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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1974-1975 AND
MEDIUM-TERM PLAN FOR THE PERIOD 1974-1977

Cuba and Guinea: revised draft resolution

Effects of currency realignments and fluctuations and of inflation
on the finances of the United Nations

The General Assembly,

Deeply concerned at the serious impairment of the finances of the United Nations caused by the exchange rate realignments and fluctuations of many currencies, and mainly the devaluations and depreciations of the United States dollar,

Bearing in mind that there are no immediate prospects for a satisfactory reform of the international monetary system,

Noting with concern that currency devaluations and depreciations have also adversely affected the short- and long-term investments of the United Nations,

Gravely concerned at the increased expenses of the United Nations resulting from the growing inflationary trend afflicting a great many countries in which United Nations expenses are incurred,

Considering that the expenses incurred and losses sustained by the United Nations as a result of currency realignments and fluctuations should be defrayed by means of additional contributions from the countries whose currencies undergo such realignments and fluctuations,

Considering further that the additional expenses incurred by the United Nations as a result of inflation should be defrayed by means of additional contributions from the countries in which such expenses are incurred, bearing in mind their responsibility for causing inflation and the economic benefits which they derive from such expenditure,

Mindful of the need to study the above-mentioned questions and to make appropriate recommendations,

1. Decides to establish an Ad Hoc Committee to consider and make recommendations concerning the effects of currency realignments and fluctuations and of inflation on the finances of the United Nations, which would study, inter alia, the following questions:

(a) The establishment of a unit of account with a value equivalent to 0.888671 grams of fine gold in which the contributions, advance payments, income, expenditures and all the accounts of the United Nations shall be expressed;

(b) The fixing of a rate of exchange between this unit of account and freely convertible currencies;

(c) The payment of contributions and advance payments by States Members and non-members of the United Nations in any freely convertible currency;

(d) The keeping of United Nations bank deposits and investments in currencies which are not in crisis;

(e) The payment in full of the expenses incurred and losses sustained by the United Nations as a result of currency realignments and fluctuations by the countries whose currencies undergo such realignments and fluctuations;

(f) The payment in full of the expenses incurred by the United Nations as a result of inflation by the countries in which such expenses are incurred and in proportion to them;

(g) The expression of United Nations contributions, advance payments, income and expenditures both in monetary terms, in relation to the unit of account to be established, and in real terms;

2. Decides that the Ad Hoc Committee shall consist of 13 independent experts with the necessary qualifications and experience to be appointed in their personal capacities by the Secretary-General at the current session, in keeping with a broad geographical distribution. Any State Member of the United Nations wishing to do so shall be entitled to participate as an observer in all meetings and proceedings of the Ad Hoc Committee;

3. Decides further that the Ad Hoc Committee shall begin its work as soon as possible and shall submit its report in due course, through the Secretary-General, for consideration by the General Assembly at its twenty-ninth session.
