

this phase of discussions. I may say that the discussions yesterday marked considerable progress in the positions of the two countries. There was an acknowledgment of the position of Canada, and we have taken careful note of the position put forward by the United States in these talks.

Financing UNEF

On December 16. the Prime Minister, the Right Honourable L. B. Pearson, observing that the Budgetary Committee of the United Nations had recently approved "certain proposals" for financing the United Nations Emergency Force in the Middle East, suggested that, since he had the details of these proposals with him, he "put them on Hansard rather than read them into the record". The text of the document he produced is as follows:

On Friday afternoon, the Fifth Committee on the Assembly approved (56 10 Soviet bloc — 13) a resolution co-sponsored by Canada, three Scandinavian countries, Pakistan and Nigeria, which contained an agreed formula for financing UNEF during 1964. The formula provides that the 1964 costs of UNEF, estimated at \$17,750,000, will be shared as follows: the first \$2 million will be assessed at the regular budget rate; the remainder will also be assessed at this rate, except that the less-developed countries will be allowed a 57.5 per cent reduction in their shares. For the past several years, it has been recognized that the less-developed countries, having a limited capacity to contribute toward the costs of peace-keeping operations involving heavy expenditures, should be allowed reductions in their shares. The gap created by granting these reductions is filled by voluntary contributions from the developed states.

These financing arrangements apply as regards the less-developed countries and are not related to the problem arising from the refusal of the Soviet bloc and some other developed countries to pay their share of the costs. These countries are assessed at the regular scale and their arrears of payment have been accumulating.

At the fourth special session of the Assembly last June, the formula for financing both UNEF and ONUC allowed 55 percent reductions to the less-developed countries. The Canadian Delegation at the current session was instructed to urge the re-adoption of the June formula and, in fact, it was adopted for the Congo Force. In relation to UNEF, however, the less-developed countries pressed for a slightly larger reduction. The voluntary contribution expected of Canada to fill the current gap has not been finally determined, but it is estimated to be about \$80,000.

Because of the importance which Canada attaches to the role played by UNEF in the Middle East, the Government considered it desirable to support the modified formula. In agreeing once more to an *ad hoc* arrangement, the Government has continued to insist that financing arrangements for peace-keeping oper-