovereign equals, no State should be able to exercise too great an influence, which would be the inevitable result if a financial contribution to the United Nations budget were disproportionate to that of other States. The reduction in the level of the ceiling with the increase in the membership was rational and in the interest of the Organization. The current maximum contribution, which was more than twice that of the next highest contributor, could not, it was held, be

considered inequitable. As the grounds for the adoption of the ceiling were sound, it should continue to apply.

(m) Certain observations were also made in the course of the Fifth Committee's debate, for consideration or re-examination by the Committee on Contributions in connexion with its review:

- (i) The possibility was mentioned that in the next scale of assessments, if based on present criteria, a permanent member of the Security Council might be required to pay a lower contribution than a non-permanent member. A General Assembly directive to prevent such an occurrence might be called for, it was suggested. In that connexion it was pointed out that the introduction of further artificial rates of assessment in the scale would reduce the importance of the basic principle of capacity to pay and could therefore not be supported. Attention was also drawn to the fact that a non-member State was already contributing to the United Nations activities in which it participated at a higher rate than some permanent members of the Security Council.
- (ii) Regrets were expressed that the Committee had not found it possible to adopt fixed percentage limitations on increases in rates of assessments as suggested during the Fifth Committee's debate at the twenty-second session of the General Assembly.
- (iii) With reference to the conclusion of the Committee that a system of consultations, which might transform the Committee into a negotiating body, should not be adopted, the argument was advanced that consultations would not necessarily mean negotiations, but a procedure to ensure that assessments were determined with the greatest possible objectivity. It was felt therefore that the Committee on Contributions should be under obligation to consult in advance the Member States whose assessments it proposed to increase substantially. Others supported the conclusion of the Committee on Contributions and stated that since the Committee's responsibilities were solely to the General Assembly, consultation with individual States might lead to constitutional difficulties.

(n) In connexion with the task of the Committee under General Assembly resolution 2472 B (XXIII), it was explained by the sponsors that the decision whether the terms of reference of the Committee on Contributions should be changed would rest with the General Assembly but, before such a decision could be taken, it would be necessary for the Assembly to have all the relevant background information. They also stated that the Committee on Contributions was not asked to make decisions or judgements of a political nature, but to provide the necessary background for judgement and final decision by the General Assembly.

11. As regards the opinions submitted to the Committee by three Member States, the communications received from the Permanent Representatives of Japan and Greece referred to the statements made by their delegations in the Fifth Committee at the twenty-third session of the General Assembly, and the Permanent Representative of Canada reiterated Canada's support for the present terms of reference of the Committee and expressed his Government's concurrence

with the present scale of assessments. In the Canadian view, the principles laid down by the General Assembly were fair and reasonable and did not require any significant alteration. Furthermore, resolution 2472 (XXIII) did not empower the Committee on Contributions to make changes.

- B. Review of the criteria and terms of reference used in establishing the scale of assessments and comments on the views expressed during the discussion in the Fifth Committee and in representations

12. The Committee's terms of reference and the various criteria taken into account in arriving at the scale of assessments may be summarized as follows:

(a) Under the Committee's original terms of reference, the expenses of the United Nations should be apportioned broadly according to capacity to pay, and comparative estimates of national income were recommended as the fairest guide. The main factors to be taken into account to prevent anomalous assessments resulting from the use of comparative estimates of national income were:

- (i) Comparative income per head of population;
- (ii) Temporary dislocation of national economies arising out of the Second World War;
- (iii) The ability of Members to secure foreign currency.

(b) In subsequent resolutions, the General Assembly has given further directives to the Committee for drawing up the scale, namely:

- (i) It has imposed a ceiling on the rate of assessment of the highest contributor which in principle should not exceed 30 per cent of the total;
- (ii) It has directed that the per capita contribution of any Member State should not exceed the per capita contribution of the largest contributor;
- (iii) It has imposed a minimum rate of assessment of 0.04 per cent;
- (iv) It has requested that due attention be given to the developing countries in view of their special economic and financial problems.

Capacity to pay

13. Under its original terms of reference, the Committee was directed to apportion the expenses of the United Nations broadly according to capacity to pay. The General Assembly recognized that it is difficult to measure such capacity merely by statistical means and impossible to arrive at any definite formula. It was indicated, however, that comparative estimates of national income would appear prima facie to be the fairest guide. The Committee has from the beginning used national income statistics as a basis for measuring

the relative capacities to pay of Member States. It is of course important for drawing up an equitable scale to have as reliable and as comprehensive data as possible. During the period since 1946, when the first United Nations scale was established, there has been considerable improvement in the statistical data provided by Member States by reason of the fact that many more countries are now providing systematic national economic accounts. The Committee has also, as explained in earlier reports, taken a number of steps further to improve the comparability of the basic data. As an improvement in comparability, the Committee had decided from 1964 onwards to use net national products at market prices for all Member States as a basis for the scale. This change was made primarily so that the national product data for those Member States using the "net material products" system of accounts could be more appropriately compared with data for Member States using a system of national accounts which include non-material products.

14. At an early stage of its work, the Committee on Contributions adopted the use of averages of national income statistics for a period of three years instead of for a single year as had been the original practice. One of the suggestions in the Fifth Committee was that the Committee on Contributions should consider the possibility of extending the base period from three years to six or even nine years, which would further reduce the effect of short-term fluctuations in economic conditions and variations in exchange rates. In connexion with this suggestion, it may be recalled that under the present procedure, the scale to be established in 1970, which would apply for the three years 1971, 1972 and 1973, would be based on averages of national income statistics for the period 1966-1968. There is thus a considerable time lag between the period used as a basis for the scale and the period of application of the scale, and it might be questioned if a further extension of the time lag would be desirable and equitable. The Committee recognized that an extension of the base period to six or nine years would not only, as stated, further retard the effects of short-term fluctuations in economic conditions but would also fail to disclose adequately differential rates of expansion in the economies of Member States. The Committee was of the opinion, therefore, that for a three-year scale, a three-year base period is a more appropriate means of reflecting the relative economic developments of Member States and is sufficiently long to provide for correction of the effects of short-term fluctuations.

15. It was also suggested in the Fifth Committee that the Committee on Contributions might examine the possibility of using national income statistics expressed in constant prices instead of in current prices. The Committee on Contributions examined the problems associated with the effects on comparative national income of differential changes in prices and radical changes in exchange rates. It noted that movements in the current price value of the national product of Member States, when expressed in United States dollars, could normally result from changes in: (a) quantity of output; (b) price levels; and (c) exchange rates. Traditionally, the Committee has based its calculations on a measure of national output data expressed in current prices converted into United States dollars but has taken account of price changes wherever they were found to have had a noticeable effect on the level of assessment. The Committee recognized that the choice between using current or constant prices was not important when changes in a country's exchange rate were in line with changes in its price level. The Committee also recognized that the need for special attention in its work arose where changes in price levels were not proportionately reflected in exchange rates, either for the whole or part of the period under review.

16. At the same time, the Committee considered that there were serious difficulties involved in the use of constant prices instead of current prices. These difficulties include: (a) non-availability of constant price data for the economies of many Member States; (b) the possibility that the rate of conversion applied to the base period might by itself be undervalued or overvalued; and (c) imperfections in price indexes. The Committee therefore agreed that, in drawing up the scale of assessments, it would pay particular attention to the effect of noticeable differential changes in price levels in relation to exchange rates in individual cases. In order to secure additional information needed to study this matter further, as well as to obtain a better basis for future judgement, the Committee requested the Secretariat at its next session to supplement the data showing national products in current prices with data on price changes and rates of exchange for all Member States for which data is available. The Secretariat was also requested to prepare a study on methods, and the relevant factors associated with them, concerning the use of data in constant prices as contrasted with data in current prices. The Committee further requested the Secretariat to prepare a study exploring the relevance of international terms of trade for the establishment of improved comparative data on national economies of Member States, taking into account changes in export prices in relation to changes in import prices.

17. In connexion with the argument that the wealth accumulated by a country over the centuries should be taken into account to determine relative capacity to pay, the Committee pointed out that current national product data are to a certain extent related to the wealth of a country. Specific estimates of national wealth are virtually non-existent and their development in an acceptable form would meet serious technical difficulties. The Committee concluded that it would not be appropriate to give special consideration to this concept in determining a country's relative capacity to pay.

18. In using national income statistics for measuring the relative capacities to pay of Member States the Committee is required under its original terms of reference to take into account certain main factors to prevent anomalous assessments. These factors are dealt with in the following paragraphs.

(i) Comparative income per head of population

19. A systematic allowance for the factor "comparative income per head of population" has been made in all the scales recommended by the Committee on Contributions. For its review of the scale in 1952, the Committee was directed by the General Assembly, in resolution 582 (VI) of 21 December 1951, to give particular attention to countries with low per capita income. In compliance with that directive, the maximum allowance for low per capita income, which had until then been 40 per cent, was increased to 50 per cent, and it has remained at that level in all subsequent scales. Under the present formula 5/ all Member

5/ The method used for making allowance for low per capita income is in brief as follows: a deduction is made from the national income of each Member State with a per capita income below \$1,000. The difference between \$1,000 and a country's per capita income below \$1,000 is expressed as a percentage of \$1,000 and 50 per cent of that percentage is used to reduce the country's total national income for the purpose of assessment.

States with per capita income below \$1,000 receive a reduction for the purpose of assessment in their national income figures. As explained in the Committee's 1968 report, 6/ the size of the percentage deduction is determined by the level of the per capita income so that, for instance, the net national product of a country with a per capita of \$50 will be reduced by 47.50 per cent, while a country with a per capita income of \$950 will receive a reduction in its net national product of only 2.5 per cent. At its seventh and again at its ninth session the General Assembly asked the Committee on Contributions to continue to give recognition to countries with low per capita income. In compliance with the General Assembly's request, the Committee continued to give attention to the allowance made for low per capita income and considered various alternative formulas. At its session in 1964, in drawing up the scale for 1965, 1966 and 1967, the Committee sought to give special attention to the countries whose level of per capita income fell below \$300 and within the general revision of the scale made a number of small downward adjustments in the assessment of such States, with the result that none of these countries showed an increase and the great majority of the countries in this group showed reductions from the previous scale. The General Assembly, in resolution 2113 (XX) of 21 December 1965, noted with appreciation the action taken by the Committee on Contributions and requested it, in calculating rates of assessment, to continue its efforts to give due attention to the situation of the developing countries in view of their special economic and financial problems. Following a suggestion in the Committee's 1964 report, which was endorsed by the General Assembly at its twentieth session, the Committee, at its session in 1966, made a detailed review of the effects of variations in the present system of allowances for low per capita income in establishing rates of assessment. It studied the effects on the scale of varying the present upper limit of \$1,000, of increasing to varying degrees the present maximum allowance of 50 per cent and of increasing the maximum allowance for the very lowest ranges of per capita incomes. The study provided the Committee with valuable information regarding the effects in the scale that might result from variations in the existing system of allowances. It reached the conclusion, however, that it would be advisable to appraise the effects of any change in the basic rules in relation to the later national income figures which would form the basis of the Committee's review of the scale in 1967. The Committee was also confirmed in the opinion that variations in the allowance formula to take account of comparative income per head of population should not be such as to cause too radical changes in the assessments either from one per capita income group to another or in the assessment of individual States, changes that might be further accentuated through the use of later national income statistics.

20. In its review of the scale in 1967, when the scale for 1968, 1969 and 1970 was drawn up, the Committee found, as had been expected, that there had been important changes in the relative capacity to pay of Member States since the last review of the scale. 7/ A change in the basic system of allowances would have further emphasized the changes in the relative capacity to pay of Member States and would have led to even more pronounced changes in the scale, which

6/ Official Records of the General Assembly, Twenty-third Session, Supplement No. 10 (A/7210), para. 26.

7/ Ibid., Twenty-second Session, Supplement No. 10 (A/6710), para. 17.

the Committee had agreed should be avoided. The Committee therefore reached the conclusion "that it would not be desirable to make fundamental changes in the basic rules at the present time". Consequently, the Committee, for its 1967 review of the scale, maintained the adopted formula of a maximum allowance of 50 per cent applied to countries with per capita income below \$1,000 as determined by each country's per capita income. It also decided again to make small downward adjustments for the very low per capita income countries below the level of \$300, particularly when assessments for these countries would otherwise have shown an increase.

21. At the twenty-second session of the General Assembly, in the course of the Fifth Committee's debate of the scale of assessments for 1968, 1969 and 1970, a number of observations were made, inter alia, in connexion with the allowance for low per capita income and the Committee's implementation of the Assembly's request in resolution 2118 (XX) to give due attention in its review of the scale to the special problems of the developing countries. At its 1968 session the Committee studied the various observations made in the Fifth Committee and in the representations submitted to the Committee subsequently by several Member States. In its report to the twenty-third session of the General Assembly ^{8/} the Committee commented in detail on all these observations. In connexion with the suggestions for giving further relief to developing countries, the Committee stated in paragraph 28 of its report: "While recognizing that these possibilities are limited within the existing terms of reference, which include the capacity to pay, the ceiling, the floor, and the maximum allowance for low per capita income, the Committee will continue its endeavours in that direction at its next session."

22. At its current session the Committee made a special study of the allowance for low per capita income taking into account the various suggestions made in the Fifth Committee at the twenty-third session of the General Assembly, which included:

(a) Examination of the possibility of devising a more systematic method of making allowance for low per capita income than by making small downward adjustments in the rates of assessment of countries with per capita income below \$300;

(b) Consideration of the attention to be given to countries with per capita income between \$300 and \$1,000,

(c) Consideration of the criteria applied to highly industrialized countries with per capita income of less than \$1,000,

8/ Ibid., Twenty-third Session, Supplement No. 10 (A/7210).

(d) Re-examination of a previous proposal for the present amount of allowance for low per capita income to be calculated and established as an "invariable percentage".

(e) Consideration of the possibility of applying an adjustment factor to the net national product of each Member State, the adjustment to be graded downwards for countries with per capita income below \$1,000 and upward for countries with per capita income above that level.

23. In the light of these observations, the Committee studied in detail the effects on the scale of the present allowance for low per capita income as well as variations of the allowance by increasing the maximum percentage allowance or by raising the present limit below which the allowance applied or by both. The main views expressed in this respect are set out below:

(a) During the discussion, it was pointed out that the original reason for the introduction of this principle seems to be the progression in the taxable income of Member States, depending on the size of their per capita national income. When the limit of \$1,000 was established, only two Member States, both subject to the ceiling and per capita ceiling principles, had a per capita income exceeding this limit; all the remaining forty-nine original Member States had their taxable income progressively reduced. During the last twenty years the situation has changed greatly and in the present scale seventeen Member States have a per capita national product higher than \$1,000. Some members of the Committee thought that it would be appropriate to raise the upper limit for the application of the low per capita allowance to a higher figure, for instance \$1,500, and to increase the maximum discount to 60 per cent. This could, in their opinion, mitigate to some extent the impact of the allowance formula on countries which have at present their assessments increased not only on account of the increases in their national product but also on account of a diminishing low per capita allowance, when they approach the \$1,000 limit. After discussing this suggestion, the majority of the members of the Committee were of the opinion that it would not be appropriate at this time to raise the limit beyond \$1,000 because such a change would involve serious problems, such as introducing radical shifts in the scale of assessments. It would also give rise to questions as to whether \$1,500 would not be too high an upper limit for the concession of relief.

(b) Certain members of the Committee reached the conclusion that the present allowance formula should not be changed. These members believed that the view expressed in previous reports is still true, namely that a change in the basic system of allowance would further emphasize the changes in the relative capacity to pay of Member States and would lead to even more pronounced changes in the scale. They further emphasized that changes in the basic allowance principle designed to prevent anomalous assessments from the use of comparative estimates of national income would do just the opposite. They pointed out that the present allowance formula taken by itself, and before the exercise of the special consideration given to Member States with per capita income below \$300 and other exercises of the Committee's judgement, now reduces the assessment rate for Member States with different per capita income levels, as follows:

Present formula (50 per cent maximum reduction)

<u>Per capita income</u>	<u>Percentage change in national product</u>	<u>Percentage change in assess- ment rate (excluding "floors" and "ceilings")</u>
100	- 45	- 36
200	- 40	- 30
300	- 35	- 24
400	- 30	- 13
500	- 25	- 13
600	- 20	- 7
700	- 15	- 1
800	- 10	+ 4
900	- 5	+ 10
1,000 and above	0	+ 16

These members felt therefore that due attention could be best given to developing Member States with low per capita income not by a change in the present formula but by the exercise of the judgement of the Committee with respect to groups of such countries or individually as circumstances warrant. They maintained that changes in the allowance formula disrupted the orderly shift from one scale to another and that such allowance formula changes shifted assessments indiscriminately from a large number of Member States to a small group of countries. They were of the view that such a development would tend to diminish financial responsibility since it responded to a rise in the budget by an adjustment of assessment rates.

(c) On the other hand, after examining all the issues and suggestions connected with the question of the allowance for comparative income per head of population, several members of the Committee reached the conclusion that the variant which would be best suited to comply more systematically with the recommendations of the General Assembly concerning the attention to be given to developing countries in view of their special economic and financial problems would be to increase the maximum allowance from 50 to 60 per cent. These members were convinced that this change in the allowance formula would benefit the group of countries with per capita product below \$1,000, would be simple to administer and would be compatible with the principle of capacity to pay. In justification of the proposed change these members drew attention to the actual effects of the existing formula. This is shown in the following table which sets out in column 1 percentage changes in national products accorded by the formula on the basis of 1963-1965 national product figures - compared with the percentage changes in assessment which result from the application of the formula in column 3.

Effect of per capita relief formula with 60 per cent maximum reduction as compared with the present formula (based on 1963-1965 national products) a/

<u>Per capita national product</u>	Percentage change in national product		Percentage change in assessment rate (excluding "floors" and "ceilings")	
	Present formula 50 per cent maximum reduction	Suggested formula 60 per cent maximum reduction	Present formula 50 per cent maximum reduction	Suggested formula 60 per cent maximum reduction
	(1)	(2)	(3)	
100	- 45	- 45	- 36	
200	- 40	- 38	- 30	
300	- 35	- 30	- 24	
400	- 30	- 23	- 18	
500	- 25	- 16	- 13	
600	- 20	- 9	- 7	
700	- 15	- 2	- 1	
800	- 10	+ 6	+ 4	
900	- 5	+ 13	+ 10	
1,000	- 0	+ 20	+ 16	

a/ The figures in this table show only the theoretical working of the per capita allowance formula (on the 1963-1965 data) independent of other considerations taken into account by the Committee in drawing up the scale, particularly in the case of countries with per capita products below \$300.

In the opinion of these members, it would readily be seen that the change proposed by increasing the maximum allowance to 60 per cent (column 2) has the advantage of bringing the reductions in assessment for the low income countries more into line with the percentage reductions in national products accorded to them by the present formula (maximum reduction of 50 per cent). In further justification the members recommending this change emphasized the steady reduction in aggregate in the allowance for low per capita national products which has come as a result of the over-all movement upwards of per capita national products and the movement of large contributions beyond the \$1,000 limit. At the same time they recognized that the adoption of an increased allowance for low per capita income would reduce substantially the need for the present practice of making small downward adjustments in the rates of assessment of the very lowest per capita income countries below \$300. As there might still be some cases requiring special consideration, however, they were of the opinion that even with an increase in the allowance the Committee should retain its discretion in that respect.

(d) It was recalled that the terms of reference and criteria observed by the Committee are a coherent set of rules and that any substantial changes in the present practice of giving relief for low per capita income should be considered in conjunction with all these rules. In this connexion, it was noted that with the present application of the ceiling principles the burden of the increases in

the maximum allowance for lower per capita income would be shifted almost entirely to the countries with per capita income above \$1,000 except those protected by the ceiling principles. It was pointed out therefore that the Committee would require a certain amount of flexibility so as not necessarily to exclude the highest contributor in the distribution of the burden resulting from the increase in the maximum allowance.

The position set forth in sub-paragraphs (c) and (d) was held by more members than any of the others.

24. One of the reasons given in the Fifth Committee for requesting a review of the present criteria and guidelines for assessment was that, in the scale adopted for 1968, 1969 and 1970, highly industrialized and developed countries with only a few exceptions had received reductions in their assessments, while those of many developing countries had been increased. This, it was held, was in conflict with the economic realities of the world situation.

25. In connexion with this contention, the Committee wishes to reiterate the views expressed in its report to the twenty-third session of the General Assembly:

"It may first be emphasized that any increases or decreases in the scale reflect primarily changes in the economic situation of Member States as established by the basic statistical data. If the Committee had not taken into account factors other than the current market value of the national outputs, and the adjustments for low per capita income below \$1,000, the changes upward or downward that have been criticized in the Fifth Committee would have been even greater." 9/

At its current session the Committee again analysed its 1968, 1969 and 1970 scales. It was pointed out that, when the assessments in the present scale of the generally recognized industrial countries as a group are compared with their assessments in the previous scale, they show an increase from 83.04 to 83.55 per cent. The remaining ninety-five Member States are assessed in the present scale at 16.45 per cent. It was also noted that this group included fifty-six Members assessed at a minimum rate of 0.04 per cent or four more than in the previous scale. It was also pointed out that the scale of assessments drawn up in accordance with the Committee's terms of reference reflects the changes in the economic situation of Member States as well as the consequences of the application of certain principles included in the terms of reference, such as the ceiling, the floor and the low per capita income allowance.

26. At the twenty-third session of the General Assembly regret was expressed in the Fifth Committee that the Committee on Contributions had not found it possible to adopt fixed percentage limitations on increases in rates of assessments. In this connexion, the Committee would like to reiterate the views expressed by it in its report to the twenty-third session of the General Assembly:

"It may be opportune in this connexion to refer to a suggestion made in the Fifth Committee and in the representations submitted, that changes in the scale should be limited to a fixed percentage, such as 14 or 20 per cent. In making modifications in the scale and deciding

9/ Ibid., para. 30.

on the extent to which such modifications could be made, the Committee has had to take into account that if, as a result of its adjustments, the rates of assessments of Member States become too much out of line with the rate indicated by the statistics, the gap between the two rates may be even greater at its next review of the scale. In the case of some of the large increases, it was also true that the countries experiencing such increases revised their statistics of national product upward after the 1965-1967 scale had been established. Had the revised figures been used in the development of the 1965-1967 scale, as they were for the 1968-1970 scale, the increases which appeared between the two scales would have been smaller. If a fixed percentage limitation were imposed on changes in the scale, the gap between the statistical rate and the actual rate of assessment would, for a country with a rapidly expanding economy, be constantly increasing. A procedure which would restrict percentage changes in assessments between scales to a predetermined amount would prevent appropriate consideration of capacity to pay as revealed by revised national product data. This situation would be in conflict with the principle of capacity to pay and the Committee would, therefore, not express itself in favour of the introduction of artificially fixed percentage limitations on changes. It is, however, in line with its procedures to study in great detail any large changes in the scale in order to insure that such changes are not excessive and are mitigated to the extent compatible with the basic principle of capacity to pay." 10/

27. The Committee also considered a suggestion that it should give attention particularly to developing countries whose contributions had increased since their admission to the Organization. The Committee had examined this suggestion at its 1968 session and again wishes to express the opinion that it would be inappropriate and not in line with the basic principle of capacity to pay to introduce criteria of this character since increases in the scale reflect primarily changes in the relative economic situation of Member States.

28. In connexion with the position taken by the Committee in its report to the twenty-third session on the possibility of giving consideration to the criteria applied to "highly industrialized" countries with per capita income below \$1,000, 11/ it was pointed out in the Fifth Committee that the difficulties involved in classifying Member States with per capita income below \$1,000 as "developed" or "highly industrialized" and "developing" might be overcome through the use of formulas relying on a selection of statistical indicators in addition to net national product and per capita product data.

29. The Committee at this session undertook a detailed examination of the relative ranking of Member States on the basis of criteria selected for the purpose of study. These criteria, other than the per capita net national product, were: per capita energy consumption, per capita food consumption - daily calorie intake, percentage of gross domestic product originating in manufacturing, percentage of economically active population in non-agriculture, number of infant

10/ Ibid., para. 31.

11/ Ibid., para. 35.

survivals per 1,000 births, number of physicians per 1,000 inhabitants. This examination was limited to countries with more than \$300 per capita income and less than \$1,000 on the basis of provisional national income estimates for 1967.

30. In evaluating the results of this examination, it became clear that, although the establishment of a dividing line between "developed" and "developing" countries would be possible, the issue still raised serious difficulties, since there was no general agreement as to the choice of indicators for this purpose. Aware of these difficulties, the Committee was further guided by the consideration that it had already manifested its preference for keeping the level of \$1,000 for the concession of relief, and that it could be envisaged that in the next scales the changes in the national economies of countries in that category would lead to largely reducing the practical significance of the proposed distinction. The Committee therefore agreed that while it would bear in mind the results of its study in the review of the scale of assessments, its past practice of applying the same relief formula to all Member States below \$1,000 per capita should be continued, with special individual adjustments for countries with very low per capita income.

(ii) Temporary dislocation of national economies arising out of the Second World War

31. In its report to the twenty-third session of the General Assembly, the Committee stated:

"The factor of 'temporary dislocation of national economies arising out of the Second World War' was important in the early stages of the Committee's work, but no specific allowance has been made for this factor in arriving at the scale for many years. In its 1967 report, the Committee confirmed its previous conclusion that it was not necessary to make any special allowance for this factor, particularly in view of the time that had elapsed since the Second World War." 12/

This conclusion was endorsed by the General Assembly.

(iii) The ability of Members to secure foreign currency

32. Again in its report to the twenty-third session of the General Assembly, the Committee explained the difficulties in devising any systematic and sound way of taking payment difficulties into account in the determination of contribution rates for all Member States. In the course of the debate in the Fifth Committee at the twenty-third session, the existence of such difficulties was recognized. It was suggested, however, that certain easily identifiable elements such as the external debt of a country could be taken into account in making allowance for that factor. Other criteria mentioned were the effect of discriminatory practices in commercial activities, the application of the most-favoured-nation clause, and the artificially fixed price of gold in the United States market, which complicated the payment of contributions of certain countries.

12/ Ibid., para. 36.

33. The Committee re-examined the problem involved in the light of the Fifth Committee's debate but again failed to find a formula for making a systematic allowance for this factor. The Committee will, however, continue to take this factor into account as seems necessary in arriving at individual rates of assessment.

Ceiling and per capita ceiling principles

34. In the Committee's original terms of reference, the General Assembly had provided that "if a ceiling is imposed on contributions, the ceiling should not be such as to seriously obscure the relation between a nation's contributions and its capacity to pay". In the first report submitted by the Committee on Contributions (A/80), the rate of assessment for the largest contributor in the scale recommended was 49.89 per cent - something of a ceiling according to the records. The Assembly, at the second part of its first session, following a review of the scale by a sub-committee of the Fifth Committee, adopted scales for 1946 and 1947 in which the rate of assessment of the largest contributor was established at 39.89 per cent. In 1948, the Assembly, in resolution 238 A (III), accepted the principle of a ceiling to be fixed on the rate of contributions of the Member States bearing the highest assessment. At the same time, the Assembly recognized that "in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year". In compliance with this directive the United States assessment was gradually reduced from 39.89 per cent to 35.12 per cent in the 1953 scale. In resolution 665 (VII) of 5 December 1952, the General Assembly decided that "from 1 January 1954 the assessment of the largest contributor shall not exceed one-third of the total assessments against Members".

35. In resolution 1137 (XII) of 14 October 1957, referring to the increase in membership, the General Assembly decided that:

"In principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total."

At the same time, the Assembly gave the Committee certain specific directives with regard to the steps to be taken in preparing the scale for 1958 and subsequent years. In accordance with these directives, the assessment of the largest contributor was reduced to 32.51 per cent in the scale for 1958. The further reductions in the assessment of the largest contributor were made in accordance with the directives of the General Assembly in paragraphs 3 (b), (c) and (d) of resolution 1137 (XII), which provide as follows:

"(b) During the three-year period of the next scale of assessments (1959-1961), further steps to reduce the share of the largest contributor shall be recommended by the Committee on Contributions when new Member States are admitted;

"(c) The Committee on Contributions shall thereafter recommend such additional steps as may be necessary and appropriate to complete the reduction;

"(d) The percentage contribution of Member States shall not in any case be increased as a consequence of the present resolution."

36. In its report to the twenty-third session, the Committee had explained in detail the procedure followed by it in gradually reducing the assessment of the largest contributor from 32.51 per cent in the 1958 scale to 31.57 in the scale adopted by the Committee for 1968, 1969 and 1970, which it considered was in accord with the directives given by the General Assembly (paragraph 35 above).

37. The Committee at its current session considered again the question of the ceiling in the light of the views summarized in paragraph 10 (f) and (l) above. In the scale for 1968-1970, if the rate of assessment of the United States was assessed solely on the basis of the principle of relative capacity to pay as evidenced by its net national product, the rate of assessment would be considerably higher than the present rate of 31.57 per cent. On the basis of the 1963-1965 national income statistics adjusted for low per capita income, the rate would have been 39.48 per cent. In connexion with the level of the ceiling, reference had been made by the Assembly to the increase in membership of the Organization. The Committee considered the change in membership and in the size of the budget as illustrated by the following figures:

	Contribution of largest contributor (per cent)	<u>Number of Members</u> (on 1 January)	Gross amount of United Nations regular budget (in millions)
1946	39.89	51	\$ 19.4
1948	39.89	57	34.8
1954	33.33	60	47.8
1957	33.33	80	50.8
1962	32.02	103	82.1
1969	31.57	126	154.9

38. The Committee considered that it should not pronounce itself on the appropriateness of the ceiling principle which, like other principles and criteria, is a matter for decision by the General Assembly. It wishes to note, however, that in the light of other directives of the Assembly, further reductions in the assessment of the largest contributor from 31.57 per cent to reach the level of 30 per cent prescribed under its present terms of reference may not be appropriate in the present circumstances. Taking into account the considerations referred to in paragraphs 22 (c) and (d), some Members noted that some upward adjustment in the present rate of assessment might be envisaged.

Per capita ceiling principle

39. When the General Assembly in 1948, in resolution 238 A (III), recognized that in normal times no Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year, it also recognized that "in normal times the per capita contribution of any Member State should not exceed the per capita contribution of the Member which bears the highest assessment". This principle was gradually implemented in the scale. When the

Assembly decided that from 1 January 1954 the assessment of the largest contributor should not exceed one-third of the total assessments of all Member States, it also instructed the Committee on Contributions "to defer further action on the per capita ceiling until new Members are admitted or substantial improvements in the economic capacity of existing Members permits the adjustments to be gradually absorbed in the scale". Following the admission of sixteen new Members in 1955, the per capita ceiling principle was fully implemented in the revised scale for 1956, and has been fully implemented in all subsequent scales.

40. In the Fifth Committee the view was expressed that the per capita ceiling principle was difficult to justify since it provided for possible reduction in the assessments of the countries with the highest per capita incomes. The Committee considered this question in the light of the views expressed in the Fifth Committee and agreed that it should not pronounce itself on the appropriateness of the per capita ceiling principle, which is a matter for decision by the General Assembly. The Committee on Contributions noted, however, that the only Member States that have at any time been affected by this principle are Canada, Kuwait, New Zealand and Sweden, which over the years in certain scales have received relatively small reductions in their assessments through the application of the per capita ceiling principle. In the present scale, the principle affects only one Member State, Kuwait, by reducing its assessment rate by a small amount.

Floor

41. During the debates in the Fifth Committee, it was indicated that the Committee on Contributions should keep under study the minimum rate of assessment, since some countries assessed at the floor rate of 0.04 per cent might find the cost of participating in the United Nations a heavy burden. The Committee, in its report to the twenty-third session of the General Assembly, expressed the following views on the subject:

"The General Assembly, in the scale it adopted at the second part of its first session (resolution 69 (I)), introduced the minimum rate of 0.04 per cent, which has been maintained in all subsequent scales. Following a suggestion in the Fifth Committee at the twelfth session of the General Assembly, the Committee on Contributions in 1958 made a detailed study of the possibility of a reduction in the minimum assessment. The study was concerned mainly with the economic benefits that a Member State derived from membership in the United Nations, such as the reimbursement of travel of delegations to sessions of the General Assembly, and from the expenses that were undertaken by the United Nations for the benefit of all Member States alike, such as maintenance of the Headquarters building, translation and documentation. The minimum rate supersedes the usual criteria for capacity to pay, and other considerations enter into the decision as to the appropriateness of a minimum rate and the minimum amount that any Member State should be obliged to contribute to the United Nations. While recognizing that the small, newly independent countries are faced with many financial and economic problems, the Committee reiterates its views that the grounds for maintaining the minimum rate in the past are equally valid now." 15/

15/ Ibid., para. 44.

At its twenty-ninth session, after reviewing once more the question of the minimum rate of assessment, the Committee saw no reason for changing its views as expressed above, but this, too, was a matter for decision by the General Assembly.

Other pertinent factors

42. Under its terms of reference, the Committee is given discretion to consider all data relevant to the capacity to pay and all other pertinent factors in arriving at its recommendations. Under this provision, the Committee as mentioned in earlier reports takes into account temporary dislocation of economies resulting from national catastrophes, such as earthquakes, floods, and other causes.

Permanent membership of the Security Council

43. In the course of the debate in the Fifth Committee, the possibility was mentioned "that in the next scale of assessments, if based on present criteria, a non-permanent member of the Security Council might be required to pay a larger contribution than a permanent member. A General Assembly directive to prevent such an occurrence might be called for or perhaps the question could be resolved by the Committee on Contributions itself". The Committee recognized that this matter did not fall within its terms of reference and that it should not therefore express any views on the subject.

Consultations

44. In connexion with the views expressed in the Fifth Committee at the twenty-third session of the General Assembly that the Committee on Contributions should be under obligation to consult in advance the Member States whose assessments it proposed to increase substantially, the Committee wishes to confirm the views it expressed in its report to the twenty-third session of the General Assembly, which read as follows:

"One of the suggestions made during the Fifth Committee's discussion was that the Committee on Contributions should consult in advance with the Member States whose assessments it proposed to raise, or to raise by a substantial percentage, a suggestion which was also made in some of the representations submitted to the Committee for consideration at its current session. The Committee recognized the importance of having information as complete as possible from Member States. It noted, however, that the existing arrangements already gave Governments the possibility of submitting to the Committee the statistical data and all other relevant information they might wish the Committee to take into account in arriving at its recommendations, a fact that had also been pointed out by other delegations in the Fifth Committee.

"The adoption of a system of advance consultations with Governments whose assessments were to be increased would clearly raise problems with respect to the relationship of the Committee with the General Assembly. Such consultations would also be inconsistent with the position taken by the Fifth Committee at the eighth session of the

General Assembly, when a similar proposal was made by a delegation, that it would be improper for the Committee to act as a negotiating committee. The Committee considered, therefore, that it could not lend its support to the suggestion of advance consultations with any Member States concerning its rate of assessment." 14/

The Committee's conclusion was also supported in the Fifth Committee when it was stated that since the responsibilities of the Committee on Contributions were solely to the General Assembly, consultation with individual States might lead to constitutional difficulties.

Statements requested by the Fifth Committee

45. The Fifth Committee, at the twenty-third session, requested the Secretary-General 15/ to submit to the Committee on Contributions at its twenty-ninth session and subsequently to the twenty-fourth session of the General Assembly a report listing for the financial years 1967 and 1968 the actual cash payments made by each Member State to the regular budgets of the United Nations, the specialized agencies and the International Atomic Energy Agency, to all programmes and trust funds of the United Nations family of organizations financed by assessed or voluntary contributions and to the United Nations Force in Cyprus. The Fifth Committee also requested the Secretary-General to prepare, for consideration by the Committee on Contributions and by the Fifth Committee, a statement presenting, in a concise form, statistical and other relevant information on the changes which have occurred in the past ten years in the economy of Member States, particularly with respect to changes - expressed in terms of national per capita income figures - which took place in the economy of the economically less developed Member States in relation to the highly industrialized Member States.

46. The two reports of the Secretary-General are annexed to the present report (annexes II and III).

C. General conclusions

47. The Committee has tried in the present report to provide the General Assembly with a critical survey of its terms of reference and the criteria used in establishing the scale of assessments. In the process, the Committee on Contributions has reviewed not only the basic rules by which it works but also the techniques it employs in the application of those rules. In general, the Committee is satisfied that the various guidelines laid down for it by the General Assembly have withstood the test of time and permit the establishment of a balanced and equitable scale based primarily on the principle of capacity to pay. The departures from that principle which impose certain restraints on the scale were authorized by the Assembly as deliberate acts of policy.

14/ Ibid., paras. 47 and 48.

15/ A/7451, paras. 16 and 17.

48. In the course of its work, the Committee has again been impressed by the interrelationship between the various criteria and terms of reference. The Committee has always considered that the intention of the General Assembly was to establish a coherent set of rules to be observed jointly and simultaneously by the Committee. It believes that it is important for this coherence to be preserved. But within this framework there is room for genuine differences of opinion about both the relative importance of the various factors and the interpretation of the General Assembly's wishes. The Committee has not attempted to conceal such differences as have emerged during its discussions. Instead, it has endeavoured to describe the different points of view in sufficient detail to enable the Assembly to be fully seized of, and form a proper judgement of, the issues involved.

49. In its report to the General Assembly at its twenty-third session, the Committee on Contributions stressed that when undertaking the triennial reviews of the scale it exercises the discretion given to it by the Assembly; the modifications which it then makes require an element of judgement which is not capable of definition in a precise formula. In the course of the present review the Committee was again confronted with several questions whose character and complexity are such as to call for the exercise of discretion by the Committee. These included evaluations of the implications of inflation and devaluation, the mitigation of sharp changes from one scale to the next and the interpretation of statistical data. The Committee was therefore amply confirmed in its conclusion that it is in the exercise of this discretion that it has proved and will continue to prove its usefulness as an expert body of the General Assembly.

50. Finally, the Committee would caution against the hope that a scale of assessments can be devised which will meet completely all the views expressed by Member States. Those views are too diverse and too divergent to be encompassed in a single formula. Nevertheless, the Committee believes that working under the general guidance of the General Assembly and keeping abreast of new statistical techniques, it can, by the judicious use of its discretion, establish a scale of assessments which both holds an equitable balance between the interests of the Member States and reflects the realities of their economic situation. That has been and will be the constant endeavour of the Committee.

IV. OTHER MATTERS CONSIDERED BY THE COMMITTEE

Collection of contributions

51. The Committee took note of a report of the Secretary-General which showed that, at the time of the conclusion of its meeting, nine Member States, namely, Bolivia, Burundi, Dahomey, the Dominican Republic, Ecuador, Haiti, Senegal, Uganda and Yemen were in arrears in the payment of their contributions to the United Nations regular budget within the terms of Article 17 of the Charter. The Committee decided to authorize the Chairman to issue, at a later date if necessary, an addendum to the present report on this question.

Scales of contributions for specialized agencies

52. The General Assembly, in its resolution 311 B (IV) of 24 November 1949, authorized the Committee "to recommend or advise on the scale of contributions for a specialized agency if requested by that agency to do so". No request for advice on their scales was received from any of the specialized agencies.

Date of next meeting

53. The Committee decided to open its next session on 4 May 1970 at United Nations Headquarters.

ANNEXES

ANNEX I

TERMS OF REFERENCE OF THE COMMITTEE

A

Original terms of reference

The original terms of reference of the Committee on Contributions are contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission of the United Nations a/ and in the report of the Fifth Committee of 11 February 1946, b/ and were adopted at the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 A 3 (I), paragraph 3).

The relevant paragraphs of the report of the Preparatory Commission incorporating the amendments of the Fifth Committee are as follows:

"The apportionment of expenses

"13. The expenses of the United Nations should be apportioned broadly according to capacity to pay. It is, however, difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formula. Comparative estimates of national income would appear prima facie to be the fairest guide. The main factors which should be taken into account in order to prevent anomalous assessments resulting from the use of comparative estimates of national income include:

"(a) Comparative income per head of population;

"(b) Temporary dislocation of national economies arising out of the Second World War;

"(c) The ability of Members to secure foreign currency.

"Two opposite tendencies should also be guarded against: some Members may desire unduly to minimize their contributions, whereas others may desire to increase them unduly for reasons of prestige. If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay. The

a/ Report of the Preparatory Commission of the United Nations (PC/20).

b/ Official Records of the General Assembly, First part of the first session, Plenary meetings, annex 19 (A/44).

Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations. Once a scale has been fixed by the General Assembly it should not be subjected to a general revision for at least three years or unless it is clear that there have been substantial changes in relative capacities to pay.

"14. Other functions of the Committee would be:

"(a) To make recommendations to the General Assembly on the contributions to be paid by new Members;

"(b) To consider and report to the General Assembly on appeals by Members for a change of assessment; and

"(c) To consider and report to the General Assembly on the action to be taken if Members fall into default with their contributions.

"In connexion with the latter, the Committee should advise the Assembly in regard to the application of Article 19 of the Charter."

B

Resolution 238 A (III) adopted by the General Assembly
on 18 November 1948

"The General Assembly,

"Recognizing

"(a) That in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year,

"(b) 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,

"(c) That the Committee on Contributions needs for its work more adequate statistical data,

"Accordingly

"1. Reaffirms the terms of reference of the Committee on Contributions accepted by the General Assembly in its resolution of 13 February 1946 (resolution 14 A (I), paragraph 3);

"2. Calls upon Member States to assist the Committee on Contributions by providing the available statistics and other information essential to its work;

"3. Accepts the principle of a ceiling to be fixed on the percentage rate of contribution of the Member State bearing the highest assessment;

"4. Instructs the Committee on Contributions, until a more permanent scale is proposed for adoption, to recommend how additional contributions resulting from (a) admission of new Members, and (b) increases in the relative capacity of Members to pay, can be used to remove existing maladjustments in the present scale or otherwise used to reduce the rates of contributions of present Members;

"5. Decides that when existing maladjustments in the present scale have been removed and a more permanent scale is proposed, as world economic conditions improve, the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly."

C

Resolution 665 (VII) adopted by the General Assembly
on 5 December 1952

"The General Assembly,

"...

"1. Notes with satisfaction the action taken by the Committee on Contributions to implement the recommendations of General Assembly resolution 582 (VI) of 21 December 1951 by giving additional recognition to countries with low per capita income, and urges the Committee to continue to do so in the future;

"2. Instructs the Committee on Contributions 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;

"3. Decides that from 1 January 1954 the assessment of the largest contributor shall not exceed one-third of total assessments against Members;

"..."

D

Resolution 876 A (IX) adopted by the General Assembly
on 4 December 1954

"The General Assembly

"1. Reaffirms the decision (resolution 665 (VII)) of the General Assembly at its seventh session 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 of assessments;

"2. Reaffirms 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;

"3. Instructs the Committee on Contributions to apply the decision referred to in paragraph 1 above to future scales of assessments, so that the percentage contributions of those Members subject to the per capita principal 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) of 5 December 1952 have been fulfilled or changes in relative national incomes warrant lower assessments."

E

Resolution 1137 (XII) adopted by the General Assembly
on 14 October 1957

"The General Assembly,

"Recalling its resolutions 14 (I) of 13 February 1946, 238 (III) of 18 November 1948 and 665 (VII) of 5 December 1952, regarding the apportionment of the expenses of the United Nations among its Members and the fixing of the maximum contributions of any one Member State,

"Noting that, when the maximum contribution of any one Member State was fixed at 33.33 per cent effective 1 January 1954, the United Nations consisted of sixty Member States,

"Noting further that, since 1 January 1954, twenty-two States have been admitted to membership in the United Nations,

"Recalling its resolution 1087 (XI) of 21 December 1956, whereby the percentage contributions of the first sixteen new Member States admitted since 1 January 1954 were incorporated into the regular scale of assessments for 1956 and 1957 and were applied to reduce the percentage contributions of all Member States except that of the highest contributor and those of the Member States paying minimum assessments,

"Noting that there are now six new Member States - Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia - whose percentage contributions have not yet been fixed by the Committee on Contributions or incorporated into the 100 per cent scale of assessments,

"Decides that:

"1. In principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total;

"...

"3. The Committee on Contributions shall take the following steps in preparing scales of assessment for 1958 and subsequent years;

"(a) The percentage contributions fixed by the Committee on Contributions for Ghana, Japan, Malaya (Federation of), Morocco, Sudan and Tunisia for 1958 shall be incorporated into the 100 per cent scale for 1958; this incorporation shall be accomplished by applying the total amount of the percentage contributions of the six Member States named above to a pro rata reduction of the percentage contributions of all Members except those assessed at the minimum rate, taking into account the per capita ceiling principle and any reductions which may be required as a result of a review by the Committee on Contributions, at its session commencing 15 October 1957, of appeals from recommendations made previously by that Committee;

"(b) During the three-year period of the next scale of assessments (1959-1961), further steps to reduce the share of the largest contributor shall be recommended by the Committee on Contributions when new Member States are admitted;

"(c) The Committee on Contributions shall thereafter recommend such additional steps as may be necessary and appropriate to complete the reduction;

"(d) The percentage contribution of Member States shall not in any case be increased as a consequence of the present resolution."

F

Resolution 1927 (XVIII) adopted by the General Assembly
on 11 December 1963

"The General Assembly,

"...

"2. Requests the Committee on Contributions, in calculating rates of assessment, to give due attention to the developing countries in view of their special economic and financial problems;

"...

G

Resolution 2118 (XX) adopted by the General Assembly
on 21 December 1965

"The General Assembly,

"...

"2. Notes with appreciation the action taken by the Committee on Contributions to meet the request made in General Assembly resolution 1927 (XVIII) with respect to the attention due to the developing countries, and requests the Committee, in calculating rates of assessments, to continue its efforts to give due attention to the situation of those countries in view of their special economic and financial problems."

ANNEX II

STATEMENTS LISTING FOR THE FINANCIAL YEARS 1967 AND 1968 ASSESSMENTS
AND VOLUNTARY CONTRIBUTIONS PAID BY MEMBER STATES

Report of the Secretary-General

1. The Fifth Committee at the twenty-third session of the General Assembly requested the Secretary-General a/ to submit to the Committee on Contributions at its 1969 session a report listing for the financial years 1967 and 1968 the actual cash payments made by each Member State to the regular budgets of the United Nations, the specialized agencies and the International Atomic Energy Agency, to all programmes and trust funds of the United Nations family of organizations financed by assessed or voluntary contributions and to the United Nations Force in Cyprus.

2. In compliance with this request, two statements are appended listing for the financial years 1967 and 1968 the cash payments made by Member States to:

- I. The regular budgets of the United Nations, the specialized agencies and the International Atomic Energy Agency; and
- II. The United Nations Development Programme, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, the Programme of the United Nations High Commissioner for Refugees, the World Food Programme, the General Fund of the International Atomic Energy Agency, the United Nations Emergency Force Special Account, the United Nations Force in Cyprus, the United Nations Institute for Training and Research and other United Nations trust funds.

a/ Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 77, document A/7451, para. 16.

MEMBER STATE	YEAR	UNITED NATIONS								TOTAL PER YEAR		
		ILO	FAO	UNESCO	WHO	ICAO	UPU	ITU	WHO		IMCO	IAEA
Costa Rica	1967	-	9,599	-	-	-	4,138	5,000	2,767	-	-	1967
	1968	-	-	-	-	-	4,112	5,278	-	-	-	1968
Cuba	1967	74,603	62,164	-	-	11,674	4,138	10,000	5,694	2,932	-	1967
	1968	-	14	-	96,567	-	4,112	10,556	-	-	-	1968
Cyprus	1967	179,693	9,532	11,890	23,320	7,227	1,379	5,000	1,875	-	-	1967
	1968	41,996	10,968	12,177	23,170	7,170	1,371	5,278	2,259	3,670	1968	
Czechoslovakia	1967	27,320	27,320	172,450	293,110	42,248	13,794	50,000	19,491	49,544	1967	
	1968	173,852	219,360	174,580	318,640	41,565	13,708	52,778	18,981	57,922	1968	
Bahamae	1967	20,000	-	-	-	-	4,138	30,000	-	-	-	1967
	1968	20,000	129	-	-	-	4,112	31,667	-	-	-	1968
Denmark	1967	21,088	19,064	9,250	9,340	5,808	1,379	5,000	1,878	-	-	1967
	1968	9,320	2,577	4,039	5,330	-	1,371	5,278	-	-	-	1968
Dominican Republic	1967	650,948	195,406	172,450	293,110	42,248	13,794	50,000	19,491	49,544	1967	
	1968	716,636	219,360	174,580	318,640	41,565	13,708	52,778	18,981	57,922	1968	
Ecuador	1967	30,431	-	-	-	-	4,138	30,000	-	-	-	1967
	1968	34,954	-	-	-	-	4,112	31,667	-	-	-	1968
El Salvador	1967	35,202	25,261	4,418	-	-	4,138	10,000	1,851	-	-	1967
	1968	34,601	2,184	4,418	-	-	4,112	10,556	2,278	-	-	1968
Ethiopia	1967	-	67	-	21,320	-	4,138	30,000	-	-	-	1967
	1968	-	-	-	-	-	4,112	31,667	-	-	-	1968
Finland	1967	41,996	9,532	11,890	23,320	7,227	1,379	5,000	1,875	-	-	1967
	1968	46,235	10,968	12,177	23,170	7,170	1,371	5,278	2,259	4,161	1968	
France	1967	451,465	135,831	57,711	202,510	26,683	13,794	30,000	11,250	34,604	1967	
	1968	566,374	150,810	182,822	220,150	25,921	13,708	31,667	13,556	40,357	1968	
Gabon	1967	1,364,074	1,908,783	1,671,036	2,893,790	398,580	34,485	300,000	97,502	483,616	1967	
	1968	6,380,134	2,144,244	1,749,344	3,110,020	388,808	34,271	316,667	117,484	566,649	1968	
Gambia	1967	76,499	9,532	-	25,170	7,114	1,379	5,000	1,898	-	-	1967
	1968	46,235	10,968	-	25,170	7,114	1,371	5,278	4,134	4,136	1968	
Ghana	1967	12,000	9,532	-	-	-	-	-	-	-	-	1967
	1968	41,996	10,968	-	-	-	-	-	-	-	-	1968
Greece	1967	27,212	22,421	14,682	2,950	7,227	4,138	10,000	4,200	2,516	-	1967
	1968	29,803	17,648	27,573	43,568	7,170	4,112	10,556	5,332	7,232	-	1968
Guatemala	1967	517,379	78,501	30,790	117,240	16,677	6,897	10,000	11,319	15,722	-	1967
	1968	335,201	87,706	107,623	127,460	6,854	6,854	10,556	35,892	22,577	-	1968
Guinea	1967	26,967	8,565	11,829	23,320	7,227	4,138	10,000	1,875	-	-	1967
	1968	27,320	11,935	12,149	23,170	7,170	4,112	10,556	2,259	-	-	1968
Guyana	1967	925	67	-	4,515	-	4,138	5,000	1,898	-	-	1967
	1968	-	-	23,913	17,021	-	4,112	5,278	-	-	-	1968
Haiti	1967	46,528	1,906	-	21,320	5,420	1,379	4,167	1,852	-	-	1967
	1968	46,235	20,530	-	23,170	7,170	1,371	5,278	2,259	-	-	1968
Honduras	1967	29,167	17,884	-	2,925	-	4,138	10,000	-	-	-	1967
	1968	35,005	10,968	-	2,925	-	4,112	10,556	-	-	-	1968
Hungary	1967	36,373	9,532	12,104	21,320	7,227	4,138	5,000	2,099	2,500	-	1967
	1968	27,000	9,599	11,861	23,060	7,170	4,112	5,278	1,623	2,500	-	1968
Iceland	1967	501,968	211,788	22,500	15,394	-	13,794	10,000	17,504	-	-	1967
	1968	513,138	-	-	254,813	-	13,708	10,556	-	-	-	1968
India	1967	41,996	9,532	11,890	23,320	7,227	1,379	5,000	1,875	3,532	1967	
	1968	46,235	10,968	12,177	23,170	7,170	1,371	5,278	4,809	4,136	1968	
Indonesia	1967	653,947	576,739	507,600	879,230	116,183	34,485	130,000	48,751	146,750	1967	
	1968	2,105,237	652,184	524,904	955,920	113,264	34,271	137,222	58,742	172,546	1968	
Iran	1967	547,906	121,533	-	186,520	21,124	20,691	10,000	51,388	30,694	1967	
	1968	-	137,100	216,720	20,406	20,406	20,563	10,556	-	-	1968	
Iraq	1967	60,675	61,958	-	73,240	11,674	6,897	10,000	5,625	-	-	1967
	1968	67,057	453	69,318	17,580	11,582	6,854	10,556	-	-	-	1968
Iraq	1967	26,967	46,262	20,591	37,500	-	1,379	10,000	-	6,146	1967	
	1968	29,803	213	-	40,560	-	1,371	10,556	-	7,232	1968	

MEMBER STATE	YEAR	UNITED NATIONS	ILO	FAO	UNESCO	WHO	ICAO	UPI	ITU	WHO	IMCO	IAEA	YEAR	TOTAL PER YEAR	MEMBER STATE
Ukrainian Soviet Socialist Republic	1967	2,801,795 a/	231,466	-	437,717	-	-	20,691	30,000	-	-	156,062	1967	3,706,659	Ukrainian Soviet Socialist Republic
	1968	1,936,880 a/	293,066	-	544,810	-	-	20,563	31,667	-	-	182,982	1968	3,052,892	
Union of Soviet Socialist Republics	1967	11,925,392 b/	2,833,196	-	3,317,528	7,087,930	-	34,485	300,000	7,087,930	47,967	1,184,156	1967	26,366,272	Union of Soviet Socialist Republics
	1968	18,876,716 b/	2,483,669	-	4,123,700	7,699,520	-	34,271	316,667	7,699,520	69,699	1,388,438	1968	35,268,233	
United Arab Republic	1967	211,482	80,900	71,490	61,009	111,810	18,901	20,691	50,000	111,810	6,152	19,265	1967	708,668	United Arab Republic
	1968	378,856	86,926	-	63,211	115,870	14,000	20,563	52,778	115,870	3,076	-	1968	746,615	United Arab Republic
United Kingdom of Great Britain and Northern Ireland	1967	7,569,886	2,053,977	2,259,084	1,993,418	3,426,720	495,307	34,485	300,000	3,426,720	90,165	571,025	1967	18,923,444	United Kingdom of Great Britain and Northern Ireland
	1968	7,415,831	2,270,018	2,556,350	2,016,898	3,719,410	484,217	34,271	316,667	3,719,410	103,016	670,769	1968	19,753,240	
United Republic of Tanzania	1967	95,810	26,967	9,532	11,874	17,410	7,227	1,379	5,000	17,410	-	-	1967	81,825	United Republic of Tanzania
	1968	37,536,827	5,618,100	10,968	12,193	6,227	-	1,371	5,278	6,227	-	-	1968	161,540	
United States of America	1967	41,062,673	6,209,022	7,604,153	8,847,425	16,627,320	1,738,855	34,485	300,000	16,627,320	78,185	2,812,719	1967	81,711,830	United States of America
	1968	41,062,673	6,209,022	8,719,722	9,085,501	18,075,620	1,725,092	34,271	316,667	18,075,620	117,710	3,294,182	1968	89,289,511	
Upper Volta	1967	32,480	51,282	9,592	9,878	21,320	7,227	1,379	5,000	21,320	-	-	1967	107,553	Upper Volta
	1968	284,358	101,652	34,890	-	21,320	6,717	1,371	5,278	21,320	-	-	1968	116,332	
Uruguay	1967	112,362	27,030	157,278	139,099	239,820	32,242	4,138	10,000	239,820	-	-	1967	442,529	Uruguay
	1968	524,958	124,180	175,488	142,859	260,710	-	4,112	10,556	260,710	-	-	1968	14,768	
Venezuela	1967	34,170	-	14,566	-	21,320	-	1,379	10,000	21,320	-	-	1967	727,846	Venezuela
	1968	34,955	-	-	-	-	-	1,371	10,556	-	-	-	1968	1,324,368	
Yemen	1967	300,000	89,889	112,024	98,295	170,540	19,457	20,691	10,000	170,540	6,316	28,149	1967	60,115	Yemen
	1968	540,316	99,344	25	105,699	185,390	-	20,563	10,556	185,390	7,453	33,067	1968	68,202	
Yugoslavia	1967	41,996	26,967	9,532	11,371	21,320	7,227	4,138	10,000	21,320	-	-	1967	866,611	Yugoslavia
	1968	46,235	27,320	10,968	11,151	23,170	7,170	4,112	10,556	23,170	-	-	1968	1,015,829	
Zambia	1967	136,347	-	-	-	-	-	3,796	10,000	-	-	-	1967	136,347	Zambia
	1968	145,155	-	-	-	-	-	4,473	10,556	-	-	-	1968	145,155	

a/ In accordance with their announced policies, the Governments of Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics have additionally made available for United Nations account during the financial years 1967 and 1968, the equivalent in their national currencies of \$66,515, \$1,577, \$1,907,962, respectively, on account of their assessed share of the appropriations for technical assistance as provided for in part V of the United Nations regular budget.

b/ Converted from Swiss Franc at the rate of 4.32 Swiss Franc to one United States dollar.

MEMBER STATE	YEAR	IBRD	IDRF	UNEP	UNRWA	H.C.S.	World Food Programme	General Fund		UNEP	UNEP/TE	UNEP/CI	United Nations Trust Funds ^{a/}	YEAR	TOTAL	SECRET STATE
								UNEP	UNEP							
United Arab Republic	1967	136,932	313,500	-	-	-	-	11,500	-	-	4,600	-	1967	591,822	United Arab Republic	
	1968	136,016	313,500	-	-	-	-	11,500	-	-	-	-	1968	595,516		
United Kingdom	1967	11,781,427	1,220,194	5,000,000	-	326,000	1,031,333	110,000	1,681,937	1,682,116	59,504	811,037	1967	83,505,265	United Kingdom	
	1968	11,793,200	1,220,194	4,500,000	-	287,277	1,031,333	110,000	771,351	5,806,129	159,519	155,000	1968	86,629,112		
United Republic of Tanzania	1967	66,319	19,813	-	-	2,000	-	-	-	7,000	-	1,000	1967	109,937	United Republic of Tanzania	
	1968	63,086	14,216	-	-	3,200	-	-	5,329	-	-	3,700	1968	96,325		
United States	1967	73,761,056	16,069,845	19,300,000	-	400,000	2,000,000	456,883	6,327,396	5,900,000	400,000	1,144,145	1967	152,759,035	United States	
	1968	19,458,563	11,119,570	13,300,000	-	600,000	2,000,000	314,733	3,763,603	9,000,000	400,000	785,000	1968	93,751,239		
Upper Volta	1967	5,000	8,173	-	-	-	-	-	-	-	-	-	1967	13,173	Upper Volta	
	1968	5,000	10,204	-	-	-	-	-	-	-	-	-	1968	15,204		
Uruguay	1967	161,200	-	-	-	-	-	2,000	-	-	-	-	1967	2,000	Uruguay	
	1968	161,200	-	-	-	-	-	2,000	-	-	-	-	1968	161,200		
Venezuela	1967	570,000	51,000	-	-	1,000	-	9,000	12,315	1,000	20,000	1,000	1967	594,315	Venezuela	
	1968	-	-	-	-	-	-	-	-	-	20,000	-	1968	20,000		
Yemen	1967	2,000	6,000	-	-	-	-	-	-	-	-	-	1967	8,000	Yemen	
	1968	2,000	6,000	-	-	-	-	-	-	-	-	-	1968	8,000		
Yugoslavia	1967	584,156	200,000	-	-	7,000	-	6,400	7,998	-	4,000	-	1967	799,554	Yugoslavia	
	1968	680,532	200,000	-	-	10,000	-	8,000	-	-	4,000	-	1968	882,532		
Zambia	1967	32,300	25,101	-	-	2,000	-	-	1,659	11,400	-	-	1967	50,060	Zambia	
	1968	50,000	-	-	-	-	933	-	-	-	-	-	1968	50,933		

^{a/} Includes: Consolidated Educational and Training Programme, Trust Fund for South Africa, Trust Fund for Population Activities, Trust Fund for Education for Employment, Trust Fund for the Development of Women, Trust Fund for the Elimination of Hunger, Trust Fund for Development Planning and Projections, UNIDO, Special Industrial Service Programme.

ANNEX III

DEVELOPMENT OF NET NATIONAL PRODUCT, POPULATION AND PER CAPITA PRODUCT FOR VARIOUS GROUPS OF COUNTRIES

A. Countries with 1967 per capita products over \$1,000 (at 1963 prices)

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
NMP (\$US1,000 million)	846	865	910	951	984	1,042	1,087	1,156	1,225	1,298	1,347
Population (millions)	611	620	629	637	647	656	665	673	681	689	696
Per capita NMP (\$US)	1,385	1,395	1,448	1,492	1,521	1,588	1,635	1,717	1,797	1,885	1,936
NMP as per cent of world total	73.7	73.2	73.3	72.8	72.3	72.6	72.5	72.1	72.6	72.7	72.0
Population as per cent of world total	22.9	22.9	22.8	22.7	22.6	22.5	22.4	22.2	22.1	21.9	21.7

B. Countries with 1967 per capita products between \$500 and \$1,000 (at 1963 prices)

NMP (\$US1,000 million)	122	127	134	146	160	168	179	197	208	224	243
Population (millions)	324	329	334	339	344	349	354	360	366	371	377
Per capita NMP (\$US)	376	385	402	431	465	482	506	547	570	605	645
NMP as per cent of world total	10.6	10.8	10.8	11.2	11.7	11.7	11.9	12.3	12.4	12.5	13.0
Population as per cent of world total	12.2	12.1	12.1	12.0	12.0	11.9	11.9	11.9	11.8	11.8	11.7

C. Countries with 1967 per capita products below \$500 (at 1963 prices)

NMP (\$US1,000 million)	180	189	197	209	218	226	235	250	254	264	281
Population (millions)	1,727	1,763	1,799	1,837	1,876	1,915	1,956	1,998	2,045	2,088	2,134
Per capita NMP (\$US)	104	107	110	114	116	118	120	125	124	126	132
NMP as per cent of world total	15.7	16.0	15.9	16.0	16.0	15.7	15.6	15.6	15.0	14.8	15.0
Population as per cent of world total	64.9	65.0	65.1	65.3	65.4	65.6	65.7	65.9	66.1	66.3	66.6

Notes: 1. The national product and per capita data are expressed in constant prices of the year 1963.

2. World total comprises total for all Member States.

3. The three groups into which the Member States are classified (with per capita products over \$1,000, between \$500-\$1,000 and below \$500) are based on 1967 per capita net national product in 1963 prices. It is emphasized that the selection of an earlier year for the determination of this grouping would have led to a different composition of the groups because of the fact that each of the three groups of countries has shown an expansion of per capita products over the ten-year period covered by the table.

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