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PROVISIONAL VERBATIM RECORD OF THE ONE HUNDRED AND THIRTIETH MEETING

Held at Headquarters, New York,  
on Thursday, 1 May 1986, at 3 p.m.

President: Mr. DE PINIES (Spain)

- SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS [122] (continued)
- APPOINTMENT TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS [17] (continued)
  - (a) APPOINTMENT OF A MEMBER OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS: REPORT OF THE FIFTH COMMITTEE
- 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 3.45 p.m.

AGENDA ITEM 122 (continued)

SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS  
(A/40/1108/Add.1)

The PRESIDENT (interpretation from Spanish): I should like to draw the Assembly's attention to document A/40/1108/Add.1, which contains a letter addressed to me by the Secretary-General informing me that since the issuance of his communication dated 28 April 1986 El Salvador has made the necessary payment to reduce its arrears below the amount specified in Article 19 of the Charter.

May I take it that the General Assembly duly takes note of this information?

It was so decided.

AGENDA ITEM 17 (continued)

APPOINTMENT TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS:

- (a) APPOINTMENT OF A MEMBER OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS: REPORT OF THE FIFTH COMMITTEE (A/40/681/Add.3)

The PRESIDENT (interpretation from Spanish): Before continuing the consideration of the question of the current financial crisis of the United Nations, I should like to invite members to turn their attention to the report of the Fifth Committee on agenda item 17 (a).

In paragraph 4 of that report the Fifth Committee recommends to the General Assembly the appointment of Mr. Victor Alecksandrovich Vislykh of the Union of Soviet Socialist Republics to fill the vacancy for the unexpired portion of Mr. Igor V. Khalevinskiy's term of office, that is until 31 December 1987.

May I take it that it is the wish of the Assembly to adopt that recommendation?

It was so decided.

AGENDA ITEM 150 (continued)

## CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS

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

Mr. LUPINACCI (Uruguay) (interpretation from Spanish): I should like at the outset to reiterate to the delegation of the Argentine Republic our deepest condolences on the death of Mr. Raul Prebisch, a true titan of economic thought in the twentieth century. This loss for the Argentine Republic is also a loss for Latin America as a whole, and for the developing world, to which Mr. Prebisch gave invaluable services with the energy and far-sightedness of his talents. Uruguay, a country with which Mr. Prebisch had special bonds, also feels this loss deeply.

My delegation wishes to tell the Secretary-General how pleased it is to see his efforts in facing what has rightly been termed the acute financial crisis of the Organization, which has found expression in the initiative to convene this resumed fortieth session of the General Assembly.

On the grave nature of this crisis there seem to be no dissenting views. In his report (A/40/1102) the Secretary-General describes it as the most serious financial crisis in the history of the United Nations, and in its report (A/40/1106) the Advisory Committee on Administrative and Budgetary Questions fully shares that opinion.

(Mr. Lupinacci, Uruguay)

Therefore, the time has come to deal with a problem which, by its very nature, requires two types of solutions: emergency solutions for what has been termed a cash-flow crisis - which must therefore be immediate - and other, more far-reaching solutions to the entire administrative structure, the financial stability and the effective use of the means and resources of the Organization, hence long-term solutions requiring substantive definitions and global approaches.

But in facing this financial crisis we are called upon to seek its causes and place it in proper perspective so as to be able duly to assess it.

In our view, it is clear, in the first place, that it is the manifestation and the result of a much broader and more dangerous crisis. To a certain extent, it leads us to a fuller awareness of the other major crisis and to assuming our responsibilities fully. As the Secretary-General has pointed out, this is, above all, a political crisis.

It is a crisis of multilateralism; one of institutionalism in the international community. It is a crisis of the system of international co-operation; one of confidence in international organizations and, especially, in the United Nations.

This crisis is leading to the progressive curtailment of resources for the machinery and means available to those organizations, in particular to the United Nations, to promote effective action aimed at securing or buttressing the fundamental objectives of international peace and security, friendship among nations and the development of peoples, or at achieving international co-operation in solving the many international economic, social, cultural or humanitarian problems.

There is an inversely proportional relationship between the loss of effectiveness and an increase in rhetoric - between less substance and more oratory - thus running the risk of turning the organs of the United Nations into mere forums for debate.

(Mr. Lupinacci, Uruguay)

Therefore we must above all reaffirm our trust in the United Nations, in its system for international co-operation and in the effectiveness of its machinery. The formal commemoration of the fortieth anniversary of the Organization - which brought together all the leaders of the world - demonstrated strong support for the purposes of the United Nations and a commitment to the ideals it pursues. That is not consistent with any attitude that would cut back the means to achieve those purposes and to carry out the Organization's functions.

To differentiate between adherence to the ideals of the United Nations and confidence in the United Nations as an institution places international relations on shaky ground and undermines all the efforts and hopes expressed 40 years ago in the San Francisco Charter.

Let us not be misled. There is no way that can be devised to promote the ideals of the United Nations other than through its institutional system; if we believe in the ideals, we must trust the institution; if we trust the institution, we must provide it with the means it needs for carrying out its functions.

This does not mean that we should not devise all possible medium- and long-term solutions intended to improve its functioning, to rectify mistakes or excesses in the use of its resources, to rationalize and, in sum, to make the Organization's functioning more efficient and effective.

But let us not be drawn into the vicious cycle of cutting back resources until confidence is restored.

On the other hand, let us not forget that at stake in the functioning of the United Nations are principles that were laboriously enshrined in the international legal order, such as legal equality among States and democratic processes in international negotiations.

Furthermore, in paralysing the United Nations or weakening its programmes, we would seriously impair the system of international co-operation - whose principal

(Mr. Lupinacci, Uruguay)

beneficiaries are the developing countries - we must conclude that the effective functioning of the United Nations, in keeping with its purposes and principles, is a fundamental factor for ensuring justice and stability in international relations and progress and well-being for many peoples.

This resumed session of the General Assembly must aim at short-term solutions to the financial crisis of the Organization, but it is also a severe test in terms of reaffirming confidence in it.

Others speak about restoring confidence. We speak about reaffirming and also strengthening confidence and not restoring confidence, for no one has lost confidence in the United Nations although we are all aware of its limitations and weaknesses.

Short-term solutions are directly related to the payment of arrears or withholdings on the part of a significant number of Member States, which, according to the most recent report of the Secretary-General (A/40/1102/Add.2) dated 25 April, still amounts to approximately 50 per cent. I am referring to contributions, or partial contributions, for 1985, and also in many cases for previous years.

In this connection we must stress that payment of the assessments apportioned to each Member State falls under compliance with obligations under the Charter. Of course, there may be Member States which, because of economic problems, find it difficult to pay their arrears. The Secretary-General's appeal is also directed to them, even though it is understood that it may take a special effort or entail sacrifice for them but it must be borne in mind that such non-compliance is detrimental for each and every one of the Member States, especially the weakest.

However, non-payment of assessments becomes especially serious and important with regard to those Member States that have followed the practice of withholding payment for political reasons, something that is clearly in violation of the Charter.

(Mr. Lupinacci, Uruguay)

Such behaviour, in the first place, undermines the principle of collective responsibility in covering the expenses of the Organization as laid down in Article 17. Moreover, it introduces an element that seriously affects the competence of the Organization, since it is left without the necessary resources to comply with decisions adopted in keeping with the Charter or with its inherent tasks.

(Mr. Lupinacci, Uruguay)

This situation has prevailed for some time, as noted in the background information on the current financial crisis contained in Annex I of the Secretary-General's report. Moreover, when such non-compliance occurs among the major contributors the situation can be particularly serious, as it is now.

Withholding of the payment of 1985 and projected 1986 assessments, together with the unilateral reduction in its assessment announced by the major contributor, in open violation of the Charter, are what ultimately triggered the present crisis. The deficit, estimated at \$76 million on 31 December 1986, would be totally covered if the major contributor paid its 1985 and projected 1986 withholding assessments.

Those assessments were duly established by the General Assembly and are an international obligation stemming from a treaty that was duly ratified by the Government of that State, whose vital contribution to the cause of the ideals of the United Nations and to its very creation has been universally recognized.

The Congress of that country approved the Charter of the United Nations, which then became the supreme law of the land, hierarchically superior to domestic law. No provision in that domestic law can be internationally invoked to justify non-compliance with an obligation rooted in the Charter, which is an international treaty in force for that State.

My delegation hopes that, heeding the appeal of the Secretary-General, the major contributor will reconsider its position and act in a manner consonant with the important responsibilities it bears, in view of its power and its status as a permanent member of the Security Council.

The Secretary-General has proposed a package of short-term solution to meet immediately and, on an interim basis, alleviate the most urgent financial problems. Member States with outstanding obligations must play the main role in implementing those solutions. My delegation supports the recommendations submitted



(Mr. Lupinacci, Uruguay)

to the Assembly by the Secretary-General in appealing to all Member States to abide by the provisions of the Charter and to pay their arrearages as soon as possible. The Secretary-General's appeal has already met with favourable response, and that is a healthy indication by Member States of their desire to reaffirm confidence in the United Nations and to bear their full responsibilities.

In this connection, we appeal once again to the sense of responsibility of States with outstanding financial obligations, whose assessments, because of their size, play a decisive part in the Organization's budget, including the major contributor. We also appeal to States that have not yet done so to pay their corresponding assessments to the regular budget for the current year.

Uruguay, in spite of the economic difficulties it is facing, has done all in its power to be up to date in its contributions, and at the present time it owes only its contribution for 1986. In that connection, I am authorized to announce to the Assembly that my Government is making its very best effort to pay that contribution at the earliest possible moment.

Together with the prompt payment of outstanding obligations by Member States, the package of solutions proposed by the Secretary-General includes a series of savings measures that have been adopted, representing a sum of \$30 million. My delegation understands that some of those measures, and especially those that deal with the staff of the Organization, are difficult and cannot be extended indefinitely. However, we trust in the wisdom and proven good judgement of the Secretary-General, and we appreciate his efforts to face the crisis and to act within the possibilities open to him.

The report also proposes another series of measures that would entail a savings of a further \$30 million for the current year. With regard to those measures, my delegation is particularly concerned at the fact that some aspects of those measures are not sufficiently clarified or detailed, especially those

(Mr. Lupinacci, Uruguay)

involving the reduction or deferral of activities in some programmes, despite the inclusion of some specific criteria to be followed in effecting such changes.

In this area, as well as in those I have already mentioned, we do recognize that austerity measures must be adopted, but those measures must reflect an adequate balance between the need to achieve short-term savings and the need to prevent that from having a medium- or long-term effect on the Organization's activities and effectiveness, especially in the field of international co-operation.

In that connection, special care should be taken to safeguard the effectiveness of programmes that benefit developing countries. If not, the burden of the proposed financial restrictions would fall unfairly upon those very countries that are the most needy. For that reason, my delegation considers it relevant that clarification be given and necessary adjustments be made in the Fifth Committee.

Without detriment to that, we support, in principle, the entire package of emergency measures proposed, with the understanding that it is a package and that, with adjustments, it should be maintained as such in order to be effective, and that account should be taken of its strictly provisional nature.

As we said at the outset, the problem of the crisis also calls for the adoption of medium- and long-term measures that require substantive definitions of what we expect and hope from the work of the Organization, based upon a more thorough and more thoughtful examination of its operations.

That process has been begun by a Group of High-level Intergovernmental Experts, which will submit its report to the forty-first session of the General Assembly. My delegation attaches special importance to that. We hope, indeed, that the conclusions reached by the Group and its recommendations will constitute the basis on which medium- and long-term substantive measures can be adopted that will not only improve the finances of the Organization but also lead to greater efficiency in its operations and greater effectiveness in realizing its goals.

Mr. THOMPSON (Fiji): My delegation joins others in expressing our condolences to the Soviet delegations on their recent tragedy.

We have listened closely to the many speakers who have spoken in this debate. Everyone agrees that a crisis of serious proportions faces the Organization, and many valuable suggestions have been made. Clearly, for so much collective time and effort to be devoted to what should be a straightforward, routine matter detracts from the proper functions of this Organization. While international terrorism escalates, while famines decimate whole regions, while countries fight each other, while civil wars rage on many continents, while millions are denied fundamental human rights - the list goes on and on - while so many urgent issues are crying out for attention, we force the Organization into what should be a non-event.

And yet the Assembly has been reconvened to consider a crisis which, although it is now of greater proportions than ever before, has beset it for the better part of its 40-year life. Like most other delegations, we believe the cause of the financial ills of the Organization to be political, because certain Member States, over many years, blatantly refused to honour their obligations under the Charter. Membership of the Organization implies acceptance of obligations and commitments which must be honoured in full. There can be no half measures.

From the perspective of the small end of the membership spectrum, I should like to make a few points. First, my delegation respects the result the Secretary-General arrived at in presenting a biennium budget which contained a balanced set of programmes within acceptable growth guidelines. It goes without saying that he would have had to make many difficult choices on the way to the final form of that budget. Likewise, we support his present package of proposals to bridge the \$106 million shortfall. Any package, by its very nature, must be a compromise among competing needs and interests, and perhaps the fact of its unpopularity speaks for its even-handedness.

(Mr. Thompson, Fiji)

Secondly, an argument about whether the United Nations is for the small or for the large Members is, in our view, begging the question. It is up to each country to decide the Organization's importance to its own national self-interest. Fiji unreservedly believes in the crucial importance of the United Nations for the future peace, security, prosperity and good order of the world. We, like many others, do not withhold or fall into arrears with our obligations. We therefore consider it an unreasonable imposition to expect some to pay in advance because others are not playing by the rules. We emphasize that membership of the Organization has its responsibilities and obligations which must be respected and fulfilled.

Thirdly, another dimension of the problem is that some Member States are gravely disadvantaged by the financial crisis. As a troop-contributor to the United Nations Interim Force in Lebanon we find we are now owed over \$16 million because some countries have not been meeting their assessed contribution. Yet a threatened withholding of \$20 million by a Member State precipitates a paralysing crisis. It is, to us, a serious miscarriage when debts of this magnitude are owed to a small island developing country, one trying its best to manage within already desperately limited resources. It has come as some relief, however, to learn that the USSR, and, we hope, all its allies, will begin to contribute to peace-keeping operations. We sincerely hope they will also settle their substantial arrears.

Fourthly, while the present crisis might be resolved for 1986, we must pin our hopes for 1987 and beyond on the Group of High-level Intergovernmental Experts. Theirs is a daunting but not impossible task. Provided the measures they recommend are implemented and supported by the whole membership, the need for a debate like the present one should not recur. As one of the South Pacific Forum countries we have made some suggestions to the Group of Experts, and we look forward to its report.

(Mr. Thompson, Fiji)

Fifthly, while discussion of details should be reserved for the Fifth Committee, we believe that the evaluation of the appropriateness of a programme should be a continuing process and should not be carried out only every two years. There are instances where some activities have clearly outlived their usefulness and should be dropped yet live on only because they are budgeted for. We applaud the Secretary-General for his leadership and courage in putting forward such a difficult set of economy measures, but we urge him to continue his scrutiny so that the short-term relief does not lull the Organization into a false sense of security.

Finally, it has been made abundantly clear by previous speakers that if the package were to be re-opened many delegations would want to reinstate their pet projects and programmes. We believe the package concept must remain intact and the Secretary-General given the fullest backing to implement it.

Mr. ALBAN HOLGUIN (Colombia) (interpretation from Spanish): We were deeply saddened by the news of the death of Mr. Raul Prebisch, a great man of Argentina and the Americas and a distinguished international personality. His contribution in the field of economics was very valuable, and his analyses and opinions led to better understanding of developmental relations among peoples.

I wish to convey to the members of the Soviet delegation the deep sorrow of the people and the Government of Colombia over the accident which took place at the Chernobyl nuclear power-station. We hope that the problems relating to that accident will be resolved as soon as possible.

During the session commemorating the fortieth anniversary of the United Nations, broad support for the Organization and its Charter was reaffirmed, with a view to realizing the basic purposes for which the United Nations was created.

A reaffirmation of those still valid purposes should be backed up, as the Secretary-General said at that session, with serious negotiations on major disputes and on fundamental issues, including guaranteeing the financial integrity of the

(Mr. Alban Holguin, Colombia)

Organization. Indeed, as the Secretary-General said, the effectiveness of all United Nations programmes and the attainment of the purposes which have enjoyed such universal support depend to a large extent on the guaranteed availability of resources, as set out in the Charter, and on the efficiency and vision with which they are used.

Since the operational effectiveness of the United Nations is threatened by grave present financial difficulties, the Secretary-General has now requested, in exercise of his powers, that the Assembly meet to decide on appropriate measures to deal with the current emergency.

Along with all other Members, we believe in the United Nations and continue to consider it to be irreplaceable in today's world. I note in passing that His Holiness Pope Paul VI saw in it nothing less than the only path for modern civilization and world peace; he referred to it as the last hope for harmony and peace.

Like everyone else, as I said, we have faith in the United Nations; therefore we must shoulder our individual and collective responsibilities towards it. In this connection, my Government is expediting the budgetary processes required by Colombian law to pay its 1986 contribution, which is essentially all my country owes.

(Mr. Alban Holguin, Colombia)

The United Nations Charter, to which we have all freely adhered, sets forth our obligations and no State may breach them through selective or unilateral measures. Clearly, no State may under its regular instruments attempt to carry out a unilateral policy without taking into account the limitations imposed as a result of divergencies with other points of view and the need to seek compromise and agreement. All of us have of our own free will yielded some sovereignty to the Organization in order to endow it with the necessary moral and legal power we wish it to have. We cannot allow the weakening of the Organization when it is to everyone's benefit to make it not only more efficient but more equitable, more egalitarian, more independent and more democratic.

Although at times its difficulties seem unmanageable, it is most encouraging to see what the United Nations has achieved in its 40 years of existence and the role it has played in the sweeping changes that have taken place during that challenging period of history. The world of 1986 is very different from that of 1945. The Organization too has changed radically. With 159 Members, more than three times its original membership, it deals with a variety of questions never imagined by its founding fathers. Its work in the field of international economic, social, cultural and humanitarian co-operation has no parallel in the past given its universal scope, enormous intrinsic worth and broad range.

The United Nations is needed now more than ever, given the dangerous world situation owing both to the gradual return to power politics and to the economic crisis affecting millions living on the fringes. It is our duty to strengthen and invigorate it, reaffirming the viability of multilateralism as the appropriate collective system at the centre of the international order to meet the needs of all peoples, in particular the weakest.

(Mr. Alban Holguin, Colombia)

Consideration of the current crisis over the short-term is the task now before us. The Secretary-General has, with welcome candour, described the gravity of the crisis, defining it as the most serious in the history of the Organization. Our delegation thanks the Secretary-General for his efforts towards helping to overcome the emergency in the short run. The measures he has suggested will allow the Organization to operate for a time, while the future and more sound structure of its activities are defined. My delegation will join in any decision taken with regard to the Secretary-General's report.

To strengthen the United Nations, to preserve its autonomy and to help the Secretary-General in carrying out his enormous task is our present assignment.

Colombia, a founding Member of the Organization, wishes to pursue these purposes, which will help to maintain peace and consolidate justice among States.

Mr. ALBORNOS (Ecuador) (interpretation from Spanish): Ecuador joins in the expressions of grief over the loss of Mr. Raul Prebisch, a major Latin American exponent of modern economic thought, a promoter of integration, of the setting up of regional and subregional credit associations, as well as of specialists in the economic disciplines, an active proponent of free trade and economic development both in the Economic Commission for Latin America (ECLA) and in the United Nations Conference on Trade and Development (UNCTAD), a true friend of the United Nations whose principles he defended on every occasion, most recently last week, when we heard him focus on the Latin American credit crisis at the meeting held in Mexico by ECLA and the United Nations Development Programme (UNDP). We extend our condolences to the Argentine delegation and to his family.

At the request of the Secretary-General of the Organization, we have been convened at this resumed fortieth session of the General Assembly in order to consider measures to meet the most serious financial crisis in the history of the United Nations.



(Mr. Albornoz, Ecuador)

To judge from the statements by many participants in the debate and the important, high-level statements made at the meetings of the commemorative session on the fortieth anniversary, the vast majority of countries of all regions fully support the world Organization. Therefore, it is not the very existence of the United Nations that is at stake, for its presence on the world stage appears now more necessary than ever.

What is of concern to this resumed session is the financial crisis faced by the Secretariat.

In that connection it was encouraging to hear the representative of the United States, a founding country and the major contributor, say that there was no doubt that the lofty purposes and principles for which the Organization was created were as valid today as they were 40 years ago and that his Government recognized the vital importance of international co-operation and was committed to its improvement.

On the other hand, added to the chronic budget shortfall that has affected the work of the Organization, recent circumstances have made the situation even more critical, especially with regard to the immediate availability of cash for the functioning of the United Nations and the carrying out of its programme of work. The Group of High-level Intergovernmental Experts established by the General Assembly is meeting to discuss the long-term aspects of the problem. Its report, we hope, will offer concrete suggestions so that the Organization's functioning may be tailored to its financial potential in terms both of structure and of operation. What then remains urgent is the short-term problem, which the Secretary-General has described candidly and soberly in his report (A/40/1102).

(Mr. Albornoz, Ecuador)

Nobody is unaware of the harmful effects of the crisis on the Organization. Perhaps our most useful response to defend the credibility and prestige of the United Nations would be to admit frankly that there is room for rationalization and economy measures such as those the Secretary-General has proposed. He has done so with integrity and with a better and closer knowledge of the machinery which is his responsibility and of the traditional procedures, which could perhaps be revised and modernized in many respects. Of course, the principle that contributions to the United Nations should be in accordance with a country's capacity to pay should be the permanent criterion to guide future decisions, with due consideration for the effects of the crisis, the debt and price fluctuations, which have a greater effect on certain countries, especially those from the developing world.

Other austerity measures might be identified and added to those suggested by the Secretary-General. Certainly, organs within the system could propose additional measures. As political support for the Organization, given the critical nature of the current period, the best course would be to adopt the Secretary-General's proposals as a whole, with no changes other than those that result from the discussion in the Fifth Committee and its recommendations on technical aspects.

The sight of the trees in blossom around this building makes us realize that pruning is healthy. But it must be done by those who understand them. Similarly, the Secretary-General's proposals show awareness of what can be done and of his responsibility to see that the proposals will not be detrimental to the system. That is why in accepting those proposals we shall be reiterating our confidence in the Secretary-General and reaffirming our support for the continuing work of the world Organization.

(Mr. Albornoz, Ecuador)

The noble, permanent work for peace is without price. International co-operation for development is without price; the availability of the greatest forum in history for the free expression of the opinions of countries large and small on events affecting the destiny of mankind is without price; the forum for the defence of our freedoms and human rights, such as universal suffrage, freedom of expression and respect for the dignity of individuals and peoples, is without price.

The march of the United Nations in the history of human improvement is irreversible. We therefore trust that our international community will be able to resolve its current financial difficulties.

Mr. CHAGULA (United Republic of Tanzania): First, on behalf of my delegation, I commend the Secretary-General for his timely efforts to apprise us of the financial crisis our Organization has been going through for the past year or so. In fact, the Secretary-General has been warning us of the impending financial crisis since the fall of last year, and he continued to do so through numerous communications during the first quarter of this year.

Although my delegation fully understands the gravity of the financial crisis currently facing the Organization, we believe the situation would not have been as serious as it is if all Member States had abided by the principles laid down in the Charter, which, among other things, obliges Member States to pay their annual assessed contributions without any preconditions. Thus, in our view, the present financial crisis facing the United Nations is political in nature and has been precipitated by the continued unilateral withholding of assessed contributions to the United Nations regular budget by a very few Member States that are also major contributors to the regular budget of the Organization.

(Mr. Chagula, United Republic  
of Tanzania)

It is also the view of my delegation that the unilateral withholding of assessed contributions to the United Nations regular budget is both unacceptable and unconstitutional, and can only be construed as being politically motivated. My delegation thus fully associates itself with the views expressed in that regard by the ministerial meeting of the Co-ordinating Bureau of Non-Aligned Countries in New Delhi last month, by the Chairman of the Group of 77 two days ago, and by the Chairman of the African Group yesterday. It is regrettable that such a political manoeuvre is being directed against the Organization, and my delegation can only hope that its ultimate objective is not to strike at the very core of multilateralism and international co-operation in general through paralysis of the United Nations system.

It is against this background that my delegation finds it necessary briefly to express Tanzania's views on the Secretary-General's proposed measures to achieve savings, as contained in paragraphs 16, 17, 21, 23 and 25 of document A/40/1102 and its addenda, in general, with a view to endorsing and in some cases complementing yesterday's statement by the Chairman of the African Group.

Our general comment is that the Secretary-General's proposed sources of savings would have been more equitable if the proposed cuts or deferment of programmes or sub-programmes had involved the whole United Nations Secretariat and all the United Nations regional Commissions, including the Economic Commission for Europe, which is happily accommodated in the United Nations office in Geneva. Furthermore, the Secretary-General should first have given more consideration to the adverse consequences for programme delivery to developing countries arising from his proposals, particularly their interlinkages, than is apparent from his report now before the General Assembly.

(Mr. Chagula, United Republic  
of Tanzania)

Specifically, my delegation would like to emphasize the following points, most of which were also stated by the Chairman of the African Group yesterday.

First, we are deeply concerned that the Secretary-General has included in his proposals suspension of the construction of additional conference facilities for the regional Economic Commission for Africa in Addis Ababa. The present facilities are pitifully inadequate and outdated for a United Nations regional office which serves 51 Member States, 26 of which are also least developed countries.

(Mr. Chagula, United Republic  
of Tanzania)

Secondly, we are equally deeply concerned by the Secretary-General's proposal that the summary records of the deliberations of the United Nations Council for Namibia and the Special Committee against Apartheid should be discontinued. Given the very clear mandates of both these bodies from the General Assembly and the crucial period we are going through at present concerning both the independence of Namibia and the eradication of apartheid, my delegation finds it impossible to support such a proposal. The effect of such a proposal, if implemented, would be the tragic loss of momentum in the current international pressure on South Africa and in the mobilization of world opinion against apartheid and the racist régime of South Africa, as well as for the independence of Namibia.

Thus, in the light of the views we have just outlined, my delegation very strongly supports the proposal already made by other delegations that the Secretary-General's proposed cost-saving measures should first be subjected to a detailed examination with a view to determining which programmes, sub-programmes or meetings and conferences should be deferred or eliminated altogether and the total consequences for programme delivery and overall staffing levels, both at Headquarters and in the field. This is absolutely necessary if we are to avoid the anomalous situation where we could have staff still employed with nothing to do or where we might still have programmes and sub-programmes but with no staff left to implement them.

In this connection my delegation is gratified to note that agreement has now been reached that the Fifth Committee should meet during this resumed fortieth session of the General Assembly to examine both the technical and the political aspects of the Secretary-General's proposals after it has received the recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) thereon. It is only afterwards that the General Assembly could reach a decision that would be meaningful and globally balanced.

(Mr. Chagula, United Republic  
of Tanzania)

The position of my delegation I have just outlined does not in any way minimize or belittle the possible consequences of the financial crisis currently facing the Organization. On the contrary, Tanzania attaches the greatest importance to the role of the United Nations during its 40 years of existence. The United Nations has so far made an invaluable contribution to the economic, social and technological development of developing countries and has continued to be a formidable force in international co-operation in general. Above all, the United Nations has so far emerged as being the only forum for discussing and negotiating important political and economic issues, as well as for resolving regional and international conflicts.

In this regard we wish to urge Member States in particular and the international community in general to rally behind the United Nations and forestall the impending danger that has come about as the result of cumulative financial arrears owing from a significant number of Member States, and, more importantly, due to the present withholding of assessed contributions to the United Nations regular budget by some of the founding Members of this important Organization. Document A/40/1102/Add.2 shows clearly that we can forestall this impending danger, and my delegation would like sincerely to congratulate the 24 Member States which, as at 25 April 1986, had managed to pay both their 1985 and 1986 assessed contributions to the regular budget of the United Nations, and the 13 Member States which, as at the same date, had managed to clear all or part of their assessed contributions for the years prior to 1986.

In spite of the economic difficulties Tanzania is currently facing, my delegation nevertheless pledges that between now and the beginning of the next regular session of the General Assembly Tanzania will endeavour to clear all its 1985 and 1986 outstanding contributions to the regular budget of the United Nations.

(Mr. Chagula, United Republic  
of Tanzania)

To conclude, we are confident that the General Assembly will finally reach a decision aimed at achieving the financial soundness of the Organization, both on a short-term and on a medium and long-term basis. We also hope that the Group of High-level Intergovernmental Experts will come up with comprehensive recommendations on the budgetary and administrative problems that have hitherto hindered the smooth operations of the United Nations.

My delegation would like to thank sincerely all those delegations or groups of delegations that have made constructive proposals to assist the General Assembly in finding a lasting solution to the financial crisis our Organization is currently facing.

Mr. MOSELEY (Barbados): Before I enter upon the main subject of my brief statement, I would crave the Assembly's indulgence to record the sincere sympathy of my delegation with the family of the late Mr. Raul Prebisch and with his native country. The work of Mr. Prebisch, especially in connection with the work of the Economic Commission for Latin America (ECLA) and the United Nations Conference on Trade and Development (UNCTAD), is a lasting monument to the contribution Argentina and Latin America have made to the noble purposes of the United Nations.

My delegation wishes too to extend to the people of the Ukrainian SSR sincere sympathy in connection with the recent accident to a nuclear reactor. When a great work of mankind comes to disaster by accident, then across all borders of land, of sea and of ideology men of goodwill share in the grief born of that tragedy.

It is ironic that in the midst of celebrating the fortieth anniversary of the Organization - amidst the numerous expressions of support for the United Nations and respect for the Charter - we should have had to resume the session to consider the "Current financial crisis of the United Nations". It is even more ironic that the crisis is in large measure the result of action taken by, or expected from, one or the other of the two Member States that are privileged to make the largest



(Mr. Moseley, Barbados)

contributions to the Organization. It is all the more ironic that these Member States have resorted and have given notice of resorting in the future to unilateral decisions to withhold payments - an action that was in no way envisaged in the Charter, which these same Member States played no small part in drafting.

I am minded to think back to childhood games and to occasions when the owner of some vital part of equipment frustrated at not having his own way pockets his equipment and sulkily makes off home.

In this arena there is no room for such petulance. The stakes in the game are much too high. We must all play by the rules or we will all in the long run suffer the consequences.

Without appropriate remedial action the consequences as outlined in the Secretary-General's report on the current financial crisis of the United Nations would be unacceptable to my delegation. The future and the viability of our Organization must not be put in jeopardy as a result of the political whim of any State.

(Mr. Moseley, Barbados)

My delegation, like those that have preceded us in this debate, welcomes the initiative taken by the Secretary-General. We would have no difficulty in accepting the package proposed in the Secretary-General's report on the basis of the recommendations of the ACABQ. However, as in the case of some other delegations, we would wish to be informed as to the basis on which some elements of the Secretary-General's package have been formulated. The meetings listed in part A of annex IV seem to have been chosen very carefully, but on what basis?

These are desperate times; this is not the time to quibble. My delegation can live with the Secretary-General's package. Like the ACABQ, we look forward to more comprehensive proposals at a later date, and we are particularly interested in ensuring that the Organization enters 1987 in a healthier state.

In this respect the onus rests with us, the Member States. Let us make 1986 the year for the liquidation of debts. Arrears should be wiped out; withholdings should be released; current payments should be paid with as little delay as possible. Whatever one might say by way of criticism of the major contributors who arbitrarily withhold or reduce contributions, it must be admitted that few contributors can be encouraged to continue their contributions when others are persistent defaulters.

My delegation does not believe that any delegation, large or small, wishes to see, let alone contribute to, the demise of the United Nations. It is plain that individual Member States and groups of Member States have very clear concepts as to how the Organization should function. In the final analysis it is the conflict of these concepts that has led to the impending paralysis of the Organization. Let us always bear in mind that to maintain a position, however strongly held, or to pursue a principle, however deeply felt, to the detriment of the Organization is to defeat the very purpose for which the United Nations was founded 40 years ago.

(Mr. Moseley, Barbados)

On the other hand, if my delegation's assumption is false, and if indeed there are some who would wish the demise of the Organization, it might be well for such persons to say so. It has been well said, "You take my house if you take the prop that doth sustain my house". It seems to us that the arbitrary withholding of contributions will in the long run inevitably destroy this house.

The Secretary-General has done and is doing what he can to overcome the crisis. He has assured us that he will continue to do so. In his report he has warned us that

"The concerted efforts of Member States will be required, acting in accordance with the principles of the Charter, on behalf of a strong United Nations which can serve the vital interest of all". (A/40/1102, para. 6)

Let us not desert the Secretary-General and his valiant efforts. Let us not damage our Organization and nullify the good it can continue to do, but above all let us not disappoint succeeding generations and condemn them to a world ravaged by the scourge of war, a fate from which the United Nations was designed to preserve them.

Sir John THOMSON (United Kingdom): It had not been my intention to make a speech in this debate. My Government's position was set out by the Netherlands representative speaking on behalf of the Twelve. I had hoped that by this time, on Thursday afternoon, the Chairman of the Fifth Committee would have been able to report to us that there was a general inclination, with whatever reluctance, to support the proposals of the Secretary-General to deal with the immediate financial crisis, and if that had happened by this point I would not be making this speech. But since we do not yet know the outcome of the deliberations in the Fifth Committee, and since we are, perhaps rather strangely, discussing precisely the same subject in two places in this building at the same time, I feel it is right to bring to this, the main body of the United Nations - the plenary, to which this

(Sir John Thomson, United Kingdom)

item was assigned - some considerations which, though they overlap what has already been said, are not quite the same as were put forward in previous speeches.

We are certainly in a predicament. It is a common predicament. It is something that is a problem for all of us, big and small, perhaps greater for the small ones, perhaps greater for the developing countries, but I think equal for all of us who care about the future of the United Nations - and the future of the United Nations is crucial for all of us.

This predicament certainly has political dimensions, as a number of people have said. It would be foolish to neglect them; the Secretary-General has drawn our attention to them, the Chairman of the Group of 77 has drawn our attention to them, and many of the speakers we have heard in the four days of this debate have drawn our attention to them.

I believe that in this political circumstance, as in other political circumstances, it is right for the United Nations to try to grapple with the political roots of our difficulty. They are difficult; we probably will not solve them immediately, just like many other difficult problems that we have not solved quickly. But we should not neglect them. We should grapple with them.

But, having said that, I must say bluntly - and I do not think anyone will take this amiss - that my Government, like several other Governments, has told the Government of the United States that if it continues on its present course it will be in breach of its international obligations. Similarly, we have told the Government of the USSR and indeed other Governments - I am thinking of others on the list of 18 - that they are already in breach of their international obligations.

(Sir John Thomson, United Kingdom)

It is really not acceptable for a world body which is set up to create and maintain standards internationally, which are to be the same for all members - and I endorse what the Chairman of the Group of 77 said about the principle of sovereign equality being at the heart of the United Nations - it is not acceptable, and it is not right, that the super-Powers should be setting such a poor example. But though the situation is regrettable and must be corrected by all fulfilling their obligations, nevertheless we are faced with a set of hard and actual facts. These facts are set out in the Secretary-General's report of 12 April and in his statements of 28 and 30 April, and I will not rehearse them, but beyond doubt we are faced with a crisis. It can be defined in different ways. For my own part, I would say there is the immediate crisis, there is the crisis of the near future and there is the crisis of the longer-term future.

To take the latter first, I have heard many people in this debate express great hope and confidence in what will come out of the deliberations of the Group of 18. My delegation shares that hope and confidence, but let us remember that the remit we gave that Group of 18 was only limited. It was to improve cost efficiency, it was to improve efficiency generally, it was to look at budgetary procedures, and so on, but it was not to solve our financial crisis. What they produce, I profoundly hope, will make some contribution to solving the financial crisis but we should not delude ourselves into thinking that we have asked them to solve the financial crisis or that what they can do will by itself solve the financial crisis.

Having done nothing myself to solve the longer-term financial crisis, I will now move to the immediate crisis. This is dealt with succinctly and vividly in the Secretary-General's statement of 30 April, as, indeed, in his other pronouncements. I should like to quote two passages:

(Sir John Thomson, United Kingdom)

"I hope it is clear from these remarks that the immediate financial crisis of the United Nations can be managed without bankruptcy this year. But this will be possible only if the Assembly at this session approves economy measures yielding some \$30 million in additional savings and if there is a further response to my call for the provision of additional funds either through more arrears payments, voluntary contributions or advance payment by Member States of part of their 1987 assessment." (A/40/PV.127, pp. 11-12)

My delegation gives its whole-hearted support to the Secretary-General, but I am bound to say that we find those two "ifs" in the passage I have just read on the whole rather optimistic.

We are inclined to doubt some of the assumptions made in the Secretary-General's paper of 12 April. We are not sure, by any means, that the amounts of money mentioned will come in the timeframe mentioned. We would have liked to have seen a bigger package, but we would be prepared to compromise, and I now come to the second quotation from the Secretary-General's statement of 30 April:

"I should like to say a final word of caution with regard to the package of economy measures I have put to this Assembly. It constitutes a fragile balance. Certain measures will be found objectionable by one or more Member States, while different measures will be found equally objectionable by others. We have sought to apportion the curtailments as reasonably as possible among programmes and activities. It will be extremely difficult to achieve the requisite savings if the balance is upset." (Para. 12)

My delegation would like to have seen a different balance and a larger package, but in the light of the Secretary-General's plea that I have just read, we would be prepared to go along with his proposals. We are strengthened in this view by the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), and in this respect I listened with approval to my immediate predecessor

(Sir John Thomson, United Kingdom)

at this rostrum, the representative of Barbados, who said, if I recall correctly, "this is not a time to quibble."

I stress that what I have been saying in the last couple of minutes deals only with the immediate problem. There is also the problem of the near future. This is dealt with in very general terms in paragraph 27 of the Secretary-General's report. Here he says:

"It must be emphasized that the above proposals were not designed to solve the underlying problems concerning the Organization which require agreement on the fundamental issues referred to earlier in this report. They were drawn up to generate short-term savings in order to help alleviate the immediate and critical cash flow situation, and in so doing provide more time for comprehensive consideration and action by Member States in addressing the fundamental issues." (A/40/1102, para. 27)

More time, yes, but not much more time. The less we do now the more we will have to do in the near future, and the near future really starts next week. We shall have to take another set of decisions in September or October of this year at the latest. This means that the Secretariat will have to start putting together the next package virtually at once. It is my hope that in putting together a new package the membership can be widely consulted and that the matter can be discussed fully and widely before it comes to its final form, but there is no doubt that we have an active programme in the immediate month and decision-taking in, as I say, September or October.

This crisis is not only about whether the United Nations has the dollars in its coffers to pay its employees at the end of the month, serious though that is. This crisis is also, to some extent, about the image of the United Nations. There are a lot of people in the world who are disposed to write us off as a talking

(Sir John Thomson, United Kingdom)

shop, who are disposed to think that the United Nations does nothing much but quarrel, produce resolutions that are of no effect and that, in short, it never meets on time and never completes anything on time. It would be sad if we did not do the job we have been called together to do this week on time.

Last December the Secretary-General warned us that he was probably going to have to call a resumed session. In March he called it. On 12 April he issued his report.



(Sir John Thomson, United Kingdom)

We have had adequate warning. We have had time to study the report; we have had time to get instructions from our capitals, as indeed I have. And it would be bad for our reputation, for the reputation of the United Nations, if we cannot do what we set ourselves to do this week.

I have heard rumours of people wanting to go on into next week and - who knows? - beyond that. I would not like it to be thought that the emblem of the United Nations was an ostrich, with magnificent feathers but with its head in the sand. I think that what we are doing now is part of the record on which the world's population will judge our effectiveness and usefulness.

Therefore, I would like to see the following come out of this debate in plenary: we should come to a conclusion tomorrow - as I say, for the sake of the reputation of the United Nations if for no other reason. We should come to that conclusion by consensus, if we possibly can. We should support the Secretary-General's present proposals. Perhaps they please no one. That may be their merit. For some, they are too extensive; for others - including my delegation - they do not go far enough. Here, I must quote what the Ambassador of the Netherlands said, representing the position of the Twelve. He stated:

"In recognizing the difficult and sensitive nature of the review, the Twelve have to say that, in their view, the reductions must be sufficient to meet the entire shortfall. However, given the current situation, the Twelve, in a spirit of co-operation, hope that the Assembly will be able to concur in the results of that exercise, as detailed in paragraphs 21 to 25 of the Secretary-General's report. Difficult times require assertive and dynamic leadership. The Secretary-General is in the best position to determine the measures necessary to alleviate the immediate crisis, and we expect that he will continue to use his authority to carry them out. In the view of the Twelve, the outcome of this resumed session should determine to what extent the

(Sir John Thomson, United Kingdom)

Secretary-General need pursue the exercise of identifying further cost savings in the months ahead. To this end, the Twelve believe that this resumed session of the General Assembly should request the Secretary-General to make proposals through the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for further economies to meet the shortfall, should it prove higher than envisaged in document A/40/1106." (A/40/PV.124, pp. 17, 18)

I have said we should support the Secretary-General's present proposals. I think we must go further and recognize that those proposals deal only with the immediate problem, and we should ask the Secretary-General to prepare further proposals for consideration at the forty-first session of the General Assembly.

We should also think of how we can make other improvements which show that we are running our affairs sensibly. I am thinking in particular of the measures contained in the report of the meeting of past Presidents under the auspices of the United Nations Institute for Training and Research (UNITAR), held, if I recall correctly, in June of 1985. There were some very sensible and well-thought-out proposals put forward by the past Presidents, and I think it would be of general benefit if we could adopt them.

Next, we should continue to insist that all Member must live up to their obligations, and here I quote again from the statement made on behalf of the Twelve:

"It must be pointed out that the responsibility for any possible detrimental effects of such measures must lie with those Member States whose actions have created the crisis. They should ultimately be held accountable."

(A/40/PV.124, p. 18)

But, as I said earlier, we have to face the facts as they are, we have to do something now. And now, I think we should all join together in sacrificing something for the sake of the future of the United Nations.

Mr. PABON GARCIA (Venezuela) (interpretation from Spanish): Allow me first to join the voice of Venezuela to those of the other countries that have paid tribute here to the late Raul Prebisch, whom we deeply loved and admired. We know that the legacy of his work, both in his native country of Argentina and in the Latin American region through his work in the Economic Commission for Latin America (ECLA) and the Latin American Institute for Economic and Social Planning, and at the international level in the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) - as well as, indeed, in the United Nations system as a whole - will live on because of his invaluable contributions to the cause of co-operation and international economic development.

It is a sad coincidence to note that we are honouring here the memory of a man who so believed in and fought for the United Nations at the very time when the Organization is forced to meet to consider the so-called financial crisis that threatens to undermine the foundations of its very existence.

We also wish to convey to the delegation of the Union of Soviet Socialist Republics our grief at the loss of human life and the material damage caused by the accident at the Chernobyl nuclear facility in the Ukrainian Soviet Socialist Republic.

Venezuela, a founding Member of the United Nations, has always viewed with the greatest interest and concern problems - in this instance financial - that could have a negative impact on the Organization.

We deplore the fact that a number of countries are damaging the United Nations by arrearages in and even by threats deliberately to withhold their assessments, in open violation of the Charter, specifically Article 17.

(Mr. Pabon Garcia, Venezuela)

While we consider our own assessment unfairly high, given our real ability to pay, we are willing to comply with the obligation fixed by the General Assembly and to pay our entire assessment for 1986, possibly before the end of next month. Venezuela has no payments outstanding from prior years.

With regard to the Secretary-General's report, we believe that it should be considered as a whole and as an effort undertaken with the best of good faith to bring the United Nations out of the present impasse. Therefore, we feel that the measures set forth therein could perhaps be modified minimally, and the General Assembly should proceed to authorize granting his requests, several of which have also been recommended by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), without detriment to the implementation of the Organization's most important programmes and activities.

(Mr. Pabon Garcia, Venezuela)

But as the Secretary-General himself said in his statement here, we should not forget that the emergency measures are only to alleviate the crisis this year, in the short term, and can in no event be considered to be permanent or to remain in force indefinitely. If that happened - and I shall use as an example the freeze on recruitment, which we view with concern - the United Nations would be in a state of continuous limitations and reductions. I do not think that outcome would be desired by any delegation.

Hence, we cannot lose sight of the fact that we are facing a longer-term structural problem which will have to be considered by the General Assembly at its forty-first session. The Assembly will have to seek ways and means to enable the Organization to continue living and growing, within healthy and effective limits. To that end we shall need to mobilize the necessary political will so that all States will contribute to the Organization in a prompt, secure and predictable way.

Venezuela will be willing to co-operate in that debate in every way within its means in order to seek fair solutions acceptable to the great majority of States. In that regard, we understand that every country has obligations in proportion to its wealth, power and position in the international community. Thus, any possible revision of the way in which mandatory assessments are determined must include that element of "distributive justice" on the international level. In practice, that means that we shall have to ask for a greater effort from the industrialized countries and that the additional sacrifices which may be required of developing countries will have to be smaller. There is a widening gap between North and South, and this cannot be ignored.

For example, in the spirit of the Secretary-General's statements published in the press earlier this week, we believe that one approach the Assembly might consider would be to request permanent members of the Security Council to accept a proportional increase in their respective assessments, which would keep the sum of

(Mr. Pabon Garcia, Venezuela)

the contributions of those five countries at a greater proportion of the total. In that respect, we would recall that the present sum is 47 per cent of the total, a figure which has certainly been decreasing gradually. A ceiling could be established so that none of those five States would contribute more than a given percentage.

The complement of this would be that the remainder would be divided among the other States Members of the Organization as usual, that is in proportion to their respective national incomes. An individual ceiling could be established for the countries in this group as well, in terms of a percentage of the total.

That would meet the objective of no country being able individually to harm or exert pressure upon the Organization. Moreover, the relatively rich and large countries could consider setting up an ongoing system of consultations among themselves in an effort to agree voluntarily on maintaining their respective contributions above a certain minimum level. That would give the Organization enormous peace of mind and security.

But my delegation knows that it is getting into matters that cannot be considered this week, but which should be discussed at the forty-first session of the Assembly and which are more directly related to the long-term structural problem to which we have referred. Thus, we view with great interest the proposed establishment of a working group of the whole, which could examine these and other questions between now and the forty-first session and which could act as liaison with the expert Group of 18, which will doubtless be able to submit interesting and very valuable recommendations for consideration by this Assembly.

The PRESIDENT (interpretation from Spanish): We have heard the last speaker in the debate on agenda item 150.

The meeting rose at 5.25 p.m.