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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1972

Letter dated 10 December 1971 from the Permanent Representative of
Norway to the United Nations addressed to the Secretary-General

As the twenty-sixth session of the General Assembly is drawing to a close and also because my duties here as Permanent Representative of my Government to the United Nations will be terminated at the beginning of next year, I find it incumbent on me at this stage to report to you on the efforts which I have made at your invitation since the beginning of this year to find ways and means to solve the financial difficulties of the Organization.

As you will remember, we agreed that the aim of our efforts should be to seek an over-all and lasting solution to the financial problems rather than a partial and temporary one. This would involve elimination of both the current cash deficit and the provisions in the regular budget of the United Nations which give rise to annual budgetary deficits.

In accordance with this and after having ascertained what the exact financial status of the Organization was, certain concrete suggestions for a solution to both sets of problems were worked out and, in May of this year, submitted to the Governments of all Member States and of certain non-member States which hold United Nations bonds. This was followed up by talks with a large number of countries which have substantial claims on the United Nations as a result of participation in peace-keeping operations, with major bond-holders, and with the four major contributors to the regular budget.

Subsequently, the Permanent Representatives of the four major contributors, France, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland and the United States of America, agreed to meet under my

chairmanship to discuss the problems informally. My motivation for arranging these meetings was my belief that whether a broad and positive response to suggestions and appeals would be forthcoming would, in the first instance, depend to a large degree on the response of the major Powers and contributors. Four-Power talks were held under my chairmanship during the month of October. In addition, a series of informal bilateral talks between representatives of the Union of Soviet Socialist Republics and the United States of America have taken place on which they have reported to me. The basis of these talks was the financial facts and the suggestions outlined in the aide-mémoire which I had previously sent all Member States. The facts were anchored in the findings of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, presented to the Assembly in 1966, and subsequent financial reports of the Organization. The suggestions were predicated on the assumption that while positions of principle which Governments of Member States have taken must be fully respected, at the same time and even more important it must be realized that it is in the common interest of the entire membership to contribute towards the safeguarding of the continued functioning of the United Nations in the future.

Taking into account the fact that some Governments have made, previously and recently, voluntary contributions of varying magnitude, and noting that, as far as I have been able to ascertain, all Members, including the major Powers, have recognized the seriousness of the situation and the need for voluntary contributions, I nevertheless have to report that the major Powers do not agree on what basis these contributions should be made and do not hold the same view on the measure of equitability which should be observed, a measure which should be flexible, but which cannot be ignored.

It should be pointed out here that the only aspect of financial difficulties which was dealt with by the four major Powers during my meetings with them was a possible solution to the cash deficit problem. A solution to this problem would, of course, help the Organization in the short term, but only a concurrent solution of the attendant problems of the provisions in the regular budget which create an accumulative shortfall over the years would be able to put the Organization on a sound financial footing in the long term.

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As far as these aspects are concerned I have had some positive replies and reactions from other Member States, but, as I stated in the Fifth Committee on 21 October "only a handful of that kind of concrete pledge which, if there were more of them, would go a long way to solve the problem".^{1/}

The talks between the four major contributors to the budget have not been broken off, in fact the representatives have all declared themselves willing to continue discussing the problem. The suggestion has been made, however, that as the representatives of the People's Republic of China have now taken their seat in the United Nations, they might be interested in taking part in the talks. I have informed the Chinese delegation about this and have submitted to it all the relevant material. The Chinese delegation has declared to me its positive interest in the problems, but has not as yet, which I find quite understandable, found it possible to take part in any talks or deliberations.

However, Mr. Secretary-General, in order to enable you to inform the General Assembly before the end of the twenty-sixth session, if you so wish, I have deemed it correct to report to you now about the present situation. It can, I believe, be correctly summed up as follows:

While the desperate financial status of the Organization has been brought fairly and squarely to the attention of the Governments of all Member States, and while all of them seem to recognize the seriousness of the situation and the need for drastic measures, I have not been able to register any tendency to general agreement on how the problems can be solved or on what basis voluntary contributions should be made within the framework of reasonable equitability. Although a few delegations have given me concrete support for my efforts, the larger part of the membership has not responded.

This is, of course, disappointing. On the other hand, I think it can be explained partly by the fact that the Assembly, or its Budgetary and Administrative Committee has not been seized of the question and has not had an opportunity to discuss it in all its aspects.

Nor do I consider that it would be possible to do so during the remainder of this session. However, in order to utilize the time between the twenty-sixth and twenty-seventh sessions and, if possible, to prepare the next session fully for action, you may consider suggesting to the Assembly that it might take up an idea

^{1/} See A/C.5/SR.1436, p. 2.

that was broached by the Norwegian delegation during the general debate in the Fifth Committee. The possibility was then mentioned that if my efforts did not result in any general agreement to a solution of the financial problems, delegations might consider establishing an intergovernmental working group. Such a group or ad hoc committee should not be too large, but on the other hand it should be large enough for all categories of Members to be represented. This group could meet between the sessions and study all the facts and existing and new suggestions for a solution and consider the possible working out of concrete proposals for the next session of the Assembly.

Mr. Secretary-General, what is required now is not encouraging words but encouraging deeds.

(Signed) Edvard HAMBRO
