



Chairman: Mr. Motoo OGISO (Japan).

AGENDA ITEM 72

**Supplementary estimates for the financial year 1972
(continued) (A/8834, A/8878)**

1. Mr. KALINOWSKI (Poland) said he wished to explain why his delegation, at the preceding meeting, had voted against the draft resolution appearing in document A/C.5/XXVII/CRP.15. He pointed out that at the twenty-sixth session, Poland had voted against the budget estimates for the financial year 1972 since it had felt that there was little justification for the high figure and it included estimates for illegal activities to which the Polish delegation was opposed. Although the revised estimates for 1972 were slightly lower, the high figure was still not justified. However, the negative vote of his delegation should not be interpreted as a refusal to support the Secretary-General's efforts. On the contrary, his delegation approved the Secretary-General's policy of budgetary austerity, which was very encouraging, and it assured him that in that regard he could count on the Polish delegation's full cooperation. Although his delegation had some doubts as to the utility of the Secretary-General's proposal in part A, paragraph 6, and part B, paragraph 4, of the draft resolution, it would not have been opposed to its adoption if it had been put to the vote separately.

AGENDA ITEM 77

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (continued)* (A/8711 and Corr.1 and Add.1, A/C.5/L.1091, A/C.5/L.1092, A/C.5/L.1093, A/C.5/XXVII/CRP.14)

2. Mr. AL-SHARAFI (Yemen) said that the review of the scale of assessments and the proposals for adjustments in the scale should in no way be regarded as attempts to weaken the United Nations or to plunge it into a new financial crisis, especially when such proposals were undoubtedly intended to correct the injustices in the scale of assessments caused by the rigidity of the obsolete fixed floor and to alleviate the financial burden on countries with a low *per capita* income, in particular the least developed among the developing countries, in accordance with the recommendations of the General Assembly in that regard. A new recommendation by the Assembly concerning the situation of such countries would in no way question the wisdom of the Committee on Contributions; on the contrary, it would strengthen its authority and facilitate its task.

* Resumed from the 1532nd meeting.

Under the terms of its mandate, the Committee should, in calculating assessments, take account above all of the capacity to pay of Member States, on the basis of the comparative *per capita* income. When the scale of assessments had originally been drawn up, the minimum assessment had been set at 0.04 per cent and at that time it had applied to eight countries; however, with the increase in the number of Member States and the admission to the United Nations of many countries with a very low *per capita* income and serious economic problems, it had become necessary to revise the minimum, especially in the light of the many recommendations by the General Assembly in favour of countries with a low *per capita* income. Several attempts had already been made in the past to lower the minimum percentage as a result of the increase in the number of Member States and the admission of some States which did not have the capacity to pay that minimum. Such a measure had become all the more necessary since many newly admitted countries were obliged to pay a contribution in excess of their capacity to pay, particularly in view of inflation and the harsh economic conditions they had to cope with. In fact, the rigidity of the fixed floor prevented those countries with the lowest *per capita* income from benefiting from the allowance formula or from any other recommendation in favour of the developing countries. It was clear that the Committee on Contributions could not correct that injustice without directives from the General Assembly.

3. For that reason the delegations of Afghanistan, Haiti, Lesotho, Somalia, Yemen and Zaire had deemed it necessary to submit a draft resolution (A/C.5/L.1093), in which the Committee on Contributions would be requested to lower the floor from 0.04 per cent to 0.02 per cent, in order to correct the injustices imposed on countries with a low *per capita* income and to offset the effects of inflation which were felt most strongly in the developing countries, in particular the least developed among them, some of which could not even maintain a permanent mission to the United Nations Headquarters. The preamble of the draft resolution, which consisted of three paragraphs, recalled previous General Assembly resolutions, noted the adjustments that had been made in the ceiling for the highest contribution, and referred to the method of operation of the allowance formula. The operative paragraphs reaffirmed the fact that due regard should be accorded the developing countries, especially those with the lowest *per capita* income, and requested the Committee on Contributions to lower the floor from 0.04 per cent to 0.02 per cent. The new minimum had not been chosen arbitrarily; the sponsors of the draft resolution had felt that merely to suppress the floor

might overburden the Committee on Contributions by obliging it to calculate separately the assessment of each of the many developing countries with a low *per capita* income, as it did for other Member States. In such a case, the Committee would not have enough time to examine the statistical data for all those countries and would have to content itself with approximations—particularly since some countries did not have accurate statistics because of under-development. The floor of 0.02 per cent therefore constituted a fair and reasonable minimum which would lighten the Committee's task by allowing it to group together a large number of countries in one category without fear of committing an injustice.

4. Mr. CLELAND (Ghana) said he would like to explain the reasons which had prompted him to propose the inclusion in the report of the Fifth Committee of a paragraph (A/C.5/XXVII/CRP.14) in which the Committee would request "the Committee on Contributions, in granting relief to countries with low *per capita* income, to give additional attention to the less developed of the developing countries". He pointed out that, true to the spirit of General Assembly resolutions 1927 (XVIII) and 2118 (XX), the Committee on Contributions had been granting relief to countries with low *per capita* income, in view of their special economic circumstances, and that it had also been granting additional relief to countries with a *per capita* income of \$300 or less. However, the distinction thus drawn between most of the countries with a low *per capita* income and those with a *per capita* income of \$300 or less had been obscured when the Committee had decided, in its latest report, to extend the additional relief to a wider range of countries. It was to ensure that the relief granted was proportionate to the needs that his delegation had proposed the inclusion in the Committee's report of the paragraph in question. His delegation was not seeking to institute a new policy, since the concession of additional relief to countries with a *per capita* income of \$300 or less was already implicit in the practice of the Committee. His delegation had been careful not to indicate a figure since the figure of \$300 might no longer be realistic in the light of the world economic situation when the Committee on Contributions undertook its triennial review early in 1973. His delegation had advisedly used the expression "the less developed of the developing countries" and not "the least developed", since, for the purpose of calculating assessments, the least developed countries were the 69 countries whose assessment had already been fixed at 0.04 per cent.

5. His delegation was also one of the sponsors of draft resolution A/C.5/L.1092, for the reasons explained by the representative of Brazil at the 1530th meeting. It would give its views on draft resolution A/C.5/L.1093 at a later stage.

6. Mr. OUEÐRAOGO (Upper Volta), referring to the statement just made by the representative of Ghana, said that some clarification was required. The English text of the Ghanaian proposal was slightly different from the French text, in which the Committee on Contributions was requested to give additional attention

to "*les moins avancés*" of the developing countries. His delegation therefore felt that the French text should be revised, otherwise it would find it difficult to take a position in the vote.

7. Mr. RIAD (Egypt) expressed appreciation for the special attention paid by the Committee on Contributions to the allowance formula to be applied to countries with low *per capita* income. The Committee had felt that it would be appropriate to revise the different elements of the current allowance formula so as to adjust it to the changing world economic conditions. A revision of the formula was all the more necessary in that, since it had been devised, the number of Member States which could benefit from it had changed considerably: whereas initially it had included all Member States with two exceptions, it now covered only one third. For that reason, his delegation welcomed the sound initiative taken by the representative of Brazil in introducing draft resolution A/C.5/L.1092. It endorsed all the arguments adduced in support of the draft resolution, of which it had become a sponsor, and it hoped that it would be adopted by the Committee. It also supported the proposal of the representative of Ghana regarding the inclusion in the Committee's report of a paragraph requesting the Committee on Contributions, in granting relief to countries with low *per capita* income, to give additional attention to the less developed of the developing countries.

8. With regard to the draft resolution of the United States of America (A/C.5/L.1091), he observed that it in no way dealt with the fundamental issues raised since it did not take into account the major principle of the capacity to pay. That principle was still valid and it was mainly on that basis that the Committee on Contributions drew up the scale of assessments. Until such time as it had been decided that that principle had ceased to operate, the United States proposal was premature. In attempting to explain and justify it at the 1528th meeting, the representative of the United States, Mr. McGee, had referred to the Lodge Commission, which had expressed the view that the American Government and people would give greater support to the United Nations if the ceiling for the United States contribution was lowered to 25 per cent. There was, however, nothing to indicate that the conclusions reached by the Lodge Commission could be regarded as infallible. The report of that Commission was dated 26 April 1971, in other words it had been prepared at a time when the United Nations had still not achieved complete universality. It followed that, because of that universality, it was even more important that the United States should continue to give it financial support.

9. Another argument advanced by Mr. McGee was that the increase in the number of Member States, which had risen from 82 in 1957 to 132 in 1972, would justify the reduction in his country's contribution, at least in principle. Theoretically and rationally, that argument seemed logical and fair, although the consequences of the United States proposal, if it was adopted, were not very clear. All that could be said was that the effectiveness of the United Nations, whose future was blurred with uncertainties, would be jeop-

ardized, whereas it was important that each Member State should make every effort, within its capacity, to enhance its effectiveness.

10. The United States proposal took into account the admission of new States that was to occur the following year and the triennial adjustment in the percentage contribution of Member States resulting from the increase in their national incomes. However, the Egyptian delegation did not view with optimism the repercussions that might follow from the adoption of the draft resolution under consideration, for two reasons. Firstly, the lowering of the ceiling for the major contribution would not have favourable effects on the contribution of countries in the floor category. It was noteworthy that the assessment of Member States in that category was at present above their capacity to pay and the countries concerned already faced a difficult task of economic and social development. It would not be fair for a wealthy Member State to try to have its assessment reduced when the proper course would be to grant relief to impoverished Member States which were already contributing beyond their capacity to pay. Secondly, draft resolution A/C.5/L.1091 covered contributions not only to the United Nations budget but to the specialized agencies as well. As had already been amply indicated during the discussion, the eventual admission of the Federal Republic of Germany, which was already a member of such agencies as FAO, ICAO, UNESCO and WHO, would have no implications in so far as contributions were concerned.

11. One of the arguments put forward implicitly or explicitly in the Committee concerned the position adopted by the United States legislative bodies with regard to lowering the ceiling to 25 per cent. With all due respect to the notion of sovereignty underlying that argument, and with full acknowledgement of the independence of judgements pronounced by the United States Congress, it was an indisputable fact that when a country chose to become a Member of the Organization it undertook to co-operate under the terms of the Charter and thereby voluntarily surrendered a segment of its own sovereignty for the sake of the United Nations. That being so, one would not wish to believe that the United States was using the argument in question as an ultimatum. It might of course be said that the viewpoint of the Congress represented a veiled threat against the Organization; in that connexion, his delegation earnestly urged the Committee to avoid any course of action which might be construed as representing a vindictive or punitive attitude. Indeed, it understood and acknowledged the reasons which had prompted the United States to submit its draft resolution. It recognized that the United States Government had given major financial support to the Organization, generously and incessantly. Denying the magnitude of the role played by the United States in maintaining the momentum of the United Nations would be an act of ingratitude. Nevertheless, he felt that the adoption of a draft resolution, debated amidst unsurmountable difficulties and confused opinions, was not the way to resolve the issue. That method moreover, carried the stigma of arbitrariness. The great

significance of the issue required that it should be examined objectively and serenely. Unfortunately that had not been the case: some delegations had stated that they would support the United States draft resolution while others had sharply criticized it. For the reasons he had given, he would not be in a position to support the draft resolution.

12. He wished to make it clear that no viable solution could be found if views within the Committee were sharply divided and if a decision were to be imposed on the minority by a majority. What must be sought above all was to achieve harmony and consensus and to remember that on any vitally important matter there should be no total victory for some or total defeat for others. One might ask what benefit the Organization could achieve by antagonizing the Member State which paid the largest contribution. One might also ask what kind of understanding the United States could count upon from the Member States if it pressed its draft resolution to a vote and thus provoked a division which it would be best to avert.

13. The two courses open to the Committee were: either to accommodate all views through appropriate action or to let resentment and reluctance prevail in the Organization. His delegation submitted that referring the matter to the Committee on Contributions might help to rescue whatever merit the United States draft resolution had; the Committee on Contributions was undoubtedly the most competent body in that respect. The Fifth Committee might request the Committee on Contributions to re-examine the ceiling principle at its 1973 session in the light of the United States draft resolution—which would be referred to it without being voted upon by the Fifth Committee or the plenary Assembly—together with the views expressed by delegations in the Fifth Committee. The review in the Committee on Contributions would be made in conjunction with the review of the scale of assessments so as to allow for a concrete and objective appraisal of the effect on the scale of any changes in the highest assessment, account being taken of the additional contributions arising out of the admission of new Members. The Committee on Contributions would then submit to the General Assembly the conclusions it reached as to the level of the ‘ceiling’ and the procedures to be adopted should it find a change in the level to be justified.

14. In proposing that course of action, his delegation was motivated by the following main considerations: firstly, the threat of division within the Organization would be averted; secondly, the General Assembly would have ample time to give the United States proposal further thought and study; thirdly, more time would be available for consideration of the report of the Special Committee on the Financial Situation of the United Nations side by side with the United States proposal for readjusting and redistributing assessments; fourthly, the issue would not be prejudged, since the report of the Committee on Contributions would in any case come before the Fifth Committee at the twenty-eighth session of the General Assembly and would therefore be acted upon before 1 January

1974; and lastly, it would be far preferable to allow the situation to become clearer after the new Members were admitted and the triennial adjustment introduced.

15. In conclusion, he expressed his conviction that the sense of responsibility and feelings of loyalty which all delegations without exception shared in respect of the United Nations would enable them to overcome the difficulties they now faced.

16. Mr. POLIC (Chile) said that the United States draft resolution was in his opinion a rather negative document, especially as it came at a time when all Governments should be making the greatest contribution they could in order to remedy the financial situation of the United Nations.

17. The Organization's survival, both in political and material terms, depended fundamentally upon the political will of the Member States. His delegation felt that, to attain the high ideals embodied in the Charter, countries in the most favourable material position should make the greatest contribution. In calculating assessments, the social and economic situation of Member States should be taken into account. One of the main principles in the calculation of contributions to the United Nations was, indeed, the capacity to pay of Member States and that principle had been adopted unanimously at the very first session of the General Assembly. If, therefore, a policy of fixing a ceiling was adopted, the first to suffer from it would be the developing countries which at present bore a heavy financial burden in order that the Organization might carry on.

18. Comparing the assessments of the United States and Chile, one saw that Chile's contribution to the expenditure of the United Nations was 0.20 per cent of the total while that of the United States was 31.52 per cent. At first sight those figures seemed to be in keeping with the level of development of the two States; yet the two assessments corresponded to approximately \$US 0.25 a year *per capita*. If one compared those figures with the *per capita* income of the two countries, it turned out that each Chilean paid more than each resident of the United States in order to maintain the Organization, for the *per capita* income a Chile was some \$600 a year whereas that of the United States was over \$3,000. The United States indicated in its draft resolution that the reduction in its contribution would not have adverse effects on the financial interests of other Member States, since in proposing the reduction the United States had taken into account the contributions to be made by States soon to be admitted into the Organization and the normal triennial increase in the percentage contributions of Member States resulting from increases in their national incomes. On the basis of existing standards, however, the contributions of new Member States should permit a reduction in the contributions of all Members and not of one country alone. In addition, since it was a primary obligation of Member States to maintain and strengthen the United Nations, the most powerful and highly developed country had special responsibilities in that respect. Any step which would have the effect

of reducing what a developed country contributed to the work of the United Nations signified a negative and therefore a discouraging attitude. It was in the light of all those considerations that the Chilean delegation would vote against draft resolution A/C.5/L.1091.

19. In closing, he informed the Committee that his delegation had decided to become a sponsor of draft resolution A/C.5/L.1092.

20. Mr. ESFANDIARY (Iran) said that, under the terms of the draft resolution submitted by the United States, its contribution to the regular budget of the United Nations would be reduced from 31.52 per cent to 25 per cent. That reduction was to be achieved "as soon as practicable", with the proviso that the percentage contribution of Member States should not, in any case, be increased as a consequence. The Iranian delegation considered that the proposed maximum contribution of 25 per cent by any one Member State to the ordinary expenses of the United Nations was in the interests of the Organization.

21. It had been suggested that the proposed reduction might detract from the basic principle governing the scale of assessments, the capacity to pay. The ceiling principle was however virtually as old as the principle of capacity to pay, and what was at stake was more a matter of degree than of principle. As far back as 1948, the General Assembly had decided to restrict the operation of the capacity-to-pay principle by imposing a ceiling for the maximum contribution; it had decided that no State should pay more than one third of the total budget, despite the fact that the capacity to pay of the United States had far exceeded that percentage at that time. With the admission of new Members, the ceiling had been further lowered in 1957 in order to bring the maximum contribution more in line with the realities of the existing situation. During all that time the principle of capacity to pay had been in operation within the limits of not only a ceiling but also a floor. His delegation was confident that the principle could continue to operate in accordance with the adjustments which the General Assembly might wish to make taking into account the changes which had occurred since 1957. That matter must in fact be viewed in a broader context, namely the interests of the Organization as an effective instrument.

22. At the 1528th meeting, the representative of the United States, Mr. McGee, had mentioned the Lodge Commission's recommendation that the United States should maintain, and if possible increase, its total contributions to the United Nations system. Furthermore, the United States delegation had let it be understood that with the reduction of 6.5 percentage points in the assessed level of the United States contribution to the United Nations budget, there would be a corresponding increase in the level of United States voluntary contributions to UNDP. The Iranian delegation earnestly hoped that further voluntary contributions to UNDP by the United States would far exceed the amount represented by the 6.5 per cent reduction, especially at a time when UNDP was having difficulty in meeting its objectives.

23. His delegation also noted that the proposed reduction, to be achieved "as soon as practicable", might in fact be spread over a period of years, as Mr. McGee had mentioned.

24. Finally, his delegation thought that operative paragraph (c) of the draft resolution, which read "the percentage contribution of Member States shall not, in any case, be increased as a consequence of the present resolution", was of vital importance; the Committee on Contributions should take the necessary care to ensure that that provision was strictly applied, whatever the circumstances.

25. In view of the foregoing, his delegation would vote in favour of draft resolution A/C.5/L.1091. It would also vote in favour of draft resolution A/C.5/L.1092, of which the representative of Brazil, speaking on behalf of the sponsors, had given a cogent and comprehensive account at the 1530th meeting.

26. Mr. YASHPAL (India) said that the report of the Committee on Contributions assumed particular importance in the context of the forthcoming triennial review of the scale of assessments for the period 1974-1976. His delegation was encouraged to note that the Committee on Contributions had given considerable thought to the possibilities of improving the methods for the establishment of a more equitable scale of assessments, and that it had recognized the necessity of changing the elements of the existing allowance formula by taking into account changes in the *per capita* income of Member States, changes in the value of the dollar over the past 25 years, the need for special attention to be given to developing countries and the realities of the changing world economic situation.

27. The developing countries trusted that account would be taken of the difficulties experienced by them in meeting the cost of the servicing and amortization of foreign debts, which constituted a considerable burden on their meagre resources and adversely affected their development effort. The ability of Member States to secure foreign currencies also needed to be given special consideration. Although the Committee had not been able to devise any systematic or sound way of making an automatic allowance for that factor when determining the assessment rates of Member States, it was important that it should continue its practice of taking foreign indebtedness into account, as appropriate, in arriving at individual assessments. At its twenty-sixth session, the General Assembly had suggested that the Committee might consider giving automatic relief to countries that had to devote, for instance, one fifth of their foreign earnings to the servicing of foreign debts. It was also necessary that developing countries with low *per capita* income and low-level growth in national income should continue to be shown special consideration.

28. The Committee had before it an important proposal by the Member State that was the largest contributor to the regular budget of the United Nations, namely, the proposal submitted by the United States. The United States was currently contributing 31.52

per cent of the Organization's budget, and the proposal was that its contribution should be fixed at a level not higher than 25 per cent. The United States justified the reduction in the ceiling of its contribution on the grounds of political equity and realism, and not for any financial or economic reason. The proposal needed to be looked at not from the point of view of the highest contributor alone but from the point of view of the entire membership of the United Nations, which had considerably increased in recent years. The interest of a vast majority of developing countries were reflected in the adoption of the International Development Strategy for the Second United Nations Development Decade, which had given a new orientation to the role which the United Nations should play in the field of social and economic development. The Strategy, which had been unanimously adopted by the General Assembly at its twenty-fifth session, required the developed countries to fix a target of 1 per cent of their gross national product for their aid to developing countries. There was still a long way to go before that target could be achieved and progress so far had been rather disappointing. Developing countries could not, therefore, be expected to be enthusiastic about any arbitrary reduction in the contributions to the already tight budget of the United Nations from those who had the capacity to pay. Their genuine fear was that the resulting reduction in resources would weaken the Organization's role in the field of development, and they could not face the prospect of bridging the gap by increasing their own contributions. At a time when the Organization was living from hand to mouth and facing a serious financial crisis, the emphasis should instead be on increasing its resources wherever possible. Considerations of political equity and the legitimate requirements of developing countries demanded that the United Nations should remain actively responsible to their needs. The financing of the entire development effort could not be left to voluntary response alone, especially as that response—voluntary or otherwise—was still far from adequate. The United Nations must retain and develop its role as part of its regular activities financed from the regular budget for fulfilling the commitments of the Strategy and thereby increasing its effectiveness in the social, economic and humanitarian fields. It was in that perspective that the United States proposal needed to be seen.

29. It would be recalled that when the ceiling of the largest contributor had last been revised in 1957 from 33.33 per cent to 30 per cent, it had been pointed out by a large number of delegations, including his own, that they saw no valid reasons for modifying the existing system and that the capacity to pay should be maintained as the basic principle regulating the apportionment of expenses among Member States. They had pointed out that if the principle of capacity to pay was strictly applied, the United States assessment should have been set at 40 to 45 per cent and that, if an exception to the general rule had been made, it was in favour of the United States through the lowering of the ceiling to 33.33 per cent. They had argued that the admission of new Members did not justify a further reduction since the United States was already assessed at a rate

lower than its capacity to pay, and that if, as a result of the admission of new Members, there was a possibility of reducing contributions, the first to benefit should be the Member States with low or medium-sized incomes. The developing countries had urged even then that the United States assessment should not be changed until an improvement in the economic position of other countries warranted a lower ceiling consistent with the capacity to pay.

30. The situation was unchanged. The United States delegation argued that a reduction in its contribution would not in any way increase the percentage contribution of other Member States since the reduced percentage would be made up by the two German States that were expected to join the Organization. That argument was open to criticism on two grounds: first, it would not be proper for the General Assembly to take a decision anticipating a position which had not yet materialized; secondly, even assuming that the percentage contributions of other Member States might not increase, it was also true that they would not be reduced. Thus, the adoption of the United States proposal would mean that the admission to the United Nations of a rich State with a sizable capacity to pay would be of benefit only to another affluent country and not to the States Members of the Organization as a whole.

31. The criteria for the establishment of the scale of assessments had been laid down after careful consideration of the basic principle of the capacity to pay. The only exception to that principle had been the United States, whose capacity to pay had always been higher than its assessment, and although the General Assembly had decided in 1957 that in principle no single Member State should contribute more than 30 per cent of the Organization's budget, the Committee on Contributions, in spite of its best efforts, had not been able to implement that decision for the reason that the economic situation of the other Member States did not warrant it. If the decision to bring the ceiling down to 30 per cent had not so far been implemented for that reason, it was difficult to see how it could now be further reduced to 25 per cent without adversely affecting other Member States.

32. The original terms of reference of the Committee for Contributions stated that: "If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay."¹ Mr. Ronald F. Stowe, a member of the Lodge Commission, had said that although at first glance even 30 per cent might seem large, one gained a quite different perspective realizing that the cost to the United States of the 1970 regular budget of the United Nations had been less than 25 cents per person, the cost to the United States for all the specialized agencies the previous year had been about 28 cents per person, and the cost to the United States for the entire United Nations system, including all the specialized agencies and voluntary programmes, had been a mere \$1.57 per person.

¹ See *Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 11* (and corrigendum), annex, part A.

Mr. Stowe had added that, in comparison, the military expenditures of the United States the previous year had amounted to \$373 per person and that the contribution of \$1.57 to the United Nations system could not reasonably be called excessive; in his view, attempts to reduce the assessment further were unwise and unnecessary.

33. The General Assembly, in its resolution 238 A (III) of 18 November 1948, had recognized that "the *per capita* contribution of any Member should not exceed the *per capita* contribution of the Member which bears the highest assessment". If the United States proposal was accepted, the contributions for a number of countries would have to be reduced automatically, and that would impose an additional burden on other Member States.

34. While the representative of the United States had stressed that the proposal related only to assessed contributions to the regular budget of the Organization and that his Government did not in any way propose any diminution in its over-all financial commitments to the activities of the United Nations, he had not given any clarification as to the future assessed contributions of his country to the various specialized agencies. As the scale of assessments in those agencies followed the pattern of that of the United Nations, acceptance of the United States proposal would affect the pattern of assessments in the various specialized agencies. The anticipated membership of new Members such as the Federal Republic of Germany was not going to help the budgetary position of the specialized agencies as that State was already a contributor to them. If, therefore, the ceiling was reduced to 25 per cent, the financial implications would be even more serious for the specialized agencies than for the United Nations.

35. It was undoubtedly a sound principle that the contribution of any single Member State should not be so high as to make the Organization exceptionally dependent upon its financial support. However, a decision to reduce the ceiling of the largest contributor should be taken, not in isolation, but within the over-all framework of decisions relating to the scale of assessments in general so that the decision would be fair and equitable to all Member States and would lead to a more rational scale. The sponsors of the proposal had themselves admitted that it could be implemented not forthwith but only "as soon as practicable". Accordingly, it would be advisable to wait to see what the situation would be after the admission of new Member States and to form a definite idea of what normal triennial adjustment would come about in the percentage contributions of Member States as a result of the relative growth of their national incomes. It would likewise be well to determine what additional percentage points would be available in definitive terms for distribution in establishing the scale for 1974-1976 so that they could be applied to reduce the United States contribution without at the same time adversely affecting the contributions of others or, more positively, to reduce the assessments of States with a low capacity to pay.

36. At the current stage, the Committee could take note of the United States proposal and give it the serious and careful consideration that it merited. However, it could take a wise and balanced decision only after all the elements relevant to its consideration had been clarified and fully analysed.

37. Mr. VINCI (Italy) said that there was one event which placed the United States proposal in a realistic perspective, namely, the expected admission to the United Nations of new Member States, which would further accentuate the universality of the Organization—which had already received confirmation through the restoration of the lawful rights of the People's Republic of China—and, at the same time, would produce a sizable input of new percentage points in the United Nations regular budget. If there was added the normal and substantial increase of the assessments of other major contributors—Italy among them—commensurate with the higher levels reached by their gross national product in the preceding three years, it became evident that the timing of the United States proposal coincided, by chance or by design, with important political and financial changes. It could be concluded that the contributions of the new Member States and the increased rates for other major contributors would to a large extent offset the reduction in the United States assessment.

38. In his opinion, the Czechoslovak representative had clearly proved that the principle whereby no country, regardless of its capacity to pay, should exceed a certain percentage of the total amount of the regular budget of the United Nations, had been established in 1946 and reaffirmed twice, in 1954 and 1957. In 1946, there had been only 51 Member States and the United States had already been paying almost 40 per cent of the total contributions to the budget. In 1948, in its resolution 238 A (III) the General Assembly had reduced the contribution ceiling to one third of the regular budget and nine years later, when the membership had increased to 82, it had reduced that ceiling still further—to 30 per cent—in resolution 1137 (XII). In spite of that, the United States contribution had always exceeded the ceiling fixed and currently amounted to 31.5 per cent. As the number of Member States had grown to 132 and as increases in contributions were already expected in the coming years as a consequence of the admission of new Members and the economic growth of a number of States, it was essential that the ceiling principle should be enforced in view of all its political and financial implications. That principle was to be considered in the same context as that of the capacity to pay; in other words, the latter was to be applied within the limits set by the former. The General Assembly had taken that decision to prevent any country, no matter how wealthy, from getting the lion's share in the financing of the United Nations. The principle of a ceiling, not exceeding a quarter of the total budget, seemed even more justified currently as the international community was moving more and more from a bipolar to a multipolar system. One way of having those changes visibly reflected in the Organization was to have its budget borne by a broader range of countries.

39. He associated himself with delegations which had emphasized the interest which all Member States, and the United Nations as a whole, had in securing greater understanding and support from public opinion in the United States. He agreed with the reasons which they had put forward and, especially, with one of the main points made by the representative of Saudi Arabia (1531st meeting), who had said that to reject a lower ceiling for the United States could result in a much bigger loss through a substantive reduction of the voluntary contributions, which could be forced upon the United States Congress under pressure of public opinion. It must not be forgotten that the essence of the proposal before the Committee lay in a principle and not in purely financial issues; for a country with a gross national product of more than \$1 million, \$20 or \$30 million dollars more or less could not make a difference.

40. Although the date of 1 January 1974 had been mentioned, draft resolution A/C.5/L.1091 did not set a precise deadline for the implementation of the ceiling of 25 per cent which was to be applied "as soon as practicable". The Committee on Contributions would therefore have ample opportunity to introduce, if the circumstances so warranted, the process of gradual reduction which the Italian delegation had already mentioned.

41. He also believed that the matter under consideration should be viewed in a more general context, namely, from the standpoint of the principle of collective responsibility, which was basic to the Organization. It was essential, if the spirit of the Charter was to be respected, that all Member States should, through their financial support, have a stronger voice in the life of the Organization.

42. For all those reasons, the Italian delegation would vote in favour of the United States draft resolution, for it agreed with the Canadian representative that in the long run the proposed ceiling was both realistic and desirable. It was sure that, in the long term, the measure would prove wise and that the United Nations would benefit from it.

43. As to draft resolution A/C.5/L.1092 sponsored by Brazil and 15 other countries, his delegation sympathized with the special situation of those countries which were still in the process of overcoming their development difficulties and must concentrate on the most urgent needs of their peoples. It believed that particular consideration should be given to countries with a low *per capita* income and was therefore inclined to support the draft resolution, leaving it to the Committee on Contributions to suggest the proper measures for reaching the goals set in the text.

44. Draft resolution A/C.5/L.1093, which would lower the floor to 0.02 per cent, ran counter to the principle of collective responsibility which every Member State had an interest in upholding. Operative paragraph 1 of draft resolution A/C.5/L.1092, by reaffirming the directive that additional recognition should be given by the Committee on Contributions to low

per capita income countries, made it possible for that Committee to pay particular attention to the situation of certain countries. Accordingly, his delegation could not vote in favour of draft resolution A/C.5/L.1093.

45. Mr. ARBOLEDA (Colombia) commended the Committee on Contributions on its excellent report, which reflected the methodical way in which the members of that Committee had studied the various aspects of the complex problem of the apportionment of the Organization's expenses.

46. Draft resolution A/C.5/L.1092, of which the Colombian delegation was a sponsor, had already been defended with consummate skill by the Brazilian representative. The purpose of that text was extremely clear; the aim was to change the elements of the formula used in calculating the allowances made for low *per capita* income countries—an aim which was completely justified in the light of the considerations set forth by the Committee on Contributions in its report. The Assembly would request the Committee on Contributions to change the elements of the low *per capita* income allowance formula so as to adjust it to the changing world economic conditions. In making that proposal, the sponsors of the draft resolution had merely reproduced, almost textually, the opinion expressed by the Committee at the end of paragraph 18 of its report. Accordingly, the 16-Power draft resolution was not justified solely by its own merits; it was also tacitly supported by the Committee on Contributions. The Colombian delegation therefore hoped that it would be adopted, if not unanimously, at least by the overwhelming majority of the Committee.

47. The Colombian delegation in no way doubted the good faith of the sponsors of the United States draft resolution (A/C.5/L.1091). Nor did it challenge the value of the principle of capacity to pay as an essential criterion in calculating the assessments of Member States. The Colombian delegation's misgivings consisted in the fact that the strict application of that criterion might endanger the principle of the equality of Member States. Thus, for example, the Charter recognized the sovereign equality of all Member States and in accordance with that democratic principle each Member State had the right to vote in the General Assembly. However, neither the Charter of the United Nations nor any other regulation made provision for the fact that, despite the principle of sovereign equality of Member States, a disproportionate contribution—such as would result from exclusive application of the principle of capacity to pay without imposing a ceiling—might well upset the essential balance between Member States, because a single State might well gain too much power and influence if it took into account the excessive size of its contribution. To date, such a situation had never arisen in the United Nations, but there was no guarantee that it would not arise in the future.

48. His delegation felt that the fixing of a ceiling of 25 per cent would ensure balance between Member States; he would therefore vote in favour of draft resolution A/C.5/L.1091. The important point was not

whether it favoured a particular country or not, but that it constituted a democratic, salutary and equitable measure for all Members of the Organization. Furthermore, the ceiling which would now result in the reduction of one particular State's contribution, would prevent the contribution of any other Power or super-Power from becoming excessive and would therefore curb its potential influence in the Organization.

49. Finally, draft resolution A/C.5/L.1091 contained a provision that was extremely important to his Government, namely the guarantee that the percentage contribution of States would not, in any case, be increased as a consequence of the resolution.

50. Mr. MARTÍNEZ (Venezuela) welcomed the fact that the report of the Committee on Contributions had been circulated early enough to enable Member States to carry out a detailed analysis of important observations and conclusions it contained. He noted with interest that the Committee on Contributions had carefully examined certain aspects of the problem concerning price changes, on the basis of a further study designed to take into account such changes in establishing the assessments of Member States. The section of the report on comparative income per head of population was also interesting. In that context, his delegation welcomed the fact that the Committee had noted a considerable increase in the number of Member States with *per capita* incomes above \$1,000. Furthermore, on the basis of the detailed study of the effects upon the scale of assessments of several variants in the formula used to calculate allowances the Committee had concluded that the formula should be changed, taking particular account of the variations in the *per capita* income of Member States, the changes in dollar exchange rates and the General Assembly's request for special attention to be given to developing countries.

51. Draft resolution A/C.5/L.1092, co-sponsored by his delegation, merely took up the substance of the ideas expressed by the Committee on Contributions on the assessments of States Members of the Organization. Indeed, it was inspired by General Assembly resolutions adopted since 1951 concerning the need to give particular attention not only to countries with a low *per capita* income, but also to developing countries in general. It merely reaffirmed previous General Assembly resolutions and requested the Committee on Contributions to change the elements of the low *per capita* income allowance formula so as to adjust it to the changing world economic conditions. His delegation hoped that the draft resolution would find support among members of the Fifth Committee.

52. His delegation could not, however, support draft resolution A/C.5/L.1091, submitted by the United States, because it was aimed at reducing the assessment of the State which paid the highest contribution. In addition to the reasons given by other delegations, his delegation felt that the principle of the capacity of Member States to pay, recognized by the Organization from the outset, was an essential principle which had

to be invoked when considering the United States proposal. Moreover, the principle had been reaffirmed in a number of General Assembly resolutions. If the draft resolution was adopted, it might well give rise to proposals for revision of the scales of other international organizations, which would be neither opportune nor desirable for the large majority of States Members of the United Nations and members of the specialized agencies. Therefore, his delegation would vote against the United States draft resolution, if it was put to the vote.

53. Mr. KRIVOSHEIN (Byelorussian Soviet Socialist Republic) said that, when the Committee on Contributions established the scale of assessments for 1974-1976, it should pay particular attention to the capacity-to-pay principle, which had stood the test of time and was the only acceptable principle, as many delegations had said. In its statement on the budget estimates for 1973 (1505th meeting), his delegation had already said that the financial burdens of other Member States—which were not responsible for inflation—should not be increased in order to make good the budget deficit caused by the financial turmoil which had arisen in the capitalist countries. In terms of man-hours, the contribution of the United States, whose inflationary economy was in part responsible for the Organization's financial difficulties, remained the same; in fact, it had even decreased, which clearly indicated that the reduction sought by the United Nations was not justified.

54. In that connexion, he drew the Committee's attention to the contributions and assessments of Member States since 1946. Provisional calculations indicated considerable imbalance between the contributions and percentages of Member States between 1946 and 1972. Total contributions paid by Member States had increased nine-fold during that period, from \$19.4 million in 1946 to \$177.2 million in 1972. Over the same period, the percentage contribution of the Western countries which had founded the Organization had decreased by a quarter, from 69.41 per cent to 52.26 per cent; the contribution of the African and Asian countries had decreased by almost half, from 14.01 per cent to 7.48 per cent, and that of the Latin American countries had fallen by 40 per cent from 6.90 per cent to 4.11 per cent. However, the contribution of the Eastern countries had almost doubled, rising from 9.68 per cent to 18.86 per cent, and the Byelorussian contribution had increased by 117 per cent, from 0.23 per cent to 0.50 per cent. The United States contribution had fallen from 39.89 per cent in 1946 to 31.52 per cent in 1972, which constituted a 21 per cent decrease. In absolute terms, the Eastern countries' contribution had increased 18-fold and Byelorussia's had increased 20-fold during that period, while the contribution of the African, Asian and Latin American countries had only increased about five-fold. There was therefore considerable imbalance in the division among the founding Members of the United Nations of additional resources resulting from the admission of new Members. In such conditions, there did not appear to be any justification for reducing the United States assessment from 31.52 per cent to 25 per cent. It was surprising that those

who supported the United States proposal agreed to compensate for the reduction by making overtures to the German Democratic Republic, against which they had pursued a discriminatory policy for years. In his view, the United States proposal was not sufficiently well founded and was not in accordance with the financial practice of the United Nations; it might well create a dangerous precedent and he could not therefore support it. In establishing the scale of assessments for 1974-1976, the Committee on Contributions should take into account the views expressed in the Fifth Committee and consider all possibilities for improving the scale, bearing in mind the Organization's needs and the capacity of Member States to pay.

55. Mr. STEENBERGER (Denmark) said that his delegation would speak in favour of adopting draft resolution A/C.5/L.1091, although it was not too enthusiastic about the United States initiative which, as the representative of the Soviet Union had pointed out, could set a precedent whose consequences might be unfavourable for the Organization.

56. The first two arguments advanced against the United States proposal were based on the fact that the United States was already paying less than it should under the relative capacity-to-pay principle, which was unfair to all other Member States, and that such an injustice would be aggravated by a further lowering of the ceiling to benefit the United States. The United States assessment was undeniably lower than its capacity to pay. But the fact that the General Assembly, in 1952 and again in 1957, had agreed to lower the ceiling was sufficient proof that Member States had recognized the importance of considerations other than the capacity to pay. A further reduction of the ceiling would not be contrary to the established principle and might well be motivated by the same considerations as those which had guided the General Assembly in 1952 and 1957.

57. Furthermore, it had been stated that such a departure from the principle of relative capacity to pay would impose an extra financial burden on all other Member States, including the developing countries. It could not be denied that the additional burden resulting from the lowering of the ceiling would have to be shared among other Members. But the consequences of lowering the ceiling had already been accepted by the General Assembly in 1952 and 1957 and, in any case, no additional burden would fall upon the less privileged Member States who were paying the minimum contribution of 0.04 per cent.

58. Further, the view had been expressed that the existing ceiling should be removed altogether and that all Member States should make their contributions on the basis of the principle of the relative capacity to pay. Doing away with all ceilings and floors would mean that some Member States would not have to pay a minimum contribution which was actually above their capacity. At the same time, it must be realized that the developing countries which benefited from the lower *per capita* rule would probably have to bear a heavier financial burden. Nevertheless, the idea was

interesting and might deserve a study in depth, although such a study would be long and difficult. The unmitigated application of the principle of relative capacity to pay would mean that national statistics would either have to be uniform or at least easily comparable, which was not the case at present.

59. It had been argued that the proposal to bring the ceiling down to 25 per cent was based on the erroneous assumption that there was a link between the size of a State's contribution and its political influence. If there were such a link, he agreed that it would be contrary to the principles of the equality and sovereignty of Member States; nevertheless, contributions of the magnitude of the United States were of such vital importance to the activities of the Organization that the dependence was simply a matter of figures. One of the reasons for which the Danish delegation was not altogether happy with the United States draft resolution was that the cut from 31.5 per cent to 25 per cent was not sufficient to correct the imbalance and the dependence it created. The suggested cut was none the less an improvement and probably represented the limit of what was possible.

60. Several speakers had made the point that the United States economy was gaining considerably more from the presence of United Nations Headquarters in New York than the United States Government was spending in contributions. His delegation agreed that the presence of an international organization such as the United Nations was doubtless a boost to the economy of the host country. It did not believe, however, that that argument was valid in the present case. If it were to be used as a principle, it should apply not only to the United States but to all countries where there was a United Nations office. If it were meant to show that the United States could very well pay more than 25 per cent, then obviously a country with a budget of \$229 thousand million and a gross national product of more than \$1 million million could of course pay the whole \$200 million of the United Nations regular budget without batting an eyelid. But who would want that? The obvious answer to that question also showed that, even the principle of relative capacity to pay, if applied without any ceiling, might well lead to a maximum contribution which it would be hard to accept.

61. In his view, the balance of the arguments for or against was in favour of the United States proposal. Essentially, however, the arguments were irrelevant to the very important decision that the Committee had to take. What was at stake went far beyond the tiny sums immediately involved. The United Nations was now, as on earlier occasions, up against psychological forces which no one could afford to disregard. The choice was an easy one: should the Committee, by voting for the draft resolution, sacrifice a few self-imposed principles to ensure the development which was the objective of the United Nations, or should it, by opposing the draft resolution, take the risk of jeopardizing the hopes placed in the Organization?

62. Mr. VAN DER GOOT (Netherlands), referring to the United States draft resolution, under which the

maximum contribution of any one Member State to the regular budget of the United Nations would not exceed 25 per cent of the total, said that, having weighed all the relevant elements, his Government had come to the conclusion that the proposed ceiling was reasonable and acceptable.

63. The discussion in the Committee so far had demonstrated that the problems raised by that proposal were so fundamental and had such far-reaching implications that, in the view of his delegation, the vote on the draft resolution might well influence the effectiveness and indeed the very existence of the United Nations. His delegation had not so much in mind the many technical aspects relating to the implementation of the United States proposal. It was more important to consider the matter in the perspective of activities requiring certain financial expenditure on the one hand, and the contributions necessary to finance them, whether assessed or voluntary, on the other.

64. In introducing the draft resolution at the 1528th meeting, the representative of the United States had put the proposal in historical perspective and had referred to Senator Vandenberg's statement to the Fifth Committee on 1 November 1946. At that time Senator Vandenberg had affirmed that the United States Government did not question the principle of the capacity-to-pay formula as such, but he had pointed out that its unlimited application would lead to a situation in which the total burden would fall upon a few, thus making the size of the budget inconsequential to the many. That situation, he had added, might lead to the point at which the few would be trying to insist upon special rights of audit and control which were at variance with the sovereign equality to which the United States was indispensably devoted. The Netherlands delegation considered that those words still merited serious consideration today. They contained the idea that an international organization could not long survive without taking into account real conditions of partnership and co-operation. There was, therefore, a need to relate the problems of assessed contributions to those of expenditure for programmes of action in all fields of United Nations activities. The Committee was faced with a more fundamental point than the mere desire of the largest contributor to see its share in the scale of contributions reduced. It should not be forgotten that under the present scale of assessments only 16 States were assessed for about 83 per cent of the United Nations total budget.

65. Although the Netherlands Government had always been a strong supporter of the capacity-to-pay principle, he believed that Member States should ask themselves what might happen if they were to ignore the other elements that counterbalanced that principle. The Organization would certainly be damaged and possibly imperilled. The basic issue at stake was therefore the long-term interest of the United Nations, seen in the light of a realistic appraisal of all elements of the situation. An international organization could continue to exist and be effective only as long as it was assured of the positive support of its members, including its main contributors. A number of Member States with

objections of principle to certain United Nations activities had been withholding a certain part of their assessed contributions for years. His delegation had therefore been somewhat surprised to hear the representative of one of those Member States say that adoption of the United States proposal might eventually bring the United Nations to bankruptcy.

66. His delegation would also have hoped that there would be no need to deviate further from the capacity-to-pay principle. However, it could not refrain from observing that many other exceptions to that basic rule had been made for many years. There were very few countries indeed which had not benefited in some way from such exceptions.

67. As for the technical aspects of the United States draft resolution, his delegation wished to remind the Committee that certain apprehensions expressed on the subject of a similar resolution adopted in 1957 had not been borne out by the facts. As a result of that decision, no budget ceilings had ever been imposed, and no budget deficit caused. On the contrary, there had been a considerable expansion in the budget over the past 15 years, and there was no valid reason to fear that other contributions would rise as a result of the United States proposal. Operative paragraph (c) of the draft resolution was quite explicit in that respect, and his Government welcomed the fact that no doubt had been left on that particular point. Moreover, from the point of view of timing, as related to the expected entry of new Member States, it would appear that the eventual consequences for other Members would be very limited indeed.

68. In conclusion, his delegation believed that the United Nations could not risk alienating its most important contributors; if it did, it might well jeopardize the crucially important work of development co-operation and other equally essential areas of concerted international action. For those reasons, his delegation would vote in favour of draft resolution A/C.5/L.1091 and reserved the right to express at a later date its views on the other proposals before the Committee.

69. Mr. DUMA (Romania) said that his delegation attached particular attention to the present debate, which preceded the 1973 session at which the Committee on Contributions would establish the scale of assessments of Member States for the period 1974-1976, and was taking place just when attempts were being made to improve the Organization's financial situation and rationalize budgetary expenditure and programmes administration. In that context, ever-increasing attempts were being made to achieve a more equitable application of the criteria for establishing the scale of assessments.

70. The report of the Committee on Contributions showed that the Committee had given considerable attention at its last session to the impact on the establishment of the scale of assessment of certain elements such as changes in price levels, variations in *per capita* income, and the ability of Members to secure foreign currency. Without under-rating the complex and dif-

icult nature of those matters, and although it would have preferred to receive concrete recommendations from the Committee on Contributions, his delegation considered that greater efforts should be made to establish rules corresponding to contemporary realities and needs. In establishing the scale of assessments, account should also be taken of the need to help the developing countries to raise their standard of living. In that connexion, his delegation had noted with satisfaction that in each and every case the Committee on Contributions had promised to take account of the resources and capacity to pay of the less favoured countries. The Committee was thus aware of the fact that small and middle-sized countries were faced with a tremendous effort of economic development and that their, usually inadequate, foreign currency resources were heavily mortgaged.

71. In view of those considerations of principle and of its analysis of section IV of the report of the Committee on Contributions (A/8711 and Corr.1), his delegation considered that draft resolution A/C.5/L.1092 offered the possibility of establishing new elements from which all developing countries could benefit. According to his delegation's interpretation, the draft resolution was in keeping with the last sentence of paragraph 17 of the report, which stated: "In establishing the scale recommended by the Committee and adopted by the General Assembly for 1971, 1972 and 1973, the Committee decided, in response to the General Assembly's request, to give special attention to the concession of relief not only to the countries with *per capita* income below \$300, but to a wider range of low *per capita* income countries." His delegation would therefore vote in favour of the draft resolution.

72. In view of the foregoing considerations, his delegation believed that capacity to pay should remain the main criterion governing establishment of the scale of assessments. Throughout the years, application of that principle had enabled the Committee on Contributions and the General Assembly to ensure, as far as possible, the equitable participation of Member States in the expenses of the Organization. Currently, when the economic, technological and scientific gap was constantly increasing to the detriment of the developing countries, there was no reason why the principle should be replaced by new elements, the implications of which would not be in the interests of the Organization. As to the participation of new Member States in the financing of the Organization's expenditures, his delegation considered that all Member States should benefit proportionately from the admission of new States.

73. In view of those considerations, his delegation was not in a position to endorse the provisions of draft resolution A/C.5/L.1091.

74. His delegation recalled that at the twenty-fifth session, when the General Assembly had examined and accepted the scale of assessments recommended by the Committee on Contributions for the period 1971-1973, some delegations had referred to the considerable economic losses their countries had suffered in 1970

as a result of unprecedented natural disasters, and had expressed the desire that at its next session the Committee on Contributions should review the assessment rates recommended for their countries for the period 1971-1973. Indeed, those statements had been mentioned in paragraph 5 of the report of the Fifth Committee.² His delegation recalled that, in accordance with the recommendations adopted by the General Assembly, the Romanian Government had submitted to the Committee on Contributions detailed data on the losses suffered by the Romanian economy as a result of the disastrous floods which had devastated Romania. At the twenty-sixth session, his delegation had noted the explanations given by the Committee on Contributions in its report.³ It had also taken note of the Committee's promise to take into consideration, in 1973, the special situation of countries afflicted by natural disasters. The Committee on Contributions was to recommend a new scale of assessments for 1974-1976, on the basis of data relating to the period 1969-1971. His delegation was convinced that the Committee on Contributions would satisfy the legitimate requests of countries, including Romania, which had suffered natural disasters and reduce their contribution to the Organization's budget accordingly. His delegation considered that a draft resolution on the subject would have been justified, but would be content if the question was adequately reflected in the Committee's report.

75. Mr. REMÓN (Panama) said that he wished to announce at the outset that he would vote in favour of the United States draft resolution (A/C.5/L.1091). In view of the sufferings endured by the Panamanian people as a result of the existence of contractual relations with the United States concerning the operation, maintenance and defence of the Panama Canal, that attitude might confound many delegations. The agreement governing operation of the Canal dated back to 1904, a period when the United States had applied the big stick policy to the Latin American countries, and the United States had interpreted it in a unilateral manner. Since the end of the Second World War, however, the whole world had greatly evolved, and it was satisfactory to note that since the establishment of the United Nations the big Powers had always afforded the Organization their positive collaboration in order that the objectives and principles embodied in the Charter might eventually be achieved. More than any other country, the United States had done a great deal to maintain international peace and security, reaffirm human rights and the dignity and worth of the human person and promote the economic and social progress of all peoples. Thanks to the nobleness and generosity of the people of the United States, the very peoples who had fought against them in the last world war currently enjoyed an enviable economic status and it was because it counted on that nobleness and generosity that the Panamanian people hoped that the United States would recognize that Panama should exercise full sovereignty over the Canal Zone.

76. When he had introduced draft resolution A/C.5/L.1091 at the 1528th meeting, the representative

² *Ibid.*, Twenty-fifth Session, Annexes, agenda item 77, document A/8183.

³ *Ibid.*, Twenty-sixth Session, Supplement No. 11.

of the United States had said that contrary to what some delegations seemed to fear, the draft resolution did not mean that the United States was no longer interested in, or wished to reduce its commitment to the Organization. On the contrary, the draft was intended to strengthen the United Nations as an institution and its important operations and programmes. Furthermore, according to the representative of the United States, the proposal to reduce the maximum assessment of any one Member State to 25 per cent did not mean that the United States would reduce its voluntary contributions to programmes of the Organization and the specialized agencies. Moreover, the Lodge Commission which had recommended that the United States assessment should be reduced to 25 per cent, had said that the reduction would assist the Organization in securing greater support from the American people for other United Nations activities. It was thus very probable that a reduction in the United States contribution to the ordinary expenses of the Organization would result in an increase in its voluntary contributions in favour of the promotion of the economic and social progress of all peoples, the guiding purpose of the United States.

77. Some delegations had expressed the fear that the reduction to 25 per cent of the maximum contribution of any one Member State would lead to disequilibrium in future budgets of the Organization. It should be noted in that connexion that under the terms of operative paragraph (b) of the United States draft resolution, the Committee on Contributions would implement the provisions of operative paragraph (a) "as soon as practicable". Furthermore, rule 162 of the rules of procedure of the General Assembly provided that the Committee on Contributions should advise the General Assembly concerning the apportionment, under Article 17, paragraph 2, of the Charter, of the expenses of the Organization among Members, "broadly" according to capacity to pay. In view, therefore, of paragraph (b) of the draft resolution and the provisions of the rules of procedure of the General Assembly, the Committee on Contributions would only be able to apply the provisions of paragraph (a) "as soon as practicable".

78. The Panamanian delegation would vote in favour of the United States draft resolution firstly, on a point of principle, because the General Assembly had already twice reduced the maximum contribution of any one Member State and, secondly, because although the General Assembly had established a ceiling of 30 per cent in 1957, the Committee on Contributions had continued to assess the United States at a higher percentage rate than that which had been set. If, when the Committee on Contributions laid down the scale of assessments for the years 1974, 1975 and 1976, it determined that it was not possible to reduce the maximum contribution to 25 per cent, it could always set a higher percentage rate. Finally, a reduction in the United States contributions to the Organization's regular budget would encourage the people and the Government of that country to increase their voluntary contributions to other programmes and would thus help to promote the economic and social progress of all peoples.

79. He hoped that the manner in which the representative of Brazil had introduced draft resolution A/C.5/L.1092, of which the Panamanian delegation was a sponsor, would lead to the Committee's unanimous adoption of it.

80. His delegation could not take a definitive position with regard to draft resolution A/C.5/L.1093 until it had analysed the scope of the proposal which it contained.

81. Mr. VARGAS (Costa Rica), referring to the United States draft resolution, observed that, in the context of the discussion of a purely administrative and financial question, certain delegations were endeavouring to change economic realities and to persuade the remainder of the Committee that the draft resolution was an implicit expression of materialistic exploitation by a country which, during the centuries of its existence, had succeeded in developing the most complex and patently successful economic and social system known to history. That, in the view of the delegation of Costa Rica, was a political manoeuvre which could not be countenanced, particularly not in the Fifth Committee.

82. His delegation did not intend to render acrimonious a debate where the point at issue was the achievement, in a spirit of understanding and co-operation, of practical solutions to the problems facing the Organization. All States Members of the Organization had the same rights and the same obligations but it must be recognized that certain restrictions must be imposed to prevent the erosion of the very nature of the Organization and the purposes underlying its establishment through an excessive concentration of power.

83. The Costa Rican delegation supported the United States draft resolution, not because it believed that the country which made the highest contribution should pay less while those which made the smallest contributions should pay more, but because it believed that, in the interests of all Member States, it was necessary to fix the maximum assessment at 25 per cent of the total and to revise the scale of assessments so that the developed countries could make higher contributions and thus assist the low *per capita* income countries.

84. The United States draft resolution would help to ensure a fairer distribution of responsibilities within the Organization. Thus, it enabled other developed States to assume an increased share of those responsibilities in respect of the financing of the Organization. In the view of the Costa Rican delegation, it would ensure a better apportionment of "the balance of power", with the proviso that that balance was seen as a universal system allowing all States to share in that power by increasing their negotiating capacity, by making it possible for all countries to belong as partners to a world system and by increasing the relative power of small States and reducing that of great Powers. All those factors would enable the United Nations to embark upon a process of integration which would result in a better distribution of the tasks and

achievements of the Organization. His delegation hoped that, in view of those considerations, all delegations—those in favour of the United States proposal as well as those opposed to it—would ponder the merits of the text. As the Minister for Foreign Affairs of Costa Rica had stated at the opening of the twenty-seventh session of the General Assembly (2049th plenary meeting), the Costa Rican delegation continued to believe that the United Nations afforded the best means of resolving the political conflicts currently existing between numerous States. It continued also to believe that it was within the United Nations that States Members were best able together to find just, viable and effective solutions and to reconcile economic interests which had so far appeared incompatible.

85. Draft resolution A/C.5/L.1092, of which Costa Rica was a sponsor, was of considerable importance for developing countries and, in particular, for the least developed among them. In addition to stating an economic principle, it set forth the obligations which bound the more developed States to co-operate with the developing countries. The Costa Rican delegation hoped that the Committee would adopt both draft resolutions (A/C.5/L.1091 and A/C.5/L.1092), which were of historic importance for the Organization.

86. Mr. OUATTARA (Ivory Coast) said that the current discussion was extremely important in that the Committee had before it two draft resolutions which could influence the formulation of future scales of assessment.

87. Turning to draft resolution A/C.5/L.1091, he said that the position of the Ivory Coast delegation flowed from two considerations, the first being the background to the question. When the United Nations had been established, the economies of almost all the States signatory to the Charter had been disorganized. In view of that situation, it had been necessary to set the assessment of the United States of America at 49.89 per cent of the budget. That degree of imbalance had none the less provoked psychological reactions on the part of both the United States and the other Member States. When the United States had accepted the assessment of 39.89 per cent, it had done so by reason of the difficulties affecting the economies of the other States signatory to the Charter. The situation of those countries had very fortunately improved since that time and their capacity to pay had increased.

88. In the view of his delegation, while the capacity to pay must certainly be taken into account, it should not be forgotten that the principle of the sovereignty of Member States was likewise important. Indeed, that had been appreciated by the General Assembly when it had successively reduced the assessment of the State making the highest contribution from 49.89 per cent to 39.89 per cent, then to 33.33 per cent and finally, in 1957, to 30 per cent. The delegation of the Ivory Coast believed that, having regard to the economic situation of the world, that assessment should be brought down to a still more reasonable level.

89. The second consideration he wished to advance was that the question could not be dissociated from the financial problems of the whole United Nations system. Since the principles whose rigid application had already led the Organization to the brink of disaster had been invoked yet again during the discussion of the supplementary estimates for 1972, the Ivory Coast—a developing country—considered it legitimate to determine its attitude in the light of the understanding shown by other delegations concerning problems that the Ivory Coast regarded as essential from the standpoint of the economic and social development of the developing countries. His delegation was also responsive to whatever attitude was adopted by other countries with respect to technical assistance. The developing countries were grateful to all those countries that still believed in universal solidarity, and the Ivory Coast was aware of what various countries were doing to provide voluntary assistance to the specialized agencies. It appeared that the developing countries could rest assured that the United States would not reduce its contributions to the specialized agencies, and also that their percentage contributions would not be increased.

90. It had been maintained that the United States derived enormous profits from the existence of Headquarters in New York. It should also be pointed out that the United Nations had many offices throughout the world, that the headquarters of most of the specialized agencies were outside the United States, and that even so, the United States was still the Member State that paid the highest contribution.

91. In the light of all those considerations, the Ivory Coast would vote for the draft resolution submitted by the United States. It would also vote for draft resolution A/C.5/L.1092, whose application he felt could be left to the Committee on Contributions. The Ivory Coast would take a decision on the draft resolution A/C.5/L.1093 at the appropriate time.

ORGANIZATION OF THE COMMITTEE'S WORK

92. Mr. KULAZHENKOV (Union of Soviet Socialist Republics) said his delegation was deeply concerned to note that the consideration of the report and recommendations of the Special Committee for the Review of the United Nations Salary System was continually being postponed. That was a matter of basic importance, since salary costs constituted about 70 per cent of the regular budget of the Organization. He considered that some clarification was called for. In particular he asked on what date the report would be considered, how much time would be devoted to it, and when the report of the Advisory Committee on Administrative and Budgetary Questions on the subject would be available.

93. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions)

said, in reply to the last question asked by the Soviet representative, that he would like to give a definite date, but that was unfortunately impossible. The question was one of great importance to which the Advisory Committee accorded a high priority, but there were limits to what was humanly possible. He pointed out that it was only three weeks before that all the documents on the subject had been compiled, and that during those three weeks the Advisory Committee had had to undertake a particularly full work programme. Moreover, because of the differences of view expressed within the Special Committee for the Review of the United Nations Salary System, the Advisory Committee's task had been made even harder. In the course of its consideration of the item the Advisory Committee had met with the representatives of the Secretary-General and of the staff; during its session in Geneva it had also obtained the views of the specialized agencies. He emphasized that the Advisory Committee would try to arrive at a reasonable recommendation as soon as possible.

94. Mr. CLELAND (Ghana) asked when the Committee would begin consideration of the report of the Special Committee on the Financial Situation of the United Nations.

95. The CHAIRMAN said that it appeared from the consultations he had had with the Secretary-General that it would be better not to be too hasty in taking up that question, since it might hamper the informal consultations between Member States that were currently in progress. He believed that the question could be considered during the week beginning 4 December.

96. Mr. KULAZHENKOV (Union of Soviet Socialist Republics) thanked the Chairman of the Advisory Committee for the information he had provided. However, it appeared to the Soviet delegation that it had received no real reply to its questions. The Soviet delegation was surprised that Mr. Rhodes had not been able to indicate at least an approximate date for the Fifth Committee's consideration of the Advisory Committee's report on the report of the Special Committee for the Review of the United Nations Salary System. Moreover, the question concerning how much time would be allocated to the question had not been answered.

97. The CHAIRMAN said that the question would be brought before the Fifth Committee as soon as the Advisory Committee's report was ready. Consequently he could not yet say exactly when that item would be considered. As to the question of how much time would be allocated to the item, it was not the Fifth Committee's practice to decide in advance exactly how many meetings would be allocated to a particular item. However, he assured the Soviet representative that he would try to provide a sufficient number of meetings to allow a full examination of the question.

The meeting rose at 6.50 p.m.