

Thus, by 1961, the United Nations faced a serious financial situation. In a resolution co-sponsored by Canada, the General Assembly authorized the Secretary-General to issue \$200 million (U.S.) in UN bonds to provide some working capital. By 1964-65, the U.S.S.R. and France became liable to the loss of their votes in the General Assembly (Article 19), but to disenfranchise the U.S.S.R. and France would seriously have jeopardized the future of the organization. Accordingly, on September 1, 1965, the General Assembly agreed to a consensus worked out in the Committee of 33 that countries should not lose their vote because of the financing problems of UNEF and ONUC and that the financial difficulties of the organization should be solved through voluntary contributions by member states. Even before this decision had been taken, Canada had announced that it would donate \$4 million (U.S.) as an unconditional voluntary contribution to a special fund to restore the United Nations to solvency. However, to date, 24 countries have contributed only \$20.4 million (U.S.) to the United Nations solvency fund.

Thus the United Nations remains faced with a serious deficit, estimated by a special ad hoc committee of 14 financial experts to be, as of September 30, 1965, \$53 million (French-Soviet view) or \$73.4 million (U.S.-British-Canadian view), the differing figures reflecting varying political views on the financing of peacekeeping operations. In the two years between the report of the ad hoc committee and the 1967 report of the Secretary-General, it was estimated that the minimum deficit had risen to \$60-62 million. After subtracting the voluntary contributions, the deficit remains significant.

The financing of UNFICYP has been accomplished without open controversy since, unlike UNEF and ONUC, it has never been by assessment. The same Security Council resolution which established UNFICYP on March 21, 1964, provided for its financing through voluntary contributions. However, voluntary contributions have proved an unreliable means of financing. Deficits have plagued UNFICYP from the start and the Secretary-General has made frequent appeals for contributions. As of May 27, 1970, about \$109.3 million (U.S.) has been collected to meet the organizations estimated costs of about \$116.8 million (U.S.). These costs do not include those that some troop-contributors, including Canada, have agreed to absorb at their own expense without seeking reimbursement from the United Nations. During 1970, Canada is expected to absorb about \$1.6 million over and above what it would normally have paid to maintain its contingent in Canada.

Besides providing military personnel for United Nations peacekeeping operations, Canada, as one of the three supervisory members (with India and Poland) of the International Commission for Supervision and Control in Indochina, has since 1954 maintained military and civilian personnel in Indochina. By the beginning of 1970, the main Canadian presence in Indochina was limited to Vietnam. Canadian personnel were substantially reduced in Laos and withdrawn entirely from Cambodia following the decision of the Commission in Cambodia to adjourn its activities indefinitely. From 1954 to December 31, 1969, the cost to Canada of participation in the ICSC approximated \$19.8 million.

While it has made some progress, the Committee of 33 has not yet managed to reach agreement upon guidelines for the financing of future peacekeeping operations.