

Until 1956, with the exception of Korea⁶, which did not engage the financing machinery of the United Nations, virtually all member states regularly contributed their assessed share of the relatively modest costs of United Nations peace-keeping operations. However, with the establishment of UNEF in 1956, followed by ONUC in 1960, peace-keeping costs expanded markedly (from 1957 to 1967, UNEF cost approximately \$217 million (U.S.), while ONUC, from its inception to its termination in 1964, cost \$392.8 million (U.S.)). From 1957 until 1961, the General Assembly, led by the U.S.A., Britain, Canada and a number of other countries upholding the principle of collective responsibility continued to support the adoption of resolutions assessing the costs of UNEF and ONUC against the whole membership according to the United Nations regular scale of assessments, with reductions to the developing countries. However, the U.S.S.R., in accordance with its view that peace-keeping in all its aspects, including financing, was the sole prerogative of the Security Council, refused to pay its assessments. France chose to pay its assessed share of UNEF but not ONUC. Certain other countries also refused to contribute to one or both operations.

Thus the United Nations faced a serious financial situation by 1961. No assessments were levied to meet peace-keeping expenses during the last half of 1962. Instead, the General Assembly, in a resolution co-sponsored by Canada authorized the Secretary-General to issue \$200 million (U.S.) in United Nations bonds to provide working capital to help overcome the organization's financial crisis. Proceeds from the sale of these bonds were used to finance peace-keeping operations during the last half of 1962 and the first half of 1963. Canada purchased \$6.24 million (U.S.) of bonds. Other countries, the Soviet Union and France most notably, have claimed that the bond issue was a back-door method of financing the costs of peace-keeping and have refused to pay that portion of their annual United Nations budget assessments attributable to the costs of repaying the principal and interest to the bond-purchasers.

In 1961, the Assembly also decided to seek an advisory opinion from the International Court of Justice as to whether peace-keeping costs were "expenses of the organization" and thus assessable under Article 17 of the United Nations Charter. On July 20, 1962, the Court advised that the costs of UNEF and ONUC were legitimate expenses of the organization and, in turn, the seventeenth session of the General Assembly "accepted" this opinion.

As of January 1, 1964, some countries, including the Soviet Union because of their continuing refusal to pay peace-keeping costs, had accumulated arrears in excess of their assessments for the preceding two years and thus, under the provisions of Article 19 of the Charter, were liable to loss of their votes in the General Assembly. France came into the same category on January 1, 1965. To avoid the possibility of the U.S.S.R. and France being

6. See United Nations General Assembly "Uniting for Peace", Resolution 377A(V).