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Held at Headquarters, New York,  
on Wednesday, 30 April 1986, at 3 p.m.

President: Mr. DE PINIES (Spain)  
later: Mr. MOSELEY (Vice-President) (Barbados)

- CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS [150] (continued)
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  - (b) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS
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- CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS [150] (continued)
  - (a) REPORT OF THE SECRETARY-GENERAL
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The meeting was called to order at 3.30 p.m.

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)

The PRESIDENT (interpretation from Spanish): I should be grateful to representatives for their understanding if we begin the meeting with a small number of representatives present, but I think they will be aware that the Fifth Committee is about to meet, and it is logical that a large number of representatives need to be present in that Committee.

Mr. RODRIGO (Sri Lanka): Permit me at the outset on behalf of my delegation to pay a tribute to the memory of Mr. Raul Prebisch, former Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and Executive Secretary of the Economic Commission for Latin America (ECLA). His vast contribution to the field of development economics and his commitment and dedication to the improvement of the position of developing countries is part of contemporary history. Through the Argentine delegation I should like to extend our deepest condolences to the family of Mr. Prebisch.

It is a sad irony that so soon after the commemoration of the fortieth session of the United Nations, on which occasion lofty commitments to the purposes and principles of the Organization were so eloquently made, the Secretary-General has been constrained to reconvene the fortieth session in somewhat more sombre circumstances to consider a crisis situation which seems to threaten the viability of the United Nations, financial as well as otherwise. Sri Lanka commends the Secretary-General for his practical sense of realism, which, even in the midst of the euphoria which followed the commemorative session, alerted him in mid-December

(Mr. Rodrigo, Sri Lanka)

of last year to sound a note of warning about the aggravation of a long-standing financial problem.

Clearly matters have come to this state of affairs as a result of the failure on the part of certain Member States to fulfil financial obligations freely contracted by them under the Charter, some for reasons not financial. Since the Secretary-General's report on the financial crisis was released, and in response to his appeals, payments of arrears by some States, voluntary payments by others and welcome decisions to support certain peace-keeping operations have helped to reduce the amount originally assessed as constituting the shortfall. Taking into account the statement made by the Secretary-General this morning, the deficit in the short-term, given certain expected payments and economies, would now be about US \$54 million, excluding the implementation of the proposals in the Secretary-General's report.

The individual amounts being withheld for financial or other reasons are for the most part hardly beyond the capacity of the Members concerned to pay. The financial crisis must be placed in proper perspective. The total amount of the estimated shortfall is now less than the expenditure consumed in the arms race in a 30-minute period. It seems incredible, therefore, that we should virtually mortgage the peace and security of the world for a sum of this nature. If the United Nations is to falter, let it not be for \$50-odd million.

Sri Lanka is among the score or so of countries that have paid in full assessed contributions for 1986 and the preceding years. We do not mention this with any feeling of smugness. Our contribution is admittedly among the smallest in the Organization, but it is in keeping with our modest economic circumstances and therefore no less heavy than the contributions or more affluent Members, given the latter's relatively more comfortable situation. All of us share the expenses of the Organization as apportioned by the Assembly. From this flows our belief in the

(Mr. Rodrigo, Sri Lanka)

sovereign equality of States and rejection of the notion that some countries, by virtue of higher payments, are more equal than others.

In the final analysis payments to the United Nations are investments in peace and stability, investments for development and progress. We are all shareholders in an enterprise for international co-operation. For Sri Lanka, as for all Member States whether or not they care to concede it, the yield on the investment is incalculable in any terms. Similarly, for the Namibians, for the Palestinians and the people of South Africa fighting for freedom and independence, the United Nations remains the central forum in which they pursue international efforts to win their just rights. For small independent States, the United Nations remains, however imperfect, the central organization that helps preserve national sovereignty and independence and offers security from external interference and intervention.

In his statement at the fortieth commemorative session, the Secretary-General described the challenge of the United Nations to hammer out agreements from differences and to harmonize the actions of nations in the attainment of their common ends. If agreements hammered out in the United Nations on many vital issues remain unimplemented, the fault, dear delegates, lies not in our Organization, but in ourselves and in our undermining of the Organization. No single national viewpoint should seek to dominate or exclude others in this forum.

(Mr. Rodrigo, Sri Lanka)

I need hardly repeat what tongues more eloquent than my own recited from this very podium during the somewhat happier occasion of the fortieth commemorative session. More recently, in the last two days, the representative of Yugoslavia, who spoke on behalf of the Group of 77, and the representative of India, who spoke on behalf of the Movement of Non-Aligned Countries, listed the benefits for mankind that have flowed from the United Nations in the last four decades.

Virtually every speaker has echoed what the Secretary-General said on Monday in his opening remarks at this resumed session that "the present crisis ... is also - and above all - a political crisis" (A/40/PV.124, pp. 4 and 5). The report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) refers to the "underlying political difficulties" and warns that unless steps are taken to resolve this difficulty, financial crises must be expected to recur time and again.

This resumed session is called to look at the immediate short-term problem, while the long-term dimension is to be considered during the forty-first session when we will have for consideration, inter alia, the report of the Group of High-level Intergovernmental Experts established by the Assembly. The same, basically political factors, will run through the short-term as well as the long-term analysis and it is relevant to project our comments ahead to the future as well.

At the Non-Aligned Co-ordinating Bureau meeting in New Delhi barely a fortnight ago, Ministers expressed concern over the increasingly frequent attempts to weaken and curtail the role of the United Nations system in international affairs - attempts motivated by a misguided desire to discredit multilateralism and pursue unilateral approaches often of a myopic nature.

Regrettably, some sections of the international media, including pseudo-intellectual journals, have over-simplified matters, often through ignorance

(Mr. Rodrigo, Sri Lanka)

but sometimes by design, to project a misleading image of the Organization among the general public. For example, the failure to place the scale of the total financial outlays of the United Nations in correct perspective in relation to its proven achievements is one aspect of this. In a vicious circle, all this has only helped to serve the interests of the very elements that seek to reduce, if not eliminate, the role of the United Nations in inter-State relations.

The Secretary-General must be commended for the manner in which he has covered about a third of the deficit through measures undertaken under his own authority to rationalize United Nations operations. As the chief administrative officer of the Organization, he will no doubt continue to play a pivotal role in restoring the financial viability of the United Nations. Sri Lanka will support his efforts.

The Secretary-General has also proposed a number of other measures, including those relating to the 1986 calendar of meetings and records for such meetings, in order to bridge remaining deficits. These proposals deserve our most careful consideration and we have every confidence that a satisfactory solution can be reached without undue damage to significant activities and programmes. As I speak, the Fifth Committee is convening to clarify and consider these issues further.

I hope I am not being too naive if I sense already a mood of anti-climax as far as the problem of the immediate deficit is concerned. Be that as it may, if at the end of this exercise our urgent short-term crisis can be defused, there will still, nevertheless, be no room for complacency.

The fundamental political causes underlying the crisis will not have passed. The recommendations of the Group of High-level Intergovernmental Experts are awaited. Political and other priorities will need to be probed and settled to the satisfaction of all, if a viable, sound financial basis for the future is to be built. Balanced assessments and careful, just decisions will need to be taken

(Mr. Rodrigo, Sri Lanka)

through co-operative dialogue. The entire membership must individually and collectively honour commitments to the Charter to which we are all bound. Article 17 and the principle of collective responsibility for meeting the costs of the Organization must be adhered to. The random withholding of assessed contributions - "a la carte financing" as it was well described - will hamper the Organization's financial viability and restrict as well as damage its political and economic role. This will gravely affect the interests of every Member of the United Nations, major and minor contributor alike. It is in our common interest to invest in the Organization - financially as well as politically.

Mr. CESAR (Czechoslovakia): The Czechoslovak Socialist Republic highly appreciates the United Nations as an irreplaceable instrument for considering and resolving the most pressing international problems in their broadest spectrum - questions concerning disarmament, hotbeds of tension, the elimination of colonialism and neo-colonialism, and economic, social and legal matters. When solving them, the Organization has been more than once put to serious tests and exposed to fluctuations and difficulties. Now we are discussing the financial problems of the United Nations which have, however, a direct bearing on the potential of this universal Organization in the political field.

Our delegation is convinced that nobody has any doubts about the need to develop United Nations activities in the political and security-building spheres and to pursue in greater depth and with increased flexibility broad co-operation in the economic, social, legal and humanitarian fields. In the current financial situation of the Organization these goals can be achieved only by means of providing for greater efficiency in the Organization's work and turning to account all existing room for improvement.

(Mr. Cesar, Czechoslovakia)

Czechoslovakia belongs to those Members of the Organization which have pointed out more than once the need for a more economical, efficient and prospect-oriented budgeting. Yet our proposals and demands did not involve any restrictions of the political functions of the United Nations entrusted to it by the Organization's Charter. The same attitude underlies our present approach to the solution of the current financial problems of the Organization. It is our opinion that those problems can and must be solved without any negative effects on the need to discuss topical political questions concerning our international community. This conclusion is strongly supported by the fact that many Member States of the United Nations have realized the importance of averting financial problems and have readily forwarded to the United Nations contributions which would have otherwise been paid at a later stage. The understanding on the part of those States of the need to provide for the proper functioning of the Organization is to be commended.

There is a sharp contrast between that approach and the unilateral decision of the host country to default in the fulfilment of its contributing obligations this year. This decision of the Government of the United States can be regarded, given the circumstances, as nothing but an attempt to provoke a financial crisis, to be followed in the natural order by a political crisis of the United Nations.

It is our opinion that trying to close one's eyes to the direct consequences of the political decision of one country amounts to casting a haze over all our deliberations. Proper solutions of the problems require a distinct exposure of their causes. In this connection, let me quote from The New York Times of

27 April 1986:



(Mr. Cesar, Czechoslovakia)

"The fund reduction is one of a series of American moves reflecting hostility toward the United Nations and some of its Members. Among the other steps were the United States withdrawal from UNESCO in 1984 and its recent order that the Soviet missions in New York reduce their United Nations staffs by one-third."

(Mr. Cesar, Czechoslovakia)

Such a policy is certainly not in harmony with the purposes and principles of the United Nations Charter. It is far from a responsible approach to the solution of the problems facing the international community.

The solution of the financial problems of the United Nations should be sought primarily by making use of the still-existing room for improvement in the Organization's work. We do not regard that task as one single act. It is a matter that has to be paid constant attention, and that requires the involvement of the whole of the Organization. It is consistently necessary to see to it that individual organs deal only with activities that fall within the competence entrusted to them. There are cases of overlapping agendas and inefficiency in the use of working time at sessions of United Nations bodies, and so on. However, rationalization measures should not restrict the needed political discussion, nor would it be advisable to limit the production of records of meetings of individual bodies, since those records are of considerable political and practical importance.

As to the duration of sessions of individual bodies, it is our opinion that that must be determined according to specific needs. In no case can we agree to allowing the needed austerity measures to cause postponement or cancellation of certain significant conferences, such as those dealing with disarmament, the Indian Ocean, sanctions against South Africa or the situation in Namibia.

The measures adopted by the Secretary-General in respect of Secretariat personnel testify to the fact that there exist substantial possibilities of achieving real, fairly high savings. We consider it necessary to make a comprehensive, in-depth analysis, particularly with a view to getting rid of agenda items that are no longer topical, eliminating overlapping and duplication of the duties entrusted to other United Nations organs, and preventing purposeless work, or work that serves the purposes of the United Nations only in rather far-fetched,

(Mr. Cesar, Czechoslovakia)

indirect ways. It is also necessary to consider in a responsible manner whether the present tasks of the United Nations do not require a certain reorganization of the Secretariat, which might produce, among other things, substantial reductions in the numbers of personnel. Czechoslovakia, as one of the countries whose representation in the United Nations Secretariat is far below quota, regards the solution of personnel problems through a recruitment freeze as neither just nor promising. That measure exacerbates the situation of under-represented countries and favours, in a totally illogical manner, the over-represented countries whose nationals work on the basis of permanent contracts. We cannot agree, therefore, to the recruitment freeze announced on 20 March 1986. We wish to recommend an immediate revocation of the freeze in the case of under-represented countries and the adoption of such personnel-related measures as would provide equal opportunities for all Member States in the sphere of recruitment to posts in the United Nations Secretariat. At the same time, it is necessary to seek ways to achieve an equal degree of interest in effective working results on the part of Secretariat personnel with both types of contracts, permanent as well as temporary.

The report of the Secretary-General on the current financial crisis of the United Nations (A/40/1102) offers a wide range of possibilities for overcoming existing financial problems. We appreciate the responsible approach to the solution of the issue, especially in those cases where concrete savings have already been achieved in the Secretariat. We shall support the adoption of certain limiting measures that will not entail a decrease in the importance of the activities of the United Nations. We reject those proposals for savings that disregard the urgent needs of the international community.

Czechoslovakia will co-operate in a constructive manner with other Member States in the solution of the financial problems currently faced by the United

(Mr. Vraalsen, Norway)

However, while appreciating these positive developments, we are somewhat held back by signals of a different kind. My delegation is afraid that because of presentation some have been led to believe that, thanks to the relative improvement in the cash-flow situation, the emergency is over. The analysis presented in the documents before us might be confusing to a certain extent, and clarifications might be needed. But whatever the situation, I feel it necessary here to strike a note of caution: the financial problems of the United Nations remain very much a reality. In whatever way we may play around with the figures, in whatever way we may add or subtract, it is a matter of fact that the Organization will, even in a best-case scenario, face a considerable shortfall in funds in 1986 due to anticipated withholdings. And these withholdings will hit us hard as there are no reserves to cushion the effects. The reason is that all the reserves were depleted as of December of last year due to withholdings accumulated over a long period.

At this point we should bear in mind that the Secretary-General bases his calculations of estimated income for 1986 on assumptions which at best can be described as extremely fragile. The premise that all Member States will pay their assessed contributions in full in 1986 seems to my delegation - however much we should like to believe it - too good to be true. The cash-flow situation might in a few months' time become much more difficult and precarious than is projected in the Secretary-General's report. It goes without saying that the cash-flow situation needs to be monitored closely from now on, and it would be helpful to the Secretary-General and his staff if Member States would let him know precisely when their dues will be paid.

In his report the Secretary-General states that the crisis we are facing is above all a political one. My delegation, for one, fully accepts his judgement. It is a political crisis arising from disregard of obligations flowing from the Charter and from lack of agreement among Member States on such fundamental issues

(Mr. McDowell, New Zealand)

in political terms - the two most powerful Members, in particular - are those whose financial withholdings most threaten its integrity.

One of those Members has been withholding funds for over two decades. We have had to face several of these crises over the years because the Soviet Union departed from its Charter commitments at an early stage and is now heavily in debt to the Organization. The United States has met its financial obligations in full until recently. It is now in arrears; it is promising to become more so.

We understand some of the frustrations expressed by the United States representative this morning, but we cannot condone the reaction. We say to all those owing funds to the Organization that adherence to the Charter cannot be partial or optional. Any disregard of any part of the Charter puts at risk the whole. This applies to all Members. It applies with particular force to those which exercise the privileges and powers of permanent membership of the Security Council.

(Mr. McDowell, New Zealand)

We simply cannot go rummaging about among the principles and obligations laid down in the Charter like shoppers in a second-hand clothes store, picking up those pieces we like, rejecting those we do not. The Charter is not a bazaar.

Let us not forget that others with much fewer resources have had to shoulder the burden set aside by the defaulters. It is quite outrageous that a small country in the South-West Pacific, like Fiji, which has selflessly recruited, trained and despatched troops to distant Lebanon for several years and which has paid for it dearly in lives lost, has also had to bear a heavy financial burden for its internationalism. That is one of the unacceptable consequences of withholding assessed contributions.

My country believes in this Organization. With all its warts, the United Nations does, as Prime Minister David Lange said at the commemorative meetings of the fortieth session,

"give the peoples of this earth more freedom than they ever had; it actively discourages the use of force by the large against the small; its Charter still offers the best hope of substituting the rule of law for the destruction of war". (A/40/PV.48, p. 56)

It follows that it is in the interests of small countries like ours to ensure that the financial crisis does not threaten the existence and the effectiveness of the Organization. We want to see the United Nations preserved and strengthened, not weakened. We small States, more so than the large or even the middle-sized, have the most to lose if the crisis is not resolved, so we must actively seek a way forward.

The first step, it seems to us, is for all Members, and particularly the larger Members, to honour and fulfil their Charter obligations. We must not lose sight of that fundamental point.

(Mr. McDowell, New Zealand)

Beyond that, we are not such blind supporters of the United Nations as to imagine that it is without blemish. The fact is that we, the Member States, have the sort of Organization that we collectively deserve. It has become increasingly unwieldy and wasteful both of funds and of the skills of the people it employs. There is serious duplication of activities. Outdated and often irrelevant programmes and groups continue without adequate review. There are too many staff in many sections of the Secretariat. There are extravagant conditions of employment that have been jealously protected.

While those in authority in the Secretariat over the years cannot be absolved from blame for this state of affairs, it is we, the Members, who are the chief culprits. We have not been prepared to come together and agree that the original reason for setting up this programme or that bureau having been substantially realized, the programme or bureau in question should now be abolished. Not all of us have respected the provisions of Charter Articles 100 and 101 regarding the conditions which should govern the employment of staff. Some have put unreasonable pressure on senior Secretariat officers in pursuing their national interest as they perceive it. And we, the small States, have not succeeded in overturning the quite anomalous situation where this part of the Secretariat or that has become the de facto preserve of one large country or another, contrary to repeated resolutions of this Assembly.

What we are saying is that while we do not like the way in which the present situation has developed, the crisis does provide an opportunity, properly and prudently handled, for the United Nations to emerge as a more streamlined, more responsive, more balanced and better managed outfit.

It was for that reason that New Zealand was a sponsor of the resolution establishing the Group of High-level Intergovernmental Experts to look at the functioning of the United Nations. Together with South Pacific Forum friends and

(Mr. McDowell, New Zealand)

neighbours, we shall be putting up to the Group some specific ideas for streamlining and reform. But we cannot expect that the high-level Group somehow will solve all the long-term issues by itself, encouraging though the reports are about how it is progressing. Eventually the membership as a whole will have to work out a package covering a whole range of structural, procedural, programme and personnel matters. This resumed session will have made an additional useful contribution if speakers provide ideas and thoughts to the high-level Group on some of these points.

In the meantime, where are we to go from here in this session? I have to say at once that my delegation agreed with much of what the Yugoslav Ambassador said yesterday about the nature and origin of the present situation and its significance, in his words, as a crisis of multilateralism. He was right to wonder about the extent of the severity of the crisis. We too have taken note of the contributions that have been made by Member countries through early payment of assessed contributions, through payment of arrears and through special contributions. These will all help meet the shortfall. We too were forced to examine whether there is now scope for this Assembly to consider something less by way of remedial measures than those contained in the package originally put forward by the Secretary-General. But the Secretary-General answered that question, answered those doubts, this morning. His update makes it clear that we are still a substantial amount short of what we need to bridge the gap.

In our view, the \$60 million which the Secretary-General proposes to save is the absolute minimum - and is quite probably considerably less than is required - to keep this Organization solvent until the end of the year. Beyond that, we have a mid-term crisis. As the representative of Canada said in his typically penetrating way this morning, the financial crisis does not come in compartments; it is a continuum.



(Mr. McDowell, New Zealand)

There is no room, in our view, for us now to consider any lesser level of reductions than is contained in the Secretary-General's proposals. Even what we are asked to endorse in this package will do no more than see the Organization limp through 1986 and enter 1987 with no reserves. What we are being asked to do now is accept measures that will help contain, not solve, the present crisis. A belief that any less can be considered will, in our view, only exacerbate the problem. And in the longer term, as the Representative of India said so well yesterday, we cannot wish the withholdings away.

So what procedure do we now follow? We do not, on this question, wholly agree with our colleague from Yugoslavia. We agree that the crisis is of a political nature, but that suggests to us that it should be discussed primarily in plenary meetings, not in the Fifth Committee. The plenary Assembly is the great political debating chamber. The proposals have already been discussed in a technical body: the Advisory Committee on Administrative and Budgetary Questions (ACABQ) has gone through them in some detail. We are nevertheless prepared to go along with the consensus for technical discussions in the Fifth Committee which you announced this morning, Mr. President. We do so on the basis of the narrow mandate you enunciated and on the understanding that substantial discussion and decisions will be held here in plenary meetings.

I would note that in its report the ACABQ fully shared the views of the Secretary-General concerning the severity of the crisis, it felt that the measures proposed by the Secretary-General "should be seen as a package" (A/40/1106, para. 17 (c)). We concur. Like many other delegations, we have serious reservations about the mix of measures in the package. But the Secretary-General has done us all a service by putting up a package which pleases no one: It will now be recognized that few programmes, few sections of the Secretariat and the

(Mr. McDowell, New Zealand)

interests of virtually none of the membership can be exempt from review and cutbacks. That is the reality we face.

We accordingly commend the Secretary-General's proposals for adoption as a package, if only a stop-gap package. It is an example of the sort of compromise which we are all going to have to accept if the Organization is to survive the pressures it is being subjected to. Our fear is that if we do not accept the package but proceed to unravel it in any substantial way we shall simply recreate the immediate crisis. Several speakers have said that if the package is to be reopened then they have some proposals they want reinstated. That graphically illustrates the danger.

I conclude by returning to my original point: that it is no coincidence that the two most substantial withholders are the two most powerful countries. That is a message, conscious or otherwise, to the small States to work together to ensure the preservation of this Organization as a viable and effective force in keeping the peace and fostering development.

AGENDA ITEM 17 (continued)

## APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS

## (a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/40/101/Add.4)

The PRESIDENT (interpretation from Spanish): Before calling on the next speaker, I should like to invite the attention of members to the following note by the Secretary-General in document A/40/101/Add.4:

"The Secretary-General has received notification of the resignation of Mr. Igor V. Khalevinskiy (Union of Soviet Socialist Republics) from the membership of the Advisory Committee on Administrative and Budgetary Questions. Accordingly, the General Assembly will be required to appoint a person to serve on the Advisory Committee for the unexpired portion of the term of office of Mr. Khalevinskiy, i.e., until 31 December 1987."

Under the circumstances and in order to enable the Assembly to take the required action, it will be necessary to reopen consideration of agenda item 17 (a).

May I take it therefore that the Assembly has no objection to reopening agenda item 17 (a) in order to appoint one member of the Advisory Committee on Administrative and Budgetary Questions?

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. ALATAS (Indonesia): We share the sense of great loss and sorrow on hearing the news of the death of Mr. Raul Prebisch, to whom we are all indebted for

(Mr. Alatas, Indonesia)

his pioneering role in promoting international co-operation for development as the first Secretary-General of the United Nations Conference on Trade and Development (UNCTAD). Especially to the developing countries, Mr. Prebisch was an exemplary exponent of the struggle for a more equitable and just economic world order. At a time at which the United Nations system and all that it stands for is under serious threat, the international community acutely feels the loss of one of its great visionaries.

May I therefore, on behalf of the Government of Indonesia, express our sincere condolences to the delegation of Argentina and ask them to convey our sympathies to the bereaved family and the Government of Argentina.

In addressing the item under consideration, let me begin by expressing the full concurrence of the Indonesian delegation with the statement made respectively by the Chairman of the Group of 77 and the Chairman of the non-aligned countries to this resumed session. Our statement at this juncture therefore should be seen as a reflection of our serious concern over the critical situation facing the United Nations and the importance we attach to the report and proposals of the Secretary-General.

We find it highly ironic that, in the wake of the commemoration of the fortieth anniversary of the United Nations in which the international community solemnly reiterated its commitment to the principles and purposes of the Charter, the Organization is currently confronted with the most serious financial crisis in its history. During the commemorative session ringing statements of rededication to the Charter were expressed by representatives of Member States at the highest level. Yet, notwithstanding such strong reiteration of support, the United Nations is now experiencing an unprecedented crisis that not only threatens its ability to fulfil its mandate to promote peace, security and development, but also carries profound implications for its viability and its very existence.

(Mr. Alatas, Indonesia)

It was indeed our expectation that the fortieth anniversary session would have generated authoritative and wide-based support for the United Nations that would then be translated into concrete action. But rather than enjoying a subsequent revival in the spirit of international co-operation, we are witnessing the continuing erosion of the concept and system of multilateralism of which the United Nations, with all its shortcomings, is still the paramount embodiment. The chronic financial problems that have afflicted the United Nations during the past two decades are now being compounded by the exercise of financial power to alter the basic principles of its democratic functioning. Never in the past did my delegation hide its disapproval of politically motivated withholdings of assessed contributions, whether these were from the regular budget or from the expenses of peace-keeping operations. There can be even less reason for ambiguity in objecting to such use of unilateral action designed to impose new modes of decision-making within our Organization. Such action clearly contravenes the principle of sovereign equality of States and constitutes a deliberate violation of obligations under the Charter.

It is important to bear in mind that, while the current crisis of the United Nations has indeed many and very serious financial and administrative implications, it is essentially a political problem. As such, although financial and administrative measures are necessary, especially to deal with its short-term aspects, in the final analysis an integrated political solution is required to overcome the underlying and true nature of the problem.

Turning now to the report and proposals of the Secretary-General let me start by making some general remarks.

First, as indicated both by the Secretary-General himself and by the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the

(Mr. Alatas, Indonesia)

proposals now before the Assembly constitute only a temporary remedy and do not address themselves to the longer-term aspects of the problem or to its root causes.

Secondly, it is also evident that these proposals are meant to be purely stop-gap measures and are not necessarily designed as a basis for enhancing the future efficiency and effectiveness of the Organization.

In view of these facts, it is important to ensure that, in dealing with measures relating to the short-term aspects of the problem, we should not in any way prejudice our future endeavours to address the more fundamental longer-term problem. These, as we understand it, are being addressed by the Group of High-level Intergovernmental Experts, and my delegation therefore is looking forward to the Group's report to be presented to the forthcoming forty-first session of the General Assembly.

Having said that, my delegation would like to welcome the economy measures already undertaken by the Secretary-General in the areas within his competence. The timeliness of those measures in helping to alleviate the current cash flow pressures is indeed essential. Nevertheless, in our view, measures such as, for example, the recruitment freeze should not be allowed to persist for any great length of time, for otherwise we risk the impairment of the vital activities of the Secretariat and could greatly hamper the ongoing efforts to redress the imbalances of geographical distribution in its composition.

(Mr. Alatas, Indonesia)

On the question of achievable savings, as proposed by the Secretary-General in his report, I must frankly admit to some ambivalence in our views. Some of those proposals we can readily accept as being pertinent, while others should, we believe, be approached with greater caution. For instance, we see no problem in agreeing to the proposed general reduction in the acquisition of furniture and equipment. However, while we fully support the call for strict observance of the relevant decisions pertaining to meetings and documentation, we believe that the proposals to modify the calendar of meetings and the provision of meeting records should be looked at with greater circumspection. In any event, prior consultation with the bureaus of the respective organs and committees listed in the proposals would be most appropriate.

Finally, with respect to the suggestion on the deferment of programme activities, we share the apprehension of many delegations as to its practical implications, in particular due to the vagueness of the explanations available so far. Hence, my delegation would like to see a clear and more detailed programme implication statement before being able to pronounce on any proposed programme curtailment or deferment. It is important that our decisions be made on the basis of complete information and taken in full consciousness of all their ramifications.

In conclusion, let me reiterate Indonesia's strong belief that commitments to the purposes and principles of the United Nations imply a responsibility to keep the Organization financially viable and effective as well. While saying this, we certainly recognize that there is room for improvement and greater efficiency in the administrative and budgetary workings of our Organization. But it is also clear that we have reached a point at which improvements in efficiency alone are inadequate for resolving the crisis. What is needed is, as voiced by the Secretary-General, a new consensus, which would, in a world of growing interdependence, impart the essential political conditions, the sense of solidarity

(Mr. Alatas, Indonesia)

and mutual confidence to preserve the concept of multilateralism, as embodied by the United Nations. Indonesia, as always, stands ready to extend its full co-operation to the resolution of this unprecedented and grave threat to our world Organization.

Mr. BOUZIRI (Tunisia) (interpretation from French): Since its inception 40 years ago, the United Nations has rendered considerable services to the international community. The Organization's importance for developing countries in particular is beyond doubt. The support shown for the Organization on the fortieth anniversary of its foundation is in itself significant. However, that very Organization now faces financial difficulties unprecedented in its history. It would seem to be experiencing a whiplash effect from the international economic stagnation that has prevailed for some years.

It is the developing countries above all that are suffering the effects of that persistent crisis. For very clear reasons, they are unable to halt or reverse the trend, since they control neither the prices of raw material nor the thousands of monetary transactions that take place daily in the international financial markets. It is not surprising, therefore, that those countries now find their contributions to the United Nations budget a heavy burden, whereas only a few years ago they were able to cope without great difficulty. Nevertheless, as we have just learned, some developing countries have undertaken, despite grave economic problems, to bring their contributions to the Organization up to date.

It is also true that the crisis is not new. For several years now an item entitled "Financial emergency of the United Nations" has been on the General Assembly's agenda.



(Mr. Bouziri, Tunisia)

As the Secretary-General reminded us, the crisis is essentially political. The absence of agreement on certain programmes and their financing has led to a situation in which some Member States have withheld parts of their budget contributions. The problem of withholdings has been seriously worsened since the main contributor announced that it would not be possible for it to pay its contribution for 1986 in full. That political aspect of the financial crisis is complex and cannot be resolved during this resumed fortieth session. We shall have to wait for the proposals of the High-level Group of Intergovernmental Experts given the task by the General Assembly of considering measures to improve the management and administration of the Organization.

It is a fact that all Member States must comply with the provisions of the Charter by paying their full contributions, for the United Nations was built on the principles of universality and solidarity in a common effort. The Charter clearly stipulates in Article 17 that:

"The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly."

Article 18 states, furthermore, that

"Each member of the General Assembly shall have one vote."

Any action that does not comply with those rules contravenes the principle stated in Article 4, that any State expressing a desire to become a Member of the Organization must first accept the obligations contained in the Charter. It is therefore clear that Member States that have withheld parts of their budget contribution have failed to meet their obligations under the Charter. Even if it is true that their concern is sometimes understandable, they have no legal justification. As has already been said, the United Nations would have no chance of survival if it had to operate more and more on a "pick-and-choose" basis.

(Mr. Bouziri, Tunisia)

No one should be surprised that disagreements exist within the Organization. They are only a reflection of the state of our world. Refusal to acknowledge that reality, which results from wide diversity, would contribute nothing to promoting understanding and harmony between nations. It is hardly necessary to recall that those nations joined the Organization following a decision of the General Assembly, on the express recommendation of the Security Council. In agreeing over a number of years to the accession of new members, the permanent members of the Council have accepted the democratization of our Organization and should therefore, in all logic, accept all the consequences of that democratization.

My delegation believes that, given the present state of affairs, the best way to express its support for the United Nations is strictly to respect the Charter. An appeal to that effect was made by the Foreign Ministers of the Non-Aligned Countries at the end of their recent meeting in New Delhi. On that occasion they reaffirmed their continuing support for the United Nations because of the primary role it has played in decolonization and the promotion of multilateralism as the main instrument for dialogue and agreement at the world level.

(Mr. Bouziri, Tunisia)

Member States need dialogue and harmony more than ever in order to restore a minimum of confidence in their relations and, hence, to overcome the serious problems facing the Organization.

In this respect my delegation believes that no good purpose would be served by exacerbating the already numerous differences within our Organization. Such an exercise would only make arriving at a consensus that much more difficult, if not entirely impossible.

There is no need to recall that the United Nations must preserve its basic character of universal forum in order to ensure its continuity.

Aware precisely of that reality, the Secretary-General decided to take on the responsibility of absorbing a major part of the budgetary deficit that had been created from the beginning of the year by adopting the stringent measures we all know. To these measures there have now been added the proposals contained in his report of 12 April, which have been endorsed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), and they have been submitted to us in the form of a package.

My delegation fully appreciates the Secretary-General's efforts towards achieving savings amounting to \$60 million.

A careful study of the report clearly shows that sacrifices by all concerned will be necessary if such an objective is to be met. Member States in particular are called upon to agree to important meetings being deferred or curtailed. Reductions in both quality and quantity have been proposed with regard to documentation. The Secretary-General's report also includes grey areas, on which additional information is required. My delegation has full confidence in the Secretary-General's selecting of programmes falling under the economy measures. However, it cannot but express its deep concern over restrictions or deferrals affecting questions of paramount importance for the non-aligned countries, such as

(Mr. Bouziri, Tunisia)

Palestine and Namibia, as well as action with regard to development. My delegation would be pleased to see the Secretary-General demonstrate the greatest care in selecting activities to which economy measures will apply.

We are ready to co-operate with him in this regard, but we hope that the final document will be supported by all delegations. Such an objective is, in our view, the sine qua non to lay the groundwork for a climate conducive to the adoption of lasting solutions to the acute financial crisis now confronting the United Nations.

Mr. VRAALSEN (Norway): I should like at the outset to join previous speakers and express our profound sympathy to the Soviet people and Government on the tragic disaster in connection with the nuclear power-station in the Ukraine. As a neighbouring country of the Soviet Union, we have naturally followed with special concern the unfolding of the tragic events over the past few days. These events have clearly shown the overriding importance of providing at an early stage detailed and comprehensive information through open and direct channels so as to enable all countries affected by the tragedy to take all necessary and appropriate measures.

The basic position of the Norwegian Government on the question now before the Assembly - "Current financial crisis of the United Nations" - has been expressed in the statement issued by the Nordic Foreign Ministers on 9 April this year. Since the statement has already been circulated as an official document of the General Assembly, I need not elaborate on its contents. Suffice it for me to say on this occasion that our position is based, inter alia, on the fundamental principle that all Member States without exception - small, medium-sized or large - should fully accept their responsibility for the financing of the United Nations and act accordingly. In our view, all Member States are under a Charter obligation to pay their dues in full and to pay them on time. Withholdings in whatever form and for whatever reason are in violation of this obligations and cannot as such be

(Mr. Vraalsen, Norway)

acceptable. Such unilateral actions ~~as~~ withholdings - by Member States undermine the authority of the Organization and make it unmanageable. The managerial problems are further aggravated by the considerable arrears in payment of assessed contributions. This financial delinquency on the part of a large number of Member States is wrong; it is unacceptable; and it is most unfortunate.

At this resumed session we are considering matters pertaining to the regular budget of the United Nations, and in this statement I shall certainly confine myself to that. However, in discussing matters of finance and economy, the picture, as we see it, is not complete without a reference to the fact that the Organization is carrying on its back a debt of more than \$200 million related to peace-keeping operations. This very sad state of affairs is caused by the regrettable fact that a group of countries do not assume their financial responsibilities in this respect, and the net result of this rather deplorable situation is that an unfair economic burden is being put on the troop-contributing countries, some of which belong to the group of least developed countries.

It is with a mixed sense of satisfaction and concern that my delegation has over the past few days listened to the statements made from this rostrum and to the more informal and matter-of-fact discussions in the corridors of this house.

On the one hand, it has been gratifying to note the many supportive words spoken about this Organization, the commitments made to the ideals of the United Nations and to the purposes and principles of the Charter, the pledges made to abide by the obligations deriving from the Charter and the declared preparedness on the part of some delegations to respond to the appeal made by the Secretary-General and fully to assume their financial responsibilities. My delegation certainly welcomes this development, and we feel encouraged by it.

(Mr. Vraalsen, Norway)

However, while appreciating these positive developments, we are somewhat held back by signals of a different kind. My delegation is afraid that because of presentation some have been led to believe that, thanks to the relative improvement in the cash-flow situation, the emergency is over. The analysis presented in the documents before us might be confusing to a certain extent, and clarifications might be needed. But whatever the situation, I feel it necessary here to strike a note of caution: the financial problems of the United Nations remain very much a reality. In whatever way we may play around with the figures, in whatever way we may add or subtract, it is a matter of fact that the Organization will, even in a best-case scenario, face a considerable shortfall in funds in 1986 due to anticipated withholdings. And these withholdings will hit us hard as there are no reserves to cushion the effects. The reason is that all the reserves were depleted as of December of last year due to withholdings accumulated over a long period.

At this point we should bear in mind that the Secretary-General bases his calculations of estimated income for 1986 on assumptions which at best can be described as extremely fragile. The premise that all Member States will pay their assessed contributions in full in 1986 seems to my delegation - however much we should like to believe it - too good to be true. The cash-flow situation might in a few months' time become much more difficult and precarious than is projected in the Secretary-General's report. It goes without saying that the cash-flow situation needs to be monitored closely from now on, and it would be helpful to the Secretary-General and his staff if Member States would let him know precisely when their dues will be paid.

In his report the Secretary-General states that the crisis we are facing is above all a political one. My delegation, for one, fully accepts his judgement. It is a political crisis arising from disregard of obligations flowing from the Charter and from lack of agreement among Member States on such fundamental issues

(Mr. Vraalsen, Norway)

as programmes and their relative priorities, the utilization of resources, the budget process and apportionment of the costs of the Organization. In the longer term, restoration of the financial stability of the United Nations will require that Member States address these and other fundamental issues related to the performance and the financing of the Organization.

It is clear to my delegation that the membership of this Organization needs time to prepare itself so that we can have a truly constructive political dialogue, so that such a dialogue can develop and in it the search for lasting solutions can be carried out in an orderly and co-operative fashion. In that process we should be looking for, or we need to identify, realistic measures which can lead to agreement on the setting of relative priorities, agreement on the level and content of the programme budget, and agreement on structural and procedural adjustments in the Organization, including the Secretariat. All this should be conducive to greater efficiency, effectiveness and economy. My delegation would encourage all delegations here to give very careful consideration to the more fundamental problems facing this Organization. It is my hope that these problems will be dealt with as an urgent matter on a political level at the very beginning of the forty-first session of the General Assembly on the basis of the report of the Group of 18.

Those are, however, not the issues we have been invited to discuss and decide upon at this resumed session of the General Assembly. The Secretary-General has asked us to address the immediate problems caused by the cash shortfall for this year, 1986, and we have been invited to consider and to take a position on his proposals aimed at generating short-term savings in order to help alleviate the immediate and critical cash-flow situation and, in so doing, provide more time for the comprehensive consideration to which I have just referred, time all of us definitely need.

(Mr. Vraalsen, Norway)

My delegation is supportive of the approach suggested by the Secretary-General. As we see it, the discussions we have had over the past few days, and even more so those we shall have over the next few days, bear witness to the fact that the Secretary-General has chosen the right approach. Even the very limited proposals, both in scope and in money terms, which he has presented and which are now before us for consideration, have caused some consternation and debate. Here I feel tempted to ask what would have happened if he had gone beyond these proposals at this stage, as some delegations say they would have liked him to do.

My delegation can support the Secretary-General's proposals as a package. We do so, like other delegations, not without difficulties. There are additional items we would have wanted included for deferral or deletion. Similarly, there are in the Secretary-General's package items we should have liked to retrieve. For example - and this is the case for a number of other delegations that have spoken - we would very much have wanted to restore the 1986 convening of the Human Rights Sub-Commission on prevention of discrimination and the protection of minorities and with it the Working Group on Aboriginal Peoples. If the Secretary-General's package is reopened beyond certain minor adjustments, my delegation will have no choice but to insist on retrieving the Sub-Commission.

I sincerely hope that we will not face such a situation. My delegation would urge all delegations to render their full support to the Secretary-General and to accept his proposals. In the view of my delegation he deserves nothing less. And let us through a consensus decision - and I would emphasize that: a consensus decision - at this session give him the financial and administrative means to provide for the orderly conduct of our business for the remainder of the current year, 1986.



Mr. AL-ANSI (Oman) (interpretation from Arabic): On behalf of my delegation I should like to join those who preceded me in offering our condolences on the occasion of the death of Mr. Prebisch, an eminent Argentinian citizen and first Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)

I should also like to express our deep condolences to the Government and the people of the Soviet Union for the damage resulting from the recent nuclear accident that occurred in the Ukrainian SSR.

We wish to express our deep appreciation to the Secretary-General, and his aides and staff, for their great understanding and co-operation in trying to arrive at practical solutions to overcome the difficulties of the present financial crisis and to maintain the strength, the coherence and the role of the United Nations, in the interest of the international community in general, as set forth in the United Nations Charter.

The succinct report presented to us by the Secretary-General in document A/40/1102 and its addenda provides us with a factual description of the present administrative and financial situation and its negative impact in the absence of any decisive and urgent action to avert its consequences.

The efforts made by the Secretary-General, in his capacity as the chief administrative officer, have had a positive impact on the urgent and fruitful steps that have been taken in this respect. He has reviewed the financial difficulties of the Organization, suggested short-term solutions and effectively discharged the powers entrusted to him. He has also taken certain measures which have led to a noticeable decrease in expenditure and he intends to take further measures which may lead to significant savings in the large sums required to maintain the functioning of the Organization.

(Mr. Al-Ansi, Oman)

We also agree with what others have said with regard to what has rightly been mentioned by the Secretary-General to the effect that the financial crisis has clear political dimensions; we therefore deem it important extensively to study its technical aspects through the General Assembly and its relevant committees. Fortunately, the General Assembly decided this morning to refer these technical aspects of the issue to the Fifth Committee, which is the competent body.

Since Oman is a developing country, we agree on the approach adopted by the Group of 77, which represents the consensus reached among its members in this connection. As for the methodology of dealing with the economic, administrative and financial aspects of this crisis, since we are a non-aligned country bound by the consensus reached in this connection at the Ministerial Meeting of non-aligned countries held in New Delhi in mid-April on the political dimensions of this crisis and its repercussions on the future of the Organization and its objectives, we fully support the statement made in this respect by the representative of India on behalf of the Non-Aligned Movement. In considering the implementation of the measures enumerated by the Secretary-General in paragraph 21 of his report we attach the greatest importance to the need for ensuring the continuity of the programmes directly related to sensitive and important humanitarian issues that have been closely associated with the establishment of the United Nations, particularly the causes of the peoples of Namibia and Palestine, as well as other vital interests related to the special circumstances of the countries of the third world. In this context, the continuation of the programme of work of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories is essential. This programme should stay intact.

Because it is presumed that the proposals submitted by the Secretary-General may provide a solution to the short-term aspect of this chronic crisis, we should nevertheless keep in mind its long-term aspects. The United Nations has been

(Mr. Al-Ansi, Oman)

facing that chronic crisis from time to time since the 1960s. It has been described by the Secretary-General as

"above all a political crisis, arising from disregard for obligations flowing from the Charter, and from lack of agreement among Member States on how to finance and utilize the Organization and for what purposes." (A/40/1102, para. 1)

Therefore, we look forward to the results of the debates of the High-level Group of Intergovernmental Experts chosen to study and resolve the long-term aspects of this chronic problem that has been recurring since 1963. We are of the view that concentrating only on the aspects of income and finances in this financial crisis will not solve it. We should give deeper consideration to the aspect of expenditures. We are confident that the Secretary-General has given this aspect great attention and that he will give it further attention in the future in order to rationalize the expenditures of the Organization at the level required for its proper functioning.

The decisions and the conclusions reached, whether those dealing with the short- or long-term aspects, should, in our opinion, be adopted by consensus. Such an important issue should not be resolved in any way by voting, given the concomitant differences in positions and reactions. In order to reach such a consensus, it is important to agree on the common denominators to be taken into account when taking up the proposed solutions in order that comprehensive international support for them may be ensured.

The United Nations was established by the previous generation and retains its ideal form to this day. It has become an invaluable trust, which we have undertaken to discharge. Hence we must preserve the validity of its objectives from one generation to the next. During the commemoration last year of the

(Mr. Al-Ansi, Oman)

fortieth anniversary of the founding of the United Nations, the overwhelming majority of the world's leaders emphasized that our Organization had maintained international dialogue since the Second World War and ensured, under the Charter, equality between States in conducting its affairs and adopting its decisions and that it was therefore worthy of every respect and effort. In adhering to the objectives of the United Nations Charter, the Sultanate of Oman has consistently discharged its obligations, notwithstanding the fact that its assessed contribution to the regular budget, as set forth in the scale of assessments approved by the Committee on Contributions, last year was increased by 100 per cent without taking into account the increase in real terms in the requirements of the comprehensive development programmes and also without taking into account that the tentative population figure mentioned in the 1978 census - which was used as a faulty criterion in the calculations of the United Nations - had increased and amounted to 2 million people in 1986. That prompted us in the Fifth Committee to express our reservations regarding the scale of assessments.

(Mr. Al-Ansi, Oman)

Moreover, we must also take into account the fact that we are a country that depends on a single financial resource, oil, the price of which, as is well known, has decreased by over 40 per cent, with all the concomitant serious economic difficulties and repercussions that this entails for the financing of national programmes and the fulfilment of all our commitments under the budget.

In conclusion, we hope that Member States will continue to make a genuine effort to fulfil their obligations to the Organization, and we support the efforts of the Secretary-General in this regard.

Mr. OUDOVENKO (Ukrainian Soviet Socialist Republic) (interpretation from Russian): First of all, the delegation of the Ukrainian Soviet Socialist Republic would like to express its thanks and gratitude to the Secretary-General of the United Nations and to those delegations that have expressed sympathy in connection with the accident at the Chernobyl atomic-power station. Those expressions of sympathy will be conveyed to the Government of the Ukrainian SSR.

I wish to take this opportunity to emphasize that we reject the sensationalist coverage of that accident and its related consequences in the Western press, especially in the United States. For example, rumours have been spread in the Western press that as a result of the accident thousands of people have supposedly died, whereas in actual fact two persons died and 197 have been hospitalized, 49 of whom have already been released following medical examination.

We have received a report from the Council of Ministers of the Ukrainian SSR to the effect that the radiation level at the Chernobyl atomic-power station and in the surrounding area is improving. The state of the air over the remainder of the Kiev district and over the city of Kiev itself is not a cause for concern. The quality of drinking water and the quality of water in the rivers and reservoirs is up to standard. Constant monitoring of the state of the environment is being carried out.

(Mr. Oudovenko, Ukrainian SSR)

Factories, enterprises, collective farms and State farms, as well as State offices and agencies, are all operating normally.

The Soviet Party has officially informed the International Atomic Energy Agency (IAEA) of the accident that occurred and of the measures that have been and are being taken to cope with it.\*

The United Nations occupies a very special place in the system of contemporary international relations. Its establishment 40 years ago was primarily

"to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind".

That basic and central provision of the United Nations Charter defines the role the United Nations must play in modern international relations. It is intended to promote the maintenance of international peace and security, to achieve international co-operation and to serve as a centre for harmonizing the actions of nations in the attainment of those common ends.

There can be no doubt that the current financial problems of the United Nations that we are discussing today have an effect on the Organization's capacity for dealing effectively with the complex tasks incumbent upon it. The potential envisaged in the United Nations Charter in the area of the maintenance of international peace is far from being exhausted. A number of United Nations programmes are being reduced. Sessions of its bodies are being deferred to later dates. All that cannot but give rise to serious alarm and concern on the part of the international community, as today's discussion bears witness.

Everyone is aware of who is responsible for the present financial crisis of the United Nations and who is undermining its foundations. The series of actions recently undertaken by United States authorities with respect to the United Nations

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\*Mr. Moseley (Barbados), Vice-President, took the Chair.

(Mr. Oudovenko, Ukrainian SSR)

and to a number of Missions of States, Members of the United Nations lead us to conclude that the authorities of the host country are violating the obligations it has assumed to provide the conditions necessary for the normal operations of the Organization and unimpeded participation in its work on the part of Member States.

Furthermore, everything is being done to complicate and create impediments to the Organization's activities. Thus, the authorities of the host country have established limitations on the number of staff of Missions, including the very small staff of the Permanent Mission to the United Nations of the Ukrainian Soviet Socialist Republic. The authorities of the host country have placed restrictions on the movement of the Missions' staff and of staff serving in the United Nations Secretariat who are citizens of socialist and other countries. This arsenal of measures to subvert the entire Organization now includes financial pressure, clearly aimed at subordinating the Organization to the interests of the United States.

Our delegation condemns the acts of the United States aimed at arbitrarily reducing its contribution to the United Nations budget. We feel that such an act is contrary to the obligations assumed by the United States under the Charter and that it undermines the effectiveness of the Organization.

This international, intergovernmental Organization, the United Nations, cannot and must not be a tool in the hands of any State or group of States. That is precisely why it is international: it is intended to serve the interests of all peoples and all States. A better world is possible only if it is a world for all people and achieved through the efforts of all.

The Ukrainian SSR has consistently complied with its financial obligations to the Organization. In so doing, it abides strictly by the regulations set forth in the United Nations Charter. In view of the Organization's complicated financial situation, the Government of the Ukrainian SSR decided to make early payment of its

(Mr. Oudovenko, Ukrainian SSR)

assessed contribution to the regular United Nations budget for the first half of this current year. That was done on 12 April 1986. Similarly, we made early payment of our contribution last year, in 1985.

At the same time, the delegation of the Ukrainian SSR would like to state emphatically that we will not assist in making up the United Nations budget deficit resulting from the anti-Charter actions of the United States of America. The attitude and position of the Ukrainian SSR with respect to United Nations budgetary, financial and administrative questions is determined by our principled support for the Organization and evidenced by our active participation in its activities and our concern for its effectiveness. In considering United Nations budgetary matters, we believe that funds allocated to the budget should be spent rationally and economically and that they should be used primarily to deal with the Organization's major tasks under the Charter.



(Mr. Oudovenko, Ukrainian SSR)

In keeping with that position of principle, the Ukrainian SSR - which is among the 14 largest contributors to the United Nations budget - cannot consent to its contributions and those of other Member States being spent improperly to carry out tasks alien to the Organization or, especially, for purposes which run counter to the provisions of the Charter. We are particularly concerned about cases of the inefficient use of budgetary resources.

Ways and means for solving this complicated problem are set out in the report of the Secretary-General before the Assembly. The delegation of the Ukrainian SSR has studied that report carefully and we note that it reflects considerable work done towards enhancing the effectiveness, economy and efficiency of United Nations activities. We support the overall thrust of the Secretary-General's work in this field.

Like many other countries, the Ukrainian SSR is seriously concerned about the excessive and unwarranted growth rate of the United Nations budget, which has increased fourfold over the past 10 years and has now reached \$1.6 billion per year. Especially noteworthy is the fact that the budget is growing much more quickly than the gross national product and national income of Member States. We are thus facing the clearly contradictory situation of resources of States Members of the United Nations - and that portion of those resources States are prepared to make available to the Organization - growing far more slowly than budgeted income. That contradiction cannot go on forever. It is now necessary to resolve it through more rational and economical planning of United Nations spending.

In my delegation's view, the structure of the Organization and the scope of its activities ought to be defined by the amount of resources made available by Member State for the use of the United Nations. Strict priorities should be defined in United Nations activities, taking account of their importance and

(Mr. Oudovenko, Ukrainian SSR)

urgency and of the real likelihood of their timely completion. In defining programme priorities, it is necessary to consider other possible ways of carrying out tasks within the framework of the United Nations system, to achieve greater co-ordination and to eliminate duplication.

In our view, important savings could be achieved through the efficient use of existing staff, whose salaries account for about 80 per cent of the regular budget. We feel that the effectiveness of the Organization and its Secretariat should be enhanced by increasing productivity, responsibility and standards, and by improving management methods, not by mere increases in the number of staff members.

At the same time, the limiting of numerical growth should not prevent entry into the Secretariat of citizens of unrepresented and under-represented countries through the adoption of a "freeze" on recruitment. Such measures are damaging primarily to countries whose citizens hold fixed-term contracts, and they hamper implementation of the Charter's requirement that staff be recruited on a broad geographical basis. Our delegation insists that the freeze not apply to citizens from unrepresented and under-represented countries, including the Ukrainian SSR.

Substantial savings could be achieved through improved methods of staff recruitment, including use of secondment and the five-year rotation of posts. That would give the Secretary-General greater flexibility, especially given the very difficult financial situation of the Organization, with regard to cancellation or reduction of outmoded, ineffective and secondary programmes and to termination of the contracts of staff whose work does not meet standards. There would no longer be such a great need for costly training of permanent staff to work on new programmes, since it would be much simpler to recruit new competent staff who meet the requirements of the post.

(Mr. Oudovenko, Ukrainian SSR)

There is no more urgent task for mankind today than the maintenance and safeguarding of international peace and security. Indeed, the effectiveness of the United Nations system is determined primarily by its contribution to that vital task. Those purposes of the United Nations are supported by the foreign policy enunciated at the recent Twenty-Seventh Congress of the Communist Party of the Soviet Union, specifically its support for the foundations of a comprehensive system of international security. That in turn is in keeping with the aims of the United Nations International Year of Peace, as indicated in the statement of the General-Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. M.S. Gorbachev, in which he said that

"Our ideal is a world without arms and violence, in which all peoples would be able to enjoy equitable and secure life and would be free to determine their own future. ... our planet is too small and fragile for wars and policies of coercion". (A/41/238, annex, p. 2)

If we are to make full use of the potential of the United Nations, it is very important that we find a correct and timely solution to the major questions related to the Organization's budgetary and staff machinery. First and foremost, this requires that all Members of the Organization pool their efforts in the quest for mutually acceptable and well-balanced decisions.

In his meeting with the Secretary-General, the First Secretary of the Central Committee of the Communist Party of the Ukraine, Mr. V. V. Tcherbitsky, stressed that the Ukrainian SSR will continue to help enhance the Organization's role as an effective instrument for the maintenance and strengthening of international peace and security.

Mr. ALZAMORA (Peru) (interpretation from Spanish): I cannot begin my statement without paying a tribute to the memory of Mr. Raul Prebisch, an outstanding Latin American and third-world personality who revolutionized the modern concept of development, who broke down the historic taboos that clouded and distorted it, and who fought tirelessly for justice and understanding among peoples. His inspiration and his example will always be with us in our struggle.

In keeping with his responsibilities, the Secretary-General has brought us here to consider the situation on which he has reported to us, informing us of the measures within his purview which he promptly and decisively adopted, and submitting to us measures concerning which we ourselves bear individual and collective responsibility. My country has responded promptly to his appeal, by making now a payment which substantially reduces its indebtedness.

(Mr. Alzamora, Peru)

In the view of my delegation, this situation has three main aspects: financial, political and ethical. The financial aspect, per se, is not new to this Organization and can be resolved in the immediate term with the type of measures proposed by the Secretary-General applied with the fairness and sense of realism that the goal itself requires.

Nor are some of the political ingredients new that have characterized other similar crises in the past and lead to a selective and arbitrary fulfilment of the financial obligations by some Member States.

What is new is the dangerous political intent underlying the present crisis and which in the context of the antecedents accompanying it is given the eminently political nature that everyone in this debate has recognized but which paradoxically is hidden behind the title of the new agenda item that has been adopted, because the present financial crisis corresponds, as do other concomitant measures, to a clear intent to weaken this Organization, to compromise its independence, to neutralize its importance as a forum for debate and negotiation and to reduce the capacity of countries to defend effectively their own political and economic interests, and because that intent, which is not the exclusive preserve of one country alone, in the last analysis reflects a desire to erode the viability of multilateralism as a collective system of guarantees to produce a bilateral system of relations conducive to the exercise of political, economic and military might without the inconvenient interference of international forums.

The same objective is served by the concerted attack on other multilateral organizations, by a significant coincidence all headed by third-world persons, an attack that has become more intense as they have more strongly challenged the status quo and the privileged status of political and economic power that it attempts to perpetuate.

(Mr. Alzamora, Peru)

And lastly there is the ethical aspect: the industrialized countries now find themselves suddenly richer than ever because of the dramatic decline in the oil and raw materials prices and the colossal transfer of resources from the developing countries thanks to the gigantic suction mechanism of foreign indebtedness. The net effect translates to extraordinary profits exceeding \$100 billion, which the industrialized countries themselves describe ironically as "the gift of the poor". Yet, at a time of incomparable bonanza, they cut back their contributions, restrict international co-operation, withdraw from multilateral organizations and more or less dissociate themselves from the collective effort for peace, security and justice.

These factors combine to create the current situation of insufficient funds which must be resolved in timely fashion and with practical formulas in order to maintain the viability of the United Nations and preserve its operational effectiveness until substantive agreements are reached on the basic budgetary questions, which are essentially political.

Indeed, if in tackling immediate problems we were to lose sight of the substantive issues, we would be committing a fatal mistake for the future of the Organization and hence for the fate of the developing countries, because the settlement of this crisis must necessarily involve the solution of the problems that in the last analysis cause it, a solution that necessarily must include the democratization of the Organization and its internal power structure, so that in becoming more egalitarian and equitable it will cease to be one more instrument for domination. The solution also involves the democratization of financial power so that it can no longer be used to threaten the independence of the Organization, to influence its decisions and to claim privileged status.

In this respect my delegation welcomes the statements made two days ago by the Secretary-General which were reproduced in the local press yesterday about the

(Mr. Alzamora, Peru)

importance of no country having the financial capacity to control the Organization. This view is in harmony, in the last analysis, with the criteria expressed by Peru from this very rostrum when its President affirmed that

"We prefer a poorer organization, a less bureaucratic one, but an organization prouder of its moral dignity". (A/40/PV.5, p. 6)

An independent organization, sovereign in its decisions and actions, one which cannot be subordinated or threatened by economic might - although this may require, we believe, a simplification of its administrative structure and a more rational allocation of resources on the basis of those fundamental political requirements, which underlie the moral and political authority of the United Nations and are the very foundation of its efficiency - to that ultimate and highest goal my delegation pledges all its efforts, which at this stage are aimed at supplementing and supporting those being made by the Secretary-General to preserve the effectiveness, independence and prestige of the United Nations and the confidence which just six months ago spokesmen at the highest level of the Member States overwhelmingly reaffirmed in it.

Mr. ENGO (Cameroon): I should like, first of all, to maintain solidarity in expressing our condolences to the Government and families of the human victims of the unfortunate nuclear-reactor accident in the Ukraine. We express the hope that the radiation will not spread nor have lasting effects in the area or elsewhere. We also express our condolences to the Soviet Government and people, with whom we share warm and cordial bonds of friendship, on that tragic event.

The tragedy must once again remind all of us of the danger of nuclear weapons. It demonstrates that the danger lies fundamentally in their very existence. They can be dangerous even when the human element does not wish it. Their elimination is one of the critical obligations of our times.

(Mr. Engo, Cameroon)

The delegation of the Republic of Cameroon welcomed the Secretary-General's initiative in providing this opportunity to address the Organization's current financial crisis.

My nation was conceived in the multilateral process instituted by the United Nations, launched by the force of a universal dream that sought to redress the misgivings of a tragic past, in a determination to instil in the international system new vistas of co-operation between States, with the attainment of respect for human dignity, the equality of rights of peoples and self-determination.

The Cameroonian Government and people have much reason to be concerned, especially because our nation is a child of this Organization. Against that background, it is our firm conviction that international peace and security can be realized only through the adherence of every State to the principles and obligations enshrined in the Charter. Whatever threatens the effectiveness of the system inevitably threatens all of us, great and small nations alike, for the construction of lasting peace and security, which enhances development, depends on the maintenance of an unswerving political will for the attainment of the lofty ideals which launched this universal body.

In contemporary times it seems impossible to cultivate any inspired imagination from an interpretation of the actions of the world's leadership or the events recorded in international relations. It is as if a new era has dawned, one in which the ideals reflected in our Charter are becoming irritants to some of our numbers. Man's dark faith in, and nostalgia for, a primitive ancestral ethic of domination seems to creep into international relations in all fields.

We wish consequently to appeal to the wealthy and the strong of this generation. Leadership must be inspired and must provide sustenance for the common good, especially in a period of history gripped by a mood of crisis in every domain



(Mr. Elogo, Cameroon)

of human existence. We must all seek to find the best means, the just and equitable means, to guarantee our survival as a generation.

If this Organization does not survive to fulfil and to safeguard the dreams of the strong imaginations that established it, we shall all perish together in a wave of uncontrollable chaos. No one need entertain the dangerous illusion that the young countries alone will bear the brunt of the loss. We are used to deprivations; we are also schooled in the art of grouping and regrouping, pooling our endeavours in the face of monumental odds. Isolationism in a technological age has dangerous consequences for those who prefer that costly policy.

Last session we were compelled to consider emergency measures to meet tragic crises in parts of my continent, Africa. The response demonstrated our capacity as an Organization to rally to deal with such natural disasters. Today a self-inflicted crisis is upon us, self-inflicted because the will of some States among us has imposed it. We are called upon to react. Inevitably we must. As a delegation we pray that some lessons will be learned in the process.

We hope, first, that universality will find true expression in this Organization; secondly, that the international community will have so much faith in the Organization that there will be a universal will to save it from threats, especially when one contemplates the alternative to its existence; thirdly, that there will be full resistance to any onslaught on programmes established to give credence or credibility to the United Nations; and, fourthly, that it will be acknowledged that there is a need to address, as a matter of priority, matters which foster greater understanding of the deeper meaning of things in our contemporary world.

It would not befit the dignity of our reflective generation to have to cry over finance, which in any case is of little consequence to those who cry, while

(Mr. Engo, Cameroon)

the world drowns in major economic, social and political crisis, with the threat of nuclear annihilation hovering over all of us.

In southern Africa cruelty and injustice must continue to evoke the joy of defiance. Blood must continue to flow; the weak rays of hope for future racial harmony in a difficult nation-building process must continue to fade. The African peoples must do no more than to cry out about the imbalances of today's world. The General Assembly must seek refuge in expressions of concern and condemnation, providing undesirable impressions and comfort to our adversaries with regard to our capacities here.

What relevance has that to our current session? The answer is twofold. We need to strengthen the Organization's credibility before the peoples of the United Nations. Still more relevant are the tremendous savings there would be if we were to succeed in ensuring Namibia's independence and disbanding the United Nations Council for Namibia and its historic activities. The costs of the Special Committee against Apartheid would also drop from our budget if the necessary pressures were brought to bear on the Pretoria régime to enter the civilized world.

We need not go into detail in referring to the wastes involved in the arms race and the undesirable atmosphere of conflict in East-West relations. It is clear that with the resolution or lessening of tensions the compulsions of both camps would no longer harm chances for world peace and security, which are a fundamental ingredient of economic and social development.

This, too, has tremendous relevance to our discourse here. Not only would disarmament and co-operation increase resources for development everywhere, but the imperative of contemporary young countries, motivated by the search for a false sense of security, to purchase arms, mostly outdated, would disappear. It would enable them to meet even increased obligations to the Organization. Current

(Mr. Engo, Cameroon)

programmes to aid the young nations would be considerably reduced thereby and, if equity entered the global trade war, prospects would be far brighter.

Those are just a few examples of some of the issues that make the present crisis possible in a technological age. They are part of the avoidable internal darkness. We must find new lights, new perspectives, new spiritual rededication to the cause of international peace and security.

Our views on the Secretary-General's proposals will become clear as the African Group, together with the Group of 77, states its position. The Chairman of the African Group is to speak later this afternoon, and we fully support what he has to say. We would, however, emphasize that we could not support any measures which threatened important programmes and activities decided upon by the General Assembly in past sessions. I wish to refer to a few of them.

In the negotiations ahead, we shall explain why we could not, for instance, support proposals that would inhibit activities regarding the historic efforts in southern Africa in general and in the United Nations Council for Namibia in particular.

The United Nations promoted the elaboration of the first universally negotiated and supported treaty in history regarding the ocean space. The Preparatory Commission set up under the Montego Bay Convention is involved in delicate processes to launch the Sea-Bed Authority and to commence our exploitation of the area and the resources of the deep sea-bed. We would not support any proposal that would result in impeding the successful work of that Commission.

(Mr. Engo, Cameroon)

In responding to the appeals that have been launched, my Government has taken appropriate steps to satisfy the full scope of our nation's commitments and obligations. On behalf of the Cameroonian Government, I have this day made full payment of our assessments, including arrears and for the current year, to the Secretary-General. The total sum is nearly 86 million CFA francs, or \$US 223,682.

Delays for some of our nations are imposed by adverse circumstances. It is important to note, in the discourse on "sacrifices", that the poorer nations may well be showing greater commitment than the richer, to which the volume of the United Nations entire budget is, in reality, comparatively insignificant and some of which profit financially and otherwise from the existence of the Headquarters and various agencies within their national territories.

Cameroon renews its commitment to the United Nations and to the attainment of international peace and security through full and undiluted respect for the principles as well as the aims and purposes of the United Nations Charter.

MR. SHAH NAWAZ (Pakistan): Before offering comments on the item under consideration, I should like to join my colleagues who spoke earlier and express our shock and grief at the grave accident at the nuclear-reactor site in Chernobyl, in the Soviet Union, and convey our deep sympathy and condolences to His Excellency Ambassador Dubinin of the USSR and, through him, his Government and the bereaved families.

My delegation is grateful for the opportunity to participate in the resumed session of the General Assembly, which has been convened by the Secretary-General, under Article 99 of the United Nations Charter, to consider the matter of the current financial crisis with which the United Nations is confronted. We also wish to express our appreciation of the Secretary-General's report contained in document A/40/1102.

(Mr. Shah Nawaz, Pakistan)

That report gives us a fairly clear insight into the nature and dimension of the current financial crisis facing the United Nations. It contains important proposals and ideas, in the form of a remedial package, for the amelioration of the serious deficiencies in the short term. It is now for us to ensure the maximum utilization of these proposals, as well as of the potential of the institutions and machinery of the United Nations, to help the Secretary-General in overcoming the financial crisis, which, in his words, is the most serious in the history of the United Nations.

At this stage of the debate on the financial crisis facing the United Nations, I would, as far as possible, avoid presenting with a different choice of words the ideas and proposals already contained in the Secretary-General's report or those that have been put forward so ably by so many colleagues who have addressed the General Assembly before me.

In Chapter V of his report the Secretary-General informs us that

"The immediate emergency derives from a shortfall in funds of a magnitude which cannot be absorbed without very substantial prejudice to the functional effectiveness of the Organization. The crisis has its roots, however, in disagreements with sensitive political dimensions on programmes, the utilization of resources, the budgetary process and the apportionment of the costs of the Organization." (A/40/1102, p. 10)

The Secretary-General goes on to recommend that the immediate shortfall in funds should be the focus of the resumed fortieth session, whereas the longer-term dimension of the problem would be for consideration at the forty-first session of the General Assembly.

We are in general agreement with the Secretary-General's analysis and recommendations.

(Mr. Shah Nawaz, Pakistan)

We feel encouraged by the response of Member States to resolve the immediate cash-flow problem. Between 2 April, when the Secretary-General's report was issued, and 25 April, an amount of over \$174 million has been paid in, which has gone a long way in mitigating the urgent nature of the cash-flow problem.

We must, however, take note of the Secretary-General's statement this morning reminding us that this cash-flow may barely suffice to avert bankruptcy and that too only if economy measures are approved at this session yielding some \$30 million in additional savings and if there is a further response to his call for the provision of additional funds either through further payments of arrears, voluntary contributions or advance payments by Member States of part of their 1987 assessment.

We commend the Secretary-General's proposed economy measures, which will result in a saving of some \$30 million, to be augmented by a further \$30 million if Member States concur in his proposals regarding modifications in the schedule of meetings and deferment of certain programme activities. While these economy measures may resolve our immediate problem, it would be wrong to expect from them a lasting solution of the basic financial malaise, for which the primary responsibility rests with those who have, for one reason or another, withheld or delayed their obligatory assessed contributions with impunity.

As the Secretary-General has pointed out in his report, the financial crisis has built up over the years as a result, primarily, of the withholding by 19 Member States of assessed contributions from the regular budget and to a lesser extent late payments of assessments. The tolerance with which withholdings and late payments have been treated over the years appears to be a major factor in inducing further defaults even to the point of disregard for obligations flowing from the Charter. However, as pointed out by the Secretary-General, the financial crisis has a major political dimension which is lack of agreement among Member States on how to finance and utilize the Organization and for what purposes.

(Mr. Shah Nawaz, Pakistan)

The financial crisis the United Nations now faces has thus immediate and long-term dimensions. The wide range of problems attending the financial crisis necessitates a comprehensive examination of options and alternatives for improvement in cost effectiveness, administrative efficiency and budgetary transparency, on the one hand, and measures, incentives and sanctions to ensure the fulfilment of Charter obligations by Member States, on the other.

My delegation can begin discussions immediately on all these aspects of the current financial problem in an appropriate forum. The resumed session has already done a great service by sensitizing the international community to the critical financial situation of the Organization. It has offered Member States an opportunity to demonstrate, in practical terms, their commitment to their obligations under the United Nations Charter.

The long-term aspects of the financial crisis we are facing now admit of no ready solutions. These aspects will have to be resolved by patient and responsible collective effort in the future. We repose great trust in the Group of 18, which, thanks to the efforts of Ambassador Mizuo Kuroda of Japan, has been set up in response to General Assembly resolution 40/237, entitled "Review of the efficiency of the administrative and financial functioning of the United Nations". We are confident that this group of distinguished and competent experts will be able to study all the administrative and financial aspects of the functioning of the United Nations and to produce ideas and solutions for consideration by the General Assembly at its forty-first session.

It is our view that the recommendations to be formulated by the Group of 18, along with all other long-term prescriptions for a financially stable United Nations, can best be considered in a Committee of the Whole which can formulate proposals for presentation to the forty-first session of the General Assembly, where permanent solutions to our financial problems must be found.

The PRESIDENT: The next speaker is the representative of Uganda, who will speak on behalf of the Group of African States.

Mr. IRUMBA (Uganda): In his statement yesterday, the representative of Yugoslavia, speaking on behalf of the Group of 77, articulated the consensus thinking of the Group on the present agenda item on the current financial crisis of the United Nations. This statement, which I am making in my capacity as Chairman of the African Group for the month of April, is intended to reinforce the position of the Group of 77 and to highlight certain issues of specific concern to African States.

May I at this early juncture pay tribute to the Secretary-General for the courageous initiatives he has taken to deal with the daunting financial crisis facing our Organization. In his report the Secretary-General has made a bold attempt to analyse the real causal factors behind the current crisis. He has informed us of the interim measures he has undertaken within the scope of his executive powers. He has proposed a wide variety of short-term measures that may help attenuate the crisis. We hope that this resumed session will provide the occasion for a thorough evaluation of all aspects of the crisis and of the recommendations contained in the Secretary-General's report.

It is the considered view of the African Group that the current financial crisis of the United Nations is not simply the result of an aggravated cash-flow situation. The crisis is but one of several manifestations of fundamental political maladies that continue to undermine contemporary principles and laws governing international relations.

In recent years we have perceived and warned against deliberate attempts by certain States or groups of States to weaken the United Nations and to destroy the very basis of multilateral interaction. We have persistently drawn attention to the fact that those engaged in this enterprise have chosen to erode the democratic



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character and functioning of United Nations bodies, including the General Assembly, with a view to re-establishing a world order based on power-determinism. This trend has the most ominous implications for the very principle of the sovereign equality of States, upon which the United Nations Charter is founded.

The African States, perhaps more than any others, have a critical interest in the survival and strengthening of the United Nations and the norms for which it stands. In their long struggle against the forces of colonialism, neo-colonialism, racism, apartheid and various forms of foreign domination, African countries have had their staunchest ally in the United Nations and its institutions. Further, African States have looked and continue to look to the United Nations for support in their efforts to surmount the daunting problems of socio-economic underdevelopment.

There can be no doubt that any benefits accruing to African countries, both severally and collectively, from their association with the United Nations have derived from the exercise of their democratic rights under the Charter of this Organization. We are determined to continue in the defence of our rights. We are convinced that, while in its 40 years of existence the United Nations has suffered certain setbacks, this Organization remains the best hope for all humanity, and especially for the weak and vulnerable nations. Any efforts to redress shortcomings in the United Nations system should not focus on the destruction of its basic functional character but on the will of its component Member States to respect the principles of the Charter and to provide effective guidelines and necessary support for its institutions. In this regard the African States pledge their utmost co-operation.

We are fully aware that one of the immediate causes of the current financial crisis of the United Nations is the non-payment and the withholding of assessed contributions. A number of African countries are today in arrears in payments of

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their assessed contributions. African States have considered this question at the highest levels. An alarm has been sounded by the current Chairman, addressed to all Heads of State or Government, asking them to give due consideration to this question. While we recognize that the critical economic situation facing Africa has been largely responsible for the failure to meet financial obligations to the United Nations, African countries pledge to take urgent steps to comply with those obligations. It should be underscored that the failure to which I have just referred is not by design.

Concerning the non-payment of assessed contributions, we are most disturbed by the deliberate withholding of payments by some of the major contributors. We share the view that the unilateral withholding of assessed contributions is unjustifiable and represents a deliberate violation of the Charter. Clearly this practice is aimed at achieving certain particular objectives, including the annulment of basic principles and democratic procedures of the United Nations. This practice accords with those political designs for the destruction of the very foundations of multilateralism and sovereign equality to which I have referred earlier. It is on this basis that the African Group supports the decision to address the political ramifications of the current financial crisis in the plenary of the General Assembly.

Let me now revert briefly to the proposals made by the Secretary-General in his report on the present item. The African Group has carefully studied the proposals and has resolved to participate fully in their consideration and in any consultation that may lead to decisions at this resumed session. The proposals have been spoken of as a package. We are prepared to deliberate on the nature of that package and to ensure that the countries most affected by economic crisis should not be the ones to suffer most when the package is finally hammered out. Because of their complex technical aspects, the African Group has expressed the

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wish, and now formally requests, that the Secretary-General's proposals be exhaustively discussed within the framework of the Fifth Committee.

There are, however, a few of those specific proposals on which we should like to record our preliminary observations.

Among the measures proposed with a view to effecting savings is the curtailment of various ongoing programmes and activities. Given the gravity of the financial crisis, the African Group well appreciates the Secretary-General's difficulty in trying to spare programmes and activities already sanctioned by the General Assembly and other organs of the United Nations. We are, however, concerned that the curtailment proposed would affect areas which African States have always considered to be of the highest priority. We note in particular that, although the activities of the United Nations Council for Namibia have already undergone substantial reduction as a result of the Secretary-General's administrative measures, further serious cuts have been recommended. I need not emphasize that Namibia is and will remain a unique responsibility of the United Nations. This has long been recognized by the international community. We are therefore disturbed that the measures that have been recommended would tend to put the question of Namibia on the back burner of the international agenda. The African Group feels that any effort to do so or to diminish its importance should be resisted.

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Further, the African Group does not view favourably the proposal to defer indefinitely the construction of the conference centre of the Economic Commission for Africa in Addis Ababa.

Some of the proposals relating to the calendar of meetings and the provision of summary records also have serious implications for areas of vital importance to the African Group. We are particularly concerned at the prospect that the non-provision of summary records and the reduction of meeting periods would adversely affect the work and the record-keeping systems of important bodies charged with monitoring the implementation of programmes against apartheid.

We make these preliminary observations in order to emphasize the African Group's preoccupation with the need to find the most expeditious and least prejudicial means of resolving the current crisis. Clearly, the deliberations to follow must take into account all sensitivities and aim at a judicious and equitable solution. We do not believe that only the sensibilities of the powerful should be a subject of concern.

In conclusion, I wish to reaffirm the commitment of the African States to the principles and purposes of the United Nations and to the preservation of its essential character. With the good will of all, the African Group is convinced that the current financial crisis can be overcome and can be transformed into an episode evincing the strength of the United Nations, rather than the incapacity of its Members to rally to a common cause.

The PRESIDENT: In accordance with General Assembly resolution 3237 (XXIX) of 22 November 1974, I now call on the Observer of the Palestine Liberation Organization.

Mr. TERZI (Palestine Liberation Organization (PLO)): We wish to express our sympathy to the people and the Government of the Ukrainian SSR. Accidents do happen. This accident is not the first in this field, but let us hope that it is the last such accident. We have just been informed by the representative of the Ukrainian SSR that there is no need for universal alarm. We are assured that the authorities in Kiev can cope with the resulting situation and we are certain that they will do so.

I wish to thank the Secretary-General for having requested the resumption of the General Assembly session on an urgent basis to deal with the current financial crisis of the United Nations, but first permit me to quote from his statement:

"Political attitudes must be brought into sufficient consonance to permit constructive co-operation in deciding the programme agenda ...

"Most importantly, Member States - large, medium and small - must recognize their commonly shared interest in the existence of a sound, universal Organization, capable of strengthening the prospect of peace and global security." (A/40/PV.124, p. 12)

As the representative of a victimized people we are most keen to maintain the existence of a sound, universal Organization capable of strengthening the prospect of peace and global security. We are also keen on insisting on the need for the Organization to be the vehicle for resolving disputes by peaceful means. We do have faith in the Organization.

Should the United Nations be made to fail us in our endeavours to achieve a comprehensive peace and a just solution to the question of Palestine - a responsibility of the United Nations - and to find a solution for the fate of the Palestinian people, a just solution, we ask, what other options do we have? We have listened with great interest and attention to the varied opinions of

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representatives. We do appreciate the reason for the alarm of the Secretary-General, and I dare say of all of us, concerning the fate of the Organization. After all, the outstanding contribution amounted to a little more than the total contributions payable in one year. However, in his second report of 25 April the Secretary-General presented a less alarming state of finances which diminished the extent of our alarm. In this context, we think that our attention should focus more on the contributions outstanding from "prior years". One can find the explanation that the outstanding contributions for the current year have not been settled as yet, but we are certain that, come September, the Secretary-General will be in a position to ease our concern and inform us that payments have already been made. But what is worth while noting here is the financial status of outstanding contributions, namely, contributions withheld deliberately by the Government of the United States of America.

According to the scale of assessments the United States contributes 25 per cent of the budget. I think that the United States had opted to do that. Yet we note that on 25 April 1986 the outstanding contributions by the United States represented 35 per cent of the total contributions outstanding from "prior years". This, in itself, is indicative of the political will - or ill-will - of the Government of the United States and its role and obligations in the Organization. Withholding contributions in this arbitrary way is, in itself, a violation of the principles of the Charter. Naturally, if the United States Government wishes to diminish its contributions, or have them diminished, there is a legal way of proceeding to do that. They could have come to the General Assembly and appealed to the Members to consider a review conducive to diminishing the percentage of their contribution, for there is no harm in saying that the United States is going through critical financial times, whether it be repression or

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depression. They could also tell us that they need the money to open more schools and shelters for the homeless, or, on the other hand, they may say that they need the funds to support the Contras and provide "Stinger" missiles to so-called rebels in their attempts to destabilize "unfriendly Governments", or to consolidate their aggressive, military strategic alliance with the junta in Tel Aviv. But let us come straight to the point. The United States could tell us that, since Washington no longer can exercise its domination over this Assembly, Washington has decided to undermine the efficacy of and negate the need for the United Nations. As a matter of fact, in his statement this morning the representative of the United States said that it was frustrated. I am afraid that frustration might lead into something, more aggressive than the mere withholding of its contribution.

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The United Nations General Assembly can revise the assessment chart and the contribution percentages as duly apportioned, but that cannot be done unilaterally. I see no reason why the United States Government need resort to financial blackmail and pressure to achieve its aims. In our opinion, the crisis is not purely financial; it is financial inasmuch as it reflects a political decision by the Government of the United States, a permanent member of the Security Council, the host country, to undermine the functioning of this Organization.

But let us go to the report of the Secretary-General. The suggestion to curtail the session of the General Assembly by three weeks might be appealing if some constructive suggestions were made identifying what items should be eliminated from the provisional agenda. For someone, for an outsider, who has not participated in the agony of long discussions and the determination of participants needed to reach the minimum of understanding on some issues, the suggestion to curtail the session by three weeks out of an average of 14 might be considered to be an expression of opinion that the General Assembly was embroiled in a process of unnecessary verbiage. We are of the opinion that the provisions of Chapter IV of the Charter, and specifically in Articles 10 to 17, are as valid today as they were when the Charter was drafted by the founding fathers - and we understand that the United States of America played a very important role in that drafting. We believe that the purposes of the Charter and of the United Nations are more needed now than ever before.

A suggestion has been made that would, in our opinion, contradict the provisions of Articles 2 and 18, which hold the sovereign equality of all Members and the one-Member, one-vote principle to be indispensable for the democratic functioning of the United Nations. The suggestion to resort to "consensus" calls for some cautious reconsideration. First, a clear-cut definition of consensus



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should be established. It should neither be construed as the need for unanimity nor as granting veto power to some. We recall with regret the failure to reach agreement on the issuing of a declaration commemorating the fortieth anniversary of the United Nations. That sad result should not have been permitted and should never be permitted again.

We believe that the suggestions set forth in annex IV of document A/40/1102 must have been made by financial wizards who, on the face of it, were trying to cut back on expenditure without any consideration for the purposes of the Charter. A more profound study and analysis of the suggestions lead us in the Palestine Liberation Organization, which represents a people living - or rather, existing - mostly under Israeli occupation, more convinced that the selectivity was politically motivated and not only, or exclusively, financial. For how on earth could the suggestion be made to defer to 1987 the meetings of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories? Are we to believe that Israel, the occupying Power, has promised to behave in a civilized way and abide by the conventions and norms of international law? Has Israel promised or declared its intention to withdraw totally and unconditionally from the Palestinian and other Arab territories it occupies, including Jerusalem, in conformity with the decisions of the Security Council? Or, in the minds of those who made that suggestion, was it felt that Israel's repressive measures, its iron-fist policy and its other violations, were not a good enough reason to investigate and report upon, and that Israeli should come out scot-free or perhaps even thanked for its barbarity and acts of State terrorism?

Another suggestion is that the number of regional seminars or symposiums on the question of Palestine be reduced from six to four. Obviously, those who made that suggestion were giving ill advice to the Secretary-General. The aim and the

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purposes of such seminars are primarily to promote the peace process set out by the General Assembly in resolution 38/58 C and its consequent positive effect on the expenses incurred by the United Nations in such matters as sending United Nations peace-keeping troops, convening great numbers of meetings of the Security Council to consider derivatives - namely, acts of aggression and violations by the occupying Power, Israel, against our people. Apparently, those who made that suggestion have lost sight of the purposes of the United Nations.

If we had peace, if the peace process continued, then there would be no need for all those continuous and continuing Security Council meetings, whether until 6 p.m. or until 6.30 p.m. In our opinion, the so-called package as it now stands does not help the cause of the United Nations, nor does it heighten credibility among those who have faith in the Organization - and we too have faith in the Organization.

Another suggestion was made to incorporate the special session of the General Assembly on the question of Namibia into the forty-first session. Thank you, but the question of Namibia is already inscribed on the agenda of the forty-first session, so there is no need for that suggestion. It only means that that special session should be eliminated.

We actively participated in the work of the Ministerial Meeting of the Co-ordinating Bureau of Non-Aligned Countries held at New Delhi earlier this month, where the crisis and the obstacles that hinder the efficiency and efficacy of the United Nations were considered. The Chairman of the Non-Aligned Movement has already informed the Assembly of the declaration adopted at that meeting. We fully concur with the representative of Yugoslavia, who spoke on behalf of the Group of 77, and we identify ourselves with his appreciation of the efforts of the

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Secretary-General to formulate proposals covering many different areas with potential for savings. However, we are not inclined to treat all the proposals "on an equal footing".

Finally, we honestly believe that a more analytical study should be made, first, to ensure that Member States do not withhold any of their contributions as apportioned and, secondly, to consider priorities in light of the estimated revenue. We are confident that the resumed session has achieved a good purpose through an exchange of opinions, and we are certain that in the light of the discussion here the Secretary-General, Chief Administrative Officer of the Organization, will be in a better position and better informed and advised on action to be taken, keeping in mind the purposes of the Organization, as well as its priorities and responsibilities.

The meeting rose at 6.20 p.m.