

as one of the dynamic *status quo*. What we do believe is that the United Nations is entering a period where it is vitally important that its stability is ensured. Therefore, by stabilization we have in mind a period and a process of evaluation, reappraisal and planning to bring about a financially sound organization, which will then be in a better position to maintain its dynamic nature and to meet possible future demands.

"Delegates might wonder why, in view of increased membership and the needs of developing countries, my Delegation thinks the organization is entering a period of stabilization. Briefly, we think that stabilization is a direct consequence of the organization's financial difficulties and of the stresses of recent growth. In response to the needs and desires of the many recent members in the fields of economic and social development, the United Nations family has embarked on a number of programmes and activities that have placed further strains on an already over-taxed Secretariat. These programmes have, in many cases, been in addition to existing activities. In conjunction with the continuing need to maintain international peace and security, they have created severe stresses and strains on the UN family and on the United Nations in particular.

#### ANALYZING THE UN

"Some delegates, the auditors and the Advisory Committee have already commented on the effects that recent expansion has had on the Secretariat and the use of correct financial and budgetary procedures. My Delegation thinks that, within the next few years, the rate of increase in membership will not be as great as it has been, as membership in the United Nations becomes virtually universal. Therefore, in spite of existing commitments, the demands on the organization are unlikely to increase substantially. In order to better prepare the organization for beneficial future growth and to maintain its dynamic nature, my Delegation thinks that advantage should be taken of this period of stabilization to analyze the organization. This analysis should consist of three aspects: First, past performance should be carefully evaluated in order to consolidate gains and to profit from experience; second, present activities should be reappraised to maximize the benefits derivable from available resources; third, serious thought should now be given to the amount and direction of future growth. As a result of such an analysis, the United Nations should be better prepared to carry out programmes of economic and social development and to maintain international peace and security.

"With this in mind, let us now turn to the more specific tasks which face us at this session. In this regard, a factor that stands out above all others is the financial position of the United Nations. The organization's continued financial difficulties are an increasing source of concern to my Delegation. Any organization must have more than members, hopes, desires and plans if it is to be a useful instrument in the service of mankind. For several years the United Nations has been struggling to maintain its effectiveness and to obtain the resources it requires

in order to carry out the tasks assigned to it. What has occurred to reduce or limit the flow of funds from member states for worthwhile United Nations activities? What has forced the United Nations to borrow funds from other accounts, to sell bonds and to stagger under the burden of over \$80 million in arrears?

"Basically, the United Nations, as far as financial matters are concerned, is not unlike a national government. A government's ability to perform useful services for its citizens depends primarily on the wealth of the country, the desire of its citizens for particular governmental services and the effectiveness of the agency concerned in translating desires and funds into the satisfaction of needs. While the United Nations, like a national government, can sell bonds, it has no monetary printing presses. Therefore, in a democratic society, if a programme is decided by the majority to be desirable, it must be financed by methods acceptable to a majority before it can be implemented.

#### SOURCE OF FINANCIAL PROBLEMS

"My Delegation believes that the financial problems of the United Nations have stemmed primarily from the refusal of some member states to accept as binding decisions of the General Assembly with respect to the financing of United Nations peace-keeping operations. This situation stemmed in part from the inability of some members to agree on the legality of UNEF and ONUC expenses. To resolve this disagreement, the sixteenth General Assembly requested the International Court of Justice to give an advisory opinion on whether UNEF and ONUC costs constituted expenses of the organization under Article 17 (2) of the Charter.

"In the meantime, in order to finance the work of the organization, the Assembly authorized the Secretary-General to sell \$200 million in United Nations bonds. The response to the bond issue has indeed been encouraging and, as of October 3, \$73.5 million has been pledged by 51 countries, of which \$27.8 million represents actual purchases. On July 20, the International Court, by a vote of nine to five, found 'that expenses authorized by the General Assembly resolutions...relating to ONUC and UNEF constitute expenses of the organization within the meaning of Article 17, Paragraph 2, of the Charter of the United Nations'. My Delegation hopes that, as the question of the legality of the expenses of these peace-keeping operations has been resolved, thus eliminating one of the basic reasons for disagreement among members, all member states will now pay their assessed shares of these expenses.

#### PLANNING THE FUTURE

"...Canada has supported *ad hoc* measures for meeting immediate peace-keeping financial needs, but it has also consistently sought to place the financing of United Nations peace-keeping operations on a firm foundation. In a period of stabilization, one of the most important functions of this Committee is to plan for the future. The Fifth Committee could make a vital contribution to the future effectiveness

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