

Much has been said and written about the crisis which confronts the United Nations at this moment -- so much, in fact, that there has been difficulty in retaining the elements of that crisis in proper perspective. Perhaps, therefore, it would be useful if I were to try to disentangle the situation as I see it.

In the immediate foreground, there is what I might call the crisis of solvency of the United Nations. This can be summarized briefly as follows: An amount of some \$140 million is now owing to the United Nations in accumulated arrears. The net cash resources of the organization have dwindled to less than \$15 million, its Working Capital Fund is all but depleted, and it has debts amounting to \$45 million in addition to outstanding bonds in the value of some \$150 million which were issued to finance peace-keeping operations in 1962-63, and which must, in due course, be redeemed.

I think these figures tell their own story. They indicate that the United Nations is facing an acute financial crisis which requires attention quite apart from any of the issues underlying it. For it would surely be tragic if, in addition to being inhibited from conducting its normal business, the United Nations were unable, as the Secretary-General recently put it, in the weeks and months ahead "to keep faith with those who have kept faith with it".

Some two-thirds of the arrears owing to the United Nations is attributable to the unwillingness of certain member states to pay their assessed share of duly-authorized expenditures for keeping the peace. The major defaulter on that account is the Soviet Union, which accounts for just under half of the total arrears outstanding.

This brings me to the second element in the present crisis, which I might call the crisis of confrontation. This has tended, in recent discussion, to overshadow the underlying financial problem.

The crisis of confrontation has hovered, like a Damoclean sword, over the ill-starred nineteenth session of the General Assembly which has now adjourned until September. It could have been precipitated at any time -- as it almost was on Thursday of this week -- by a delegation refusing to go along with the consensus procedure by which the General Assembly has conducted its business since it first met on December 1. For a recorded vote could -- and in ordinary circumstances would -- have raised the issue of invoking Article 19 of the Charter against those member states whose arrears exceeded the contributions due from them for the preceding two full years. Article 19 stipulates that, in those circumstances, the defaulting member state shall have no vote in the General Assembly.

According to the latest count, 13 member states find themselves in that position, including two of the permanent members of the Security Council -- the Soviet Union and France. These countries have argued that Article 19 does not apply to arrears arising out of assessments for peace-keeping operations of the United Nations, in that such assessments are not binding obligations within the terms of the relevant articles of the Charter.