

64/7
Apr 2/68
Emp. Club / Reference
P. M. [unclear]

Financing Cyprus Peace Force

The method of financing the Cyprus force is significant because, once again, it brings into sharp focus the fundamental issues raised in relation to the financing of these peace-keeping operations. This audience will be aware that for the past few years the United Nations has been teetering on the brink of bankruptcy, because of the heavy burdens assumed in the Middle East and the Congo but more significantly because a number of member states - including two great powers - with full capacity to pay have failed to pay their share of the financial costs. Others have been slow in paying, even when reductions were granted to take into account their relative incapacity to pay.

This is a deplorable situation for an organization established primarily to maintain peace and security. It is especially urgent in view of the growing demands for peace-keeping operations, which have demonstrated their worth. It is moving toward a climax this year because a number of states, including the Soviet bloc, now have accumulated arrears of payment which make them vulnerable to Article 19 of the Charter. It provides for the loss of vote in the General Assembly when arrears amount to two full years. When it next meets, the General Assembly will have to deal with this critical situation, which has far-reaching political and financial implications, unless steps have been taken in the meantime by those in default to liquidate their arrears.

Canada's Straightforward Policy

As a consistent and firm supporter of the United Nations, Canada believes that all member states should willingly accept their share of the financial burdens of peace-keeping, just as they all share in the benefits which flow from continuing peace and stability. Our policy in this regard is straightforward. We have responded promptly to requests for military assistance in all theatres of United Nations peace keeping. We have paid our assessments in full. We have made voluntary contributions on an ad hoc basis to keep the operations afloat. We have made and supported proposals designed to afford an opportunity for negotiated settlement of the financing arrangements.

We are convinced that the principle of collective responsibility is the only sensible basis for financing peace-keeping operations. We believe that Article 19 was intended to provide the sanction for that principle. But recognizing the practical difficulties which have arisen, Canada seeks accommodation - and not confrontation - on these fundamental issues. We shall continue to do so in the United Nations bodies established specifically to deal with these financial problems. We strongly urge the delinquent states to approach such discussions constructively, to join with us in our determination to resolve the financial dilemma and ultimately the political conflict which underlies it.