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THE CANADIAN DELEGATION TO THE FOURTH SPECIAL SESSION
OF THE UNITED NATIONS GENERAL ASSEMBLY

For Release
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Statement by the Permanent Representative of Canada, His Excellency Mr. Paul Tremblay, on the Financing of United Nations Operations for the Maintenance of Peace.

Wednesday, May 29, 1963.

Mr. Chairman:

The Fourth Special Session of the United Nations General Assembly has in the words of the Secretary-General been called to deal with what is perhaps the most serious problem facing the Organization today. It is serious, not simply because the continuation of two very important peace-keeping operations is at stake but, above all, because the ability of the United Nations to fulfil one of its primary Charter obligations - the maintenance of international peace and security is imperilled.

For reasons which are understandable, if regrettable, the United Nations has been very slow in facing up to this issue. The past has been characterized by a series of unsatisfactory ad hoc measures and palliatives which have served to delay but not to avoid the crisis that now confronts us. We believe that there has been some progress towards a solution during the past two years. The International Court has given and the Assembly has accepted the clear advisory opinion that the costs of peace-keeping are costs of the Organization. Most of the Member States now recognize that peace-keeping is a collective responsibility of the whole membership and, stemming from this, the unsatisfactory situation with respect to arrears is beginning to improve.

It is particularly encouraging to note the increased attention which governments and the Secretary-General have given in recent months to the whole question of what the Secretary-General termed, perhaps as a diplomatic understatement, the Organization's "serious financial difficulty".

It had been the Canadian hope that it might be possible to find in the Working Group of 21 a solution to these problems which would have the prospect of achieving a wide degree of acceptability. Unfortunately, this was beyond our reach. However, I think some useful progress was accomplished by the Working Group, which we would hope to see reflected directly or indirectly in decisions to be taken in this Committee in the next few weeks. Certainly our tasks at this Session would have been made more difficult if it were not for the constructive and forthcoming attitudes displayed by most members of the Working Group. In addition, the Assembly should be conscious of and grateful for the untiring efforts of the Secretariat staff concerned, the members of the Bureau and, in particular, its Chairman, Ambassador Adebo, whose labours my Delegation wishes to commend.

Canada submitted a proposal to the Working Group of 21 (Document A/AC.113/2) which my Delegation continues to believe contains elements of a fair and reasonable long-term solution to the problem we face. It can be summarized as follows:

The collective responsibility of the membership of the Organization to finance authorized expenditures incurred by or on behalf of the United Nations in respect of duly approved peace-keeping operations involving armed military forces can be assured most effectively by agreement in advance on what procedures are to be followed and on how expenditures shall be apportioned among members.

Experience has shown that it is desirable at the time of initiating each peace-keeping operation for the Secretary-General to

provide estimates of the costs of each operation. These estimates should be produced as a matter of course and as quickly as possible. In this way all members would be given as much information as possible about the financial consequences for the United Nations of embarking on a particular operation.

The financial implications of any future peace-keeping operation which involves expenses in excess of those covered by the current resolution (e.g., Resolution 1862 (XVII) relating to unforeseen and extraordinary expenses) should be brought to the attention of the United Nations General Assembly for action at the earliest possible time. If the Assembly is in regular session at the time of the initiating decision, it should be aware of and deal with the financial implications before the end of that session. When the initiating decisions are taken by the Security Council at a time when the General Assembly is not in session, the Assembly should be convened as soon as possible, either in a special session or in an emergency special session, depending upon the existing circumstances.

In considering the financial implications the Assembly should, as a matter of normal procedure, examine the cost estimates prepared by the Secretary-General and consider their financial implications, give the Secretary-General the necessary authority and, decide upon a method whereby expenses are to be met. It would also seem desirable to adopt appropriate accounting procedures for such peace-keeping operations, including the possibility of special accounts which would form an integral part of the United Nations regular budget.

The Canadian Delegation believes that it would be desirable to devise a method to finance peace-keeping operations involving military forces and equipment whereby:

(a) a certain pre-determined level of the expenses for each peace-keeping operation in any one year in the future would be financed under the scale of assessments used to apportion the costs of the regular budget. An appropriate level would seem to be 10 million dollars for each duly approved peace-keeping operation;

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(b) expenses in excess of 10 million dollars for each peace-keeping operation in any future year, but which are less than, for example, 75 million dollars should be financed according to a special peace-keeping scale of assessments under Article 17 of the Charter, such a scale could be drawn up by the Committee on Contributions;

(c) commitments for expenses to be incurred in any one year for each peace-keeping operation above 75 million dollars or higher than 125 million dollars for total peace-keeping operations, would require specific authorization by the Assembly in each instance and adoption of special ad hoc financial arrangements.

The starting point for such a special peace-keeping scale mentioned a moment ago would be the relative capacity of Member States to pay, as expressed in terms of their national income. Not only is capacity to pay the most equitable criterion but, unlike many other special factors which have been suggested in the past, it is capable of being expressed in the quantitative terms necessary for use in a scale of assessments. Attempts to introduce subjective factors, especially those of a political nature, could lead to lengthy and possibly fruitless debate since both their possible use and their relationship, if any, to the financing of peace-keeping in general or to particular peace-keeping operations are matters of individual judgement. In brief, therefore, the Canadian Delegation believes that the Assembly should avoid making proposals for financing peace-keeping which involve factors other than those which normally enter into the calculation of the regular scale of assessment.

It is visualized that many members with developing economies and consequently a low capacity to pay would be assessed under the special peace-keeping scale of assessments depending on the extent of their relative capacity to pay at various rates substantially

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lower than their customary assessments rates under the regular scale; while others, depending on the extent of their capacity to pay might be assessed at rates higher than or the same as their customary rates under regular scale. The method would, of course, apply only to future assessments in respect of duly authorized peace-keeping operations of the United Nations, within the meaning of Article 17(2) of the Charter.

At this point I should like to refer to paragraph 10 of the report of the Working Group, Document A/5407, which describes certain general principles which, in the view of the majority of the members of the Group, could provide a basis for financing peace-keeping operations. These principles, in the view of my Delegation, are of great importance and are worthy of enumeration.

"(1) The financing of United Nations operations for the maintenance of peace and security is the collective responsibility of all States Members of the Organization.

"(2) The expenses of such operations should be apportioned among Member States to the extent that they are not covered by voluntary contributions or by some other agreed arrangement (of a kind referred to above).

"(3) To the extent that expenses were not covered by other means, apportionment among States Members of the United Nations should be effected with due regard to their relative capacity to pay.

"(4) To this effect a certain initial segment of the net costs should be assessed on all Member States on the basis of the scale applicable to regular budget.

"(5) The balance to be apportioned should be shared, within reasonable limits, in accordance with a special scale which would serve to reduce the financial burden on Member States less capable of bearing the financial burden when heavy expenditures are involved.

"(6) In respect of all duly approved peace-keeping operations there should be agreement in advance on procedures along the lines proposed ...in Document A/AC.113/2".

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It gives me some satisfaction to point out that these principles express the essence of more detailed proposals advanced in the working paper submitted by Canada which I described a moment ago and which will be found on pages 6, 7 and 8 of Document A/5407.

Unfortunately the consensus in the Working Group did not extend to certain other principles advanced by some delegations nor to a specific cost-sharing formula. It seems to my Delegation, therefore, that this Assembly must now address itself to two propositions:

(1) Without waiting any longer in the hope of reaching agreement on the basic differences of opinion with respect to general principles, we should seek to reflect the measure of agreement already reached by embodying this area of agreement in a declaratory resolution which can serve as a benchmark upon which decisions by the Assembly with respect to future assessments for peace-keeping operations should be based;

(2) Our immediate and pressing task is to provide the funds necessary to maintain UNEF and ONUC in the months immediately ahead. We believe it should be possible to reach agreement on the necessary financial modalities consistent with the general principles which I have already mentioned.

This will not be an easy task since a considerable divergence of views continues to exist among members on the technical aspects of any financing method. In addition, some members continue to have political and constitutional doubts about UNEF and ONUC which limit the prospects of a satisfactory solution. How should the Assembly proceed to provide sufficient funds to enable the United Nations to perform its designated tasks under the Charter while, at the same time, recognizing the various views on questions of principles and on the details of a workable and acceptable cost-sharing formula? In spite of Canada's preference to see the Assembly adopt suitable long-term arrangements, the Canadian Delegation has come to the conclusion that the time has not yet arrived when the strict application of the principle of capacity to pay, involving

acceptance by some Member States of obligations exceeding their rate of assessment for regular budget, has achieved sufficient acceptability to be practical of application at this time.

Nevertheless, we believe that it should be possible to devise an ad hoc formula applicable to the financing problem which faces us for the second half of 1963. This ad hoc formula should, of course, be related directly to conditions at the present time and, be in general conformity with the principles to which I have referred. Such a formula should be capable of commanding the support of a substantial majority of the members of the Assembly.

In undertaking this task the overall financial situation of the Organization also should be considered as a relevant element. The Secretary-General has commented explicitly and in detail on the Organization's precarious financial position in his report on the United Nations financial position and prospects (Document A/C.5/974). This report clearly reveals that unless effective steps are taken quickly to improve the Organization's financial position, the cash available to meet normal requirements in the coming months will be insufficient. Not only are UNEF and ONUC affected by the shortage of funds, but the Organization itself is subject to stresses and strains as a result of the failure of a large number of members to meet promptly their financial obligations. Therefore, it would seem appropriate for any financing formula to include methods of facilitating the prompt payment of assessments, improvement in the overall cash position and, the development of sound financial and budgetary procedures.

The nine previous ad hoc financing methods employed by the Assembly during the period 1957-62 are also of interest in our deliberations. With the exception that each ad hoc formula adopted was based upon the principle of collective financial responsibility, there are significant differences in the various factors applied and in the credits

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allowed. These differences were due primarily to the fact that circumstances differed considerably at the time of adoption of the various procedures. In particular, I would draw attention to the fact that in each case there is a specific relationship between the size of the peace-keeping budget and the amount of relief afforded to economically less-developed countries. Thus, during the period 1957-59 when the costs of UNEF were only 15-25 million dollars, all members were assessed at the rate used in conjunction with the regular budget. However, when in 1960 the costs of the operations in the Congo and the Middle East totalled 68.5 million dollars, credits were applied to reduce by 50 per cent the rate of assessment of certain developing countries. During the 1961-62 assessment periods peace-keeping costs were 90-119 million dollars and credits of 50 and 80 per cent were applied in the case of selected developing countries. Our examination of the previous ad hoc formulas suggests that any ad hoc method should be based upon the circumstances existing at the time of its adoption and, in particular, on the magnitude of costs of the relevant peace-keeping operation. This latter point has been recognized in part by the large number of members who support the idea of placing an initial amount of the costs of large-scale peace-keeping operations under the regular budget scale and, of taking into account the limited capacity of developing countries to pay when costs exceed a certain level and become a heavy financial burden. Therefore, if an ad hoc method is deemed appropriate by the Assembly for the immediate future, it would seem logical to develop a formula based upon present circumstances and conditions which are quite different from those prevailing at the Sixteenth Session.

Another important element is the wide range which exists not only among members' relative capacity to pay, but also in the relative priorities which governments set in determining the allocation of national resources. Any cost-sharing arrangement should take into consideration the fact that it would be unrealistic to divide the membership of the

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United Nations into two or three groups since some members have a relatively low capacity to pay but, due to their strong support for the United Nations, they may wish to relate their financial support to their moral support. On the other hand, some members have a relatively high capacity to pay, but unfortunately seem to lack any real desire to see the United Nations become an effective international instrument in the maintenance of world peace. The obligation on us to find equitable solutions to these two problems - on the one hand, the compelling need to provide sufficient funds in the next six months to continue the worthwhile operations in the Congo and the Middle East and, on the other, the formulation of acceptable principles to be taken into account in apportioning the costs of future peace-keeping operations is very great. If we, as members of the United Nations, are unable to resolve our basic differences over a financially sound and equitable method of insuring the Organization of the necessary funds, including the prompt payment of previous assessments, the United Nations stands in real danger of becoming no more than an expensive shell around a marble podium for the delivery of polite speeches which set out national positions, but make no real contribution to the advancement of the aims of the Charter.

For its part, my Delegation refuses to believe that this is the objective that the majority of the members is seeking to further. I sincerely hope that those members for which the United Nations represents a living and dynamic reality on the modern international scene, will consider with sympathy the financial difficulties threatening to paralyze our Organization. I am convinced that they will also recognize the danger of certain alternative proposals, which although couched in legalistic terms are essentially of a defeatist character.

Our technical discussions and the complex negotiations which are now underway should not make us lose sight of the desired goal: a strong and effective United Nations capable of maintaining international peace and security and of overcoming the political, economic and social problems which beset our world.

CANADIAN DELEGATION TO THE UNITED NATIONS GENERAL ASSEMBLY

(EIGHTEENTH SESSION)

FOR IMMEDIATE RELEASE

PRESS RELEASE NO. 1
September 9, 1963.

Press Office
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Composition of the Canadian Delegation to the Eighteenth Session of the General Assembly of the United Nations

The Prime Minister, the Right Honourable Lester B. Pearson, has announced the composition of the Canadian Delegation to the Eighteenth Session of the United Nations General Assembly. The following have been appointed:

The Hon. Paul Martin, P.C., Q.C., M.P.	-	Secretary of State for External Affairs, Chairman of the Delegation.
Dr. John B. Stewart, M.P.	-	Parliamentary Secretary to the Secretary of State for External Affairs, Vice-Chairman of the Delegation.
The Hon. Milton F. Gregg, V.C., P.C.	-	Member of the Privy Council of Canada.
Mrs. Margaret Konantz, M.P.	-	Member of Parliament for Winnipeg South.
H.E. Mr. Paul Tremblay	-	Permanent Representative of Canada to the United Nations.
The Hon. Senator T. D'Arcy Leonard, C.B.E., Q.C.	-	Member of the Senate of Canada.
Mr. Leo Cadieux, M.P.	-	Member of Parliament for Terrebonne.
Mr. George Nixon, M.P.	-	(until November 1) Member of Parliament for Algoma West.
Mr. James E. Brown, M.P.	-	(after November 1) Member of Parliament for Brantford.
Mr. Kalmen Kaplansky	-	Executive of Canadian Labour Congress.
H.E. Mr. J. Louis E. Couillard	-	Canadian Ambassador to Norway and Iceland.
Special Adviser Lt.-Gen. Eedson L.M. Burns, D.S.O., O.B.E., M.C.	-	Canadian Government Adviser on Disarmament.

Brief biographical sketches of these Delegates are attached.

The Prime Minister is expected to attend the opening ceremonies of the Session and to address the General Assembly. During his stay in New York he will be Chairman of the Delegation.

In addition to the ten Representatives, a number of Parliamentary Observers, including Members of the Senate and Opposition Parties, will attend the Session. The following persons have already been appointed:

Mr. R. Basford, M.P. for Vancouver-Burrard

Mr. H. "Pit" Lessard, M.P. for St. Henri

Mr. B.S. MacKasey, M.P. for Verdun

The Delegation will also include advisers drawn from the Permanent Mission of Canada to the United Nations and from the Departments of External Affairs and Finance.

BIOGRAPHICAL SKETCHES

THE HONOURABLE PAUL MARTIN

Secretary of State for External Affairs

The Honourable Paul Martin, P.C., Q.C., M.P., was born on June 23, 1903, at Ottawa, Ontario, the son of Mr. and Mrs. Philip Ernest Martin.

In 1925, Mr. Martin took a B.A. (Honours) degree at St. Michael's College, University of Toronto, where he taught for the next three years while concurrently studying law and pursuing post-graduate work in the Faculty of Arts. In 1928 he received his M.A. from the University of Toronto and graduated in law from Osgoode Hall, Toronto. As Jones Scholar he attended Harvard University, where he received the Master of Laws degree in 1929. The following year, having won the Wilder Fellowship, he studied at Trinity College, Cambridge University, England. He then proceeded on a Zimmern Scholarship to the School of International Studies, Geneva, Switzerland, for six months.

On his return to Canada in 1930, Mr. Martin joined a law firm in Windsor, Ontario. From 1931 to 1934 he was also Lecturer in Political Science at Assumption College which was then a part of the University of Western Ontario. In 1934 he became senior partner of the law firm of Martin, Laird, Easton and Cowan and was appointed King's Counsel in 1937.

Mr. Martin's first election to the House of Commons was in 1935 for the federal riding of Essex East in Western Ontario, which he has represented continuously since that time.

His early interest in international affairs found practical expression in 1936 when he was selected as Chairman of the Canadian Delegation to the World Youth Congress in Geneva. Two years later he became an official delegate to the Nineteenth Assembly of the League of Nations.

In 1943 Mr. Martin was appointed Parliamentary Assistant to the Minister of Labour. In this capacity he was Chairman of the Canadian Government delegation to the International Labour Conference in Philadelphia in May, 1944, and delegate to the 94th Conference of the I.L.O. Governing Body in London, England, early in the following year.

Mr. Martin was a government delegate to the first session of the General Assembly of the United Nations in London and in New York in 1946, and to the fourth, seventh and ninth sessions in New York in 1949, 1952, 1953 and 1954. He was designated first Canadian representative to the Economic and Social Council in London early in 1946, and was a delegate to the third and fifth sessions of the Council in New York later that year and in 1947.

Married in 1936 and has two children, Paul and Mary-Ann.

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