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FIFTH COMMITTEE
63rd meeting
held on
Friday, 4 December 1981
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 63rd MEETING

Chairman: Mr. BRODODININGRAT (Indonesia)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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(a) REPORT OF THE COMMITTEE ON CONFERENCES

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10 December 1981

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The meeting was called to order at 10.50 a.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)

Administrative and financial implications of the draft resolution submitted by the Third Committee in document A/C.3/36/L.79, as orally revised, concerning agenda item 30 (A/C.5/36/68 and Corr.1)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that paragraphs 3 to 6 of the Secretary-General's statement of administrative and financial implications (A/C.5/36/68) outlined the requirements for convening the fourth session of the Advisory Committee for the International Year of Disabled Persons in July 1982 to complete the drafting of the World Programme of Action concerning Disabled Persons. The Secretary-General had estimated that requirements for the session would be \$108,400 net in conference-servicing costs and \$27,300 in travel costs.
2. In paragraphs 7 to 13 of his statement, the Secretary-General described the secretariat support requirements for the session, estimated at \$205,200, which included temporary assistance for the preparation of documents for the Advisory Committee's session and consultants' funds to complete a study on technical co-operation and advice on the question of proclaiming a decade of disabled persons. In paragraphs 14 to 16, the Secretary-General dealt with the requirements for public information activities, which he estimated at \$118,500. Lastly, in paragraphs 17 to 22, the Secretary-General indicated the requirements for the alterations needed at Headquarters, Geneva and Vienna to provide easy access by disabled persons to United Nations premises.
3. The Advisory Committee concurred in the Secretary-General's estimates, which totalled \$504,400, and recommended that the Fifth Committee should inform the General Assembly that appropriations totalling \$396,000 would be required under sections 6, 8, 11, 12, 13, 14, 27, 28D, 28M and 32 of the programme budget as broken down in paragraph 23 of the Secretary-General's statement, and that conference-servicing costs estimated at \$108,400 would be considered at a later stage in the context of the consolidated statement of conference-servicing requirements. In addition, an appropriation of \$31,800 would be required under section 31 (Staff assessment), to be offset by an increase of the same amount in the estimates under income section 1 (Income from staff assessment).
4. The Advisory Committee's recommendation was adopted.
5. Mrs. HOUSHOLDER (United States of America) said that, had the Advisory Committee's recommendation been put to a vote, her delegation would have abstained, in line with its attitude towards increases in United Nations spending. Her delegation's firm support for the International Year of Disabled Persons did not sway it from its belief that constant efforts should be made to avoid additions to the budget.

AGENDA ITEM 102: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued) (A/36/701; A/C.5/36/28 and Corr.1 and 2; A/C.5/36/L.14/Rev.1 and L.17)

(b) REPORT OF THE SECRETARY-GENERAL

6. Mr. KABA (Guinea) and Mr. RUGWIZANGOGA (Rwanda) said that their delegations would have voted in favour of draft resolution A/C.5/36/L.14/Rev.1 had they been present during the voting at the 57th meeting.
7. Mr. GREN (Union of Soviet Socialist Republics) said that in discussing the current financial situation of the United Nations, the Committee should be keenly aware of the reasons underlying it, so as to prevent any possibility of a recurrence. Unfortunately, the true reasons for the financial emergency were not reflected at all in the Secretary-General's report (A/C.5/36/28), which was devoted to incidental matters, such as the claim in paragraph 23 that the prompt and full payment of assessed contributions was the first essential in alleviating the Organization's financial problems.
8. In fact, the principal causes of the Organization's difficulties were the inclusion in the regular budget of expenditure associated with illegitimate activities that were contrary to the Charter, the unwarranted burdening of Member States with the costs of enforcing the separate Egyptian-Israeli agreement of 4 September 1975 and the outlays occasioned by Israeli aggression against Lebanon. Until those matters were dealt with there would be no resolving the Organization's financial difficulties. Another major impediment to any solution was the unpardonably rapid growth of the regular budget in recent years. That growth made it very difficult for States to pay their contributions, which they consequently paid later and later every year.
9. At one time, the question of when Member States paid their contributions to the budget had not affected the Organization's financial situation; most States had paid their contributions as it suited them, not necessarily at the beginning of the year, which was reasonable since budget appropriations were used gradually over the course of the year. The Organization had not been confronted with financial difficulties until it had engaged in activities imposed upon it in defiance of the Charter. Thus it was self-evident that States' failure to pay their contributions at the beginning of the year was not the real cause of the Organization's difficulties.
10. A significant group of States refused to help defray the costs of a number of illegitimate activities foisted upon the Organization by a group of Member States, and refused on principle to have anything to do with the costs of Israel's aggressive actions. The withholdings of contributions was a legitimate reaction on their part, and it would be unrealistic to seek a way out of the Organization's financial difficulties in that direction.
11. His delegation could not support the Secretary-General's suggestions of increasing the Working Capital Fund, seeking loans or issuing bonds. The best way of resolving the financial emergency was to eradicate its underlying causes and to stabilize the budget. Nor could his delegation agree to the suspension of financial regulations 5.2 (d), 4.3 and 4.4 and the use of unspent appropriations

(Mr. Gren, USSR)

to cover the financial deficit: the result would be to involve all Member States in the elimination of a deficit caused primarily by the unlawful actions inspired by a small group of States.

12. In conformity with the Charter, a number of States made their contributions to the Organization's programme of technical assistance in their national currencies. Although recently such contributions had been successfully utilized, that had not always been the case, because of the lack of co-operation of certain responsible officials in the Secretariat. The resulting surplus of such resources, amounting to \$18.4 million, was now regarded as an integral part of the Organization's over-all deficit. The Charter, however, did not provide for the inclusion of technical assistance in the regular budget. Contributions by the Soviet Union and a number of other States in their national currencies had been deliberately under-utilized for reasons having nothing to do with technical assistance or the interests of the States requiring it. His delegation was amazed that the report of the Secretary-General contained not one word on that subject. It trusted that the Secretariat would identify and suggest ways in which the surplus of \$18.4 million could be spent on technical assistance. It had also been nonplussed by the suggestion in paragraph 25 of the Secretary-General's report, that interest might be charged on outstanding contributions after a set date each year. That was tantamount to punishing sovereign Member States, for which there was no justification anywhere in the Charter. The suggestion was entirely out of order, the more so in that the Charter did provide — in Article 19 — a means of dealing with the problem of arrears in contributions.

13. Finally, the Advisory Committee indicated in paragraph 3 of its report that the controversy over the reasons for the emergency did not fall within its province. He agreed: that was a matter to be discussed at the political level. It seemed to him, in fact, that ACABQ had already overstepped the mark in endorsing the proposed expansion of the Working Capital Fund and the call for full and prompt payment of contributions.

14. Mr. AMNEUS (Sweden), speaking also on behalf of the delegations of Denmark, Finland, Iceland and Norway, said that, as demonstrated in the Secretary-General's report on the financial emergency (A/C.5/36/28), the financial situation of the United Nations was more critical than ever before and was likely to worsen further in the years ahead. The five Nordic delegations agreed with the Secretary-General and the Advisory Committee that action was necessary now. He expressed deep concern over the rapidly growing deficit resulting from the non-payment of assessments in respect of peace-keeping operations, which was already creating serious difficulties for the existing peace-keeping operations and for the nations which, as a result of withholdings, carried the burden of the deficit. The outlook for the future was even bleaker if prompt and full payment of assessed contributions was not ensured. The same type of burden existed in the case of UNFICYP, which was financed by voluntary contributions.

15. The situation would be considerably less critical if Member States complied with the financial regulations requiring prompt payment of all assessed contributions. The Secretary-General's concern for an improvement was illustrated by his reference to the possibility of introducing a regulation requiring payment of interest on contributions paid after a set date.

(Mr. Amneus, Sweden)

16. The five Nordic delegations endorsed the remedial measures recommended by the Advisory Committee, particularly the recommendation that the General Assembly should invite all Member States to re-examine their current arrangements for paying assessed contributions. They also favoured the proposed increase in the Working Capital Fund and the suspension of financial regulations 5.2 (d), 4.3 and 4.4 through 1983.

17. The critical financial situation of the Organization should not in any way be blamed on the Organization itself or the Secretary-General. The problem was the result of the unwillingness of some Member States to meet their collective responsibility under the Charter to share equitably the financial burden of all United Nations activities and to comply fully with the financial regulations. The Secretary-General would be remiss if he did not provide Member States with all relevant information on the financial situation of the Organization and his observations on possible methods of alleviating a worsening cash-flow situation. The delegations of the Nordic countries therefore regarded document A/C.5/36/28 as a pertinent, informative and balanced report on a serious question.

18. The five delegations had on many occasions emphasized the principle of collective financial responsibility of all Member States for the activities of the Organization, including peace-keeping operations. They therefore recognized as a positive step the decision of the People's Republic of China to participate in the financing of existing peace-keeping operations in the Middle East. That step would not solve the financial problems caused by withholdings but it would reduce the rate of growth of the deficit. They also welcomed the announcement by the People's Republic of China that it would give serious and positive consideration to future peace-keeping operations. It was to be hoped that China's example would serve as a challenge and encouragement to other Member States. The five delegations remained hopeful that a comprehensive and lasting solution to the financial emergency would be found.

19. Mr. MARTORELL (Peru) said that, as the reports of the Secretary-General and the Advisory Committee showed, the deficit of the Organization was reaching alarming proportions. In previous years, the General Assembly had studied the various aspects of the financial emergency in an attempt to find a solution above and beyond mere appeals to Member States which withheld either assessed contributions or contributions towards special operations. At the preceding session, thanks to the efforts of the delegation of Pakistan, the General Assembly had adopted resolution 35/113 calling for the issuance of special postage stamps, the proceeds of which would be used to reduce the deficit. While it was expected that the special stamp issue would produce some \$2 million net for the Organization, the problem still required a comprehensive solution. The People's Republic of China had set a good example in announcing its intention to contribute regularly to the existing peace-keeping operations as from January 1982 and also to make a special contribution of \$5 million. Those were welcome developments; but some delegations considered that additional efforts were necessary and had accordingly submitted draft resolution A/C.5/36/L.17, which was based primarily on the recommendations of the Advisory Committee. The draft resolution which would, inter alia, increase the Working Capital Fund to a level equal to at least two months of the Organization's net commitments, was intended to help the Secretary-General to surmount the Organization's financial problems. He hoped that the draft resolution would enjoy the support of all delegations.

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20. Mr. KEMAL (Pakistan) said that, as a sponsor of draft resolution A/C.5/36/L.14/Rev.1, which had been adopted at the 57th meeting, his delegation wished to express appreciation to all those delegations which had supported that draft, whose purpose was to provide a just and reasonable settlement of the question of China's participation in the financing of peace-keeping operations. His delegation was particularly mindful of the goodwill and understanding shown by that country, as reflected in the statement made by its Permanent Representative at the 56th meeting of the Committee: not only would China adopt a positive attitude towards future peace-keeping operations, but it would make a voluntary contribution of \$5 million, which was the second largest unconditional voluntary contribution in the history of the Organization. It was to be hoped that, after ascertaining the wishes of the donor Government, the Secretary-General would ensure that the money was put to work in, for example, an interest-bearing account.

21. Voluntary contributions had been recognized as an excellent way of liquidating the short-term deficit of the Organization both in the consensus embodied in resolution 3049 A (XXVII) and in the guidelines for a financial accord set out in the report of the Negotiating Committee on the Financial Emergency. The People's Republic of China had set an example worthy of emulation; it was to be hoped that the opportunity to follow suit would not be missed by those Members whose positive action would do the most to promote a financial accord.

22. The aim of draft resolution A/C.5/36/L.17 was to give effect to the specific proposals of the Secretary-General and the related recommendations of the Advisory Committee to alleviate the critical financial situation. That such remedial measures were overdue was evident in the fact that, since the end of 1975, when the General Assembly had decided to include the item in its agenda, the short-term deficit had increased by 175 per cent to \$275 million. The Organization had been able to carry on its normal work owing to financial dexterity and the good public spirit of those Member States which paid their contributions early in the year. However, as pointed out by the Secretary-General, the short-term deficit in respect of the regular budget exceeded the reserves in the Working Capital Fund and the Special Account so that the Organization was without a real reserve. The Advisory Committee had recognized that the Secretary-General's request to suspend financial regulations 5.2 (d), 4.3 and 4.4 was justified in the light of the magnitude of the deficit. It was incongruous, therefore, that the Secretary-General should be called upon by some Member States to return a so-called budgetary surplus when in fact he received some \$7 million less than the stipulated amounts from Member States. His delegation expected that the Secretary-General would not deliberately try for a surplus by curtailing programmes of special interest to developing countries. Economies should be sought in the area of administrative costs wherever possible, and in respect of such objects of expenditure as travel, heating and electricity and overtime. The Secretary-General's request to raise the level of the Working Capital Fund to \$100 million was justified on purely technical grounds, since the Fund's present level of \$40 million had been established at a time when the budget had amounted to \$92.8 million.

23. His delegation was pleased that the Advisory Committee had recommended that the General Assembly should invite all Member States to re-examine the current arrangements for the payment of assessed contributions in time. In effect the Advisory Committee was doing nothing more than to ask Member States to respect

(Mr. Kemal, Pakistan)

financial regulation 5.4. It could not be said therefore that the Advisory Committee was going beyond its mandate. In the Negotiating Committee, his delegation had attached particular importance to early payment of assessed contributions. If all Member States paid their contributions in full in February, the Organization could earn up to \$30 million annually in interest and, in a relatively short period, that revenue alone would be enough to pay the interest on the United Nations bond issue and repay the principal. Once the bonds had been liquidated, the deficit could also be reduced and eventually eliminated through interest earned.

24. The adoption of draft resolution A/C.5/36/L.17 would improve the liquidity position of the Organization. However, that did not diminish in any way his delegation's interest in the special postage stamps project. In that connexion, he expressed his delegation's sincere appreciation to the Assistant Secretary-General for General Services and the United Nations Postal Administration for their zeal in carrying out the project. While the projected earnings represented a considerable sum, he was confident that, given the interest that existed in the theme of the issue, revenues could be even greater and, towards that end, special efforts should be made in collaboration with the bodies mentioned by the Secretary-General in paragraph 2 of his report as well as with the Sierra Club and the magazines National Geographic and Geo. A non-political way out of the deadlock on the financial emergency might be possible if such revenues, including interest earnings, could be applied to cover expenditure on such items as the bond issue and, in conjunction with voluntary contributions, to liquidate the deficit. Such measures were workable if Member States were prepared to adopt a reasonable and flexible attitude.

25. Mr. OKLESTEK (Czechoslovakia) reminded the Committee that his delegation had repeatedly spoken out against the excessive growth of the budget and the inefficient and poorly monitored use of budgetary funds, which were the potential causes of a further deterioration in the Organization's financial position. As shown in the Secretary-General's report (A/C.5/36/28), the major part of the Organization's deficit had been occasioned by spending on peace-keeping operations in the Congo and the Near East, which had been organized without regard to the Charter by circumventing the exclusive powers of the Security Council in a manner unacceptable to his Government. His country would go on refusing to provide resources for outlays associated with those activities. It took the same position with regard to the costs of UNEF II arising out of the separate Egyptian-Israeli agreement of 4 September 1975, holding that responsibility for the consequences of bilateral agreements could not be assigned to third parties, even when the third party was the United Nations. As for UNEF, his delegation had announced during its period as a member of the Security Council that the costs of peace-keeping operations mounted because of an aggressive attack should be borne by the aggressor alone, which should also be held responsible for all other costs, including the damage and loss caused by the attack.

26. The Organization's extremely precarious financial position was also aggravated to some extent by the inclusion in the regular budget of technical assistance which, according to the Charter, should be funded through voluntary contributions.

27. Any solution to the Organization's financial situation must involve imposing stricter financial discipline and control over budgetary resources, having

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(Mr. Oklestek, Czechoslovakia)

technical assistance funded in the future exclusively from voluntary contributions, excluding from the regular budget items of expenditure which had no place there, and refraining from adopting resolutions which violated the Charter and in respect of which Member States were perfectly justified in refusing to share the related expenditure. The situation was not helped by resolutions amounting to flagrant interference in the domestic affairs of sovereign States, such as the recently adopted resolution on the agenda item "The situation in Kampuchea".

28. His delegation was sympathetic to the Secretary-General's efforts to find a way out of the Organization's difficulties, but could not support proposals which by their nature threatened to pose further threats to the financial policy of the Organization. Like the Advisory Committee, it was opposed to the issue of new United Nations bonds and to borrowing on the open market or from Member States. Nor could the situation be relieved by the adoption of resolutions such as the one which "resolved" the Organization's financial emergency by issuing postage stamps, albeit stamps on such an important topic as environmental protection.

29. The primary reason for the Organization's worsening situation was the steps which had been taken in contravention of the Charter, and the fact that the Organization was still not capable of increasing the efficiency with which it used the resources received from Member States. That fact was borne out by the Fifth Committee's approval of many items of expenditure in the proposed programme budget which, in view of the Organization's financial position, were not absolutely necessary.

30. Mrs. HOUSHOLDER (United States of America) said that the current financial emergency was basically caused by the withholding of contributions to the regular budget and in respect of peace-keeping operations. If those countries withholding significant portions of their assessed contributions would cease to do so, there would be no need for the proposed increase in the Working Capital Fund. Increasing the Fund to make up for the deficit in effect condoned the withholding, and her delegation was therefore opposed to the increase in the Fund proposed in operative paragraph 1 (a) of draft resolution A/C.5/36/L.17. It did agree, however, with the proposed suspension of financial regulations 5.2 (d), 4.3 and 4.4 in respect of any surpluses arising at the end of the biennia 1980-1981 and 1982-1983, as called for in paragraph 1 (b) of the draft resolution. If that paragraph was put to a separate vote, her delegation would vote in favour; in the light of its over-all budgetary position, however, it would vote against the resolution as a whole.

31. Mr. MIYAKAWA (Japan) said that the Organization's current deficit roughly equalled all the resources in the Working Capital Fund and all the voluntary contributions made to the Special Account established by the General Assembly to ease the Organization's financial crisis. The latter was without doubt caused primarily by the failure of certain Member States to meet their financial obligations. The Working Capital Fund and the Special Account had not been used in the manner originally intended, but rather to finance the Organization's long-standing deficit. The burden created by the failure of certain Member States to fulfil their share of the collective financial responsibility had had to be shouldered by all the other Member States.

(Mr. Miyakawa, Japan)

32. Contributions to the Special Account had been made by both developed and developing countries, and were valuable for their political as well as financial significance. It was unfair and unjustified to deplete the Special Account to make good the payments withheld by certain Member States. The Secretary-General's proposal for an increase in the Working Capital Fund seemed to avoid the fundamental question, concentrating instead on technical aspects, such as the ratio of the Fund to the size of the budget. The argument would have been more persuasive if the ratio calculated had been that of the budget to the Special Account and the Fund combined, since the Special Account and the Fund had in effect been used for the same purposes.

33. The proposed increase in the Working Capital Fund would be tantamount to providing additional resources with which to make up for the withholdings of certain Member States. If withholdings continued, the Organization would face precisely the same situation again in a few years. In short, the proposal was nothing but a palliative, and would tend to perpetuate the unfortunate situation in which the question of the financial emergency was kept separate from the critical problem of withholding of contributions.

34. While it appreciated the sincere efforts by ACABQ and the intentions of the sponsors of draft resolution A/C.5/36/L.17, his delegation believed that the approach adopted was too simplistic and that consideration must also be given to the underlying problem.

35. Mr. RUGWIZANGOGA (Rwanda) said that all delegations were aware of the causes of the budget deficit: certain Members withheld from their contributions sums relating to items of expenditure under the regular budget, particularly the section on technical assistance, while some also refused to honour their assessed contributions for peace-keeping operations. The stand taken by those Member States rested on positions of principle and political considerations: no final solution would be found to the financial emergency until they displayed the political will to abandon their position and agreed to pay all the contributions required of them by the General Assembly, as all other States did. His delegation had welcomed the brave initiative taken by China in that regard, and hoped that other countries would follow its example.

36. The deficit had reached such alarming proportions that one had to wonder whether the Organization would survive financially. If it did not, the aims set forth in Article 1 of the Charter would be dangerously compromised. A common effort was needed, therefore, to find effective means of avoiding such a situation. Some steps had already been advocated: they included General Assembly resolution 35/113, calling for a special postage stamp issue. His delegation congratulated the Secretary-General on his efforts to apply that resolution, and had noted the information provided in that regard in his report (A/C.5/36/28).

37. His delegation agreed with the Secretary-General that Member States must pay the contributions due from them promptly and in full. It was not in favour, however, of the proposal, in paragraph 25 of document A/C.5/36/28, to charge interest on any contributions outstanding after a set date each year. As the Advisory Committee pointed out, such a requirement would be onerous on Member States which were constrained to pay their contributions late owing to genuine financial and administrative difficulties.

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(Mr. Rugwizangoga, Rwanda)

38. His delegation had no objection to the increase proposed in the Working Capital Fund, but felt that borrowing and the issue of long-term bonds, as suggested by the Secretary-General, besides raising the problems referred to in paragraph 7 of the ACABQ report (A/36/701), would only defer the Organization's difficulties to a later period when both capital and interest would have to be repaid. At that stage there would be an additional burden on all Member States, and those which invariably met all their financial obligations to the Organization would find themselves supplying resources which ought to have been provided by those which refused to pay their contributions.

39. In conclusion, he reiterated his country's commitment to the goals of the Organization and said that his delegation, although respecting the positions of principle taken by certain States on certain budget items and peace-keeping operations, believed that those States should co-operate constructively so as to spare the United Nations from the financial disaster it was courting.

40. Mr. ZINIEL (Ghana) said that the merit of the Secretary-General's report (A/C.5/36/28) lay in the candid manner in which it reminded Members of the need to play their full part in maintaining a financially secure and viable Organization. He hoped that the report would evoke in all Member States an urge to renew their undertaking to make full and prompt payments of all their assessed contributions to both the regular budget and the financing of United Nations peace-keeping operations.

41. His delegation had been a sponsor of General Assembly resolution 35/113 on the issuance of special United Nations postage stamps, and noted with satisfaction the progress made in that regard. At the same time, it was concerned that the chronic financial difficulties of the Organization persisted. Some of those difficulties were rooted in political perceptions: politically motivated difficulties, such as the withholding of assessed contributions to peace-keeping operations, needed political solutions. It was to be hoped that the countries which, on political grounds or on principle, had refused to contribute to peace-keeping operations would review their position. His delegation felt that it was the problems of withholdings, inflation and currency fluctuations, rather than new decisions by the General Assembly, which were responsible for the Organization's current predicament. Like the Advisory Committee, his delegation could not support the Secretary-General's suggestions of borrowing from the open market or Governments as a means of solving the financial crisis, nor did it favour the issuing of long-term bonds. On the other hand, it agreed with the Advisory Committee and the Panamanian delegation that Member States should re-examine their present arrangements for paying contributions so as to ensure that payments were made on time.

42. He rejected the suggestion that interest should be paid on outstanding contributions; by implication, the United Nations should then also pay interest to Member States with outstanding claims against it, and that would impose additional financial burdens on those States which paid their contributions on time. In any case, as the Advisory Committee argued, some Member States delayed their payment not out of choice but because of genuine financial or administrative difficulties.

43. He supported the Advisory Committee's recommendations regarding the suspension of some of the financial regulations, and the increase of the Working Capital Fund. Likewise, he welcomed draft resolution A/C.5/36/L.17, which he hoped would be adopted by consensus.

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44. Mr. HOLBORN (Federal Republic of Germany) said that his delegation would vote against the draft resolution on principle. Those countries which had withheld contributions were responsible for the financial emergency of the United Nations. It was not fair to expect all Member States to cover the deficit by increasing the level of the Working Capital Fund, which in any event had never been intended for that purpose. If a separate vote was taken on paragraph 1 (b) of the draft resolution, his delegation would vote in favour of that subparagraph.

45. Ms. CONWAY (Ireland) said that her delegation shared the concern over the growing financial deficit of the United Nations, and would support substantive measures aimed at a comprehensive solution of the problem, since if nothing was done the Organization would eventually go bankrupt.

46. Although her delegation understood the view of some Member States that an increase in the size of the Working Fund would not be required if all Member States fulfilled their obligations under the Charter by full and prompt payment of their contributions, such an increase was unavoidable under current circumstances. Ireland thus accepted the proposal to establish the level of the Fund at \$100 million, and to suspend the provisions of regulations 5.2 (d), 4.3 and 4.4 of the Financial Regulations in respect of the surpluses arising at the end of the bienniums 1980-1981 and 1982-1983. Her delegation supported the views expressed by the Advisory Committee on the Secretary-General's suggestion for charging interest on contributions paid after a certain date and increasing the level of borrowing by the Organization.

47. Yet implementation of the measures proposed in the draft resolution would only temporarily alleviate the financial problems of the United Nations. A long-term solution had to be sought. The report of the Secretary-General (A/C.5/36/28) stated that the 15 per cent increase in the United Nations deficit during 1981 was due principally to the non-payment of assessments on peace-keeping operations. The responsibility for maintaining peace was shared collectively by all Member States, so that financial responsibility for peace-keeping operations duly authorized under the provisions of the Charter should also be shared equitably by all Member States. Withholding by some Member States undermined both the present and future peace-keeping role of the Organization, since it placed a disproportionate burden on other Member States, particularly those which participated in such operations. The decision by China to adopt a positive attitude towards peace-keeping operations and to pay its assessed contributions for UNDOF and UNIFIL was an important advance. That decision would strengthen the ability of the United Nations to fulfil its role more effectively and would reduce the burden of the deficit. China's decision had shown that it was possible for a Member State, acting in the interests of the international community as a whole, to change a long-held policy. Other Member States might adopt a similar attitude.

48. The principle of collective financial responsibility obliged Member States to pay their assessed contributions in a timely manner. Failure to do so was the main cause for the current deficit in the regular budget, and represented a serious threat to the financial viability of the Organization. All Member States should strictly adhere to the provisions of regulation 5.4 of the Financial Regulations.

49. The CHAIRMAN announced that a recorded vote had been requested on draft resolution A/C.5/36/L.17.

50. Mr. BUNC (Yugoslavia) said that his delegation would vote in favour of the draft resolution, on the understanding that the resources of the Working Capital Fund belonged to Member States and would be used solely for current expenses of the Secretariat.

51. Mr. KBAIER (Tunisia) said that urgent practical and effective steps were required, given the deteriorating financial situation. The proposals contained in the draft resolution were valid, pending a more permanent solution. His delegation would vote in favour of the draft resolution.

52. Mr. PEDERSEN (Canada) said that the financial viability of the United Nations was threatened. Had the question been solely one of principle, his delegation would have voted against the draft resolution, since there was no reason why those countries which met their financial obligations should pay for those which did not. Yet a valid financial and administrative case had been made for supporting the draft resolution; accordingly, his delegation would vote in favour of it in the interests of the Organization. Nevertheless, a long-term solution could only be found when all Member States had accepted their financial obligations.

53. Mr. van HELLENBERG HUBAR (Netherlands) said that his delegation would abstain on principle. The solution proposed would not solve the problem, nor was it right for all Member States to pay for the illegitimate actions of some of them. He hoped that the Advisory Committee would give further consideration to the suggestion that interest might be charged on outstanding contributions.

54. Mr. PAL (India) said that it would not be possible to solve the problem if the political facts were ignored. His delegation would thus take a pragmatic approach and vote in favour of the draft.

55. Mr. GODFREY (New Zealand) said that his delegation would vote in favour of the draft resolution, although the need to increase the Working Capital Fund was regrettable. Withheld contributions should be paid, and all Member States should forward their contributions to the Organization on time.

56. Mr. LAHLOU (Morocco) said that his delegation supported the draft resolution, as a provisional solution of the problem; the United Nations could not be left without the means to carry on its work. Nevertheless, a way had to be found out of the impasse and a permanent solution devised.

57. Mr. HICKEY (Australia) said that his delegation would abstain. The precarious financial situation of the Organization was due to those Member States which failed to pay their contributions or which paid them late. The Member States which discharged their obligations should not be expected to shoulder the resulting burden. His delegation could not support an increase in the Working Capital Fund.

58. Mr. EL SAFTY (Egypt) said that his delegation would vote in favour of the draft resolution since it represented an attempt to solve the problem. Egypt appealed to those States which had withheld contributions to cease doing so, regardless of the the political considerations involved.

59. Reference had been made to the fact that Egypt had deployed troops outside the

(Mr. El Safty, Egypt)

framework of the United Nations peace-keeping forces. Initially, however, Egypt had appealed to the Security Council, which had been unable to provide troops to keep the peace.

60. Mr. BOUZARBIA (Algeria) said that his delegation would vote in favour of the draft resolution, although the measures it contained were provisional and would not solve the financial emergency. Only financial discipline would resolve the cash-flow problems of the Organization. All Member States should meet their financial and political obligations and so place the Organization on a sounder footing, to the benefit of all.

61. A recorded vote was taken on draft resolution A/C.5/36/L.17.

In favour: Algeria, Argentina, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Bolivia, Brazil, Burma, Burundi, Canada, Central African Republic, Chile, China, Costa Rica, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Guatemala, Guinea, Guyana, India, Ireland, Israel, Jamaica, Jordan, Lesotho, Liberia, Malaysia, Mali, Mauritania, Mexico, Morocco, Nepal, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Qatar, Rwanda, Sierra Leone, Singapore, Spain, Sudan, Surinam, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Afghanistan, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, German Democratic Republic, Germany, Federal Republic of, Greece, Hungary, Italy, Japan, Mongolia, Poland, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Congo, Ivory Coast, Netherlands, Portugal, Romania.

62. Draft resolution A/C.5/36/L.17 was adopted by 69 votes to 19, with 6 abstentions.

63. Mr. MIYAKAWA (Japan) said that his delegation had voted against the draft resolution, and reserved its position on the additional payments which would be required if the increased level of the Working Capital Fund was approved by the General Assembly. Had there been a separate vote on paragraph 1 (b) of the resolution, his delegation would have abstained, since the implication was that the budgetary surplus which would normally accrue to Member States would be used to make up the deficit.

64. Mr. MERIEUX (France) said that his delegation had voted against the draft resolution. Its provisions meant that all Member States would pay for the withholding or late payment of contributions by certain Member States. The measures contained in the draft resolution had not been warranted, while the figure of \$100 million was quite arbitrary. Suspension of the relevant Financial Regulations would not solve the question, and would amount to giving a blank cheque to the

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Secretariat. His delegation was opposed to all attempts to find a facile solution to the financial emergency. France supported the provisions of the Charter relating to the financing of peace-keeping operations.

65. Mr. HAND (United Kingdom) said that his delegation had voted against the draft resolution. The financial emergency could be solved if all Member States paid their contributions early in the year, and if those States which had withheld contributions paid them. It was wrong to increase the level of the Working Capital Fund in an effort to resolve the situation.

66. Mr. HENTEN (Denmark), speaking on behalf of the delegations of Finland, Norway and Sweden in addition to his own, said that the four Nordic countries had voted in favour of the draft resolution. They attached importance to the collective responsibility of Member States in accordance with the provisions of the Charter for the financing of the budget and peace-keeping operations. Those Member States which paid their contributions late or withheld them were responsible for the deterioration in the financial situation of the Organization. Such States should be urged to review their policies.

67. Mr. BARAC (Romania) said that his delegation had abstained. Some of the items included in the budget, such as the United Nations bond issue, were not in accordance with the Charter.

68. Mr. RUEDAS (Assistant Secretary-General for Financial Services), referring to a statement made by the representative of Pakistan, said that the Secretary-General would not deliberately engineer a surplus, either by over-budgeting or by under-spending.

69. The CHAIRMAN announced that the Committee had thus concluded its consideration of agenda item 102.

AGENDA ITEM 105: PATTERN OF CONFERENCES (continued) (A/36/32 and Corr.1, A/36/167 and Add.1 and 2; A/C.5/36/L.22, L.25 and L.26)

(a) REPORT OF THE COMMITTEE ON CONFERENCES

70. Mr. GODFREY (New Zealand), introducing documents A/C.5/36/L.25 and L.26, said that document A/C.5/36/L.25 contained an amendment to recommendation 7 in the report of the Committee on Conferences (A/36/32, para. 84) and an amendment to annex II of the same report. The amendment to guideline 3 (a) of the annex to recommendation 7 would require the body convening the conference or the preparatory organ, in the light of the requirements of that conference, to take a decision on the languages in which national papers would be issued. It was to be hoped that both amendments could be adopted by consensus.

71. Sections I and II of draft resolution A/C.5/36/L.26 dealt with issues pertaining to the calendar of conferences and arrangements for meetings of United Nations bodies and the control and limitation of documentation. Paragraph 22, in particular, reflected a desire to give more emphasis to the control and limitation of

(Mr. Godfrey, New Zealand)

documentation. Section III raised the question of the arrangements for presenting statements of financial implications for conferences and meetings, a concern expressed by the United States. No change of procedure was proposed; the draft resolution merely requested a study of the matter. It should be understood that such statements would still be considered by the Advisory Committee.

72. Mr. MERIEUX (France) said that reference should have been made, in the third preambular paragraph of draft resolution A/C.5/36/L.22, to General Assembly resolutions 3189 (XXVIII) and 3191 (XXVIII).

73. The CHAIRMAN said that, if there was no objection, he would take it that the Committee wished to adopt without a vote the amendments contained in document A/C.5/36/L.25, draft resolution A/C.5/36/L.22, as orally revised, and draft resolution A/C.5/36/L.26.

74. It was so decided.

The meeting rose at 1.15 p.m.