



SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. ABRASZEWSKI (Poland)

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

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AGENDA ITEM 110: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE
UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued)

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 110: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/37/11, A/37/461 and Add.1)

1. Mr. ENODIEN (Nigeria) said that the acknowledged difficulty of the task of the Committee on Contributions might partly explain, though it could not justify, why the Committee had erred in the conception of its responsibilities and the premise on which it had based its recommendations.

2. The Committee's recommendations, in particular the recommended scale of contributions for the period 1983-1985, were not acceptable to the Nigerian delegation because they offended the basic principle of capacity to pay. General Assembly resolution 36/231 A had clearly laid down the elements to be taken into consideration in that respect. In arriving at the scale of assessments, the Committee did not appear to have taken into account subparagraphs (b), (c), (d) or (f) of operative paragraph 1 of that resolution. The consequence of the Committee's recommendations was that the developing countries as a whole were expected to pay about 10 per cent more as against a marginal 2 per cent for the Western industrialized countries. The Eastern European industrialized countries, on the other hand, were to be assessed at rates far below what they were currently paying. The share of the permanent members of the Security Council, furthermore, was to drop from about 50 per cent to 49 per cent.

3. The Nigerian delegation believed that the premise on which those recommendations were based was not realistic. World economic indicators showed that the gap between the rich and the poor countries had been widening from year to year. The terms of trade had been moving against the developing countries, there had been a greater resort to protectionism by some developed countries in recent years, and many developing countries were foundering under heavy debt-servicing obligations. It was common knowledge that the developing countries were bearing the brunt of the present global economic depression. Moreover, most developing countries were obliged to support large populations with grossly inadequate infrastructures. Although that situation was largely true of Nigeria, its own contribution was nevertheless being raised from 0.16 per cent to 0.22 per cent, an increase of 37.5 per cent. Such a level of increase was excessive.

4. His delegation strongly believed that not only Nigeria but the developing countries as a whole merited mitigation of their financial burden. That did not mean that they were unaware of the assistance flowing to developing countries from certain industrialized countries, but they believed that the question of the scale of assessments called for accommodation on the part of the developed countries, in order not to saddle the already battered developing economies with a burden they could not bear.

5. In determining the scale of assessments, the Committee on Contributions would appear to have restricted itself to the new low per capita income allowance and

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(Mr. Enodien, Nigeria)

statistical base period and to have ignored most of the other elements laid down in resolution 36/231 A. The Nigerian delegation strongly believed that no equitable scale of assessments could be evolved unless those other elements were adequately taken into account. While there might be difficulties in quantifying some of those elements, they were not insurmountable. It was possible that the limited time available to the Committee on Contributions might have been partly responsible for the shortcomings.

6. The Nigerian delegation proposed, as a compromise solution, on lines that had already been suggested, that the debate on the report should be suspended for the time being. The Committee on Contributions should be enlarged by new members and should continue to work on its report with a view to reflecting all the elements set out in resolution 36/231 A in the final recommendations. Alternatively, a small sub-committee could be set up to discuss or negotiate with interested parties with a view to working out an equitable scale of assessments that would be acceptable to all Member States.

7. Mr. LOURENCO (Portugal) said that, given the circumstances in which it had had to work, the Committee on Contributions had done its best to make a success of its difficult task. Naturally, its recommendations could not please every Member State and a compromise must be accepted. The question was whether the process of give-and-take had been fair and equitable.

8. In framing its recommendations, the Committee on Contributions had tried to apply the short-term directives given to it by the General Assembly in resolution 36/231 A. The long-term directives contained in the first part of the resolution, as well as in resolutions adopted earlier, still remained to be applied, and he looked forward to learning the Committee's intentions in that respect. He noted that the delegation of Portugal had voted against resolution 36/231 A.

9. In the proposed new scale of assessments, Portugal's contribution had been reduced from 0.19 per cent to 0.18 per cent. As a country in the intermediate stage of development, and particularly in the current state of its economy, Portugal could well use all the help that came its way. To the general economic difficulties caused by depression, inflation, unemployment and other ills, there must be added, in the case of Portugal, the troubles that were characteristic of régimes in transition, as it sought to reintegrate itself fully into the European system of nations.

10. Other Member States, however, including some at an advanced stage of development, had been more fortunate in receiving a substantial reduction of their assessments. There were others still whose contributions had risen, in some cases unduly, and those States naturally felt that they had reason for complaint.

11. There had been a number of suggestions for finding a satisfactory solution: establishment of a working group, the freezing of the present scale of assessments and so on. His delegation would continue to keep an open mind for the time being and would wait to see how the situation evolved before reaching any decision.

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(Mr. Lourenço, Portugal)

12. In the meantime, he wished to comment on the methods used to collect the statistics required to serve as a basis for the Committee's recommendations. It was stated in paragraphs 8 and 9 of the report that requests in that connection had been addressed to all Member States as well as to non-Member States in January and early February, 1982. Only 110 Member States had replied to the questionnaire accompanying those requests and of those only one half had provided complete national income data for the period 1969-1980. He wished to place on record that in the case of Portugal the manner in which the request had been made was far from satisfactory. The request had been addressed by the Secretariat not to the Permanent Mission of Portugal in New York, as should have been the case, but to the Statistical Office of the Portuguese Government in Lisbon, with the result that it had gone unattended. Only at the last moment, a few weeks before the close of the period fixed for the sending of replies, had another and special request been addressed to the Permanent Mission, urging it to intervene with the Statistical Office in Lisbon.

13. In a situation of that kind, the alternative methods of collecting data described in the report would naturally come into play. However, those methods could only serve as substitutes in extreme cases, and would certainly not produce results that gave a faithful picture of reality.

14. As an example of the way in which the practice of relying on guesswork, calculations and so-called projections failed to correspond to reality, he cited document A/C.5/36/28 of 29 October 1981, on the financial emergency of the United Nations. In annex III A, which listed what was described as estimated withholdings by Member States from the regular budget of the United Nations, projected to 31 December 1981, Portugal was shown as withholding \$US 265,100. As the authors of the document well knew, that amount was far in excess of what Portugal owed in fact, which was, as the Secretariat later admitted when it issued a corrigendum \$US 49,700. The amount withheld, which pertained to the amortization of the United Nations bonds issued in connection with peace operations in the former Congo (Leopoldville), had since been paid.

15. Mr. MONTHE (United Republic of Cameroon) said that the mandate given to the Committee on Contributions to prepare a fair and equitable scale of assessments was so difficult as to be almost impossible. A Committee consisting only of experts was expected to apply both technical and political parameters and to show at once consistency and flexibility. Putting aside the contradictions inherent in their instructions, their fundamental task was to determine the basis for a fair and equitable scale. A scale was an agreed system of measurement based on verifiable and non-arbitrary criteria. Since perfect fairness and equity were probably unobtainable, the scale should be as non-controversial as possible and the most widely acceptable to the parties concerned.

16. In an effort to determine whether the proposed scale met those requirements, his delegation had carefully examined the report of the Committee on Contributions (A/37/11) and the views expressed by the many previous speakers. Opinion was, to say the least, divided in the Fifth Committee and had been equally divided in the

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(Mr. Monthe, United Republic
of Cameroon)

Committee on Contributions itself, as was shown by paragraph 4 of the report, on the discussion of the criteria to be adopted, and in paragraphs 66 to 70, which contained the separate opinions of one third of the members of the Committee. It was regrettable that such disagreement should have reigned in a body formerly well known for its patient search for consensus. It was suggested in paragraph 68 that some experts, feeling themselves to be in the majority, had displayed no spirit of compromise. In that case, his delegation would support the proposal made by a number of delegations that the composition of the Committee should be reviewed in order to secure equitable geographical distribution.

17. Similar differences of opinion had been evident in the Fifth Committee from the start of the discussion. Some delegations were satisfied by the reduction in their assessments as compared with the current scale or the machine scale, and were therefore opposed to reopening the matter. They might change their opinion when personnel questions were taken up, given the link between desirable ranges and contributions. The Fifth Committee must also take care not to allow the debate to become an East-West or North-South confrontation. The basic question, to be analysed in the light of the principles and guidelines laid down by the General Assembly in resolutions 34/6 B and 36/231 A among others, was to determine how a fair and equitable, in other words least controversial, scale of assessments for apportioning the expenses of the United Nations could be worked out.

18. His delegation believed that, as a first stage the Committee on Contributions should proceed to the substantive studies requested in paragraphs 2 and 3 of resolution 36/231 A. Those studies could provide results or reliable options which would make it possible to determine the extent and comparability of the various capacities to pay of Member States and to formulate a machine scale that would be based on more systematic and less disputable criteria. It was because of the absence of such a foundation that the Committee on Contributions had so far based its projections on GNP alone, and that frequently taken from mere estimates or statistics that were not comparable. The current machine scale did not give a true picture of the real situation.

19. In the circumstances, his delegation agreed with the dissenting opinion expressed in subparagraph 2 (a) of paragraph 66, that the suggested scale was not supported by any sound justification. That was true both of the machine scale and the recommended scale. The expert had added that the so-called "mitigating process" had been done through a bargaining process rather than according to a defined system acceptable to all members of the Committee, and had ignored previous resolutions on the subject, in particular General Assembly resolution 36/231 A. A similar dissenting opinion was expressed by another expert in paragraph 68 of the report. It had been noted that, in order to mitigate variations in assessments between scales, the Committee on Contributions had reduced the assessment of the 122 developing countries by only 23 points, as against 54 for a few industrialized countries, one of which had received 28 points. Furthermore, the assessments of the permanent members of the Security Council continued to decline. The provisions of paragraph 1 of resolution 36/231 A, such as the need to take into account the

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(Mr. Monthe, United Republic of Cameroon)

continuing disparities between the economies of developed and developing countries and the particular situation of Member States whose earnings depended heavily on one or a few products, had remained a dead letter.

20. What Member States really wanted was to be sure that the scale proposed had a solid and reliable basis and that the Committee on Contributions had done all that it was supposed to do to make that scale fair and equitable. They wished to be able to shoulder their financial obligations in full knowledge of the facts. Unfortunately, the situation was still unclear, as it had been to several of the experts on the Committee on Contributions, because of the absence of essential data, the failure to apply the various principles and guidelines previously laid down by the General Assembly, and perhaps because of the absence of a will to compromise. No doubt there would be consultations at the end of the discussion in the Fifth Committee, and no doubt, with good will on all sides the situation could be made clearer and perhaps a least controversial proposal would emerge. The Cameroonian delegation would then be able to cast its vote advisedly, in line with its constant support of the United Nations as sole guardian of the world's higher interests.

21. Mr. NUÑEZ (Ecuador) regretted that the Committee on Contributions had been obliged to postpone until 1983 the study of methods of evaluating the real capacity of Member States to pay, since it was impossible to arrive at a fair and equitable scale of assessments, without a clear and detailed determination of the parameters determining that capacity.

22. The Ecuadorian delegation was also concerned that no attempt had been made to put into practice the spirit of resolution 36/231 A, which was directed towards reducing the economic burden on the least developed and the developing countries, or to eliminate the imbalance in the financial responsibilities of Member States. In the recommended scale most of the burden fell on the developing countries.

23. In paragraph 37 of the report, the Committee on Contributions noted that since the 1978-1979 scale the assessment of the Group of 77 had increased from 7.94 to 9.82 per cent. That was mainly due to the increase in the rates of assessment of OPEC countries from 1.91 to 3.57. Given the decline in oil prices and the apparent failure to apply a selective and individualized criterion to each of the OPEC member countries, that increase directly affected Ecuador. As in the entirely justified cases of Cuba, the Sudan and Uganda, Ecuador should be given the benefit of the principle of relief for Member States whose earnings depended heavily on one or a few products. Ecuador had been severely affected by the depressed export market. It was currently undergoing marked balance-of-payments difficulties and, in common with many other countries, faced serious problems because of high interest rates.

24. His delegation fully appreciated the difficulty of the Committee's task, and therefore endorsed the Brazilian delegation's proposal that the Committee should be enlarged by the addition of experts from the developing countries. The Fifth Committee should extend the session of the Committee on Contributions so that it

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(Mr. Nuñez, Ecuador)

could complete the work entrusted to it by the General Assembly, and the current scale of assessments, which had been approved and accepted by all Member States, should be retained for the time being.

25. Perhaps, in future, account should be taken of an additional element that would help to determine the capacity of Member States to pay: the percentage of each country's budget that was spent on the development and purchase of armaments, as compared with what the same countries devoted to the promotion of peace and the support of development and of the United Nations.

26. Mr. KEMAL (Pakistan) traced the roots of the present difficulties back to 1976 when the proposed scale of assessments had been seriously challenged for the first time principally, because sharp increases of as much as 300 and 400 per cent had been recommended in the assessments of several Member States whose economies were dependent on a single commodity or natural resource. The new scale had eventually been accepted on the understanding that it would apply for one year only and that the Committee on Contributions would be asked to consider establishing certain guidelines to help mitigate major variations in future. The Committee had been unable to come up with agreed criteria and had made only one major recommendation - which was to prove a mere palliative - namely, that the base period be expanded from three to seven years.

27. At its previous session the General Assembly had adopted resolution 36/231 A giving detailed directives to the Committee on several key matters. It was on the basis of the criteria in operative paragraph 4 of the resolution that the Committee had been expected to recommend the new scale of assessments for 1983-1984. It would appear to his delegation that the Committee had implemented subparagraphs 4 (a), 4 (b) and 4 (d). However, it was clear from paragraphs 26 and 27 of the report (A/37/11) that opinions differed as to whether the Committee had implemented subparagraph 4 (c), which called for efforts to limit increases in rates of assessment to a "reasonable" level.

28. While the recommended scale was not a model of perfect justice, there seemed to be little alternative but to accept it. Regarding the suggestion that the Fifth Committee should try to improve upon the recommendations of the Committee on Contributions, he said that he would welcome such efforts provided that a consensus could be reached. However, it seemed unlikely that the Fifth Committee would succeed where the Committee on Contributions, a smaller body of experts, had achieved only partial success. The suggestion that the existing scale should be frozen until a thorough study on alternative methods to assess the real capacity to pay had been completed, presented several difficulties. First, it would be tantamount to rejecting the new scale and could lead to an indefinite freeze of the scale and the permanent eclipse of the Committee on Contributions; that would place an intolerable burden on the Fifth Committee. Moreover, it would set a precedent for the rejection of future scales of assessments and could lead to anarchy, since some Member States might decide to pay according to the recommended new scale and others according to the frozen scale. A second difficulty was that, according to available information, the existing scale did not necessarily reflect the current

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(Mr. Kemal, Pakistan)

economic realities as well as the proposed new scale. Thirdly, freezing the existing scale might make the adoption of a new scale dependent upon the revision of the existing criteria.

29. The difficulties encountered by the Committee in its search for indicators other than GNP as a basis for formulating the scale of assessments had been fully reported in paragraphs 40 to 46 of its report. Finding new acceptable criteria to replace the existing ones was an extremely difficult task, for there were fundamental differences on the subject among Member States. Concerning the old criterion of "relative" capacity to pay and the new one of "real" capacity to pay, he said that between 1949 and 1973 the assessment of Pakistan had gone from 0.7 per cent to 0.34 per cent, even though in the intervening years production in the agricultural and industrial sectors had increased; that was because Pakistan's relative capacity to pay had decreased by comparison with other countries. He suggested that what the General Assembly had actually meant in resolution 36/231 A, paragraph 3, was "relative real" capacity to pay.

30. Concerning the argument that a longer base period reflected more accurately the concept of accumulated wealth, he pointed out that, although a longer base period helped countries whose GNP had risen sharply, it was detrimental to countries in which economic conditions had deteriorated in recent years. If the present unhealthy economic situation continued, a more searching analysis of the base period might be required in order to find one that reflected the true economic position of many developing countries.

31. At the same time, serious efforts must be made to accommodate the views of States which believed that they were being unjustly treated under the present system. The dispute was not simply over methods of calculation; it reflected divergent views of organizational obligations. Some Member States which gladly made large voluntary contributions resisted nominal increases in their rates of assessment, especially if they were convinced that such increases did not fully take into account economic realities.

32. Accordingly, the Committee on Contributions should try to show greater flexibility and imagination. His delegation believed, for example, that a sliding scale of limits on increases and decreases merited consideration.

33. His delegation hoped that whatever the substantive differences among members of the Committee, as reflected in the dissenting opinions in the report, they would not be allowed to impair the work of the Organization. Members of the Committee on Contributions were respected because it was believed that, by and large, they placed the larger interests of the United Nations above narrower interests.

34. A number of excellent suggestions had been made in the debate. Regarding the principle of non-retroactivity of the unilateral denouncement of an agreement, which the representative of Brazil maintained had been violated when certain States had modified the statistics they had submitted, he said that it might be useful to obtain the advisory opinion of the International Court of Justice on that point so

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(Mr. Kemal, Pakistan)

that the Committee on Contributions would be sure of its ground in future. That Committee should also give serious attention to the quality of the statistics supplied to it and should have some way of cross-checking the information provided. In that context, the proposal to allow statistical experts to assist the Committee on Contributions merited serious consideration, Since such assistance would strengthen the Committee more than would mere expansion of its membership.

35. Mr. de PINIES (Spain) said that his delegation could not accept the proposed scale of assessments. Although working out a scale of assessments that was established on firm principles, took into account the present economic situation and was satisfactory to all Member States was a very difficult task, the Committee on Contributions must not abandon its efforts. Judging from the very marked differences of opinion which had been expressed so far and the general discontent with the proposed scale, the principles used had been anything but firm.

36. There were obvious discrepancies between the rates assigned to certain Member States and the real or presumed situation of their economies. Could the capacity to pay of a Member State really shrink so suddenly and dramatically as to justify a halving of its rate of assessment? The same applied to the rather less drastic reductions applied to the assessments of a number of other States. It would appear that not only had the principle of real capacity to pay not been applied but that little account had been taken of the need to avoid excessive variations of individual rates of assessment between two successive scales.

37. The inclusion in the report of the Committee on Contributions of the variants of machine scales was a most welcome addition, as it enabled delegations to see where the Committee had decided to mitigate changes in the scale. It was worth noting that one country was excluded from the proportional distribution and had succeeded, for reasons that were hard to understand, in securing a rate of assessment established at an arbitrary fixed percentage.

38. His delegation could not agree to a scale of assessments which failed to reflect inflation by a generally applicable method. Inflation, as was common knowledge, distorted the national income, as expressed in monetary terms, of many Member States, unduly increasing such income. It was incorrect to contend, as several members had done, that no adequate general method for taking inflation into account could be devised. Moreover, the documents to be used in the exercise could be prepared by the Statistical Office of the United Nations. A number of Member States submitted official statistics concerning price increases and it was in the interests of all who had not yet done so to provide such data. In any event, it was unfair to penalize Member States which, like his own, provided those data, as occurred currently because it was assumed that their real income corresponded to their nominal income, which in fact reflected a high rate of inflation.

39. To date, the only technical basis used in determining the assessments of Members had been the national income data. His delegation did not oppose the idea of using other economic or social indicators to complement the national income indicator and thus obtain a truer picture of a country's real capacity to pay.

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(Mr. de Pinies, Spain)

However, it should be remembered that true comparability of data would not be achieved until account was taken of such factors as inflation, differences between accounting systems, non-convertibility of currencies and arbitrary exchange rates. His delegation was convinced that those factors had been largely responsible for some of the more glaring anomalies in the proposed new scale of assessments.

40. Although the Spanish delegation had voted against resolution 36/231 A, it did not entirely disagree with the provisions of that resolution. It endorsed paragraph 4 (c), which called for efforts to limit the increase of individual rates of assessment to a reasonable level and, in that context, for special measures in favour of countries whose rates of assessment had already been increased at the previous review of the scale of assessments. Clearly, no such special measures had been taken in the case of Spain. Spain's rate of assessment had risen from 0.99 per cent in 1976 to 1.53 per cent for the period 1977-1979 (an increase of 54 per cent) and had further increased to 1.70 per cent for the period 1980-1982. If the new scale was adopted, Spain's assessment would increase to 1.95 per cent, which was almost double what it had been in 1976. The data provided by the Banco de España to the Statistical Office showed that the price index had also doubled in the period since 1976. He left it to the Fifth Committee to determine whether, in view of that high rate of inflation, the doubling of Spain's assessment was fair or in keeping with the real economic situation of that country. Moreover, his was the only country in the small group of those assessed at more than 1 per cent of the budget of the Organization which had had its assessment increased so sharply.

41. Although the assessments of France and the United Kingdom had been increased, the combined assessments of the permanent members of the Security Council would reach an all-time low if the proposed scale was adopted. It was legitimate to wonder whether such a situation was acceptable, given the very special responsibilities those States had as compared with the other Member States.

42. Given the widespread discontent with the proposed scale, which might cause some reluctance on the part of Member States to pay their assessments, he suggested that the existing scale of assessments should be retained until the Committee on Contributions had complied with paragraph 3 of General Assembly resolution 36/321 A, when a new scale could be drawn up.

43. Mrs. DORSET (Trinidad and Tobago) said that resolution 36/231 A had sought to remove certain inequities. As was expected, that goal was proving difficult to attain because per capita income was an inaccurate indicator. It was true that a number of developing countries had not been penalized by the proposed new scale; others, however, had been assessed at a higher level as a direct result of the use of that indicator.

44. While some developing countries required much more assistance for development than others, and it was logical to expect middle-income countries such as her own to accept that fact without complaint, the inadequacies of the per capita income indicator were demonstrated by the fact that some countries which benefited from its use were highly industrialized and were engaged in the development of

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(Mrs. Dorset, Trinidad and Tobago)

sophisticated technology. The middle-income countries which had been assessed at a higher rate were largely countries which produced or refined oil. Since oil was a diminishing asset, she suggested that account should perhaps also be taken of the high import bills which those countries would face and that, instead of placing so much emphasis on per capita income, the Committee on Contributions should perhaps give equal weight to a country's ability to sustain its economy.

45. Whereas her country's assessment had been raised from 0.03 to 0.04 per cent of the budget, the assessments of certain countries including a member of the industrialized group, had remained at the level of 0.03 per cent. Was it fair to assess Trinidad and Tobago at a higher rate than an industrialized State? Her purpose in raising those questions was simply to demonstrate the limitations of the current methodology, particularly as several of the speakers in the debate had insisted that the best measurement was per capita income, implying that there was no need to seek a change.

46. It was unfortunate that the Committee on Contributions had been unable to prepare a set of guidelines for the collection and presentation of data by Member States or to submit a thorough study on methods to assess the real capacity of Member States to pay, as it had been requested to do in resolution 36/231 A. The study, in view of its importance, should be carried out, if necessary with the assistance of technical experts. Accumulated national wealth, although perhaps difficult to measure, should also be the subject of careful study.

47. She joined with other delegations in appealing for fiscal restraint and discipline, while at the same time noting that a considerable portion of the alarming increase in the United Nations budget was attributable to a high rate of inflation.

48. In conclusion, she urged that the findings of the Committee on Contributions (A/37/11) should be endorsed, on the clear understanding that the proposed scale would be retained for one year only, pending fulfilment of the mandate given to the Committee in paragraphs 2 and 3 of resolution 36/231 A.

49. Mr. BARAC (Romania) said that the lively debate on the report of the Committee on Contributions demonstrated the justifiable concern of all delegations that United Nations expenses should be apportioned on a just and equitable basis. That concern had become deeper in recent years as a result of the high level reached by the Organization's budget, whereby, in the deteriorating international economic situation, the payment of contributions had become a serious problem for all countries and the developing countries in particular.

50. The persistence of inequitable economic relations, the aggravation of the world economic crisis, protectionism, discrimination and high interest rates affected all States, but the impact was much worse on the developing countries. The statistics of the United Nations and other international organizations clearly demonstrated the grave situation: the tremendous economic, social and financial

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(Mr. Barac, Romania)

problems facing the developing countries and the many obstacles they met within their efforts to achieve development and reduce the gap between them and the economically advanced countries.

51. Romania, a developing countries itself, had always considered it imperative, in establishing the scale of assessments, to pay particular attention to the developing countries by taking into consideration all the factors, conditions and circumstances which affected their capacity to pay. Those factors included, besides national income, the obstacles they had to overcome to speed up development, their external debt and its servicing, and increased difficulty in securing access to international credit and foreign currency.

52. Romania had participated actively along with other members of the Group of 77 in the elaboration and adoption of General Assembly resolution 36/231 A, which was an important step towards a more just and equitable scale of assessments.

53. The task of the Committee on Contributions, as was reflected in its report, had not been easy. The period taken as the basis for calculating the new scale of assessments had been one of the most critical in the history of the world economy. All States, but the developing countries in particular, had faced and still were facing extremely difficult and complex problems because of the economic crisis and the lack of effective progress towards the establishment of a new international economic order and the elimination of underdevelopment. The Committee had undoubtedly done its best to carry out the mandate entrusted to it and to translate into action the directives given by the General Assembly in resolution 36/231 A. For example, it had adjusted the low per capita income allowance formula and the relief gradient. It had also taken into account the difficulties currently being encountered by particular developing countries; the number of countries with assessments below 0.03 per cent had increased from 89 to 93. Accordingly, the Romanian delegation shared the opinion expressed in the Committee's report that the recommended scale was the best alternative, and it would support the adoption of the draft resolution recommended in paragraph 65.

54. That agreement did not mean, however, that his delegation was fully satisfied, and that the new scale complied fully with all the provisions of resolution 36/231 A. It would have preferred the Committee to pay more attention to alternative methods of assessing capacity to pay and to give greater consideration to the factors, conditions and circumstances that affected the real capacity to pay of the developing countries. It understood that the Committee had been unable to do so for lack of time but hoped that it would pursue its work in 1983, so that, by improving the methodology for determining capacity to pay, it could establish a more just and equitable scale of assessments.

55. Mr. PULLEIRO (Uruguay) said that, while his delegation appreciated the difficulties involved in apportioning the expenses of the United Nations among the members, it could not endorse the findings of the Committee on Contributions. It would be wrong, however, to politicize that Committee, which should continue to carry out its work with its customary objective and technical rigour.

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(Mr. Pulleiro, Uruguay)

56. In order to reach a proper conclusion about the report of the Committee on Contributions (A/37/11), it had to be determined whether the Committee had carried out its mandate under General Assembly resolution 36/231 A. In that connection, he noted that the study of alternative methods for assessing the real capacity to pay of Member States requested in paragraph 3 of that resolution had had to be deferred until 1983. It was illogical to draw up a scale of assessments first and then to turn to a study of the methodology to be used for that purpose. Although it could be said that the proposed scale of assessments was only temporary, it would be unfair to expect the States whose contributions would be increased under the proposed new scale to wait three years before receiving any relief under the new methodology which the Committee on Contributions had been asked to develop.

57. In resolution 36/231 A, the General Assembly had reaffirmed the necessity of taking into account various special circumstances of the developing countries so as to avoid the anomalous assessments that would result from the use of national income statistics alone. That resolution had been proposed by the Group of 77 in view of the difficult economic circumstances prevailing at that time. Far from improving, economic circumstances had worsened, especially for the developing countries, and the various efforts to arrive at solutions that were satisfactory to all concerned had been disregarded by the developed countries, which were continuing to pursue protectionist policies and to delay the launching of the global negotiations. The economic crisis had widened the gap between the developing and the developed countries, which was one of the factors the Committee on Contributions had been instructed to take into account. Paragraph 1 (d) of resolution 36/231 A, which referred to countries whose earnings depended heavily on one or a few products, obviously applied to almost all developing countries, since they generally depended on the export of a few agricultural commodities or raw materials. Demand for such products had been falling off and prices declining, while the policies pursued by the developed countries were having a disruptive effect on trade; the situation for many countries had become critical.

58. Those and other considerations must be taken into account before it could be said that the provisions and spirit of resolution 36/231 A had been fully complied with. Since such was not the case, the proposed new scale of assessments was unacceptable to his delegation. The solution did not lie in establishing a working group of the Fifth Committee to calculate a new scale, since it would be extremely difficult to achieve a compromise until the Committee on Contributions developed a method for assessing the real capacity to pay of Member States. The current scale of assessments should be extended so as to give the Committee on Contributions the time it needed to develop a new methodology for submission at the thirty-eighth session. At the same time, the membership of the Committee on Contributions should be increased by adding more experts from developing countries.

59. Mr. AMNEUS (Sweden), speaking on behalf of the delegations of Denmark, Finland, Iceland and Norway, and his own country, said that the Nordic countries interpreted Article 17, paragraph 1, of the Charter to mean that all Member States had a collective responsibility to meet the expenses approved by the General Assembly. The Nordic countries had always fulfilled their financial obligations,

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(Mr. Amneus, Sweden)

including those resulting from decisions that they had been unable to support. However, it was paragraph 2 of article 17 that was particularly relevant to agenda item 110. The Nordic countries attached especial importance to that paragraph and had consistently held the view that the Member States must be willing to meet their obligations in an equitable manner.

60. The debate in the Fifth Committee had not unexpectedly, revealed a wide range of opinions. Some had based their positions primarily on principle, others on considerations of a more practical nature. That the scale of assessments was a financial and budgetary matter rather than a development issue had at times been forgotten.

61. The Nordic delegations strongly endorsed the view that the independent expert status of the Committee on Contributions should be respected. The General Assembly should revert to the practice of giving the Committee on Contributions a broad mandate, since the experiment in issuing detailed guidelines had not succeeded. For the first time ever, the experts had been unable to reach consensus on a new scale, the burden of the least developed countries had not been eased significantly and, owing to the use of a longer base period, the Organization had moved farther away from the concept of current capacity to pay. The Nordic delegations rejected the idea of establishing additional criteria for the Committee on Contributions, especially if the aim was to favour individual Member States. On the other hand, they agreed that the Committee should pursue its study of alternative methods to assess real capacity to pay. They also believed that excessive variations in individual rates of assessments between successive scales should be avoided, but felt that the details of mitigation should be worked out by the experts.

62. It was essential for the Fifth Committee and the General Assembly to approach the scale of assessments in a spirit of generosity and with a sense of proportion. The actual amounts involved were relatively small, especially in relation to the benefits of membership.

63. In recent years there had been growing disagreement over how Article 17, paragraph 2, of the Charter should be applied. The Nordic delegations feared that such disagreement might be interpreted as a reflection of weakening support for the Organization. Continued quarrelling over individual assessments seriously threatened to harm the Organization and jeopardize its credibility. Member States must do their utmost to seek a solution which enjoyed wide support and the Nordic countries were prepared, for their part, to play a constructive part in that effort.

64. Mr. GRODSKY (Union of Soviet Socialist Republics) said that his delegation was pleased to note that the majority of speakers had taken an objective approach to the proposed new scale of assessments and did not doubt that the Committee on Contributions had faithfully applied the new parameters which had been adopted the preceding year by the General Assembly on the proposal of the Group of 77. Those delegations which, for one reason or another, opposed the new scale of assessments had been unable to adduce any proof that the Committee on Contributions had failed to follow the instructions of the General Assembly. Some had objected to the new

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scale on the ground that it was calculated on the basis of capacity to pay as measured by national income statistics. But far from being a shortcoming, that was the strength of the scale of assessments. The principle of capacity to pay had been applied by the United Nations for nearly 40 years and no one had so far been able to devise a fairer criterion.

65. Other delegations, including those of the EEC countries and the United States, had stated that they disagreed with the parameters approved by the General Assembly at its thirty-sixth session and, accordingly, had urged that the proposed new scale should be rejected. Such a line of reasoning was further proof that the Committee on Contributions had indeed complied fully with the directives it had been given by the General Assembly. Yet other delegations had juggled with statistics in disputing the proposed scale of assessments. However, as the representative of India had persuasively argued, it was possible to interpret the same statistics in many different ways.

66. The contention that the existence of different systems of national accounts distorted the measurement of capacity to pay did not square with the facts. Although the socialist countries employed their own system of national accounts, the national income of such countries was calculated in accordance with the same United Nations methodology that was applied to all Member States. The Committee on Contributions itself had recognized the progress made in the past decade in harmonizing the two systems of national accounts and in compiling comparable national income data for countries with centrally planned economies.

67. The representative of Brazil had referred to a breach of procedure on the part of the Committee on Contributions. The Chairman of that Committee was, however, an experienced and respected expert, and the Soviet delegation had every hope that the criticism levelled against the Committee by the representative of Brazil was the result of a misunderstanding. He therefore looked forward to receiving clarification on that matter from the Chairman of the Committee on Contributions.

68. In the circumstances, the best course was for the Fifth Committee to adopt the proposed new scale of assessments.

69. His delegation regretted that the anti-Soviet hysteria in the United States had spilled over into the Fifth Committee and had hampered its work. Bristling with ill-concealed irritation at the Soviet Union, the United States representative had once again shown that nothing annoyed the current United States Administration more than the peace-loving policy of the Soviet Union, which was an obstacle to the United States policy of blackmail, lawlessness and pursuit of world domination.

70. The United States representative had maintained that the Soviet Union's contribution was inordinately low in comparison with its expenditure on defence. Such an assertion was absolutely ludicrous. The Soviet contribution was calculated by the Committee on Contributions on the basis of an objective measurement of capacity to pay and the same criteria as were applied to all Member States. That was clear to everyone concerned, including the United States expert in the

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Committee on Contributions, but officials in Washington were resorting to intolerable methods aimed at damaging the reputation of the Soviet Union and other socialist countries.

71. The rate of assessment of the Soviet Union had increased by 52.6 per cent since the founding of the United Nations, while that of the United States had declined by 59.6 per cent. That reduction had coincided with the dark days of the Organization, when the United States had used its mechanical majority to impose its will on the Organization.

72. In calculating the rates of assessment of Member States, the same principle was applied in every case except one, namely the United States. In 1972 that country had induced the General Assembly, by means of blackmail and intimidation, to place a 25-per-cent ceiling on its contribution. Thus, for ten years, the United States had been enjoying the "right" to pay less than the principle of capacity to pay would require, while other States, including the Soviet Union - the second largest contributor to the budget - had been forced to shoulder an additional burden.

73. Indulging in wishful thinking, the United States representative had made wild assertions about the breakdown of the Soviet economy. Although the Fifth Committee did not concern itself with the domestic economic situation in Member States, he felt obliged to set the record straight. Despite unfavourable weather conditions and the adverse international situation resulting from the activities of reactionary and imperialist forces, the Soviet economy had made considerable progress in 1981. Industrial output had risen by 3.4 per cent at a time when it was falling in some developed capitalist countries.

74. With regard to military expenditures, the United States was engaging in an orgy of militarization which was unprecedented in history. Social programmes were being cut back in the United States to finance spending on arms. The Soviet Union was opposed to the arms race and could readily find other uses for the resources which were spent on arms. But the Soviet Union would respond swiftly to any challenge from war-like imperialist circles.

75. In conclusion, he expressed the hope that the Fifth Committee would rebuff any attempt to distract it from its important tasks.

76. Mr. PAPENDORP (United States of America) said that, in view of the statement just made by the Soviet representative, a reply from his delegation was warranted. Although he was prepared to speak at the current meeting, the hour was late. Moreover, since the Soviet delegation had obviously carefully prepared its remarks, his delegation felt that it should have the same benefit. It therefore would prefer to exercise its right of reply at the next meeting.

77. The CHAIRMAN said that, in accordance with the usual procedure, the United States delegation would be given an opportunity to reply at the next meeting.

The meeting rose at 1.10 p.m.