
SUMMARY RECORD OF THE 16th MEETING

Chairman: Mr. PIRSON (Belgium)

Chairman of the Advisory Committee on Administrative
and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 98: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)
(A/34/6 and Add.1, A/34/7; A/C.5/34/12 and 13)

General debate (continued)

1. Mr. GOLOVKO (Ukrainian Soviet Socialist Republic) said that his delegation's approach to the budget of the Organization was guided by the need for rational planning of financial requirements, the economical utilization of appropriations, and the identification of activities that were completed, obsolete or of marginal usefulness. In drawing up the budget proposals, the Secretary-General had endeavoured to take into account such concerns, but the budget nevertheless showed a significant increase in United Nations activities, the approval of which would serve to increase further the financial burden on Member States. An analysis of the budget proposals showed that the appropriations requested were not well justified in all cases.
2. His delegation objected to the method of determining the base for continuing United Nations activities, which entailed the automatic transfer to the new biennium of activities approved for the preceding biennium. A more strict approach should be taken by programme managers in determining the base for continuing activities, and his delegation would oppose any additional appropriations for programmes currently under way. Any new activities approved by legislative bodies should be financed through the redeployment of resources, and the level of the budget should be maintained at the level approved for the biennium 1978-1979.
3. It should be recalled in that connexion that the General Assembly had repeatedly called upon the Secretary-General to identify those activities which were completed, of marginal usefulness or ineffective. The adoption of General Assembly resolution 33/204 should have led to an intensification of efforts by the Secretariat to enable intergovernmental bodies to take decisions to terminate programmes which were no longer relevant. The Secretary-General had reported on that matter in document A/C.5/34/4, but an analysis of that document showed that the evaluation of programmes had only just begun and the results achieved so far were scanty. Member States could do little in the way of identifying programmes that were obsolete, of marginal usefulness or ineffective without the assistance of the Secretariat.
4. A major cause of budgetary growth was the increase in the number of staff. Despite the Secretary-General's assertion that he had adopted a policy of budgetary restraint, the establishment of many new posts had been proposed, and requests had been made to transform a number of temporary posts into permanent ones and to reclassify others. Such measures would do nothing to improve the effectiveness of the Secretariat, but would merely add to the financial burden of Member States. His delegation was strongly opposed to the transfer to the regular budget of posts previously financed from extrabudgetary resources, and would in future withhold that portion of its assessed contribution relating to the costs of such posts.

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(Mr. Golovko, Ukrainian SSR)

5. A substantial sum in the budget was allocated to honoraria for members of organs and subsidiary organs of the United Nations. In that connexion, he drew attention to the principle established in General Assembly resolution 3536 (XXX) to the effect that neither a fee nor any other remuneration in addition to subsistence allowances and travel expenses should normally be paid to the members of such organs. The practice of paying honoraria should be abandoned, as service as a member of such bodies should be considered an honorary duty and should not require material compensation.

6. It was regrettable that, despite the constructive decisions adopted by the General Assembly stipulating that the effects of inflation and currency fluctuations should be covered by economies and internal budgetary adjustments, an amount of \$76.6 million had been requested for that purpose for the biennium 1980-1981, thereby increasing the contributions of Member States which were in no way involved in the capitalist economic system. Part of the expenditure resulting from inflation should be financed by contributions, including voluntary contributions, from developed countries, especially those in which United Nations bodies were located.

7. The inclusion in the budget of an appropriation to cover the amortization of the United Nations Bond Issue was illegal because the bonds in question had been floated to cover the costs of illegal and unjustified operations carried out in violation of the fundamental principles of the Charter and circumventing the Security Council.

8. The budget proposals once again provided for substantial appropriations to technical assistance programmes. Such programmes must be placed on a voluntary basis and should be financed in those currencies in which donor countries deemed it advisable to contribute.

9. Considerable economies could have been achieved with a more rational approach to the use of experts and consultants, overtime, travel, cables, the procurement of equipment, and the construction and repair of premises.

10. The concern of Member States over the significant growth in the budget in recent years showed that there was an urgent need to adopt effective measures to strike a proper balance between the scope of planned and ongoing activities and the level of resources which Member States were in a position to make available to the Organization.

11. Mr. DOGO (Chad) said that it was essential to limit the expenditure of the Organization to genuine needs. The staggering amount of \$654,600 had been requested for travel costs of the Office of Financial Services, the Office of Personnel Services, the International Civil Service Commission and the Joint Inspection Unit alone. An over-all policy of budgetary restraint would keep the total appropriation to a level which would ensure that the assessed contributions of Members would not be excessive; the Committee would thus be spared the annual complaints of major contributors and those who disputed their assessments.

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(Mr. Dogo, Chad)

12. He noted with satisfaction that the rate of growth in the budget was 0.8 per cent. His delegation was amazed, however, by the haste with which the Secretary-General had acted to control budgetary growth, especially since the Committee had not adopted a specific decision requiring him to do so. His delegation would have been even more satisfied if the Secretary-General had acted with the same haste to comply with the numerous resolutions on personnel questions on which satisfactory action had not yet been taken. The reduction of budgetary growth reflected the efforts of the Secretary-General to meet the concerns of the so-called "major contributors", whose representatives had at previous sessions openly expressed their discontent with what they considered to be excessive budgetary growth. His delegation was perplexed by the fact that the Secretary-General seemed to be more concerned with interpreting rumours or the concerns of some Members rather than implementing the duly adopted decisions and resolutions of the General Assembly.

13. One of the chief causes of the excessive growth in the budget was the increase in the number of staff, and his delegation agreed with the Advisory Committee that many of the requests for new staff were unjustified.

14. With regard to the estimates for the Economic Commission for Africa (ECA), he recalled that the years 1978-1988 had been proclaimed a Transport and Communications Decade in Africa. The Decade was of great importance to a continent where the means of communication were, at the very least, grossly inadequate. Accordingly, great care should be exercised in considering any proposals for reductions in the estimates for ECA. It was regrettable that more than 11 per cent of the Professional posts in ECA were vacant, but his delegation could not agree with the Advisory Committee that a higher turnover rate should be used to calculate the appropriation for the Commission.

15. Mr. KULKARNI (India) observed that the Secretary-General had stated that he had set for the Secretariat the goal of austerity after noting the reactions of the major contributors to the previous budget. It was regrettable that the views of the major contributors should be so potent a factor in the preparation of budget proposals. No resolution adopted by the General Assembly had asked the Secretary-General to aim for a zero rate of growth in the budget. It would be recalled, however, that most of the major contributors had voted unsuccessfully against the budget proposals for the biennium 1978-1979. The point his delegation wished to stress was that it was not desirable for the budget to be prepared largely to accommodate the wishes of a powerful minority. It had repeatedly been pointed out that 18 States paid 86 per cent of the budget, and it had also been reaffirmed that the scale of assessments was drawn up on the basis of capacity to pay. It was a measure of the prevailing inequalities in the world that so few countries should have so much capacity to pay, and that imbalance had, to a very large extent, been created by those same States over the last three centuries. One of the aims of the United Nations was to seek to redress that imbalance.

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(Mr. Kulkarni, India)

16. If the budget proposals, after allowing for normal programme growth, had presented the conclusion that budgetary growth could be contained to near zero, India would have been the first to applaud, as it contributed a large sum of money out of extremely limited resources. However, that was not the case; the growth of programmes, mostly benefiting the developing countries, had been limited by the budgetary restraints desired by the developed countries.

17. The aims of the United Nations were to maintain international peace and focus attention on the economic, social and humanitarian issues that were most vital for the peoples of the world. All Member States should, therefore, be prepared to finance the programmes and activities which promoted those goals. The cost of the budget to the major contributors had to be seen in its proper perspective. World trade in armaments in 1978 had amounted to \$14 billion, which benefited primarily those developed countries which were major contributors to the budget. The major contributors should compare that figure with the \$1 billion of the proposed budget, which would assist the direct promotion of peace.

18. A previous speaker had argued that the United Nations could not be an ivory tower untouched by the economic conditions and political realities of the outside world. The conditions and realities which the United Nations could not ignore were mass malnutrition, illiteracy, lack of schooling, inadequate medical care, low income, short life expectancy and inadequate housing. The crises of affluence were not the same as those of poverty.

19. Several delegations had expressed disapproval over the high percentage of the budget devoted to staff costs. While that was regrettable, it was not surprising, nor was it a new problem. Staff costs could be reduced sharply if the staff were paid at lower rates. But those very countries which routinely expressed horror at the high cost of staff would be the first to protest against any proposal to abandon the Noblemaire principle. The General Assembly could not therefore do anything significant to curtail expenditure on staff. What it must ensure was that their output was commensurate with their cost.

20. His delegation did not favour the proliferation of an international bureaucracy. However, it considered the references which had been made to cutbacks in the staff of national foreign services to be misleading. The national foreign services of several countries had been or were being reduced in keeping with their diminished role in international politics. The United Nations Secretariat, on the other hand, had grown over the last three decades in response to the mandates assigned by the international community. The tasks of the Organization had increased, and most countries wished to see its role in international affairs grow rather than diminish.

21. The budget proposals implied that programme output would be adversely affected without more input in terms of money and staff. It was imperative therefore, to ascertain whether the capacity of the existing staff had already been exhausted. In the absence of accurate workload indicators, it was impossible to determine whether the Secretariat had too many, too few or the right number of staff, and whether the staff was functioning at an optimum level of efficiency. From a

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(Mr. Kulkarni, India)

scrutiny of those sections of the budget where adequate information had been provided, it was not clear that the workload had expanded at a rate beyond the Secretariat's capacity to handle it. In that connexion, he drew attention to the workload figures provided by the Department of Conference Services, and the comments of the Advisory Committee on the estimates for that Department.

22. It was likewise difficult to assess the validity of requests for funds on the basis of the programme descriptions provided in the budget, which were too sketchy to permit detailed analysis. Even if the Committee for Programme and Co-ordination had had more time to study the budget, it was doubtful whether it could have conducted an adequate analysis of the programme element in the budget.

23. The concept of programme priorities required further refinement. In the budget proposals, only the Department of International Economic and Social Affairs had listed priorities in response to a decision of the General Assembly. As the Joint Inspection Unit had stated, the current priorities which programmes enjoyed might not be in keeping with their real relevance.

24. The Advisory Committee, the only body which had had a chance to study the budget in detail, had recommended many reductions in the initial estimates, but without stating the reasons for doing so in each case. For example, the Advisory Committee had routinely recommended reductions ranging from 2 to 32 per cent in requests for travel expenses. If the Advisory Committee had felt that some travel budgets were grossly inflated and therefore needed particularly large cuts, it should have said so and given reasons. The varying application of the same principle was disturbing.

25. He deplored the late issue of the budget, which had reduced the work of CPC to a farce and had probably caused the Advisory Committee's comments to be less comprehensive than they might have been. As a result the Fifth Committee was being asked to go through the motions of a debate on a sensitive and intricate subject without having had the time to study the documents in detail.

26. Mr. BRUCE (Canada) said that his delegation had, at the preceding session, urged greater budgetary restraint, particularly in view of the sizable revised estimates for 1978-1979. It was, therefore, highly appreciative of the Secretary-General's efforts to keep real growth in the budget for the biennium 1980-1981 to under 1 per cent. The Secretary-General had quite rightly stated that the United Nations must be as careful as Governments in managing its programme and finances and in restraining the growth of spending in the public sector. That concern had been expressed in the debate on the scale of assessments by many Member States which felt that they were being assessed beyond their capacity to pay. If some were of the view that their assessments were too high, perhaps the answer lay not in trying to shift the burden to others with a similar outlook, but rather in exercising budgetary restraint.

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(Mr. Bruce, Canada)

27. It was impossible at the current stage to know what the final figure of the budget for the biennium 1980-1981 would be; new measures introduced during the session might require additional financial resources, and the Committee should be ready to respond to them. In so doing, it should ask whether the new measures represented priority programmes, and, if so, there must be, by definition, others of lesser priority which might be postponed or dropped so as to reduce the over-all financial burden. It was not possible to control the budget and assessed contributions if, at the same time, programmes were not restricted to the more urgent needs and wishes of Member States.

28. The establishment of programme priorities and the redeployment of resources was a crucial matter, involving not only the shifting of resources within programmes, but the transfer of resources across programme lines by downgrading, postponing or eliminating some activities. The establishment of priorities was extremely difficult both for the Secretary-General and for Member States. Each Government had its own priorities and it was unlikely that any significant change in existing programmes would be universally supported.

29. It would be wrong to be indifferent to new initiatives or proposals which related to serious new problems facing the international community. In that connexion, he endorsed the Secretary-General's appeal for support of efforts to achieve genuine redeployment through the identification of activities that were completed, obsolete, of marginal usefulness or ineffective. Given the nature of the United Nations, such decisions were, more often than not, political, and it was more realistic to negotiate on proposals put forward by the Secretary-General rather than by Member States or regional groups.

30. His delegation looked forward to the further steps promised by the Secretary-General to strengthen and enlarge the programme monitoring system and hoped that a comprehensive system would be in place before the submission of the next biennial budget.

31. His delegation shared the Advisory Committee's concern over the serious problem of the late submission of documents. The existing services could no longer carry the steadily increasing workload. There was the threat of a breakdown of conference services, the root of which lay in the ever-increasing demands put on conference services by Member States. The initial estimate for the next biennium was over \$171 million. The conference schedule of the United Nations was so heavy that it clearly exceeded the capacity of Governments to participate fully and productively in the meetings planned. Any new conferences added during the current session would only magnify the difficulties and would, of course, increase the budget itself. The General Assembly had adopted resolutions specifically calling for restraint in that regard, but little had been accomplished in practice.

32. The Secretary-General had, on the whole, prepared a good budget, reflecting the economic and financial climate in Member States. The Advisory Committee had likewise fulfilled its responsibilities wisely and well, and his delegation supported its recommendations.

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33. Mr. SPETSIOS (Greece) said that the growing involvement of the United Nations in a large number of fields was one of the factors to which budgetary growth could be attributed. It was broadly recognized, none the less, that substantial efforts were needed to achieve sound new operational dimensions.

34. His delegation appreciated the efforts of the Secretary-General to achieve budgetary restraint in his proposals for the biennium 1980-1981. The rate of real growth of 0.8 per cent reflected the trend towards reduced public expenditure and financial austerity which was observable in Member States. On the other hand, the Advisory Committee had recommended reductions totalling \$32.3 million, which represented less than 3 per cent of the initial estimates.

35. The task of the Fifth Committee was crucial, because it was incumbent upon all Member States to approve not only a realistic but also a fair budget. It should be borne in mind that programme delivery would impose a heavy strain on the Organization. A rearrangement of priorities and a redeployment of resources were necessary, and should be carried out with a view to ensuring the delivery of those programmes that were most beneficial, bearing in mind the needs of the developing world and the majority of Member States.

36. Mr. DAMDINDORJ (Mongolia) said his delegation was concerned at the continuing rapid growth of the United Nations budget. If the trend continued, many countries would find it difficult to furnish the resources needed to meet their financial obligations. It was the task of the Secretariat to make the most rational possible use of the resources at its command, so as to avoid waste and duplication and maximize effectiveness.

37. Any document the Secretariat was called upon to provide must be made available in good time and in all the official languages. Yet the proposed programme budget had still not been issued in all languages.

38. The report of the Secretary-General listing programmes which were obsolete, ineffective or of marginal usefulness (A/C.5/34/4), provided valuable information for analysing the ways in which resources were used. His delegation believed that further such investigations should be undertaken in the future. Resources released by curtailing outdated programmes could be redirected towards more important activities.

39. His delegation supported the rational use of all resources within the Secretariat, both human and monetary, and in that context believed that the Secretary-General's proposals for 245 additional posts should be carefully studied to ascertain whether they corresponded to real needs. It was opposed to the transfer to the regular budget of 14 posts currently funded out of extrabudgetary resources. Nor could it support a provision in the regular budget for the United Nations Bond Issue, which had been floated to finance illegal activities.

40. A substantial portion of the budget estimates was intended to cover the costs of inflation; in his delegation's view, such costs should be borne by those responsible for inflation. It believed that resources intended for the provision of technical assistance should not form part of the regular budget; instead, they should be provided by means of voluntary contributions.

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41. Mr. ROHEEN (Afghanistan) noted with satisfaction that the Secretariat had exercised restraint in limiting the projected real growth in resources under the proposed new budget to a mere 0.8 per cent. It was to be hoped, however, that the result would not be a reduction in economic, social and humanitarian activities, which were of vital interest to the developing countries. Economies should rather be achieved through the elimination of obsolete and ineffective activities and a more rational utilization of resources.

42. The proposed budget included an amount of \$105 million to offset the effects of inflation and currency fluctuations. The Secretariat should make every effort to absorb that amount through savings, and the developed countries responsible for inflation should make up the difference through increased voluntary contributions.

43. His delegation did not support the proposed transfers to the regular budget of posts currently funded from extrabudgetary resources, believing that such transfers should be discouraged as far as possible. Similarly, it was opposed to the creation of new posts, on the ground that, wherever possible, better use should be made of existing staff.

44. Afghanistan maintained that the cost of United Nations peace-keeping operations should not be borne by the regular budget. His delegation objected to the payment of interest charges and instalments of principal due on United Nations bonds out of budgetary resources, as proposed in section 30 of the budget, and felt that the bonds should be repaid exclusively through the use of voluntary contributions. His delegation understood that the United Nations peace-keeping operations in the Middle East were of an interim nature, and felt that the cost of those operations should be borne by the aggressor rather than becoming an indefinite burden upon Member States. As of 18 January 1979, his Government had decided not to accept financial responsibility for the costs of the United Nations Interim Force in Lebanon.

45. In closing, he expressed concern at the marked shift in emphasis in the proposed budget from substantive to administrative expenses and stated that his delegation approved the recommendations of ACABQ.

AGENDA ITEM 103: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/34/11; A/C.5/34/L.7)

46. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee agreed to listen to explanations of vote only after taking a decision on the draft resolutions contained in documents A/34/11, paragraph 78, and A/C.5/34/L.7.

47. It was so decided.

48. A recorded vote was taken on the draft resolution contained in document A/34/11, paragraph 78.

In favour: Afghanistan, Algeria, Argentina, Austria, Bahamas, Bahrain, Barbados, Belgium, Bhutan, Burma, Burundi, Byelorussian Soviet Socialist Republic, Canada, Central African Republic, Chad, Chile, China, Congo, Costa Rica, Cyprus, Czechoslovakia, Denmark, Ecuador, Egypt, Ethiopia, Finland, France, German Democratic Republic, Germany, Federal Republic of, Greece, Guatemala, Hungary, India, Ireland, Japan, Kenya, Liberia, Luxembourg, Madagascar, Malawi, Malaysia, Mauritania, Mexico, Mongolia, Morocco, Nepal, New Zealand, Norway, Oman, Panama, Papua New Guinea, Poland, Portugal, Qatar, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Somalia, Swaziland, Sweden, Thailand, Togo, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam, Yugoslavia, Zaire, Zambia.

Against: Iceland, Iran, Iraq, Syrian Arab Republic.

Abstaining: Australia, Benin, Brazil, Gabon, Ghana, Indonesia, Israel, Italy, Ivory Coast, Libyan Arab Jamahiriya, Netherlands, Saudi Arabia, Spain.

49. The draft resolution was adopted by 80 votes to 4, with 13 abstentions.

50. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee agreed to adopt the draft resolution contained in document A/C.5/34/L.7 without a vote.

51. It was so decided.

52. Mr. GUDMUNDSSON (Iceland), speaking in explanation of vote, said that he had voted against the recommended scale of assessments for reasons already made known during the general debate on the item, and in particular because his delegation felt that the five-year base period was not a realistic one on which to assess Iceland's capacity to pay. On the other hand, his delegation accepted the draft resolution contained in document A/C.5/34/L.7 and hoped that the provisions it contained would be scrupulously respected.

53. Mr. DE BURGOS CABAL (Brazil) said that his delegation had withheld its approval of the proposed scale of assessments on account of its dissatisfaction with the criteria used in determining Brazil's assessment. The Committee on Contributions had recommended a scale which would place an excessive burden on the country at a time when its Government and people were striving to achieve greater social and economic well-being.

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54. Mr. DE PINIES (Spain) said that his delegation had felt obliged to abstain on the draft resolution contained in paragraph 78 of the report of the Committee on Contributions (A/34/11) on the ground that the existence of a maximum assessment led to an unsatisfactory apportionment of expenditure under the regular budget, and benefited one or more Member States.

55. He had agreed to the adoption of the draft resolution contained in document A/C.5/34/L.7 without a vote, taking into account the general desire to that effect. In his view, however, the draft was far from commanding a consensus and seemed rather to arouse dissent.

56. His delegation felt that, if capacity to pay was the fundamental criterion to be used as a guide for establishing the scale of assessments, there should be no maximum assessment, for any restrictions ran counter to the principle of equity, and any resulting changes had repercussions on the remaining Member States.

57. Moreover, his delegation considered that the permanent members of the Security Council had special responsibilities, which should be taken into account in the consideration of their capacity to pay and should be reflected in their contributions.

58. Finally, he would be glad if the Committee on Contributions would also study the possibility of drawing up a scale of assessments without restrictions of any kind and would submit its conclusions to the Fifth Committee for the latter's information and opinion.

59. Mr. McMAHON (Ireland), speaking on behalf of the members of the European Community, said that while they had not insisted on a vote on the resolution contained in document A/C.5/34/L.7, the Nine dissociated themselves from all interpretations of that draft resolution which went against the fundamental criterion of capacity to pay. Since the Committee on Contributions had repeatedly confirmed that national income was the only single indicator which could be statistically compiled for all countries, national income statistics should serve as the basis for judging Member States' capacity to pay.

60. The Nine doubted the possibility of arriving at satisfactory results on the various studies requested in the draft resolution, particularly those mentioned in operative paragraphs 2 (a), (c) and (f); they could not accept that the assessments of some States should be artificially established at the expense of either industrially developed or developing Member States. They recalled the conclusion reached by the Committee on Contributions that it was impossible, particularly in the absence of comparable or adequate statistics, to take into account rates of inflation or the concept of accumulated wealth. Although they had not insisted on a vote, their attitude should not be seen as prejudging their position on the substantive issues involved.

61. Mr. NISHIDA (Japan) said that his delegation regretted the failure of draft resolution A/C.5/34/L.7 to incorporate amongst the proposed subjects for study the effects of exchange rate fluctuations on the compilation of national income statistics, and would continue to pursue the issue in the context of operative paragraph 2.

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62. Mr. SADDLER (United States) said that his delegation had taken part in the informal consultations on draft resolution A/C.5/34/L.7, and hoped that the spirit of understanding and the good faith shown in that context would continue.

63. The United States had voted in favour of the proposed scale of assessments as an expression of its confidence in the Committee on contributions.

64. Mr. TIEBA (Ivory Coast) said that, while the Committee on Contributions had done a remarkable job, his delegation had serious reservations about the proposed new scale of assessments. The Committee's decision regarding his country's per capita income, together with the consequences of the reduced Chinese contribution, placed a disproportionate burden on the Ivory Coast when it was going through serious difficulties. More account should have been taken of the position of the developing countries whose economies were solely dependent on agriculture.

65. His delegation had accepted the draft resolution contained in document A/C.5/34/L.7 in the hope that some of its provisions would give satisfaction to the developing countries.

66. Mr. MAJOLI (Italy) drew members' attention to his delegation's earlier statement on the report of the Committee on Contributions. The see-saw course of the Italian economy in recent years should have justified a reduction in Italy's assessment to 3.12 per cent; and the Italian Government had hoped that its contribution would not be so increased as to limit its capacity to make voluntary contributions.

67. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation believed that the Committee on Contributions had generally taken due account of States' national income, which was why the proposed scale of assessments had received the support of most of the States represented in the Fifth Committee.

68. His delegation had supported draft resolution A/C.5/34/L.7 on the basis of consensus, and attached particular importance to the operative paragraph 1, which laid emphasis on the capacity of States to pay. It had serious reservations concerning some of the other provisions, notably those of operative paragraph 2 (a): if the Committee on Contributions recommended an increase in a State's contribution on the basis of its national income, the imposition of a limit on such increase would lead to a deviation from the principle of assessment according to capacity to pay. The factors mentioned in operative paragraphs 2 (b) and (f) were confused; circumstances adversely affecting States' capacity to pay were already taken into consideration by the Committee on Contributions, and that Committee had already studied the question of accumulated wealth and concluded that the criterion would be unworkable.

69. Mr. AL-HOUSANI (United Arab Emirates) said that, although his delegation was not fully convinced of the validity of the criteria on which the scale of assessments had been drawn up, it had voted in favour of the draft resolution contained in paragraph 78 of the report of the Committee on Contributions (A/34/11). For the future a method should be found to avoid excessive variations, in percentage terms, in individual rates of assessment of States between two successive scales.

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70. Mr. GREEN (New Zealand) said that his delegation had voted in favour of the recommended scale of assessments, and had participated in the consensus on draft resolution A/C.5/34/L.7, even though it found little justification for some of the studies requested of the Committee on Contributions - which had already done a great deal of work on the various aspects of the problem - and particularly the studies mentioned in operative paragraphs 2 (a) and (f). Though his delegation did not oppose the conduct of such studies, it had undertaken no commitment to accept the findings.

71. Mr. BROTDININGRAT (Indonesia) stated that his delegation had abstained in the vote on the recommended scale of assessments, because it continued to believe that there was a paradox in the fact that a low-income country like Indonesia would have to increase its contribution. Moreover, the disparities between the developed and developing countries had still not been properly reflected. Nevertheless, it had confidence in the Committee on Contributions and hoped that it would continue to improve its methods to take full account of all the relevant criteria relating to the capacity to pay, particularly bearing in mind the provisions of the draft resolution contained in document A/C.5/34/7.

72. Mr. LAHLOU (Morocco) said that, while his delegation had agreed that the draft resolution contained in document A/C.5/34/L.7 should not be put to the vote, it found the wording to be very weak. The draft resolution failed to underline the difficulties and concerns of the developing countries, especially those affected by world inflation. One factor which might logically have been taken into account in determining a State's capacity to pay was its capacity to acquire vast quantities of arms.

73. Mr. PEDERSEN (Canada) reiterated the view of his delegation that the system for determining the scale of assessments was the most equitable in the circumstances and that there was therefore no need for any new study. Repeated studies by the Committee on Contributions had led to the conclusion that the only fair means of estimating capacity to pay was the use of national income data. He was sceptical whether any study along the lines laid down in draft resolution A/C.5/34/L.7 would lead to a more equitable scale of assessments. Moreover, his delegation dissociated itself from operative paragraphs 2 (a) and (f) of that draft resolution, which appeared to be contrary to the principle of capacity to pay.

74. Mr. KOBINA SEKYI (Ghana) said that, with considerable reluctance, his delegation had been obliged to abstain on the recommended scale of assessments as a protest against the definition of capacity to pay which seemed to have been used by the Committee on Contributions. The criterion, in fact, appeared to be the capacity to earn foreign exchange, otherwise there was no logical explanation as to why a country with a per capita income of less than \$400 should have its contribution increased, while the contribution of a permanent member of the Security Council had been reduced by about 7 points. It had to be remembered that in order for countries like his own to pay their contribution in foreign exchange, they might have to forgo the purchase of vital equipment. While the Committee on Contributions had obviously had to make certain adjustments owing to the decrease in the contribution of the People's Republic of China, the reason for which was fully understood by his delegation, it was difficult to understand why the assessments of many developed countries had been reduced. The implication was

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(Mr. Kobina Sekyi, Ghana)

that because the price of cocoa had risen slightly during the base period, his country's economy had fared better than that of developed countries, with all their accumulated wealth. That was unacceptable.

75. Had the resolution contained in document A/C.5/34/L.7 been put to the vote, his delegation would have voted in favour of it, because it was obvious that there was a need for the Committee on Contributions to take a closer look at some of the elements involved in preparing the recommended scale of assessments.

76. Mr. GOSS (Australia) explained that his delegation had abstained in the vote on the draft resolution contained in paragraph 78 of the report of the Committee on Contributions because of the error in the calculation of his country's contribution. The use of a different base period for some 10 countries was an indisputable fact, and he welcomed the willingness of the Chairman of the Committee on Contributions to try to rectify the error. Owing to its support for the Organization, his Government would pay its contribution promptly, as usual, and had therefore preferred to abstain from voting rather than oppose the recommended scale of assessments.

77. His delegation had joined in the consensus on the draft resolution contained in document A/C.5/34/L.7, because it believed that it was not only appropriate, but highly desirable, for the Committee on Contributions to examine statistical data to ensure comparability of capacity to pay and other related aspects in the measurement of that capacity. It attached the greatest importance to ensuring that identical base periods were used for each country, in view of the inaccuracy that had occurred in calculating the Australian assessment. It was agreeable to an examination of the various criteria and to the provision of data showing the consequences of various possible actions. However, agreement to the studies in no way implied agreement to support the findings. That was especially true on the question of setting limits to future increases, which his delegation believed to be wrong in principle. It believed that it would be appropriate for the low per capita income limit of \$1,800 to be raised for the next assessment, but it doubted if objective criteria could be worked out in other areas. There was an interrelationship between criteria. For example, if a new way was found to limit increases between assessments or to take account of accumulated wealth, that would have an impact on the seven-year base period which had been adopted to achieve those very ends.

78. Mr. AL-TIKRITI (Iraq) explained that his delegation had voted against the recommended scale of assessments. As a developing country, it found that some of the financial criteria were inappropriate and that the great disparities between developing and developed countries had not been taken fully into consideration. It did, however, very much appreciate the efforts of the Committee on Contributions.

79. Mr. KHAMIS (Algeria) said that, in a spirit of compromise and out of concern not to create financial problems for the Organization, his delegation had voted in favour of the recommended scale of assessments. However, it hoped that the views it had expressed in the course of the debate on the item would be taken into account by the Committee on Contributions. He welcomed the consensus that had been reached on draft resolution A/C.5/34/L.7, but regretted that many of the countries

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(Mr. Khamis, Algeria)

which supported the principle of capacity to pay based on national income had objected to the idea of a study on the effects of maintaining the maximum contribution for a Member State established under General Assembly resolution 2961 B (XXVII). That was discriminatory not only for the Member State concerned, but also for those countries that had to bear the burden of higher contributions as a result.

80. Mr. EL-HOUDERI (Libyan Arab Jamahiriya) said that his delegation had had to abstain on the recommended scale of assessments for the reasons it had explained in the course of discussion on agenda item 103. The recommended increase in his country's assessment and those of other developing countries did not reflect their capacity to pay. The Committee on Contributions had done everything it could within its existing terms of reference and guidelines; however, in his delegation's view, new guidelines and a new framework were necessary if that Committee was to be able to make proposals for a more equitable scale of assessments in the future. The principle of capacity to pay was the fairest way of determining contributions, but it could not be applied evenly because, *inter alia*, a maximum contribution had been set. There had been a failure to take certain problems into account; that was not in accord with the principles enshrined in the Charter, and it was therefore high time to make the necessary changes to ensure that every Member State contributed in accordance with its real capacity to pay, as reflected in its economic and social situation. It was not fair to equate what a dollar represented for someone in the developed world with what it represented for someone living in a country which had still not met its basic needs. It should not be forgotten that one of the basic principles of the United Nations was to close the gap between developed and developing world.

81. His delegation had joined in the consensus on the draft resolution contained in document A/C.5/34/L.7 which, though not an ideal solution, was a step in the right direction towards the preparation of guidelines to enable the Committee on Contributions to fulfil its functions in a more practical manner and to draw up a more equitable scale of assessments in future.

82. Mr. BUNC (Yugoslavia) said that his delegation had voted in favour of the recommended scale of assessments because it supported the terms of reference of the Committee on Contributions. Nevertheless, it maintained the reservations it had expressed in the course of the discussions on the report of that Committee. The data showing that his country's taxable income had increased by 65 per cent were unrealistic and inaccurate. It would be providing correct data in due course, which it hoped would be taken fully into account.

83. Mr. HILLEL (Israel) reiterated his delegation's confidence in the Committee on Contributions, but said that it had abstained in the vote on the recommended scale of assessments because it was detrimental to middle-income countries like his own. The recommended increase in his country's rate of assessment did not reflect its real economic situation. He hoped that the concerns of the middle-income countries would be taken into account by the Committee on Contributions in its future work.

84. Mrs. DORSET (Trinidad and Tobago) said that her delegation had not been able to register its vote on the draft resolution contained in paragraph 78 of the

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(Mrs. Dorset, Trinidad and Tobago)

report of the Committee on Contributions and therefore wished to place on record that it would have voted in favour.

85. Ms. ZONICLE (Bahamas), referring to the draft resolution contained in document A/C.5/34/L.7, said that her delegation had hesitated to endorse a draft resolution which in essence asked the Committee on Contributions to duplicate the work it had already done in resolving the major difficulties relating to the use of national income data computed in United States dollars as the primary measurement of capacity to pay. Her delegation had particular difficulties with operative paragraph 2 (a), which it found to be arbitrary. It was difficult to understand how equity could be ensured if, when any Member State experienced a dramatic relative increase in its national wealth, a percentage limit was set on variations in rates of assessment. Given the components and implications of accumulated wealth in the context of socio-economic weights in making an equitable determination of national income, operative paragraph 2 (b) appeared to be redundant, as did paragraph 2 (f), for similar reasons. To the extent that the draft resolution might encourage Member States to focus again on issues already raised by the Committee on Contributions, her delegation had accepted it, but would have abstained on operative paragraph 2 (a), had a separate vote been taken.

86. Mr. ABRASZEWSKI (Poland) explained that his delegation had voted in favour of the recommended scale of assessments, and confirmed the position it had taken with regard to Poland's assessment in the course of the debate on the report of the Committee on Contributions.

87. It had joined in the consensus on the draft resolution contained in document A/C.5/34/L.7, which represented a delicate compromise reached in the course of extensive consultations and heated debate. The basic principle of capacity to pay should continue to be applied in determining the scale of assessments but, in a spirit of compromise and accommodation, his delegation would not oppose asking the Committee on Contributions to study certain questions of interest to Member States, even if it had some doubt about their validity and applicability.

88. Mr. GARRIDO (Philippines) said that his delegation had been absent when the vote was taken but would have voted in favour of the recommended scale of assessments and would have joined in the consensus on the draft resolution contained in document A/C.5/34/L.7. While commending the Committee on Contributions for its report, he believed that some study should be given to the matter of the Statistical Office in the light of its needs and of the Secretary-General's plans for the redeployment of staff resources. He hoped that the Committee on Contributions would find guidance in operative paragraph 2 of the draft resolution and that the same constructive spirit that had been adopted in regard to the draft resolutions would prevail when it came to consideration of the proposed budget estimates.

89. Mr. HAMZAH (Syrian Arab Republic) explained that his delegation had voted against the recommended scale of assessments for reasons already stated in the course of the debate on the item. The proposed increase in his country's rate of assessment was unjustified.

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(Mr. Hamzah, Syrian Arab Republic)

90. It had joined in the consensus on draft resolution A/C.5/34/L.7 in the hope that the Committee on Contributions would be able to take account of all the various considerations when preparing the next recommended scale of assessments.

91. Mr. OUSSEINI (Niger) said that, had it been present when the vote was taken on the recommended scale of assessments, his delegation would have voted in favour.

92. The CHAIRMAN, referring to the request made by the representative of Spain that his delegation's view should be recorded in the Committee's report, recalled the decision taken by the General Committee as set out in paragraph 14 of document A/34/250. He would consult the representative of Spain, in the light of that decision, and refer the matter back to the Fifth Committee if there was any difficulty.

93. He announced that the Committee had concluded its consideration of agenda item 103.

The meeting rose at 1.05 p.m.