



SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. SCHMIDT (Federal Republic
of Germany)

later: Mr. TALIEH (Iran)

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

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ORGANIZATION OF WORK

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The meeting was called to order at 3 p.m.

AGENDA ITEM 106: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued)
(A/31/11 and Add.1 and Corr.1 and Add.2)

1. Mr. Amjad ALI (Chairman of the Committee on Contributions), replying to a question asked by the representative of Spain at a previous meeting, indicated that national income statistics for the year 1975 had been received from approximately two thirds of the States Members of the United Nations. Only 56 Member States had not provided data for that year and, of those, 41 countries would be assessed at the floor in the new proposed scale. In that connexion, he said that the United Nations Statistical Office had requested all Member States to submit national income data for the use of the Committee. Subsequently, in February the Secretary-General had reminded Members of that request and asked that any supplementary information which Members might wish to submit should also be made available well in advance of the session of the Committee on Contributions. However, to the extent that data were not submitted directly by Governments, every effort was made to obtain the necessary data from national sources, regional economic surveys prepared by the regional economic commissions and reports of statistical experts appointed under technical co-operation programmes. One advantage of national income was that, unlike other indicators of capacity to pay, it permitted reliable estimates to be compiled for all countries.

2. With regard to the question raised by the representative of Italy, he said that the Committee on Contributions had been quite divided on whether the use of a seven-year base period for the formulation of scales of assessment should be a temporary measure or whether the period should be gradually reduced. In the circumstances it was impossible to prejudge the recommendations which the Committee might make on that matter in the future.

3. The further mitigations applied by the Committee on a discretionary basis, to which the representative of Australia had referred, amounted to substantially less than 1 per cent in the proposed scale of assessments. The representative of the Netherlands had expressed the view that those discretionary mitigations represented arbitrary and artificial adjustments. In mitigating individual rates of assessment, however, the Committee had attempted to take into account exceptional difficulties such as heavy external indebtedness or inflation, war and natural disasters. In the case of its recommendations for 1978-1979, the Committee had also been confronted with the fact that the seven-year base period had adversely affected the rates of assessment of a number of developing countries and, to the extent possible, it had tried to mitigate those effects, particularly for countries in the lower per capita income ranges.

4. He assured those representatives who had expressed the view that the proposed rates of assessment for their countries did not reflect their capacity to pay that their views would be brought to the attention of the Committee at its

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next session, which would give them due consideration. In that connexion, the representative of Singapore had pointed out that statistics on national wealth were available for his country. As the Committee had noted in its report, indicators such as national wealth and net national welfare would certainly broaden the measurement of capacity to pay. The Committee could not, however, use one yardstick to measure the capacity to pay of a few countries and another for all others. Because of the limited availability of statistics on national wealth, that indicator had been inadequate for the purpose of international comparisons.

5. Mr. KHAN (Bangladesh) said that his delegation agreed on the whole with the observations and recommendations set out in the report of the Committee on Contributions. The cumulative impact of the world economic crisis, spiralling inflation coupled with recession, and adverse balance-of-payments developments occurring during the latter part of the base period had seriously affected the capacity to pay of many countries, particularly the least developed among the developing countries. Accordingly, the Committee on Contributions had endeavoured to mitigate their assessments. His delegation appreciated the untold difficulties faced by the Committee in applying the criteria by which it was bound and noted with satisfaction that it had reviewed the low per capita income allowance formula in the light of the changes occurring in the world economy with a view to providing relief to countries with low per capita incomes.

6. His delegation had difficulty in accepting the adoption of the seven-year base period, because it would not serve to mitigate extreme variations. Any calculation for Bangladesh, moreover, that was based on figures relating to the period prior to 1972 was open to dispute.

7. At the thirtieth session of the General Assembly, his delegation had made a case for the downward revision of its rate of assessment. In addition, it had stressed in its submission to the Committee on Contributions in 1976 a number of objective reasons why Bangladesh should be considered as a hard-core least developed country and a most seriously affected country, and had requested that its rate of assessment be set at 0.02 per cent. It had also requested that consideration be given to the possibility of allowing Bangladesh to pay at least 20 per cent of its contribution in local currency. It was, therefore, with surprise that his delegation had noted that Bangladesh was not among the 85 countries for which the Committee on Contributions was recommending reduced assessments.

8. The United Nations had unanimously agreed to include Bangladesh among the least developed countries and the World Bank had included it in its list of most seriously affected countries. Nevertheless, Bangladesh was the only least developed country which paid more than the floor assessment of 0.01 per cent and, although it was a most seriously affected country, its assessment was four times as much as many other countries which were not in that category. His delegation did not understand the reasons for that situation and hoped that the necessary corrective measures would be taken by the Committee on Contributions when calculating the next scale of assessments.

9. Mr. LACHANCE (Canada) said that it was well known that the majority of specialized agencies used the United Nations scale of assessments as a basis for

(Mr. Lachance, Canada)

apportioning their expenses. It was perhaps less common knowledge that the United Nations scale was also used for that purpose by many other intergovernmental organizations. It would be interesting to obtain information on which organizations actually made use of the United Nations scale and how much the contributions involved amounted to.

10. The efforts of the Committee on Contributions to introduce new statistical indicators which qualitatively or quantitatively improved the measurement of capacity to pay had so far not yielded positive results. The partial introduction of new indicators for those countries for which they were available would not seem desirable and his delegation therefore shared the view of the Committee that it was not yet possible to find an improved substitute for national income as a measure of national wealth. Nevertheless, it would support all efforts aimed at obtaining statistics on national wealth for all countries.

11. The Committee on Contributions had emphasized that changes in export and import prices were a major factor influencing national income. As such, they were automatically taken into account in the compilation of national income statistics. Accordingly, the selective adjustment of some assessments by the Committee on Contributions to reflect changes in prices would be redundant and would result in inequity, although in certain circumstances exceptions might be warranted. His delegation wished to know whether the Committee on Contributions had in fact adjusted assessments to take into account price changes. Moreover, his delegation was not convinced that exports of non-renewable resources should necessarily be taken as a mitigating factor, since national income was also determined in the long term by domestic consumption of non-renewable resources.

12. With regard to the inability of the Committee on Contributions to find methods for adjusting national income to take into account inflation and exchange rate fluctuations, he suggested that it might provide the General Assembly at a future session with detailed information on the obstacles encountered in developing constant price statistics and the prospects for overcoming those obstacles in the years to come. A better understanding of the constant price issue would no doubt contribute to the general acceptability of the recommended scale.

13. His delegation noted the continued lack of compatibility of statistics submitted by various countries. It welcomed, however, the fact that the large majority of Member States provided data that were compatible conceptually and in content, thus ensuring a greater measure of fairness in the apportionment of expenses. While some countries might have reservations with regard to the System of National Accounts (SNA), they nevertheless submitted data compiled on the basis of it. The Material Product System (MPS), on the other hand, which was used by countries with centrally planned economies, resulted in an underestimation of national income and, thus, lower assessments. His delegation therefore supported the Committee's efforts to achieve full comparability between the two systems of national accounts and believed that it might be useful for the Committee to report on that matter to some future session.

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(Mr. Lachance, Canada)

14. Another issue which might have to be faced in the future was the conversion of national currencies into a common currency unit so as to eliminate difficulties created by fluctuating exchange rates. In that connexion, the Committee's references to certain specific features of the currencies of centrally planned economies needed to be spelt out so that Member States could be aware of the impact of those features on the calculation of assessments. The Committee on Contributions should continue its consideration of that question, since the methodology currently employed was not entirely satisfactory.

15. The section of the Committee's report on mitigating factors dealt with important principles which at the preceding session of the Assembly had given rise to differences among Member States. Those differences should be seen in the light of the overriding objective of the scale of assessments, which was to ensure the financial integrity and viability of the Organization. The Committee had concluded that there were limits to the extent to which mitigation could be provided if the principle of capacity to pay was to remain paramount. His delegation noted that it had been impossible to devise a workable and universally applicable method of mitigating extreme variations in assessments between two successive scales, partly because any such method would entail a departure from the principle of capacity to pay. The extension of the base period to seven years as a means of reducing the effects of short-term fluctuations had failed to gain the unanimous approval of the Committee on Contributions. His delegation was not, moreover, convinced that assessments should be shielded from major variations in capacity to pay. The adoption of a longer base period would result in reduced assessments for some countries, while the assessments of others would be increased. His delegation noted that the Committee's decision to use a seven-year base period for the calculation of the proposed scale of assessments did not constitute a precedent for the calculation of future scales. It would be very difficult, however, to revert to a three-year base period for subsequent scales without producing large upward revisions in the assessments of some countries. Thus, in the interest of continuity, there was a case for retaining the same base period for successive scales.

16. His delegation favoured the calculation of scales of assessment covering two-year periods. It also agreed to a further study of the formula for low per capita income allowances. The revision of that formula, however, should serve to strengthen capacity to pay as the paramount criterion for calculating individual assessments by gradually reducing the importance of special allowances in order to avoid arbitrary mitigation and make the scale of assessments more generally acceptable.

17. With regard to the steps taken by the Committee on Contributions to safeguard its status as a subsidiary body responsible solely to the General Assembly, his delegation believed that such action was necessary in order to avoid possible controversies in future. The procedure for the submission of statistical and other information for the consideration of the Committee should be identical for all Member States.

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(Mr. Lachance, Canada)

18. The failure of the Committee to reach a consensus on the new scale was a serious matter, which highlighted the need for strict adherence to the directives of the General Assembly, particularly with regard to the fundamental criterion of capacity to pay. The discussion in the Fifth Committee at the preceding session and the report of the Committee on Contributions both showed that departures from the established criteria, instead of rendering the proposed scale more acceptable, were likely to create disagreement. While his delegation was prepared to support the recommended scale for 1978-1979, it believed that the Committee on Contributions must refrain in future from recommending assessments which were not in keeping with the approved criteria. It urged acceptance of the proposed scale, since the continued questioning of the scale by some States on the basis of their short-term national interests could only lead other States to imitate their example, thereby weakening the viability of the Organization.

19. Mr. SHARMA (Nepal) recalled that his delegation's proposal to lower the minimum rate of assessment to 0.01 per cent, which had been adopted by the General Assembly at its thirty-first session, had been prompted by his country's commitment to justice and fair play and not by any unwillingness to pay its share of the expenses of the United Nations. As his delegation was convinced of the need for a single universally applicable rule for the calculation of assessments, it agreed to maintain the principle of a minimum assessment, even though that minimum was well above the actual capacity to pay of more than one third of the States Members of the United Nations. Contrary to the myths propagated in the mass media, the capacity-to-pay formula, which had been so painstakingly devised by the Committee on Contributions, was not applied with respect to the least developed countries. His delegation, which was prepared to support the recommended scale, urged the Committee on Contributions to take due note of its comments in future reports.

20. Mr. ALLAFI (Libyan Arab Jamahiriya) noted that, although the report of the Committee on Contributions was more acceptable than previous reports, it suffered from short-comings and a certain imbalance which rendered the conclusions of the Committee unconvincing.

21. The scale of assessments was a sensitive issue of great importance to the entire Organization. In opposing the scale proposed by the Committee on Contributions at the preceding session, his delegation had not intended to create difficulties which might hinder the work of the Organization, as had been alleged by some delegations, but had wished to draw the attention of Member States to the danger which would result from the failure to respect fairness and equity in the calculation of assessments. At the preceding session, his delegation had joined with others in submitting a draft resolution aimed at solving the problem. That draft resolution had not been adopted because of a stratagem concocted behind the scenes and directed against the developing countries, especially the members of OPEC. His delegation wondered whether the real motive for that action had been envy at the rise in oil prices. Oil, however, was a non-renewable resource and the only source of export earnings of many of the OPEC countries. The rise in oil prices was, moreover, insignificant in comparison with the rise in the price of imported goods. His delegation wondered why such circumstances had apparently not been taken into account by the Committee on Contributions.

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(Mr. Allafi, Libyan Arab Jamahiriya)

22. The discussion at the thirty-first session had helped to highlight the shortcomings of the existing criteria for the calculation of scales of assessment and a number of new criteria and guidelines had been approved by the Assembly in resolution 31/95. His delegation found unconvincing the reasoning of the Committee on Contributions regarding the impossibility of applying certain of those criteria and guidelines. His delegation endorsed the proposal of the delegation of Iraq aimed at mitigating extreme variations in assessments between successive scales.

23. The Committee on Contributions must be allowed to carry out its mandate free from pressure or interference from any quarter so that it could propose a scale of assessments which would be acceptable to all. His country's assessment in the proposed scale for 1978-1979 had been reduced by 0.01 percentage points to 0.16 per cent. Such a reduction was virtually meaningless, however, when it was recalled that his country's assessment for 1974-1976 had been 0.11 per cent of the budget. His delegation had joined in supporting Assembly resolution 31/95 B in the hope that the Committee on Contributions would propose to the current session a more balanced and equitable scale. It seemed, however, that the Committee had not struck the necessary balance and had not scrupulously applied the principle of capacity to pay, in spite of its positive decision to extend the base period to seven years. Many advanced countries had accumulated vast material and human resources which ensured a high level of economic development. The assessments of such countries were much lower than their actual capacity to pay, even in cases in which they had been increased. National income was not a reliable indicator of capacity to pay. Although his country's national income had increased steadily in recent years, it had incurred a considerable trade deficit as a result of the sharp rise in the cost of imported goods and services necessary to its development efforts. Moreover, despite the fact that his country needed all the currency it earned from the export of a single commodity, namely oil, in the period 1972-1975 it had generously provided grants and assistance to the least developed and other countries amounting to 8 per cent of its oil revenues and more than 3 per cent of its net national product. The Committee's decision to extend the base period to seven years had helped to mitigate the variations in national income that resulted from short-term economic fluctuations but it did not take into account the factor of national wealth.

24. One of the main factors to be taken into account by the Committee in order to prevent anomalous assessments was comparative per capita income. In many cases, however, the contributions of both developing and developed countries when calculated on a per capita basis differed slightly or not at all.

25. Lastly, he reiterated the views put forward by his country's Permanent Representative at the 24th meeting of the Fifth Committee at the thirty-first session and reserved his delegation's position on the draft resolution contained in paragraph 98 of the report of the Committee on Contributions.

26. Mr. HASSON (Democratic Yemen) said that the report of the Committee on Contributions was very objective. His delegation supported the views of those developing countries whose assessments had increased at an unprecedented rate the

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(Mr. Hasson, Democratic Yemen)

previous year. The Committee had used a sound basis for determining the scale of assessments, as shown by the explanations in paragraphs 10 to 25 of the report. His delegation supported the report and would vote in favour of the recommended scale of assessments for the biennium 1978-1979 contained in paragraph 98.

27. Mr. THEODORACOPOULOS (Greece) expressed admiration for the work of the Committee on Contributions, which had complied with the guidelines laid down by the General Assembly at the thirty-first session. He noted that the Committee had sought to find new criteria that could be used in combination with that of national income for determining a country's capacity to pay. The Committee should continue its efforts in that connexion and he urged Member States to help it by providing all the necessary statistical and other data. His delegation welcomed the extension of the base period to seven years; that would attenuate the effects of economic fluctuations. It agreed with the statement in paragraph 40 of the report that the Committee should have full latitude to adjust the length of the base period in the way best suited to serve the purpose of ensuring the fairness and equity of the scale of assessments. The new procedure referred to in paragraph 56, whereby representatives of Member States could contact the Chairman and Vice-Chairman of the Committee on Contributions to provide additional data was very useful. His delegation would support all the recommendations made by the Committee on Contributions.

28. Mr. GARCIA (Brazil) said that his delegation supported the decision reached by the Committee on Contributions to continue to use the aggregate of "national income", as it was still the only single indicator that could be compiled for all countries and utilized as the principal measure of capacity to pay. It also firmly supported the decision to adopt a seven-year base period, in order to avoid the extreme variations of individual rates of assessment between successive scales which had occurred in 1976. It hoped that the seven-year base period would be retained in the preparation of future scales of assessment.

29. The proposed scale kept at 11.73 per cent the total assessment of developing countries, as defined by the UNEP/UNDOF formula. His delegation hoped that the total percentage of the budget paid by developing countries would not increase as long as the gap between developed and developing countries continued to increase.

30. Finally, he drew attention to the need to keep under constant review the low per capita income allowance formula and to readjust it whenever necessary, so as to avoid situations in which the benefits to be derived from it by the less developed countries might be wiped out by inflation and monetary fluctuations.

31. Mr. KEMAL (Pakistan) said that the fact that the Committee on Contributions had agreed on a new scale of assessments was worthy of praise, for its task had not been easy. Not only was there fundamental disagreement over the issue, but the criteria laid down in General Assembly resolution 31/95 B had not been easy to implement.

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(Mr. Kemal, Pakistan)

32. His delegation supported the notion that the expenses of the Organization should be apportioned broadly according to capacity to pay, the most reliable indicator of which seemed to be national income. Unfortunately, as the report noted, more research was needed before alternative social and economic indicators could be sufficiently refined to be used for that purpose. The decision to extend the base period to seven years might be a temporary solution, but he wondered whether it would solve the problem in the long term. The longer base period, while mitigating extreme variations, would be less responsive to changes in nations' capacity to pay; however, that was the price that must be paid for lack of consensus. Countries could not be forced to pay, especially if they believed that they had not been treated equitably. The coming years would be an uneasy period of continuing search for a consensus against a background of less than complete satisfaction with the Committee on Contributions, which would have to show due regard for the political currents of the time and the likely response of the Assembly to its recommendation. In the absence of universally acceptable criteria, a consensus in the Committee on Contributions would spare the Assembly much difficulty. The dangers of the Committee submitting recommendations that were not wholly acceptable to a significant number of Member States had been demonstrated at the previous session of the General Assembly.

33. Mindful of the importance of consensus, his delegation was prepared to support the proposed new scale of assessments and hoped that other delegations would do likewise. However, it had reservations about the rate of assessment recommended for Pakistan; it had increased 15 per cent, from 0.6 per cent to 0.7 per cent, at a time when the per capita income of that country had decreased. While the increase might be due largely to the extension of the base period, in Pakistan's case the new method ignored the serious reverses suffered by the economy during the past year.

34. Mr. FUTSCHER PEREIRA (Portugal) noted with appreciation that the report of the Committee on Contributions (A/32/11) was far more detailed than in the past and that it analysed the various methods and criteria suggested by the Fifth Committee. It sympathized with the Committee's difficulties in formulating a single combined indicator that would quantify the level of socio-economic development for a given State. The weighting of such indicators involved subjective judgements and the lack of recent statistics from Member States for a common year hampered measurement of the social and economic indicators under study.

35. However, his delegation remained unhappy with the new scale of assessments because of its serious short-comings, both general and specific. At the preceding session of the General Assembly, his delegation had stated its dissatisfaction with the scale of assessments under which its contribution had been raised by 33 per cent, despite the serious economic and financial difficulties facing Portugal. It had not voted against the scale of assessments, confident that the Committee on Contributions would give careful consideration to Portugal's situation at its spring session. While the extension of the base period to seven years had helped to mitigate the position of the most seriously affected and the least developed nations, it discriminated against other States that deserved to have their

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(Mr. Futscher Pereira, Portugal)

contributions lowered in view of recent economic trends. His delegation had serious reservations about the possibility of frequent prolongations of the base period to benefit a restricted group of Member States and hoped that the current extension would not constitute a precedent. In the case of Portugal, the national income indices of five, six and seven years previously were meaningless at the present time. His delegation could not understand why the Committee on Contributions should have turned a blind eye to Portugal's situation, where the economic hardships of the last two years had wiped out the gains of the previous five years. The reduction of 0.01 percentage points in its assessment since 1976 was a purely symbolic gesture.

36. His delegation sympathized with the problems which the Committee on Contributions had encountered in seeking other indicators to supplement national income statistics and had taken note of the explanation given in section I of the report. Despite the assurance in paragraph 22 that a broad range of economic and social indicators would be taken into account in individual cases, insufficient attention seemed to have been given to those indicators in the case of Portugal. However, another nation whose position was similar had received a substantially lower assessment. He reiterated that it was not right to refuse to make distinctions between the various levels of development among developed nations.

37. The Committee on Contributions had been unable to solve the problem of measuring the impact on national income of inflation, currency devaluation and external borrowings, although they seriously affected a country's capacity to pay. Inflation in Portugal was currently 35 to 40 per cent a year; the Portuguese escudo had been devalued by 15 per cent that year and the trade deficit had increased by 42.8 per cent over the last year. His delegation was distressed that those factors had not been given the weight they deserved. That, together with the selective use of other mitigating factors that could not be applied to middle-level States like Portugal, called into question the fairness and equity of the scale of assessments. His Government was not seeking to evade its responsibilities but stressed that its contribution should be in line with its capacity to pay.

38. Mr. Talieh (Iran) took the Chair.

39. Mr. ENDJINGBOMA (Central African Empire) agreed that the varying reliability of statistical data made it difficult to determine precisely the relative capacity to pay of Member States - particularly of developing countries - and to determine what economic and social indicators could be used to establish a scale of assessments that would apportion the expenses of the Organization more fairly among Member States. The indicators used, although reasonable, should be supplemented in order to achieve a true picture of the capacity to pay of land-locked countries such as the Central African Empire. An indicator relating to infrastructure and communications could help to take account of the particular disadvantages of land-locked States.

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(Mr. Endjingboma, Central African Empire)

40. Nevertheless, the work of the Committee on Contributions constituted an important step towards a more equitable apportionment of the expenses of the Organization, and his delegation hoped that the Fifth Committee would adopt the draft resolution in the report.

41. Mr. PIRSON (Belgium), noting that the General Assembly had reaffirmed that capacity to pay was the fundamental criterion to be used in determining the scale of assessments, wondered whether that criterion had not been seriously misapplied. The proposed extension of the base period from three to seven years, in response to concern voiced at the previous session of the General Assembly by States whose national income had risen considerably during the past three years, meant that the scale of assessment for the biennium 1978-1979 would be based on national income statistics for the years 1969 through 1975. That would not give a true picture of States' capacity to pay and would considerably reduce the rate of assessment of States whose national income had increased rapidly in recent years, at the expense of States whose economic situation had recently deteriorated.

42. His delegation had serious doubts about the claim that the extension of the base period from three to seven years offset the short-comings of a formula based solely on the aggregate of national income as a means of measuring capacity to pay, pending the establishment of a new general index of development that would be a more comprehensive measurement. Moreover, his delegation noted from paragraph 54 of the report that, in addition to extending the base period (thus retarding significantly the effects of steep rises in national incomes in recent years), the Committee had mitigated the increases in the rates of assessment of various countries that were not among the least developed or most seriously affected countries. His delegation agreed with those members of the Committee on Contributions who had held that the adoption of a seven-year base period and the application of the low per capita income allowance formula provided an ample measure of relief. Those successive mitigations had had to be offset by increases in the rates of assessment of States which were at neither the bottom of the scale (0.01 per cent) nor the top (25 per cent) even though their economic situation had deteriorated seriously. In the next biennium, 27 developed States would provide over 89 per cent of the United Nations budget and the members of the European Economic Community alone would provide 25 per cent.

43. It was imperative that capacity to pay should continue to be the fundamental criterion for determining the scale of assessments and that it should be determined strictly on a technical basis. To depart from the scientific determination of capacity to pay would detract from the necessary credibility of the Committee on Contributions and the Fifth Committee. Acceptance of the proposed scale of assessments would be one step away from a scientific determination of that capacity to pay. His delegation would therefore abstain in the vote on the draft resolution in paragraph 98 of the report.

44. Mr. SHAFII (Iran) noted that the report gave an account of the alternatives studied by the Committee on Contributions. The Committee should in future not list alternatives that were not practicable. Aside from the halving of the minimum rate of assessment, the scale of assessments proposed remained basically unchanged from that of the previous year. Iran's rate was up 100 per cent over 1975 as compared with the increase of 130 per cent in 1976. His Government's understanding of the

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(Mr. Shafii, Iran)

consensus reached at the thirty-first session of the General Assembly was that the sharp increases in the rate of assessment of any individual country that had occurred in 1976 should not be repeated. On that understanding, notwithstanding its numerous reservations, his delegation would not oppose the draft resolution in the report. Its support for the draft resolution and its positive attitude should give food for thought to those delegations which were not going to support the draft resolution solely on the grounds that some developing countries had received relief of one decimal point.

45. The CHAIRMAN invited the Committee to consider the draft resolution in paragraph 98 of the report of the Committee on Contributions (A/32/11).

46. Mr. ANVAR (Secretary of the Committee) drew attention to the following amendments: the reference to the Socialist Republic of Viet Nam should be deleted from paragraph (g) and its subparagraphs (ii), (iii), (v) and (vi); paragraph (i) should end as follows: "... and the Socialist Republic of Viet Nam shall contribute towards the 1976 expenses of the activities in which it participated at the rate of one half of 0.02 per cent;".

47. Mr. de FIGUEIREDO (Angola) said that the rate of assessment recommended for his country was unjust. While Angola was quite prepared to meet the obligations incumbent upon it as a Member State, it disagreed totally with the way in which the assessment had been made. The figures on which the assessment was based related to a period when Angola was still a Portuguese colony. Since that time, however, the number of Portuguese in Angola had dropped considerably and both per capita income and the gross national product had fallen. His country objected not to the figures supplied by the Economic Commission for Africa or other international institutions but to the base period that had been used in calculating the rate of assessment, since there was ample proof that production in all sectors of the Angolan economy was still well below the level attained in 1973. Most newly independent countries which were faced with the massive task of reconstruction were assessed at the minimum rate, and a number of countries assessed at that minimum rate were far better off than Angola, but Angola nevertheless had to pay twice as much. Since attaining independence, Angola had faced a full-scale invasion by another country, at a cost to the economy of some \$6.7 billion, and the flight of technical personnel, most of them Portuguese. Such factors had resulted in the paralysis of internal trade and production and a drop in exports. Angola had ample natural resources, but needed some time to rebuild its economy. It must not be forgotten that the figures used in calculating the rate of assessment had probably been inflated by Portugal to give a false picture of Angola's economic situation. In that connexion, the 1974 commodity trade statistics published by the United Nations listed imports for Angola about which the Angolan Government had no knowledge and for which there existed no inventories. The export figures for the same period appeared astronomical in comparison with post-independence figures, and, in any case, the income from such exports had not been spent on the development of Angola. A representative of the Secretary-General had visited Angola in 1976 and had recommended that the country should be provided with assistance to an amount of \$300 million. It was hard to see how a country in such dire need could contribute to the budget at the rate of 0.02 per cent. He had been informed that, in February 1977, the United Nations had sent a letter to some countries, including Angola, to arrange a meeting to discuss the scale of assessments. He had not

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(Mr. de Figueiredo, Angola)

received that letter, and the rate of assessment recommended for his country was not based on figures provided by his Government.

48. He therefore requested that the case of Angola be re-examined and a lower rate of assessment recommended until such time as the Angolan economy had recovered and production had reached the levels upon which the current assessment had been based. His country was quite prepared to pay its dues after the drastic situation currently prevailing in Angola had been remedied.

49. Mr. AL-ZAID (Kuwait) said that national income or per capita income should not be used as the main criterion for the purpose of establishing the scale of assessments. Many factors had to be taken into account, particularly a country's level of development with respect to technology, industry, infrastructure, agriculture and literacy, as well as the number of professional or technical personnel and skilled or semi-skilled labourers. His country depended for its income on one non-renewable natural resource, and, although the income derived from that natural resource was considerable, it must not be forgotten that the country lacked a solid infrastructure. Kuwait wished neither to evade its responsibilities nor to impede United Nations activities, but it valued the principle of equity. His delegation welcomed the fact that the rate of assessment recommended for countries with a low per capita income had been reduced to 0.01 per cent; in that connexion, it was important that all the recommendations made by the General Assembly at the thirty-first session concerning the scale of assessments should be acted upon. His delegation would vote in favour of the scale of assessments recommended by the Committee on Contributions.

50. Mr. BWALYA (Zambia) said he agreed with the representative of Cuba that a country's capacity to pay was largely determined by its trade balance. A country's balance of payments should therefore be taken into consideration for the purpose of calculating the scale of assessments. It was extremely difficult for the Committee on Contributions to predict what a country's income would be in three or four years' time, particularly in cases where the economy was based on a single commodity. His country depended for its income on the sale of copper, the price of which fluctuated considerably, and the base period used in calculating the scale of assessments should therefore be reduced from seven to three years and changed every year or every two years in order to take account of such fluctuations. With respect to the reliability of the data used to determine a country's capacity to pay, it was difficult to understand why the rate of assessment recommended for some comparatively wealthy developing countries had been cut to 0.01 per cent, whereas the rate of assessment recommended for Zambia had remained at 0.02 per cent. Similarly, it must be asked why the rate of assessment recommended for some developed countries had remained steady or had even gone down, particularly since such countries had helped to perpetuate the disparity between developed and developing countries by increasing the price of manufactured goods. When the Committee on Contributions next met to establish the scale of assessments, it must examine the data made available to it extremely critically.

51. Mrs. MOHAMUD (Somalia) said that her delegation approved the report of the Committee on Contributions and would vote in favour of the scale of assessments recommended therein.

52. Mr. FALL MALLOUM (Mauritania) said that the scale of assessments recommended by
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(Mr. Fall Malloum, Mauritania)

the Committee on Contributions was more equitable than before. However, Mauritania's economy depended largely on agriculture and stock-raising; as a result of drought, 80 per cent of the country's livestock had been destroyed and it was now dependent on international food aid. The economy had also been badly affected by deteriorating terms of trade. Efforts were being made to rebuild the economy, but some time would be needed for the effects of those efforts to be felt; his country therefore supported the use of a seven-year base period. Although it endorsed the report of the Committee on Contributions, his delegation hoped that, in future, the Committee on Contributions would take account of the fact that the per capita income of some developing countries was artificially inflated by income from the sale of certain raw materials which often constituted the basic source of income of the countries concerned. The situation of such countries was not comparable to that of industrialized countries which had accumulated capital goods over a long period of time. The supply of raw materials was not inexhaustible and third world countries needed the income from those raw materials to promote diversification within their economies.

53. Mr. NGUYEN NGOC HOAN (Viet Nam), referring to the draft resolution contained in paragraph 98 of the report of the Committee on Contributions, proposed that, in paragraph (i), the rate of assessment recommended for the Republic of South Viet Nam should be reduced from one half of 0.06 per cent to one half of 0.02 per cent. Alternatively, paragraph (i) could be deleted and the Committee could postpone a decision on the matter until agreement had been reached between the Government of Viet Nam and the financial organs of the United Nations. His delegation supported the remaining provisions of the draft resolution.

54. The CHAIRMAN asked what the effect on the scale of assessments would be if paragraph (i) was amended as proposed.

55. Mr. Amjad ALI (Chairman of the Committee on Contributions) said that paragraph (i) concerned the contributions of non-member States and the proposed amendment would not, therefore, affect the scale of assessments.

56. Mr. RHODES (United Kingdom) requested further information on the reasons behind the proposed amendment.

57. Mr. NGUYEN NGOC HOAN (Viet Nam) said that his country had just emerged from a war and faced serious economic problems. In addition, the rate of one half of 0.06 per cent had been calculated on the basis of figures which were no longer applicable, since the Republic of South Viet Nam no longer existed.

58. Mr. MAJOLI (Italy), supported by Mr. LACHANCE (Canada), said that it would be difficult for the Committee to take a decision on the matter since it did not have all the necessary information before it. Accordingly, the paragraph should be deleted and the matter referred to the Committee on Contributions for further consideration.

59. Mr. THOMAS (Trinidad and Tobago) said that delegations should be given more time to consider the implications of the amendment.

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60. Mr. GRODSKY (Union of Soviet Socialist Republics) said that the representative of Viet Nam had submitted an amendment to the draft resolution before the Committee and had explained the reasons behind that amendment. Moreover, the Chairman of the Committee on Contributions had clearly stated that the adoption of the amendment would not affect the scale of assessments in any way whatsoever. There was therefore no reason for postponing a decision. His delegation supported the amendment and would vote in favour of it if it was put to the vote, although he hoped that it would be adopted by consensus.

61. Mr. RHODES (United Kingdom) agreed that the representative of Viet Nam had explained the reasons behind the amendment, but the Committee did not know whether those considerations had been taken into account by the Committee on Contributions. He therefore preferred the suggestion made by the representative of Italy.

62. Mr. KHAMIS (Algeria) said that he fully understood the reasons behind the amendment proposed by the representative of Viet Nam. However, he asked the Chairman of the Committee on Contributions to explain why it had been decided that the Republic of South Viet Nam should contribute at the rate of "one half of 0.06 per cent" and not simply at the rate of 0.03 per cent.

63. Mr. Anjad ALI (Chairman of the Committee on Contributions) said that the recommendations in paragraph (i) reflected the fact that in 1976 there had been two States, namely the Republic of South Viet Nam and the Socialist Republic of Viet Nam.

64. The CHAIRMAN suggested that paragraph (i) and foot-note 16/ should be deleted, that paragraph (j) should be renumbered accordingly, and that the matter dealt with in paragraph (i) should be referred to the Committee on Contributions.

65. It was so decided.

66. The CHAIRMAN invited the Committee to vote on the draft resolution contained in paragraph 98 of the report of the Committee on Contributions.

67. The vote was taken by roll-call.

68. Mali, having been drawn by lot by the Chairman, was called upon to vote first.

In favour:* Afghanistan, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Benin, Bhutan, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Canada, Central African Empire, Chad, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Egypt, Fiji, Finland, France, Gabon, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait,

* The delegations of Thailand and the United Republic of Tanzania later informed the Secretariat that, had they been present during the voting, they would have voted in favour of the draft resolution submitted by the Committee on Contributions.

Lao People's Democratic Republic, Lesotho, Madagascar, Malawi, Malaysia, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Nepal, New Zealand, Nigeria, Norway, Oman, Pakistan, Peru, Philippines, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Somalia, Sri Lanka, Sudan, Swaziland, Sweden, Trinidad and Tobago, 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, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zambia.

Against: Libyan Arab Jamahiriya, Singapore.

Abstaining: Angola, Bangladesh, Belgium, Italy, Luxembourg, Netherlands, Poland, Portugal, Spain, Syrian Arab Republic, Togo, United States of America.

69. The draft resolution which the Committee on Contributions recommended for adoption by the General Assembly in paragraph 98 of its report, as amended, was adopted by 90 votes to 2, with 12 abstentions.

70. Mr. WILSKI (Poland) said that his delegation had been unable to vote in favour of the scale of assessments for 1978 and 1979 for the reasons which it had stated during the discussion. It trusted that those reasons would be fully reflected in the Committee's report to the General Assembly in order that the Committee on Contributions might rectify the situation when it next met.

71. Mr. MINCHEV (Bulgaria) said that his delegation had voted in favour of the new scale of assessments because it considered that the Committee on Contributions had conscientiously carried out the delicate task of drawing up a balanced scale. It was a difficult matter to satisfy every country. In Poland's case, insufficient account had been taken of the principle of capacity to pay and the practical difficulty of obtaining hard currency; his delegation trusted that that situation would be rectified in the next scale.

72. Mr. LADOR (Israel) said that his delegation had voted in favour of the draft resolution, although it felt that greater financial responsibility should have been given to countries whose national income and currency reserves had risen markedly in recent years.

73. Mr. HAMZAH (Syrian Arab Republic) said that his delegation had abstained in the voting for the reasons which it had stated during the debate.

74. Mr. LADOR (Israel), speaking in exercise of the right of reply, said that he wished to rebut the allegations made against Israel by the delegation of the Syrian Arab Republic in the debate on the scale of assessments. That delegation should not attempt to divert the Committee's attention to subjects which were completely irrelevant to its work. His own delegation was prepared to discuss the question of Syrian aggression against Israel in 1973, but in the proper forum. He trusted that the Chairman would ensure that the business-like atmosphere of the Committee was preserved.

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75. Mr. HAMZAH (Syrian Arab Republic) said that the representative of the racist Zionist entity was speaking as though Israel were a peaceful nation which complied with the decisions of the international community. He, too, had no wish to become ensnared in a political discussion in the present forum. It sufficed to draw the Committee's attention to the many resolutions and decisions condemning Israel's acts of aggression since 1948 and its occupation of Arab territories.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued) (A/32/6, A/32/8, A/32/38, A/C.5/32/12 and 13)

Expansion of meeting rooms and improvement of conference servicing and delegates' facilities at United Nations Headquarters (continued) (A/32/8/Add.1, A/C.5/32/4 and Corr.1 and Add.1)

76. Mr. GOSS (Australia) suggested that future reports recommending the remodelling of conference facilities should indicate the outcome of consultations with the Committee on Conferences. Specifically, they should state whether or not the Committee on Conferences considered that the proposed construction work created problems with respect to the calendar of conferences and, if it did, how that Committee suggested that the difficulties should be surmounted and whether its proposals had financial implications.

77. Mr. KIVANÇ (Turkey) expressed his delegation's support for the recommendations of the Advisory Committee with respect to the North Lawn extension, the Conference Building, the small conference rooms, the extension of the north end of the Conference Building, the additional air-cooling equipment, the temporary relocation of facilities and staff, and temporary assistance. He trusted that the revised plan for the new Secretariat cafeteria and kitchen and the expansion of delegates' dining areas would be prepared as promptly as possible after consideration of the options suggested by the Advisory Committee. Speed was important not only from an administrative standpoint - because of the rapid growth of the Organization - but also from a financial standpoint since costs would increase as a result of inflation. His delegation hoped that the cost of the further study recommended by the Advisory Committee, which had been estimated at \$150,000 by the Assistant Secretary-General for General Services, could be absorbed within the contingency provision for the approved part of the total plan.

78. Mr. FOKINE (Union of Soviet Socialist Republics) said that his delegation welcomed the fact that the Secretariat had found it possible to reduce the cost of the projects from \$34.3 million, as estimated at the thirty-first session, to the amount of \$28.3 million given in the cost estimates currently before the Committee in document A/C.5/32/4. According to paragraph 9 of that document, the decreases in cost estimates had been achieved by reducing the scope of the projects and eliminating features which, while desirable, did not need to be implemented at the present time. It was clear from that statement that the original cost estimates for the work had been determined without sufficient care. But for the decision of the General Assembly, which at its thirty-first session had requested further studies of some of the Secretary-General's reconstruction proposals, the Organization would have incurred unjustified expenditure of approximately \$6 million. His delegation trusted that a more responsible approach would be

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(Mr. Fokine, USSR)

adopted in the future by the Department concerned and that stricter control would be exercised by the Department of Administration and Management.

79. Notwithstanding the General Assembly's decision at its thirty-first session to reject the Secretariat's proposals to expand the small conference rooms, to extend the north end of the Conference Building, and to build a new main conference room, those proposals had been resubmitted at the current session. He wondered what developments had taken place to justify such resubmission and why the Secretariat had seen fit to ignore the General Assembly's decision. He could cite other instances in which the General Assembly had addressed direct requests to the Secretariat, and the Secretariat had inexcusably delayed its response or ignored the request. It sufficed to refer to General Assembly resolution 3534 (XXX), to General Assembly resolution 31/93 in which the Secretariat was asked to provide important information regarding the United Nations programme budget for the biennium 1978-1979, and to the Committee's recent request for information on the financial implications of the CPC recommendations - information which it required in order to take decisions. His delegation trusted that in the future the Secretariat would take greater pains to harmonize its action with the decisions of the General Assembly, which it was mandatory for the Secretariat to observe.

80. With respect to the North Lawn extension, his delegation considered that the Secretariat had not made a sufficiently thorough study of ways of satisfying needs for additional accommodation through the remodelling of available space. It was known that the Secretariat intended shortly to introduce some technological innovations, including the extended use of microfiches and the installation of more effective equipment, which would reduce the amount of space needed for storage and for reproduction and distribution facilities. In the light of the proposed innovations and the high cost estimates for the construction work, his delegation could not support the Secretary-General's proposal. The Secretariat should endeavour to solve any existing problems by replanning the use of available space.

81. With regard to the new cafeteria and kitchen, his delegation supported the recommendation of the Advisory Committee that the question should be reviewed, and it trusted that the Secretariat would find ways of improving the catering services through better planning and better organization, within the limits of the space already available.

82. With regard to the small conference rooms, his delegation supported the decision taken by the General Assembly at its thirty-first session to postpone the project for the time being. As was demonstrated by the Secretariat statistics, the small conference rooms were used more frequently than the large ones, and it therefore seemed curious to wish to spend significant sums on making the small rooms larger. The Advisory Committee had taken a somewhat illogical approach to the question: having recommended against approval of the project in 1976, it was now recommending that the project should be approved, albeit on a smaller scale.

83. His delegation also supported the decision taken by the General Assembly at

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(Mr. Fokine, USSR)

the thirty-first session regarding the Secretary-General's proposals for the extension of the north end of the Conference Building, namely, that the project should not be initiated. With respect to the proposed new main conference room, it supported the Advisory Committee's recommendation that the project should not be authorized.

84. His delegation would vote against the Secretary-General's proposals because they failed to take into account the need for economy and the possibility of a better use of available space and because they ran counter to the decisions taken by the General Assembly at its thirty-first session.

85. Mr. MAJOLI (Italy) said that, in view of the need for economy, his delegation intended to vote in favour of the recommendations of the Advisory Committee, which had pruned some of the Secretary-General's proposals. It wished to draw particular attention to paragraph 13 of document A/32/8/Add.1, to emphasize the importance of curtailing excessive documentation, and to urge the extended use of microfiches.

86. Mr. VARGAS-SABORIO (Costa Rica) said that his delegation in principle supported the proposals for the expansion of meeting rooms and the improvement of conference servicing. Because of the urgency of some of the work, and since it believed that expenditure should be contained within reasonable limits, it intended to vote in favour of the recommendations of the Advisory Committee.

87. Mr. TIMBRELL (Assistant Secretary-General for General Services) said that additional space was required in the third basement for the storage of paper; microfiches could not alleviate the problem in that part of the building. Additional space was also required for recently issued United Nations sales publications. Documents older than two years were stored in a warehouse some distance away from the Headquarters building. He stressed that the Secretariat had taken full account of the potential use of microfiches when drawing up the plans.

88. Mr. MAJOLI (Italy) suggested that more emphasis should be placed on efforts to sell United Nations publications promptly than on providing additional space in which to store them.

ORGANIZATION OF WORK

89. The CHAIRMAN asked whether the report of the Committee on Conferences was now available in all languages.

90. Mr. OUDOVENKO (Department of Conference Services) replied that the report was currently available in English, French, Russian and Spanish. The Arabic version

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(Mr. Oudovenko)

would be sent for reproduction that evening and the Chinese version would be ready in a few days' time.

91. The CHAIRMAN regretted that the report had not been circulated in all languages earlier. Nevertheless, if there was no objection, he suggested that the Committee should begin consideration of item 105, Pattern of Conferences: Report of the Committee on Conferences, the following day.

The meeting rose at 6.50 p.m.