

CANADIAN DELEGATION TO THE UNITED NATIONS GENERAL ASSEMBLY
(FIFTEENTH SESSION)

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Statement by Senator F.M. Blois, on the Fifth Committee
on March 28, 1961.

ONUC FINANCES

This Committee has already discussed at length the question of financing the Congo Operation and my delegation has already made known its views on the importance of this question to the development of this organization, if not to its very survival. My delegation's views were given at some length in this committee on December 5 and elaborated subsequently. I do not intend to repeat now what I said then. However, nothing has happened to alter my delegation's view that what we do here, or fail to do, will have implications for all aspects of the work of the United Nations. An organization which has to rely so heavily on short term measures to finance its daily regular work, as well as its all important peace keeping operations, is in grave danger of being permanently damaged as an instrument in which the member nations can place their trust and respect.

This Committee cannot approach its consideration of the financing of the Congo operation along narrow and restrictive lines. We must have constantly in mind that what is involved is the ability of the organization to discharge the tasks for which it was created. For Canada, as I am sure for all of us here, the purpose of the United Nations as a means to maintain international peace and security is all important. The United Nations role in economic development,

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in international cooperation at all levels throughout the widest range of human activities, has become a part of the national life of all members of the United Nations family. Yet the United Nations now finds itself in a position in which all this is threatened by the lack of increasingly more substantial amounts of money. For some states of course, it may well be conscious policy to injure this instrument which the vast majority of us, the middle and smaller powers, have come to consider such a vital part of our national fabric. My delegation firmly believes that the decisions we take here in financing the Congo operation will have far-reaching consequences. It is equally firmly determined that these consequences are in the direction of strengthening and upholding the United Nations rather than in the opposite, and also unfortunately possible, direction.

For the organization to survive and maintain the purposes as set down in Article I of the Charter, it must be able to do two things:

1. To answer the challenge of any situation which may threaten peace and security;
2. To maintain its answer to that challenge once it has been set into motion.

If the United Nations should fail in either of these respects, it is diminished and its end become but a matter of time. We have already seen the end of one world organization because of its inability to provide an effective answer in moments of crisis.

In formulating its views on how the committee might deal with the question before us, my delegation has been struck by the indivisibility of the position of ONUC finances from those of UNEF and of the Regular Budget. This interdependence is most strikingly illustrated by the fact that

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it has been necessary to empty the Working Capital Fund in order to meet the expenses of ONUC. This Fund was set up to provide cash for the small scale unforeseen expenses of the years before the creation of UNEF and to provide a buffer against the effects of the perennial problem of late payment of assessments for the regular budget. The Secretary General has also used his powers to borrow from the reserves of the extra-budgetary funds, Agencies intimately linked with the Economic and Social programme of the United Nations.

It seems to my delegation, therefore, that to dodge the central issue of the interdependence of all UN activities by setting up special accounts is a process of self-delusion. We have seen, quite clearly, that to regard the outlays of funds for peace-keeping operations as anything but parts of the regular expense of the organization merely hampers the activities paid for under the regular budget and the extension of these activities in the economic and social field financed by voluntary funds.

All this has, of course, been said before the Christmas recess, but as the size of the deficit grows and the danger to the regular activities grows with it, this statement of the problem becomes more directly meaningful. My delegation, therefore, is more than ever convinced that the only realistic way to deal with peace keeping costs is to treat them as regular expenses of the organization, perhaps under special sections of the budget. Such questions as the exact method of apportioning the costs are of course open to discussion, since nowhere does the Charter specify that the Assembly is restricted in the apportionment of the expenses of the organization to one particular scale of assessment. What is fundamental, however, is the collective responsibility of all members for paying something toward the costs of all the expenses of the organization.

My delegation would hope that whatever method of apportioning the ONUC costs is agreed upon now, that delegations and the Governments they represent will reflect on the wider implications which the current financial crisis in the United Nations has raised. It is my hope that this committee will be prepared to examine these wider implications early in the Sixteenth Session of the Assembly. The administrative and budgetary questions which must be resolved are fundamental to a growing and vital organization and to ignore them could have the most dangerous consequences for the whole United Nations structure.

We believe for example, that one of the questions which might usefully be discussed is that outlined in the Advisory Committee report on the resolution on unforeseen and extraordinary expenses. The approach proposed by the Advisory Committee would ensure that the assembly was not suddenly presented with large bills after the event. If a proposal along these lines were adopted, it would serve to relieve the many understandable apprehensions about the future financial implications of peace and security costs, particularly on the part of those countries which are struggling to develop economically.

Other matters which might profitably be examined are: a peace and security fund and a peace and security scale of assessments. All these might be linked in a redefinition, in the light of experience, of the less precise sections of the Charter on the relationship between the decisions of the Security Council and of the Assembly's power to apportion expenses.

There is one remark made by the distinguished representative of the Soviet Union at our last meeting which I cannot let pass unnoticed. Mr. Chairman, my Delegation

finds intolerable the malicious and totally unfounded statement alleging the Secretary-General's complicity in murder.

I should like to correct one small error in fact in the speech of the distinguished Delegate of the Soviet Union.

I am sure he would not wish to mislead the Committee consciously on the question of Canadian troops in the Congo. There are no Canadian combat troops in the Congo, only some 250 technical personnel charged with communications duties. I am sure he was not suggesting that Canada had any ambitions in the Congo, for that would be too absurd. Furthermore, Canada's membership in a defensive organization created for reasons he must well know, can have no bearing on Canada's assuming duties requested of it by the United Nations.

Now, Sir, my Delegation would like to examine the more specific measures which could be taken by the Assembly at this time. First of all, it seems to me important that we dismiss as final solutions recourse to more widespread borrowing. To begin with, it is an admission of our indifference to the Organization to allow it to fall into such predicament. Furthermore, in practical terms:

(1) We cannot be at all sure that parliaments, legislatures or banks will agree to make sufficient advances; as a result, this Organization will either become bankrupt or its activities will have to be reduced to a fraction of their current level.

(2) In the unlikely event that sufficient advances are forthcoming, it is, of course, most undesirable in principle that the U.N. should have to rely on advances from governments or banks. The Indian Delegation and others pointed out to us last December that it would be beneath the dignity of the United Nations to borrow from commercial sources; and moreover it cannot be denied that advances from any source seriously weaken or make mockery of those provisions of the Charter which

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which state that the expenses of the Organization shall be apportioned by the General Assembly and financed collectively by member states.

Mr. Chairman, I think we should recognize that this current financial crisis has not come upon us suddenly. It has been building up for many years now.

In the years 1945 to 1956, the United Nations was plagued first by the failure of many member states to pay their assessment early in the year, and secondly by the tendency of many member states to be up to two years in arrears. It was therefore necessary to have substantial recourse to the working capital fund to cover the resulting shortfalls. With the establishment of UNEF in 1956, the situation grew worse - and this worsening situation was explained to a very great extent by the fact that although the treasuries and finance departments of member states had become accustomed to paying their assessments to the regular budget promptly; they tended to assign a lower priority to their payments to the UNEF Special Account. We have noted, for example, that there are forty member states which are in arrears in respect of the UNEF Special Account for 1959, compared to only ten states which are in arrears in respect of the regular budget for 1959.

My Delegation believes it is important to recall the action which the Assembly took in response to the worsening cash position in the years after 1956. Instead of taking steps to reverse the situation, the Assembly tended to take temporizing actions which served only to postpone the day of reckoning. For example, the Working Capital Fund was increased, and the Secretary-General was authorized to borrow from special accounts in his custody and to receive short term loans from governments. It was even suggested at the 14th Session that the Secretary-General be permitted to borrow from commercial sources.

The Organization was already therefore in a most unsatisfactory state of financial health in July, 1960 when the Congo operation was launched. The immediate cash outlook is particularly bleak because the assessment notices for the 1960 costs of the Congo operation unavoidably did not reach member states until 1961, and because the Assembly established an ad hoc account for the Congo, to which, judging from the UNEF precedent, member states may again not pay their assessments as rapidly as they do the regular budget.

My Delegation believes that the time has now come to decrease the dangerous reliance which the Secretary-General must place on ad hoc procedures such as borrowing from special accounts, from governments, or from commercial sources. To this end we would suggest that the following steps be considered:

1. Member states who are in arrears in respect of the regular budget and the UNEF Special Account should be urged once again to meet these arrears. If they cannot do so immediately, they might consider making monthly payments (as was suggested in this Committee last Fall), or they might make partial payments. The fewer the countries which are in arrears, the more likely it will be that legislatures and parliaments will agree to any short term advances which may later still prove necessary.

2. The Secretary-General should be instructed to send out the assessment notices for the 1961 costs of the Congo operation, as soon as the Assembly passes the required financing resolution.

3. Member states should again be urged to pay all their current assessments as early in the year as possible. The current assessments are the costs of the Congo operation in 1960 and 1961, the 1961 regular budget and the 1961 UNEF costs.

4. The Secretary-General might be asked to discuss with member states, using the various means at his disposal, the importance of bringing about reductions in the number of states which are in arrears, and the need to make immediate payment of current assessments.

5. Some kind of negotiating machinery, perhaps similar to the Negotiating Committee for Extra Budgetary Funds, might be established to work towards an improvement in the Organization's cash position.

Our immediate objectives should be first to reduce the large number of states which continue to be in arrears in respect of the UNEF Special Account and the regular budget; and second to avoid undue financial reliance on a few of the greater and wealthier powers. By achieving these objectives, we the middle and small powers can maintain our right to be heard and have our views heeded on questions of the peace keeping activities of the UN.

In conclusion, therefore, Mr. Chairman, my Delegation would express the hope that we will cease from devising yet more temporary and stop-gap procedures for dealing with the peace keeping expenses of the United Nations. We would hope that the groundwork could be laid for a full discussion at the 16th Session of the questions I have suggested and that in the meantime, member states would make every effort to meet the obligations of this and past years so that in September, we do not need to be faced with a renewed financial crisis but an atmosphere of calm, so that we can take the sort of sound and long range decisions that the present situation in the United Nations requires.

