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Held at Headquarters, New York,
on Thursday, 1 May 1986, at 10.30 a.m.

President:

Mr. DE PINIÉS

(Spain)

- EXPRESSION OF SYMPATHY
- CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS [150] (continued)
 - (a) REPORT OF THE SECRETARY-GENERAL
 - (b) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS
- STATEMENT BY THE REPRESENTATIVE OF THE UNION OF SOVIET SOCIALIST REPUBLICS
- CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS [150] (continued)
 - (a) REPORT OF THE SECRETARY-GENERAL
 - (b) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS

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The meeting was called to order at 11.15 a.m.

EXPRESSION OF SYMPATHY

The PRESIDENT (interpretation from Spanish): Before calling on the first speaker this morning in the debate on agenda item 150, I wish to express to the Government and people of the Union of Soviet Socialist Republics, on my own behalf and on behalf of all the Members of the Assembly, our condolences on the tragic loss of life and damage caused by the accident at the nuclear-power plant in Chernobyl.

I also ask the representative of the Union of Soviet Socialist Republics to convey our condolences to the relatives of the victims.

AGENDA ITEM 150 (continued)

CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS

- (a) REPORT OF THE SECRETARY-GENERAL (A/40/1102 and Corr.1 to 3, Add.1/Corr.1, and Add.2 and Add.2/Corr.1)
- (b) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/40/1106)

Mr. AL-ATASSI (Syrian Arab Republic) (interpretation from Arabic): I wish at the outset to express our heartfelt condolences to the delegation of the Soviet Union on the painful accident at the nuclear reactor near Kiev. I ask the members of the Soviet delegation to convey our condolences to the Government and people of the Soviet Union and to the bereaved families.

At this resumed session the General Assembly is considering the so-called current financial crisis of the United Nations. The Secretary-General has described it as one of the most serious financial crises to face the United Nations in its 40-year history. His exhaustive report contained some proposed solutions, which are in the nature of a simple remedy for a crisis with deep political roots, one that might lead to undermining the Organization and its activities in the social, cultural, economic and political fields. It could even lead to the Organization's destruction.

(Mr. Al-Atassi, Syrian
Arab Republic)

Hence my delegation appreciates the persistent efforts of the Secretary-General to find appropriate solutions to find a way out of this crisis and to consolidate and strengthen the international Organization.

The Secretary-General's statement of Tuesday last, his report and that of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the statements of Member States, in particular those of the representative of Yugoslavia on behalf of the Group of 77 and the representative of India as Chairman of the Non-Aligned Movement - all have made it clear that the crisis afflicting the Organization is not a financial crisis but a political one in every respect, that the so-called financial crisis is but a superficial phenomenon.

The crisis has become very clear in all its aspects. It has not come about simply because some States have failed to meet their obligations under the Charter. The fact that the United States has unilaterally reduced and withheld its contribution to the regular budget runs counter to the provisions of the Charter. The decision of the United States of America was not taken on the spur of the moment. Rather, that country prepared and paved the way for that decision through various actions well known to delegations. My delegation will refrain from enumerating those actions and elaborating on them.

The accomplishments of the United Nations in its 40 years of existence are in jeopardy. The towering edifice erected by this Organization in accordance with its Charter purposes and principles is in danger of being destroyed. The United Nations has consolidated numerous principles that have come to be identified with it. The right of peoples to self-determination, the promotion of international co-operation, the maintenance of international peace and security and the achievement of development and prosperity are the overriding preoccupations and focus of the activities of this Organization.

(Mr. Al-Atassi, Syrian
Arab Republic)

Precipitating crises and then describing them as financial crises due to the failure of States to pay their regular-budget arrears is a ploy designed to thwart the activities and effectiveness of this Organisation, if not to destroy it. No delegation or State has the right unilaterally to withhold its contribution to the regular budget. If any State wishes to have its contribution adjusted, legal ways and means are provided in the United Nations Charter. Any other method is a flagrant violation of the provisions of the Charter and the commitments of Member States under it.

Here I must refer to the question of weighted voting, which the United States delegation has raised on all levels, and to which it again referred in the statement of the Head of the United States delegation. Weighted voting would be a flagrant violation of the provisions and principles of the Charter, which provides for equality among States. It would also be a breach of the principle of sovereign equality enjoyed by all States Members of the Organization, according to which all States have the same rights and duties, and foremost among them the right to vote.

We appreciate the efforts of the Secretary-General and his assistants in preparing the report. We also appreciate his proposals aimed at finding solutions to the crisis now buffeting the United Nations. The majority of countries, including my own, are facing liquidity problems and are taking remedial measures. Hence we support the Secretary-General's proposals, especially those regarding purely financial matters. But we cannot agree with some of the proposals, which we feel necessitate further consultations and caution. We do not believe in freezing some of the activities undertaken by the United Nations and questions it has been considering since its inception. Such a freeze would mean putting those questions on the back burner, if temporarily. Some situations and questions do not allow of such treatment. It may be argued that deferment of the consideration of a question

(Mr. Al-Atassi, Syrian
Arab Republic)

for a year would not relegate it to oblivion or neglect. In reply to that argument, we would ask: What is the guarantee that our Organization will overcome its current plight? We all know that the Secretary-General's proposals are of a temporary nature, but is it not possible that this crisis may last for more than a year, so that during the forty-first session, and perhaps at this time next year, during the resumed session, we may be coming back to consider measures to find a way out of the crisis? The yearly deferral of items could lead to the deletion from the agenda of certain critical questions that have been considered by the Organization since its inception.

Some questions do not allow of deferment and postponement. By way of an example, one may recall the Special Committee to Investigate Israeli Practices in the Occupied Arab Territories, the question of Namibia and other urgent questions which cannot be postponed or deferred.

Obviously, the Syrian Arab Republic is one of those States that energetically seek to strengthen and support this Organization, in which we have believed since its inception. Hence my country is fully committed to its contribution to the regular budget. It is completely without arrears. Its assessment in the 1986 budget has been paid in full.

There is no need to emphasize our support for the Secretary-General's efforts and our constructive and sincere co-operation with him to overcome the political crisis besetting the international Organization.

STATEMENT BY THE REPRESENTATIVE OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Mr. DUBININ (Union of Soviet Socialist Republics) (interpretation from Russian): Mr. President, allow me to express our gratitude to you and to those delegations that have in their statements at the resumed fortieth session of the United Nations General Assembly expressed to the Government and people of the Soviet Union their condolences regarding the accident that has taken place at the Chernobyl nuclear-power station.

In connection with these events, my delegation would like to read out for the information of all participants at this resumed session of the United Nations General Assembly the communiqués from the Council of Ministers of the USSR published yesterday, 30 April. The first reads as follows:

"As has already been reported in the press, an accident has taken place at the Chernobyl nuclear power station 130 kilometres north of Kiev. A Government commission headed by Boris Scherbina, a Deputy Chairman of the USSR Council of Ministers, is working in the locality. It includes the heads of ministries and departments and leading scientists and specialists.

"According to preliminary data, the accident took place in one of the areas of the fourth power-generating unit and resulted in the destruction of part of the structural elements of the building housing the reactor, its damage and a certain leak of radioactive substances. The three other power-generating units have been shut down; they are in order and are the operational reserve. Two persons were killed during the accident.

(Mr. Dubinin, USSR)

"Priority measures have been taken to deal with the effect of the accident. The radiation situation at the electric-power station and the adjacent territory has now been stabilized and the necessary medical aid is being given to those affected. The inhabitants of the nuclear power station's settlement and three nearby populated localities have been evacuated.

"The state of the radiation situation at the Chernobyl Nuclear Power Station and the adjacent territory is being monitored continuously".

The second communication, published on the night of 30 April, states:

"Work to eliminate the consequences of the accident at the Chernobyl Atomic Power Station is continuing. As a result of measures taken over the past 24 hours, the emission of radioactive substances has decreased and radiation levels in the area of the atomic power station and the power station settlement have been reduced.

"Measurements taken by specialists using monitoring equipment show that no chain reaction fission of nuclear fuel is taking place. The reactor has been shut down.

"Work is under way to clean polluted areas of the adjoining locality. Specialized units supplied with the necessary up-to-date equipment and effective facilities have been brought in to carry out this work.

"Some news agencies in the West are spreading rumours that thousands of people allegedly perished during the accident at the atomic power station. It has already been reported that, in reality, two persons died and only 197 people were hospitalized, 49 of whom were discharged from the hospital after medical examination. Enterprises, collective farms and State farms and institutions are functioning normally."

(Mr. Dubinin, USSR)

Today, 1 May, we received a further communication from the Council of Ministers of the USSR which states:

"On 30 April, at the Chernobyl Atomic Electric Power Station, work was continued, carrying out a range of technical measures. Radioactivity in the territory of the atomic power station, and in the area of the electric station, has been reduced by one and a half to two times.

"Work is under way to deactivate the polluted sectors adjacent to the territory of the atomic power station. Assistance is still being rendered to the victims. Among them 18 persons are in serious condition. There are no foreigners among the victims."

Finally, I should like to read to the Assembly the text of a communiqué of the Ministry of Foreign Affairs of the USSR, which was also published today, 1 May:

"On 30 April-1 May the Ministry of Foreign Affairs of the USSR received the Ambassadors of the United Kingdom, Finland and the Netherlands, and the Chargés d'affaires of France and Austria.

"On instructions of the Soviet Government, First Deputy Minister of Foreign Affairs of the USSR, Anatoly Kovalev, informed them of the state of affairs concerning the elimination of the consequences of the accident at the Chernobyl Nuclear Power Station."

The Soviet Union has available to it sufficient scientific, technical and material resources to conduct work on elimination of the consequences of the accident, and at the present stage there is no need for assistance from other States.

The competent Soviet organizations have not received any appeals from foreign citizens who are at present in the Soviet Union, including specialists and tourists, in connection with the accident at the Chernobyl Nuclear Power Station.

(Mr. Dubinin, USSR)

I should also like to inform the General Assembly that today I visited the Secretary-General, Mr. Perez de Cuellar, and provided him with information on this matter.

AGENDA ITEM 150 (continued)

CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS

- (a) REPORT OF THE SECRETARY-GENERAL (A/40/1102 and Corr.1 to 3, Add.1 and Add.1/Corr.1, and Add.2 and Add.2/Corr.1)
- (b) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/40/1106)

Mr. SANCHEZ (Philippines): Initially, following the enlightening report of the representative of the Soviet Union, we would like to express our delegation's deepest sympathy to the Union of Soviet Socialist Republics for the tragic accident at the Chernobyl nuclear reactor in Kiev. The international community shares the horror and sense of loss suffered by the Soviet people. We hope that the suffering of the victims will somehow will be assuaged. This accident is a compelling reminder to us of human frailty and of the imperative need to strengthen international co-operation.

May we also add a voice to the condolences expressed during this session on the passing of one of the stalwarts of the United Nations and international co-operation, Mr. Raul Prebisch, first Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), who was one of the foremost scholars and prime movers in the field of economic co-operation, devoting much of his life to the pursuit of that goal. The principles for which he worked so hard remain today a valid basis for multilateral relations. If some of his principles have not received the acceptance of the developed countries they, nevertheless, remain intrinsically valid and we continue to hope for their eventual attainment.

(Mr. Sanchez, Philippines)

We meet at this session of the General Assembly to consider the financial crisis of the United Nations, said to be the most grievous in its history. Ironically, the din of the celebration commemorating the 40 years of achievement of the Organization has hardly faded and already the United Nations is confronted with a life-threatening crisis.

The Secretary-General submitted to us his report on the financial problems with a package of proposals designed to meet the immediate cash flow difficulties of the Organization. We commend the Secretary-General for his report and the initiative he has undertaken to help lessen the gravity of the situation. However, we agree that the essence of the problem is not merely one of cash flow. What we have is primarily as much a political problem. In one sense we are experiencing the accumulated effects of the reluctance of some Members to honour their obligations under the Charter. For several years now the United Nations has had to contend with the problem of the withholding of contributions and delay in the settlement of obligations. The reasons for such actions have been varied. In some instances, this is the effect of economic and financial difficulties which compel some countries temporarily to defer their contributions. As this relates to most developing countries, severely overburdened by debt and related difficulties, the problem is very real and deserves sympathetic understanding. Unfortunately, in other instances, the withholding of contributions has been resorted to deliberately to demonstrate disagreement with certain decisions taken by the United Nations. This is a deplorable situation which reflects a mockery of the democratic process. If carried out to the extreme, as seems to be the trend, this course of action could endanger the very existence of the Organization.

(Mr. Sanchez, Philippines)

Reference has been made in the Assembly to a crisis of confidence as the root cause of the problem before us. Our delegation feels that this over-simplifies the problem. Apparently, some powerful countries are unhappy with the results of a decision-making process designed 40 years ago to serve the principles of equality and democracy. It is understandable that there should be questions about this process, and we feel that it should be reviewed. Nonetheless, there is something seriously wrong when dissatisfaction about it should be expressed by way of financial pressure rather than by directly addressing the questions through a rational review of the Charter and the rules of procedure of the Organization.

This makes us wonder whether the crisis before us is just one in a series of actions that would, perhaps unintentionally, further weaken the United Nations and ultimately cause its complete emasculation. More and more, we witness the resort to unilateral actions with little regard to their effect on the work painstakingly done in the field of international co-operation and in the cause of peace.

It is sad to think that this is where we seem to be headed, for throughout these 40 years the United Nations, on the whole, has served us well. It has made substantial progress, notwithstanding the occasional pitfalls along the way.

Despite the political character of the issue before us, it is unavoidable that we consider the problem, especially from the immediate, short-term point of view, in quantifiable terms, particularly as it relates to the financial resources needed to keep the Organization solvent during the current year. In this context, the Chairman of the Group of 77 has proposed - and we wholeheartedly endorse his proposal - that the details of the package submitted by the Secretary-General be considered thoroughly by the Fifth Committee, each proposal to be reviewed on its individual merits. We support proposals that would effect economy and efficiency. We advocate the streamlining of activities of the United Nations and the harmonizing of programmes and operations, including the day-to-day administration

(Mr. Sanchez, Philippines)

of the Secretariat. We would like, and we are ready, to take part in the deliberations of the Fifth Committee with an open mind and an attitude that our common problems could be solved through joint efforts and the equitable sharing of the burdens.

We wish, however, to comment on one of the proposals in the Secretary-General's report, the recommended suspension of the construction of the conference building of the Economic and Social Commission for Asia and the Pacific (ESCAP). May we recall that this matter was the subject of long negotiations in the Second and Fifth Committees and in the General Assembly. We believe that the construction of the headquarters of ESCAP is a priority activity and should not be among those to be sacrificed. If need be, the construction could be paced more slowly, but construction must be continued.

While we address the short-term needs of the Organization, we nonetheless believe that the crisis should best be regarded from a longer-term perspective. We should address the root causes of the present financial problems. If this is the effect of diminishing confidence in the Organization, we should by all means be forthright enough to look into that problem and seek ways of revitalizing our faith. If it is caused by a weakness in the Charter provisions that would give rise to a disregard by Members of their obligations, such loopholes should be remedied. For, ultimately, the breakdown of discipline could spell the eventual demise of the Organization, which we are certain no Member State desires.

The Philippine Government will perform its modest share in living up to its responsibility. We are now in the process of working out the domestic requirements for effecting the payment of our arrears as well as our current contributions, even as we are preoccupied with other serious problems of State. We are also ready to contribute to the formulation of ideas for a longer-term resolution of the crisis.

(Mr. Sanchez, Philippines)

In this very Hall, and on many occasions, Member States have repeatedly professed their faith in the United Nations and have reiterated their adherence to the principles of the Charter. We say that there is no better opportunity to demonstrate that faith concretely than now, when the United Nations very existence is threatened. With all the confusion and conflicts in the world, we are all more than aware that we need the United Nations to confront the innumerable crises. Each and every one of us knows that we have a stake in keeping it alive. We cannot but hope that, at the end of this session, we will be able to agree on a definite course of action to solve the problem for which we are met here. Otherwise, we would have further contributed to the financial crisis by having spent so much to hold this session and having nothing to show for it.

Mr. MOHAMMED (Trinidad and Tobago): The financial crisis of the United Nations threatens the very concept of multilateralism, which has just lost one of its champions, Mr. Raul Prebisch. My delegation joins those who have already expressed their sympathies at his untimely death. On behalf of my Government, I offer sincere condolences to the bereaved family and to the Government of Argentina.

The fanfare that marked the fortieth anniversary of the United Nations has hardly died away as we now gather for another important occasion. It was not long ago that these halls echoed to the sounds of recommitment to the Organization, reaffirmations of the purposes and principles enshrined in the Charter and rededication to the concept of the United Nations. Six months later, in this reconvened session, we are now deliberating the very existence and future of the Organization.

The current financial crisis of the United Nations has its origins in the financial difficulties which the Organization has faced for more than half of its existence. By the innate nature of the Organization, the United Nations faces a problem of liquidity. The Organization has to meet large expenditures arising out

(Mr. Mohammed, Trinidad and Tobago)

of the activities, programmes and projects mandated by Member States. To meet those ever-growing financial demands, the Organization depends almost totally on contributions from Member States. The basis of that revenue is the assessed contributions of Member States, and it is the arrears in contributions of some Member States and the selective withholding of those assessed contributions by other Member States that have led to the current financial emergency of the United Nations.

This is neither the time nor the place to enter into a discussion of the scale of assessments for the apportionment of the expenses of the United Nations, but we must acknowledge that it is a critical factor in the crisis as presented to us in the Secretary-General's report. Each Member State has a responsibility and obligation to meet its full financial contribution to the Organization, and this is not conditional upon concurrence with the approved scale or, indeed, the approved budget. This obligation is as binding upon the smallest contributor as it is upon the largest.

(Mr. Mohammed, Trinidad and Tobago)

My delegation commends the efforts of the Secretary-General in advancing proposals to address the immediate cash shortfall. We note that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) has recommended that the General Assembly approve these measures since they "appear appropriate for the present" (A/40/1106, para. 17 (c)). We also note that the staff of the United Nations is being called upon to bear some of this adjustment. We note too that there are to be a number of administrative economies and that Member States will have to sacrifice; on a temporary basis, some programme activities. In the circumstances, my delegation would be willing to join in a consensus on a package that would alleviate the present situation and contribute to the long-term viability and integrity of the Organization. But we need to have certain clarifications and assurances about the specific measures to be employed, and we should be satisfied that our present actions will not be to the detriment of the basic foundation of the Organization.

My delegation understands the predicament of the Secretary-General in preparing and offering the proposed measures as a package. We appreciate the need to give the Secretary-General a certain degree of latitude and flexibility to take initiatives in dealing with the shortfall in revenue, especially since that shortfall is subject to variations. But we must express some concern about the possible effects of translating into programmes and activities certain imprecise concepts contained in the Secretary-General's report. For example, we are not clear as to what is intended by "certain additional programme activities" (A/40/1102, para. 21 (d)), what is meant by such expressions as "modification and reformulation of ... programmes" (para. 25), and what is the difference between "deferment" of a programme and "postponement" of a programme.

(Mr. Mohammed, Trinidad and Tobago)

Furthermore, in introducing his report, the Secretary-General noted that the cash shortfall would not disappear in 1987, and that in this context the future of the programmes now being deferred or postponed or modified remains very uncertain. Will they be earmarked for further reduction and/or postponement, or will they be reinstated and other programmes made subject to adjustments?

In paragraph 10 of his report, the Secretary-General shows the importance of the Working Capital Fund and the Special Account as management tools which have enabled the Organization to continue to function. We need to take account at all times of the need to replenish the reserves which are now exhausted.

It is essential that we examine the overall question of the financial problem of the United Nations both as an immediate crisis and in terms of the long-term viability of the Organization. The measures proposed in the Secretary-General's package were drawn up to generate short-term savings in order to help alleviate the immediate and critical cash-flow situation, and in so doing to provide more time for comprehensive consideration and action by Member States in addressing the fundamental issues.

Long-term consideration encompasses the review of the efficiency of the administrative and financial functioning of the United Nations which is now being conducted by the Group of High-level Intergovernmental Experts. My delegation looks forward to the report which will be presented to the General Assembly at its forty-first session. But in the final analysis the long-term survival of the Organization rests on the political will of all Member States to meet fully their Charter obligations.

My delegation stands ready to endorse a package of ad hoc measures, which should be clearly elaborated: a package based on guidelines allowing for the flexibility to adapt to a financial crisis, whether that crisis surpasses present

(Mr. Mohammed, Trinidad and Tobago)

projections or not. Above all, this package should not undermine the basic foundations of the Organization or contribute to its future impotence. Finally, we believe that as it adopts such measures the General Assembly must also send a clear message to all Member States, particularly those in arrears, that the long-term viability of the Organization depends on each Member's respect for its obligations under the Charter and its acceptance of its financial responsibilities.

Ms. ASTORGA GADEA (Nicaragua) (interpretation from Spanish): We wish first of all to express our deep sadness at the death of a great Latin American, Raul Prebisch. His death has left a great void in us all. Argentinian by birth, Raul Prebisch was a creative spirit - for our continent and for the third world. He represented us and honoured us through his invaluable contributions and his tireless work. We convey our deep condolences to his family, to the Argentine Government and to his people.

My delegation thanks the Secretary-General, Mr. Javier Perez de Cuellar, for having requested the General Assembly to discuss at this resumed session an item of great interest and importance to all Member States. The Secretary-General has drawn our attention to the Organization's crisis and, under severe pressure of time, has made a great effort to place before us proposals to deal with the difficult situation facing our Organization.

It is clear to everyone - and the Secretary-General is the first to stress this - that the serious financial problems of the Organization today conceal a more profound, eminently political, crisis brought about by the failure of a Member State to meet its obligations under the Charter, by an open attempt to distort the purposes for which the Organization was created and undermine its democratic foundation and the sovereign equality of States, and by a deliberate attempt to erode its ability and effectiveness to resolve serious international problems.

(Ms. Astorga Gadea, Nicaragua)

As a small country and the victim of aggression, Nicaragua has a special commitment to this Organization, which goes beyond rhetoric and is indissolubly linked to our very existence as a free, independent, sovereign nation.

The other countries of the developing world and the developed countries share a similar commitment. It was the developed countries that wisely created this community of nations; an important contribution to this was made by the very country which is now attempting to undermine the principles of the United Nations. We have believed and will continue to believe that this forum is irreplaceable as a place of dialogue, negotiation and understanding.

The United Nations has a central role in the maintenance of international peace and security, in the struggle to achieve disarmament and the self-determination of peoples, in the strengthening of international co-operation, and in the establishment of just, equitable economic relations, making possible the development and harmonious and peaceful coexistence of all the world's nations on the basis of equality. If it was necessary 40 years ago to create the United Nations, we have even greater reasons today to preserve it.

(Ms. Astorga Gadea, Nicaragua)

Only a few months ago we celebrated with enthusiasm and joy the fortieth anniversary of our Organization and we wish now to reaffirm our unswerving commitment to and faith in the system. Today we are dealing with this crisis, which, as the Secretary-General in his statement before the Assembly rightly points out, threatens the "viability and very integrity of the Organization".

(A/40/PV.124, p. 3)

It has been said quite rightly that the financial problems of the Organization do not arise from the present situation and that they indeed go back at least to the beginning of the 1960s. It has also been said that if all Member States abided fully by their financial obligations there would be no crisis. Such statements, while true enough, upon occasion conceal the primary cause of the present financial crisis, which is the illegal unilateral withholding of the contribution of the United States with the clear objective of altering the structure and very nature of the Organization. Without denying that other factors are also at play, we consider that the present crisis has been brought about by that Government's decision to withhold a considerable part of its contribution to the Organization's regular budget. The objective is clear: to exert pressure so as to change the present voting system in the Organization to one of weighted voting.

One of the fundamental principles of this Organization is the sovereign equality of all States. What then does the United States want? To turn the United Nations into a stockholders' corporation? We must also ask: What do we the Member States of this Organization want? The reply is clear: we want to preserve the democratic nature of our Organization, which, despite its imperfections, has prevented another world-wide catastrophe and been a forum for dialogue, negotiation and understanding among all countries of the world.

(Ms. Astorga Gadea, Nicaragua)

That being the kind of Organization we want and need, we must fight for it and together we must seek avenues of understanding, leading to its preservation and strengthening.

Without a serious, carefully thought out effort by all Member States, we will not be able to attain our objective.

The Secretary-General, acting within his competence, has already set in motion a series of administrative measures. We support his efforts and we encourage him to go further along these lines.

It is in this spirit of seriousness and careful thought that my delegation has analysed the Secretary-General's report, which we think is a serious effort to confront the present financial crisis. However, we believe that some aspects of his report must be analysed more thoroughly to determine their scope and implications.

Convinced that only a concerted effort by us can overcome the present crisis, my delegation pledges its collaboration to the Secretary-General and to Member States in an effort to find a speedy, just and balanced solution to the present crisis.

As a final note we should like to point out an ironic coincidence which concerns my country and the United States.

The Reagan Administration wants the United States Congress to approve \$100 million for the counterrevolutionary groups committing aggression in my country, a sum equal to the amount that the United States is withholding from its contribution to this Organization. Might it not be appropriate for the United States to make a gesture of good will in support of this Organization, in support of world peace and in particular in support of Central America, and rechannel that \$100 million and honour its commitment to the United Nations? We are convinced that such a gesture by the United States would be greatly appreciated by all of us.

Mr. KIILU (Kenya): My delegation has carefully studied the Secretary-General's report on the current financial crisis of the United Nations. We should like to thank him for it. We fully agree that the crisis facing the United Nations is political in origin and will ultimately require a political solution. As to the financial consequences of this political crisis, my delegation has noted the range of proposals submitted by the Secretary-General as a short-term solution to the problem. While we commend the Secretary-General for the short-term measures, a permanent solution must be found sooner or later; otherwise our Organization will collapse.

We have studied carefully also the report by the Advisory Committee on Administrative and Budgetary Questions (ACABQ). We note the Committee's concurrence with the Secretary-General's recommendation that his proposals be approved by the General Assembly as a package.

While my delegation recognizes the gravity of the situation and the need for urgent action, it is also conscious of the fact that due to time constraints consultations which preceded the preparation of the Secretary-General's report may not have been sufficiently broad to take into account the views of all Member States. Therefore, while my delegation would have no objection to approval of the proposals contained in the Secretary-General's report, it remains strongly of the view that adequate opportunity should have been provided to the relevant organs to study each proposal in detail before the General Assembly was fully seized of the matter. None the less, we are satisfied that, besides the study by the Advisory Committee on Administrative and Budgetary Questions, the Fifth Committee is now examining the technical aspects of the proposals.

Concerning the size of the actual shortfall, my delegation notes with appreciation the action taken by a number of Member States in paying up their

(Mr. Kiilu, Kenya)

assessed contributions and arrears. It is to be hoped that those States which have not yet done so will pay their assessed contributions in due course. Kenya is not in arrears, has not been in arrears and will shortly pay its 1986 assessment.

Further examination of the Secretary-General's report reveals information on the unilateral withholding of assessed contributions by certain Member States as a protest against certain programmes which those countries do not like and hence do not support. My delegation believes that this practice must stop if the Organization is to regain its vitality and operate effectively and smoothly. In this connection, my delegation notes the remarks by the Secretary-General contained in his statement to the effect that some Member States have expressed their intention to make early payments this year in respect of their assessed contributions for 1987 as well as eliminate arrears in their assessed contributions. Equally praiseworthy is the USSR's voluntary contribution of \$10 million to the Special Account.

In this connection my delegation notes that the economy measures already taken by the Secretary-General combined with those proposed in his report under consideration would together realize savings in the amount of \$US 60 million. This will thereby enable the Organization to conduct normal business until the end of this year. However, we note with concern that the problem is likely to recur next year unless and until the Organization finds a solution to the present system of financing the Organization, which in itself relies heavily on the contributions of one or a small number of Member States. The Organization in its financing should never rely on the generosity of one Member State or group of Member States, because of the inherent danger in this reliance, as we are now witnessing.

(Mr. Kiilu, Kenya)

While the United Nations must as a political organization continue to operate on the basis of sovereign equality of all Member States, Members may need to review the desirability of financing its operations on a budget that is so vulnerable to the action of one Member State or of a group of Member States. To that end, Member States, especially small and medium-sized States, irrespective of their geographical location may wish to consider whether it would not be preferable to arrange the financing of the Organization in such a way that withholding of assessed contributions by one or several Member States did not necessarily lead to the dislocation of the operations of the Organization.

In so doing, it may be necessary to review the programmes and priorities of the Organization, for it is Members and Members alone that must decide on the programmes to be undertaken by the Organization and the priority to be assigned to each programme. Similarly, the decision-making process within the Organization must remain strictly in accordance with its Charter. Consequently, all decisions on financial matters must continue to be taken on the basis of one Member, one vote. Kenya will not be party to weighted voting, and we are absolutely sure that this is the preponderant view of the majority of Member States.

In this regard my delegation recalls the Assembly's decision to establish a Group of High-level Intergovernmental Experts to review the efficiency of the administrative and financial functioning of the United Nations. Although my country is not represented in the Group, we stand ready to make every contribution necessary and look forward to the outcome of its labours. For, as it has been pointed out by many delegations, the long-term solution to the problem facing the Organization will need to be fully addressed before the financial problems can be finally resolved.

One of the matters to which an urgent political solution must be found is the programme of activities for the Organization and the means of financing these

(Mr. Kiilu, Kenya)

activities. Accordingly, it is imperative that any action taken by this resumed session should be of an interim nature designed to deal specifically with the current crisis and in no way set a precedent or prejudice the outcome of the work of the Group of High-level Intergovernmental Experts or indeed of the Assembly itself in future.

In conclusion, my delegation wishes to reiterate its support for the United Nations and the decisions it has taken as reflected in resolutions adopted by the General Assembly, including in this particular instance resolution 40/253, by which the Assembly adopted the Organization's programme budget for the biennium 1986-1987, and the related resolution 40/248 on the scale of assessments for the apportionment of the expenses of the United Nations for the same period.

In these circumstances, my delegation cannot accept that any Member State, whether permanent member of the Security Council or not, can unilaterally withhold its assessed contribution. This would be a clear breach of its obligations as stipulated in the Charter. For that reason, while we would support any effort towards finding a durable solution to the political problem facing the Organization, we do not believe that certain efforts should be undertaken in fear or under duress.

Mr. KASEMSRI (Thailand): First of all, my delegation would like to join previous speakers in expressing its sincere and profound condolences to the delegation of Argentina and to the bereaved family on the passing away of the distinguished world economist, Mr. Raul Prebisch. His activities as the first Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and his contribution to the field of international economic relations are well known and highly esteemed by the international community.

The Thai delegation has noted with grave concern the serious financial crisis now confronting the United Nations. Most if not all delegations seem to hold the

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same view that it is mainly political in nature, arising from the withholding by some Member States of their assessed contributions to the regular and peace-keeping budgets of the Organization. Such practice of withholding funds has been a long-standing problem and is in contravention of the financial obligations of Member States. Its prolongation has had profound implications on the viability of the Organization and on the sanctity of its Charter. It has prompted the Secretary-General to consider taking emergency measures as contained in his report (A/40/1102) in order to generate savings and thus to meet the projected shortfall in the immediate future.

My delegation supports the Secretary-General's urgent appeal, which has been voiced on several occasions, for prompt payment of the assessed contributions in arrears. In this connection it is encouraging to note that some Member States have striven to heed the appeal with the result that the amount of the projected shortfall for 1986 has been reduced significantly.

The Thai delegation appreciates the efforts made thus far by the Secretary-General in seeking immediate measures to alleviate the present crisis. Although we clearly understand that the proposed measures of deferment and curtailment of numerous programmes and activities contained in paragraphs 21 to 25 and annex IV of the report are of a temporary emergency nature, we are nevertheless concerned about the possible impact on those programmes and activities considered of high priority and of particular benefit to the developing countries.

Another concern is the overall effect on the morale and efficacy of the staff and the machinery of the Organization. Thailand joined the consensus in establishing the Group of High-level Intergovernmental Experts with the hope that the outcome would be an enhancement of the capacity of the United Nations to

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achieve its purposes with greater efficiency. General Assembly resolution 40/237 clearly manifests the unanimous intent of the membership to identify measures that would contribute to the strengthening of the effectiveness of the Organization in dealing with political, economic and social issues falling within its purview.

(Mr. Kasemsri, Thailand)

In that respect, it is equally important that no short-term measures should be taken if they would prejudice the long-term goals of the Organization, and any decision taken on the Secretary-General's report should not have long-term effects on projects already approved.

At a time when the worthy purposes and principles of the Organization are being undermined, it is imperative now, more than ever before, for every Member State to support and help strengthen the Organization to enable it to play its role in the maintenance of international peace and security, the settlement of international disputes and crises, the achievement of self-determination for peoples still under colonial domination or foreign occupation and the promotion of global economic, social and cultural co-operation. Any attempt to solve the current financial crisis that did not take into account those aims would not serve the interests of the Organization or its Members.

In that connection, my delegation suggests that attention should be concentrated on preserving the Organization's ability to deal with its main tasks as well as its potential to perform its functions more efficiently and effectively. Since the enhancement of the effectiveness of the Organization was unanimously supported by Heads of State and Government of all Members at the commemorative session of the fortieth anniversary of the United Nations, we in this Hall can do no less.

As regards the proposed deferment of the two construction projects of the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Africa (ECA), the Thai delegation supports the proposal made earlier by the representative of China that there be full consultations between the Secretary-General and the members of those two regional Commissions. While we appreciate the financial difficulty in that regard, our primary concern is to avoid any stoppage of ongoing work on the two conference complexes. It will be more advantageous to the Organization and the international community if the work

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proceeds uninterrupted as approved, since the usefulness of the projects cannot be disputed and any delay in their implementation would only add to the costs. We strongly urge that the door be left open for options such as a slower but uninterrupted timetable of construction, and, if a deferment is unavoidable, that the General Assembly specify a time limit - not more than one year - in order to avoid its becoming indefinite postponement or virtual cancellation.

In that connection, I wish to quote from a statement made by the Thai representative at the current session of ESCAP in Bangkok. He said:

"First, my Government wishes to reiterate ... the great importance it attaches to the ESCAP conference complex construction project. This is in recognition of the growing emphasis being placed on regional co-operation, which enhances the need for ESCAP to provide suitable facilities for representatives of the member countries of this vast Asia and the Pacific region to meet and to discuss their common economic and social development problems. The facilities will be of long-term benefit especially here in Bangkok, the regional seat of numerous United Nations bodies and other international organizations.

"Secondly, my Government would wish to see the proposed project continue without interruption, even if at a slower pace. There are two basic reasons for this: because the demolition of the old 'Sala-Santitham' Hall, in the heart of Bangkok, is already well advanced, and because postponement of the project is likely to prove less economical in the long run due to uncertain economic conditions.

"Because of these reasons, my Government would like to request that the Secretary-General kindly consider exploring with ESCAP members all possibilities and ways and means of facilitating the implementation of this

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project, on schedule, before proceeding with his proposal to postpone the construction project."

The Chairman of the forty-second session of ESCAP, now going on in Bangkok, has already communicated to the Secretary-General the following extract from the Commission's annual report:

"The Commission noted that growing emphasis on the need for regional co-operation in Asia and the Pacific enhanced the need for ESCAP to provide suitable servicing facilities. It also noted that the Secretary-General was proposing to defer the construction of the United Nations conference complex in Bangkok, due to financial constraints.

"After noting the view of two delegations that regular budget funds should not be used, the Secretary-General was requested to make every effort to explore all possibilities and ways and means to implement the project on schedule, recognizing the special needs of the Asia-Pacific region.

"One other delegation specifically stated its acceptance of the package of proposals put forward by the Secretary-General to deal with the financial crisis, but stated further that it attaches high priority to the construction of Bangkok conference centre when the United Nations financial situation improves."

That excerpt from the Commission's report enjoyed the support of all the members of ESCAP.

Finally, my delegation is ready to lend its full co-operation and assistance to the Secretary-General in his present efforts. The Royal Thai Government is also actively considering a possible voluntary contribution to the Special Account. Meanwhile, it hopes that the Group of High-level Intergovernmental Experts will be able to make substantive recommendations, with due regard to possible options, which could provide long-term solutions to the crisis facing our Organization.

Mr. GUMUCIO GRANIER (Bolivia) (interpretation from Spanish): I wish first to express to the Argentine Government my delegation's regrets at the passing of Raul Prebisch, a distinguished Argentinian who followed his Latin American vocation by doing immortal work in the Economic Commission for Latin America (ECLA) and who served the international community at the United Nations Conference on Trade and Development (UNCTAD).

I also wish to express my delegation's condolences to the Government of the Union of Soviet Socialist Republics over the accident at the power plant in Chernobyl.

We have met here at the Secretary-General's request to consider our Organization's financial situation. My delegation expresses its appreciation to Mr. Javier Perez de Cuellar for the responsibility and courage he has shown in convening this meeting to deal with the serious financial crisis, the greatest in the Organization's history. The Secretary-General has defined its cause as political. Previous speakers have agreed, and we should not tire of repeating that the crisis, political in origin, is the expression of the attitudes and actions of certain States that wish to undermine the principles of multilateralism, which my delegation believes form the basis of modern international coexistence.

(Mr. Gumucio Granier, Bolivia)

Any attempt to reduce the Organization's effectiveness will have a retrograde effect and dangerously undermine the very foundation of our Organization, which is designed to preserve international peace and security. The crisis being political in origin, the solutions must be political. They must therefore involve decisions taken by Member States in timely fashion to resolve the major structural causes of the crisis and not just deal with its passing manifestations. Those decisions will undoubtedly necessitate substantial changes, which will certainly require sacrifices of Member States.

The Secretary-General has given us an analysis of the financial situation and has proposed solutions concerning which he has addressed the Assembly on two occasions. It is clear from that analysis that the crisis has three dimensions which, though they can be dealt with separately, are closely interrelated; one cannot be resolved without that having an effect on the others. Those three dimensions are as follows: first, an acute cash-flow deficiency that is already affecting the Organization this month; secondly, an income shortfall for activities already programmed in the regular budget - a shortfall which is already affecting the Organization's functioning and management this year; and, finally, a "long-term" crisis - in reality a structural crisis - to be dealt with. Its effects have already been felt and will be even greater in 1987 and later if corrective action is not adopted in a timely manner.

My delegation wants to make clear its position that any action to deal with the financial crisis of the Organization in the short, medium and long-term must be in accordance with the United Nations Charter. The Charter is abundantly clear in Article 17, which deals with payment obligations, and in Article 18, which states that each Member shall have one vote and that, as far as budgetary matters are concerned, a two-thirds majority is required. Those principles were wisely adopted

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in San Francisco. A two-thirds - rather than a simple - majority is the requirement in financial issues. That principle must be maintained.

Similarly, Article 2 of the Charter stipulates that our Organization is based on the sovereign equality of all Member States and that Members shall fulfil in good faith the obligations assumed by them in accordance with the Charter. Those are principles of international law and of our Organization which must continue to guide its functioning.

In medieval Spain there was a rule: "You are worth as much as you have". It is still a saying in Spain. It is certainly not a principle that should be incorporated as a rule of our Organization.

Two hundred years ago, when the political Constitution of the United States was drawn up, the principle of the sovereign equality of individuals and states was established. If the United States Senate had been organized in such a way as to give each state a weighted vote according to its contribution to the federal Government, it is quite possible that we should not now have a strong united federal State. The American legislators were wise in giving each state the same vote in the Senate. That principle has been reflected in international law, which gives equality to all States.

If we accepted a weighted vote on any pretext whatsoever, that would be laying the foundation for the future destruction of our Organization. We cannot return to the principles of Roman law, under which a vote was based on how much a person had. All States have the same sovereign equality, and we already have the machinery needed to weigh votes on budgetary issues.

Regarding the recommendations put forward by the Secretary-General, we can see that he has - certainly in a carefully, if not painfully, thought-out manner - proposed solutions that go in three directions: first, the main contributing country should pay at least \$143 million; secondly, the other countries must make

(Mr. Gumucio Granier, Bolivia)

their contributions as soon as possible; and, thirdly, a savings package amounting to about \$30 million would fund a number of programmes and requirements.

In this connection, Bolivia belongs to the Group of 77 and is a non-aligned country. Therefore, as a matter of principle, we endorse the words of our representative, the representative of Yugoslavia. However, yesterday we heard another appeal from the Secretary-General that the package be adopted as a whole and not be subdivided. Considering the difficult work done by the Secretary-General, we are prepared to accept the package as presented by him, inasmuch as it would only mean a deferral of activities until next year in order to solve the present cash-flow crisis. An indispensable aspect of this package is that the main contributor should pay the \$143 million. The \$30 million savings would be very important, of course, but it would be insignificant if we did not have the \$143 million, which is urgently needed.

In conclusion my delegation would like to draw attention to certain fundamental points.

A number of delegations have expressed the hope that the Group of Eighteen Intergovernmental Experts can present solutions to resolve the acute long-term crisis of our Organization. My delegation shares that hope, but would sound a note of warning.

First, the 18 experts, whose professional skills we do not question, are representatives of Governments, as their titles suggest. Also, by coincidence, the Advisory Committee on Administrative and Budgetary Questions is made up of governmental experts. More than 50 per cent of the representatives of the same countries are in the Advisory Committee and in the 18-member group. If the Advisory Committee is partially responsible for the General Assembly's attention not having been drawn to defects in the administration and management of the

(Mr. Gumucio Granier, Bolivia)

Organization's budget, it is most unlikely that the experts - who, though different persons, represent the same countries - will propose solutions different from those proposed by the other body. We hope that the intergovernmental experts will in actual practice give us solutions that truly can resolve the crisis.

(Mr. Gumucio Granier, Bolivia)

The second warning I should like to issue is the following: the report of these Experts will be given to us at the beginning of the forty-first session of the General Assembly. That period will be shortened to only eight or nine working weeks, which means that the time to consider the report of the experts and to reach decisions will be very short. It is fair to assume therefore that we should consider the possibility of a resumed forty-first session early next year at which would be considered and adopted the solutions which must emerge from the report of the 18 Experts and from the contributions of the Member States to it.

Finally, we would like to state very clearly for the record that we do not consider that either the Secretary-General or the United Nations staff is responsible for the present crisis. The crisis is the responsibility primarily of States which have failed to abide by their obligations or have not allowed the Organization to function properly, as stipulated.

Mr. MAKSIMOV (Byelorussian Soviet Socialist Republic) (interpretation from Russian): The resumption of work of the fortieth session of the United Nations General Assembly to consider the current financial difficulties of the Organization should be considered as one of the manifestations of profound political processes which are characteristic of today's international relations. Such an assessment of the reasons for the problems we are discussing has already been expressed from this rostrum by a great number of delegations. Indeed, only six months have elapsed since solemn meetings were held in this Chamber, with the participation of Heads of State or Government, and special representatives of all Member States of the United Nations, dedicated to the fortieth anniversary of the founding of this international - indeed, universal - Organization. In marking that event, the overwhelming majority of those who made statements from a politically principled point of view, not only once again reaffirmed the unswerving fidelity of the Governments they represent to the purposes and principles of the United Nations

(Mr. Maksimov, Byelorussian SSR)

Charter and gave a correct assessment of the role of the Organization in the cause of preserving peace and strengthening international security during the past four decades, but also, with great determination, favoured the need for further enhancement of its role and effectiveness in resolving today's international problems.

Moreover, it was emphasized on numerous occasions that the highest priority tasks of the United Nations in a deteriorating international situation, for which imperialist and reactionary forces are to blame, are the elimination of negative confrontational tendencies which have been growing in recent years, the development of ways to ensure the cessation of the nuclear-arms race on earth and to avert it in space, a reduction of the danger of war and the establishment and promotion of confidence as an inalienable element of relations among States.

In historical terms, the six-month interval since the United Nations anniversary celebration is a short period of time, but it was filled with numerous international events which fully reveal the genuine nature and content of the two opposing trends in the world today - trends which are also manifest in the various approaches to the role and activities of the United Nations.

The tireless efforts of the Soviet Union - inter alia, those at the United Nations - are well known. They are designed to stop the world's drift towards nuclear disaster and to promote international development through détente and peaceful co-operation for the benefit of all States. This principled and consistent policy, fully in keeping with the objectives of the United Nations, has been widely supported by the peoples of the world.

At the same time, the international community has witnessed numerous events pointing to an opposite and dangerous approach to the destiny of the world. These include the nuclear explosions in Nevada and acts of armed aggression carried out

(Mr. Maksimov, Byelorussian SSR)

by the United States against a sovereign State Member of the United Nations, the Libyan Arab Jamahiriya and the mounting threats against Nicaragua and other independent States.

The United States direct violations of the United Nations Charter and of General Assembly decisions, including such arbitrary actions as a significant reduction in its assessed contributions to the United Nations regular budget, openly demonstrate the American Administration's policy of force towards our world Organization.

As regards the measures already proposed and adopted by the Secretary-General to alleviate the Organization's current financial difficulties, my delegation emphasizes that they alone cannot cover the Organization's financial deficit, since they fail to deal with the fundamental reason for the present financial difficulties, which have arisen as a result of the illegal and arbitrary actions of the United States. The full burden of financial and political responsibility for these glaring violations of Charter obligations must be borne solely and exclusively by that very State. On the other hand, the USSR in recent days has once again demonstrated its constructive policy towards the United Nations and has taken a decision to contribute \$10 million to the Special Account set up to solve the financial difficulties of the Organization.

The Byelorussian delegation believes that neither the United Nations present tense administrative and financial situation nor the measures undertaken to find resources to cover the deficit can serve as a pretext for sidestepping unconditional compliance with the financial rules of the Organization which provide, inter alia, for the return of any unspent monies by the Organization to its Member States.

(Mr. Maksimov, Byelorussian SSR)

In our view, particular attention and full support should be given to the work undertaken by the Secretary-General within his competence to find and make rational use of internal resources to resolve the financial difficulties of the Organization. Since the \$30-million savings thus realized were achieved without reducing the Organization's programme of activities, we hope that they will not affect hiring policies or other interests of individual Member States. However, the administrative and financial leadership of the United Nations must obviously continue its present efforts.

(Mr. Maksimov, Byelorussian SSR)

The delegation of the Byelorussian SSR has always actively favoured regular review of the administrative and financial activities of the United Nations and its specialized agencies and the timely elimination of duplication and of outmoded, ineffective activities. The General Assembly has adopted a number of specific decisions in that connection. We are prepared, therefore, at the appropriate time and in the appropriate body, to participate directly in any consideration of the long list of proposals submitted for changes in programmes and types of services. I would emphasize that my delegation remains committed to strict observance of the principle that such changes must not have an adverse effect on the major areas of United Nations activity.

In conclusion, as a founding Member, the Byelorussian SSR reaffirms that its attitude to the whole range of United Nations administrative and budgetary problems will continue, as in the past, to be based on its principled support for the Organization, on active participation in its activities and on constant concern to enhance its effectiveness as an important instrument for the preservation and strengthening of international peace and security.

Along with some other Member States, the Byelorussian SSR has in timely manner responded to the Secretary-General's appeal in connection with the current financial crisis and has accelerated payment of its contribution to the United Nations regular budget for 1986.

Mr. NYAMDOO (Mongolia) (interpretation from Russian): First of all, my delegation would like to express its sincere gratitude to the Secretary-General for the measures he has undertaken in recent days to resolve the financial difficulties of the United Nations. Obviously, his economy measures are designed to promote the normal functioning of United Nations activities. We hope that the Secretary-General will continue his efforts in this regard.

(Mr. Nyamdoo, Mongolia)

We have listened carefully to the current debate on the current financial crisis of the United Nations. Many reasons have been advanced to explain how the Organization has arrived at its present financial situation. We fully share the well-founded view expressed by the overwhelming majority of States that the negative attitude of one of the States Members of the United Nations to its activities is the major reason for the current financial difficulties. My delegation would therefore stress that the current financial crisis has political underpinnings.

We note with regret that the United States often resorts to various kinds of measures that are in clear contradiction with the fundamental purposes and principles of the United Nations Charter. One example is the legislation adopted by the United States Congress late last year that entails either an arbitrary reduction in the United States contributions to the regular United Nations budget or the introduction of weighted voting in the United Nations, in violation of the fundamental principle of the sovereign equality of States. Such action by the United States can only be viewed as an attempt to exercise financial diktat over the United Nations.

Hence we support those Member States that have demanded that the United States cease its unilateral measures and fulfil its Charter obligations. We believe that one of the best ways of solving the United Nations financial crisis is by making more effective use of the Organization's existing resources. As is well known, some United Nations programmes are ineffective, if not obsolete. They should be carefully reviewed and, if necessary, eliminated.

With regard to the measures proposed in the Secretary-General's report, my delegation believes that they should be given careful study so that they do not prejudice programmes within the major areas of United Nations activity. Moreover,

(Mr. Nyamdco, Mongolia)

the principle of the sovereign equality of all States must be retained as the basis for all of our Organization's activity.

One of the measures proposed by the Secretary-General to alleviate the current financial crisis involves a freeze in recruitment. As an unrepresented country, Mongolia believes that such a freeze should affect only citizens from overrepresented countries.

The Mongolian People's Republic has always considered the United Nations an important instrument for the preservation of international peace and security. From the first days of its admission to the United Nations, our country has scrupulously fulfilled all its Charter commitments, including its financial obligations. In response to the Secretary-General's appeal, Mongolia has, during the first quarter of this year, paid its assessed contributions to the United Nations regular budget for 1986.

As the General Secretary of the Mongolian People's Revolutionary Party and Chairman of the Presidium of the People's Great Hural of the Mongolian People's Republic, Comrade Jambyn Batmonh, in his message on the occasion of the commemoration of the fortieth anniversary of the United Nations, stated:

"The Mongolian People's Republic, true to its obligations assumed under the United Nations Charter, will continue to exert active efforts to help enhance the role and effectiveness of this world Organization in the cause of maintaining universal peace and of developing international co-operation."

(A/40/PV.40, p. 61)

The meeting rose at 1 p.m.

