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New York

SUMMARY RECORD OF THE 52nd MEETING

Chairman: Mr. GAMBOA (Venezuela)

later: Mr. TALIEH (Iran)

Chairman of the Advisory Committee on Administrative  
and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.20 p.m.

AGENDA ITEM 111: FINANCING OF THE UNITED NATIONS EMERGENCY FORCE AND OF THE UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (continued) (A/32/339 and Corr.1, A/32/386; A/C.5/32/L.23)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/32/386) on agenda item 111, said that at the beginning of 1977 the Advisory Committee had agreed that, in accordance with the decision taken by the Fifth Committee, the Secretary-General should be authorized to enter into commitments not exceeding \$900,000 in connexion with the relocation of UNEF headquarters, the amount to be charged to the unencumbered balance of the 1975-1976 appropriations (approximately \$11 million). The Advisory Committee had been informed that the unencumbered balance would be dealt with by the Secretary-General in the manner required by financial regulations 4.3 and 4.4.

2. As indicated in paragraph 9 of its report, the Advisory Committee had received information to the effect that unliquidated obligations for the period from 1973 to 1977 amounted to nearly \$21 million. That amount was related to reimbursement to Governments that provided troops and to contingency expenditure. It must be borne in mind that the unliquidated obligations for the period 1976-1977 should not give rise to the same kind of criticism and concern as those for previous years, despite the fact that they were slightly greater. The problem was compounded by the rising deficit, estimated by the Secretary-General at \$30.2 million. The Advisory Committee believed that a thorough examination of the situation was necessary and intended to conduct such an examination the following year. The Advisory Committee also hoped that the Secretary-General would submit proposals on the matter in order to help the Advisory Committee in its discussion of methods to deal with the anomaly. The practical difficulties could be reduced somewhat if Governments that provided troops submitted their requests for reimbursement without unnecessary delays.

3. The Secretary-General had recommended the approval of new rates of pay and allowances for troops serving in the forces (A/32/339, paras. 15-22). The Advisory Committee had not raised any objections in that connexion, but recognized that the problem was primarily a political one and should be dealt with by the Fifth Committee.

4. Paragraphs 13 to 28 of the Advisory Committee's report (A/32/386) concerned the cost estimates for UNEF and UNDOF beyond October 1977. The Advisory Committee had recommended a total reduction of \$2,858,000, but considered that the Secretary-General should be allowed the necessary degree of flexibility in managing the force as a unit. This should allow him to apply the reductions recommended by the Committee to such items as he deemed appropriate including especially those items where the Committee had made specific reductions.

5. Mr. Talieh (Iran) took the Chair.

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6. Mr. MINCHEV (Bulgaria) said that in the financing of UNEF and UNDOF the directives laid down in the Security Council resolutions should be observed; in other words, expenditures should be cut to a minimum and there should be maximum savings of resources. The Secretariat should submit a detailed substantiation for both past and future expenditures. Criticism of the book-keeping of the expenditures on the United Nations forces in the Middle East was warranted, and the Secretariat should establish order in that field.

7. The second Egyptian-Israeli agreement of 4 September 1975 had been concluded on a separate basis as a way of circumventing the Geneva Peace Conference on the Middle East. Accordingly, the other States should not bear any responsibility, including financial responsibility. The People's Republic of Bulgaria would not participate in the financing of the additional expenditures for the maintenance of the United Nations emergency forces stemming from the separate Egyptian-Israeli agreement.

8. Mr. SIOSTRONEK (Czechoslovakia) said it was regrettable that the Committee had so little time to deal with an item of such importance as the financing of UNEF and UNDOF. His delegation believed that the unliquidated obligations for the period from 1973 to 1977 - amounting to almost \$21 million - should be apportioned among Member States, in accordance with the Financial Regulations. In addition, it supported the proposal that the practice of reimbursing some of the costs relating to UNEF and UNDOF from the regular budget should be discontinued. It should also be pointed out that part of the increase in the budgetary costs for 1977-1978, the fifth year of operation of those forces, stemmed from the separate Egyptian-Israeli agreement of 4 September 1975. In addition, the Secretary-General was proposing to increase the rates of reimbursement to troop-contributing countries, without giving sufficient justification for the very high new rates.

9. Czechoslovakia supported the Advisory Committee's recommendations for reductions in the cost estimates for 1977-1978. In particular, the costs for purchasing vehicles, referred to by the Committee in paragraph 22 of its report, seemed excessive. The Secretariat should make more detailed and careful estimates.

10. Mr. RIZO (Albania) said that the financing of UNEF and UNDOF was not simply a technical matter but also a political problem. The creation and the use of the United Nations Emergency Force was an interference in the internal affairs of sovereign States, in gross violation of the United Nations Charter. The same thing had happened more than 20 years earlier, when the United States had tried to cover up its barbarous aggression in Korea under the flag of the United Nations Emergency Force; the so-called United Nations Command in Korea continued to exist and tarnished the image of the Organization.

11. Four years earlier, the Security Council had adopted the resolution forcing a cease-fire in the Middle East and deciding to send the Emergency Force to the region. That decision had clearly been meant to save the Israeli aggressors from defeat on the battlefield and to preserve the "no peace, no war" situation which favoured the two imperialist super-Powers' expansionist and hegemonistic ambitions in the region. The presence of the United Nations Emergency Force had not

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(Mr. Rizo, Albania)

contributed to peace and stability in the Middle East; on the contrary, it had made the prospect of peace more remote. His delegation could not accept any extension of the mandate of UNEF and UNDOF in the Middle East, as that would serve only to preserve the status quo or, in other words, the occupation of Arab lands and the denial of the national rights of the Palestinian people. Albania cherished no illusions about the Security Council resolutions in that regard, for those resolutions had failed to make a distinction between the aggressor and the victim or to condemn the Israeli aggression.

12. Only the heroic struggle of the Palestinian people and the other Arab peoples could foil the imperialist and Zionist plot, bring about the solution of the Middle East question and establish a genuine and stable peace in the region. The people and Government of Albania reaffirmed their unflinching support for that struggle; in accordance with the position it had always maintained, his delegation would vote against any resolution pertaining to the financing of UNEF and UNDOF.

13. Mr. HASSON (Democratic Yemen) said that his country's position on the question of the renewal of UNEF's mandate was well known. That position had not changed, and his delegation would therefore abstain from voting on the draft resolution relating to UNEF and UNDOF.

14. Mr. GARRIDO (Philippines) requested clarification on a number of points, and in particular on the reason for the large increase in uncollectible amounts in 1976 and the drop in those same amounts in 1977 (A/32/339, para. 6). He would also appreciate an explanation concerning the reference to "existing anomalies" in paragraph 9 of the Advisory Committee's report (A/32/386). In addition, he pointed out that an attempt should be made to determine whether it would not be better to repair vehicles rather than replace them with new and expensive ones. Lastly, he shared the doubts expressed by the Advisory Committee, in paragraph 19 of its report, regarding the need for purchasing a large number of prefabricated buildings.

15. Mr. TERADA (Japan) said that UNEF and UNDOF were performing a vital peace-keeping task in the Middle East, and he paid tribute to the countries that continued to contribute troop contingents. However, the presence of those forces could not be a substitute for a lasting agreement.

16. His delegation noted with regret that the amounts apportioned to Member States which they had stated they did not intend to pay now totalled \$30.2 million; that raised a serious problem for the financial management of the forces. Japan wished to appeal once more to those States to reconsider their position, bearing in mind the collective financial responsibility required by the Charter.

17. His delegation noted with surprise that the estimates for UNEF and UNDOF had been submitted by the Secretary-General on a net basis (A/32/386, para. 14), with the result that those forces had no arrangement similar to the Tax Equalization Fund under the regular budget. It was therefore essential that the Secretary-General should submit his estimates on a gross basis. Although the new

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(Mr. Terada, Japan)

reimbursement rates for troop-contributing countries would represent a further financial burden, Japan agreed to that increase. The Security Council and the General Assembly had repeatedly urged that the operations of UNEF and UNDOF should be conducted with a maximum of efficiency and economy. Greater savings should be made, for example, with regard to the rental of aircraft (A/32/339, annex II, paras. 24-27). Finally, Japan accepted the recommendation of ACABQ contained in paragraphs 19 and 23-28 of its report (A/32/386).

18. Mr. FOKIN (Union of Soviet Socialist Republics) noted that there had hardly been time to study the Advisory Committee's report (A/32/386), which had been issued that day; such reports should be issued and circulated earlier.

19. With regard to the unencumbered balance of the 1975-1976 appropriations - which, once the \$900,000 for the relocation of UNEF headquarters was deducted, amounted to \$10.1 million (A/32/386, para. 8) - that amount should be credited to the Member States, in accordance with the Financial Regulations. His delegation failed to understand why the Advisory Committee did not recommend that that should be done immediately. The Secretariat should report what portion of the \$10.1 million balance should be credited to each Member State.

20. Paragraph 9 of the Advisory Committee's report referred to unliquidated obligations amounting to almost \$21 million. In that regard too there had been a clear violation of article IV, regulations 4.3 and 4.4, of the Financial Regulations, under which funds that were not utilized should be returned to Member States. The Advisory Committee's reticence on that point was also incomprehensible; the matter should be settled immediately, not the following year. There again, he asked the Secretariat to indicate what percentage of that sum should be returned to each Member State.

21. According to paragraph 14 of the report of ACABQ (A/32/386), income tax reimbursement to staff serving with UNEF and UNDOF was charged directly to the budget for the forces and not to the Governments concerned. That practice was inadmissible and illegal. His delegation requested the Secretariat to report who had authorized that practice, what amounts had been paid and to which countries, and which countries the staff members who had received reimbursement were nationals of.

22. The Soviet Union had no responsibility whatever with regard to the Egyptian-Israeli agreement of 4 September 1975, which had been concluded in disregard of the Geneva Peace Conference. It therefore had no liability for the financial consequences.

23. The increase in the rates of reimbursement for troops would increase the over-all estimates by \$12.1 million; yet the report of the Secretary-General did not provide any justification for the new rates. The Soviet Union would therefore abstain from voting if the matter was put to the vote.

24. The Soviet Union supported the Advisory Committee's recommendations on reductions of expenses; in fact, it felt that the Advisory Committee had not been

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(Mr. Fokin, USSR)

stringent enough. Many of the increases were excessive and unjustified, and much larger reductions should be recommended, for example in connexion with maintenance and operation of motor transport and cost of depreciation.

25. Mr. MOLteni (Argentina), introducing on behalf of the delegations of Argentina, Australia, Austria, Canada, Colombia, Denmark, Finland, the Federal Republic of Germany, Ghana, Indonesia, Ireland, Kenya, Nepal, New Zealand, Norway, Panama, Sweden and Venezuela draft resolution A/C.5/32/L.23 on the financing of the United Nations Emergency Force and of the United Nations Disengagement Observer Force, drew attention to the authorizations requested by the Secretary-General in paragraph 29 (a) to (e) of his report (A/32/339). The purpose of the draft resolution was to deal with those requests or, in other words, to provide the Assembly with a structure that would enable it to take the necessary decisions for the financing of the forces. It was based on a procedure different from the one applied to meet expenditures of the regular budget and provided for the creation of a special category of contributors to the forces, bearing in mind the special responsibilities of the States permanent members of the Security Council and the need for the more developed countries to make relatively larger contributions, as noted in the preamble of part A of the draft resolution.

26. In paragraph 21 of his report, the Secretary-General recommended new standard rates of reimbursement to troop-contributing countries for pay and allowances of their troops, and the Advisory Committee, in paragraph 12 of its report (A/32/386), indicated that, while it saw no grounds for objection to the proposed new rates, the issue was primarily for the judgement of the Fifth Committee. The draft resolution used the rates recommended by the Secretary-General.

27. Mr. PASTINEN (Finland), speaking as the representative of a country which since 1973 had been acting as unofficial co-ordinator for the troop-contributing countries, said, with reference to chapter V of the Secretary-General's report (A/32/339), that during the thirty-first session of the Assembly Finland had proposed that a review of the rates should be undertaken, in view of the considerable rise in the troop costs which had occurred since the adoption of the current rates in 1972. During the review of the reimbursement rates, the troop-contributing countries had emphasized the importance of a fair and reasonable compensation in order that it might not be impossible in the future to draw troops from small and middle-sized countries in various parts of the world.

28. The troop-contributing countries had proposed a rate of \$750 per man-month for all ranks plus a supplementary payment of \$250 per man-month for specialists. The Secretary-General had agreed that the current reimbursement rates could not be considered fair and reasonable and had decided to recommend that the new rates should be set at \$680 for all ranks plus \$200 per man-month for specialists. The troop-contributors were prepared to accept the Secretary-General's recommendation. However, since inadequate rates of reimbursement would mean that the troop-contributing countries would be asked to defray an excessively large part of the expenses, Finland believed that the rates should continue to be subject to review by the General Assembly and that adjustment should take place more frequently, preferably on an annual basis.

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(Mr. Pastinen, Finland)

29. Finland's position with respect to United Nations peace-keeping operations and their financing had remained unchanged since the inception of the first Emergency Force in 1956. It regarded its contribution as part of the responsibilities it had assumed when accepting the Charter. However, inasmuch as the maintenance of international peace and security was the principal task of the Organization, Finland stressed the principle of collective responsibility of all Member States for such operations.

30. His delegation felt that the amounts involved in the financing of the peace-keeping operations in the Middle East were modest in comparison with the importance of the problem. It was therefore convinced that the reasonable adjustment of the rates recommended by the Secretary-General would meet with the approval of the Fifth Committee and the General Assembly.

31. Mr. LITSCHAUER (Austria) said that Austria, which had provided troops to UNEF and UNDOF from their inception in 1973 and 1974 respectively, attached great importance to maximum efficiency and economy in the peace-keeping operations in the Middle East.

32. It had become customary for certain delegations to dissociate themselves from the whole concept or some aspects of United Nations peace-keeping operations. The attitude of some Member States in refusing to make any payment for UNEF and UNDOF was not very satisfactory and was not compatible with the collective responsibility of the international community to contribute to the task of maintaining peace and security in the world. United Nations peace-keeping operations were to be counted among the most successful activities of the Organization. The fact of stationing United Nations troops in sensitive areas did not, by itself, lead to peace, but the ensuing stabilization of the situation enhanced the prospects of reaching agreed settlements of the problems encountered in those areas and preventing renewed hostilities.

33. Referring to the standard rates of reimbursement to troop-contributing countries, he pointed out that the cost of pay and allowances had increased considerably since 1974, when the General Assembly had established the current rates. As could be clearly seen from the Secretary-General's report, the \$500 rate had proved from the very beginning to be insufficient and had thrown a disproportionate financial burden on the troop-contributing countries. The proposed new rate of \$680 per man-month still fell short of the actual costs borne by the troop-contributors.

34. One of the guiding principles in connexion with the establishment of the forces was that participation in any peace-keeping operation should be based on an equitable geographic distribution. Taking into account the newly proposed rates and the fact that the present troop-contributors continued to bear an excessive share of UNEF/UNDOF costs, he wondered how many countries could financially afford to participate in such operations. A more frequent adjustment of the reimbursement rates, preferably on an annual basis, was therefore essential.

35. In conclusion, his delegation fully endorsed the recommendation contained in

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(Mr. Litschauer, Austria)

paragraph 21 of the Secretary-General's report (A/32/339) and trusted that the General Assembly would take the necessary decisions.

36. Mr. STUART (United Kingdom) said he supported the ACABQ recommendations on the financing of UNEF and UNDOF and agreed with the new standard rates of reimbursement to troop-contributing countries, which he found fair and reasonable. He was concerned, however, at the fact that the cost-benefit study regarding vehicles for the forces, which had been requested by his delegation in 1975, had not been made available to ACABQ in time. That fact justified the Advisory Committee's recommendation for a reduction in the appropriations for transportation equipment and showed the importance of a cost-benefit study, which should be carried out in the near future.

37. It was surprising that the Advisory Committee should consider it necessary to make a new study on whether the estimates for UNEF and UNDOF should be prepared on a net or a gross basis. The United Nations budget was prepared on a gross basis, and there was no reason for an exception to be made in the case of UNEF and UNDOF. He hoped that final recommendations on the subject would be submitted at the thirty-third session.

38. His delegation would vote in favour of draft resolution A/C.5/32/L.23.

39. Mr. McMAHON (Ireland) reiterated his country's belief that the costs of United Nations peace-keeping operations must be the collective responsibility of the entire membership of the Organization. His delegation viewed with alarm the continued withholding on the part of a number of Member States of their assessed contributions, as a result of which the uncollectible deficit now stood at \$30.2 million. That trend threatened the continued existence of the force, placed a heavy financial burden on the States that contributed troops, and jeopardized the participation of the smaller developing countries in such operations. The problem clearly required a political decision, the need for which was becoming increasingly urgent, and it was to be hoped that the Negotiating Committee on the Financial Emergency of the United Nations would pay particular attention to the problem.

40. While his delegation welcomed the agreement that had been reached between the troop-contributing States and the Controller on a new standard rate of reimbursement of \$680 per man per month, and an additional rate of \$200 per man per month for specialists, it was concerned about the argumentation used in section V of the Secretary-General's report. The troop-contributing States should not be obliged to absorb any of the costs they incurred in supplying troops for United Nations peace-keeping operations. However, in the Secretary-General's report, the entire argumentation revolved around the question of the magnitude of the percentage of the costs to be absorbed by such countries. In any case, the Secretary-General's report clearly showed that, under the new rates of reimbursement, the troop-contributing countries would be forced to absorb a higher percentage of the costs than before. His delegation believed that the standard rates of reimbursement should, in future, be reviewed on an annual basis.

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41. Mr. ANDERSSON (Sweden) recalled that his Government had from the very beginning, supported the United Nations peace-keeping operations, providing military or civilian personnel and making considerable voluntary contributions to the financing of those activities.

42. With regard to the status of contributions for UNEF and UNDOF, his delegation expressed deep concern over the increasing gap between the amounts appropriated and the payments received. The resulting balance due from Member States was increasing at such an alarming rate that the Secretary-General would shortly encounter tremendous difficulties in meeting the obligations to the troop-contributing countries. A solution to the problem must be found as a matter of urgency, in view of the vital importance of peace-keeping operations and the collective financial responsibility of all Member States for the expenses of the Organization in accordance with Article 17, paragraph 2, of the Charter. The contributions required for the maintenance of the forces were insignificant compared with the incalculable cost of a new war in the Middle East.

43. The standard rates of reimbursement to troop-contributing countries recommended by the Secretary-General were far below the average cost per man-month and as a result, the Swedish Government would have to bear, in the future, a burden that was proportionally heavier than under the original rates. The Secretary-General's proposal represented an absolute minimum. However, it was a compromise solution which his delegation was prepared to accept, although it stressed the need for an annual review of the rates of reimbursement for the forces.

44. Mr. WILSKI (Poland) recalled that his Government, in view of its involvement in the strengthening of peace, had decided to dispatch a Polish army contingent to serve with UNEF and UNDOF. That direct and practical contribution to the cause of international peace and security was both a privilege and a duty which his Government had willingly accepted, especially as the present peace-keeping operation in the Middle East was the first to come close to the model envisaged in the Charter of the United Nations. In addition, the fact that the forces consisted of contingents from various countries which, although they represented different socio-political systems, served together as an integrated unit for the benefit of international peace was particularly important.

45. But however successful that venture might be, it involved costs which had to be borne not only by the troop-contributing countries but by all Members of the Organization. That was why Poland approached the financial component of the operation with the same concern, scrutiny and economy as it approached all the Organization's finances.

46. In the view of his delegation, the reports by the Secretary-General and the Advisory Committee on the financing of UNEF and UNDOF gave a comprehensive picture of the situation with regard to those forces. In the case of the Polish contingent, more than 8,000 soldiers and specialists had served in the Middle East in the past five years. That had resulted in a considerable extra financial and organizational burden for the Government and in numerous problems relating to a series of national projects. Nevertheless, the Polish Government had managed to resolve those problems without impairing the performance of the Polish contingent

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(Mr. Wilski, Poland)

and, moreover, it had always responded positively to requests from the Secretary-General for additional personnel to carry out specific projects related to the functioning of the forces, as could be seen from document S/12416.

47. The Polish delegation commended the Secretary-General for his efforts to ensure that the peace-keeping forces operated at peak efficiency. As a result of those efforts, the size of the forces - which had originally been estimated at 7,000 men - had been reduced to 5,375, and there was now a further reduction in the number of civilian United Nations staff serving with the forces.

48. The report of the Secretary-General contained a specific proposal regarding the review of the standard rates of reimbursement to troop-contributing countries. In the case of the Polish contingent, which was performing very complex logistic functions, the reimbursements bore no relation to actual costs, and the proposed new rates would not close that gap.

49. With regard to the efficiency of UNEF and UNDOF, the Israeli Government's practice of imposing restrictions on the freedom of movement of personnel of certain contingents - a problem recognized by the Secretary-General in paragraph 21 of document S/12416 - should be promptly eliminated.

50. His delegation reiterated its position of principle that the peace-keeping forces had been established on an emergency basis and that there was a clear relationship between the duration of an emergency peace-keeping operation and the willingness and ability of Member States to support that operation effectively. Therefore, the need for a speedy and comprehensive settlement of the Middle East conflict must not be forgotten, for that was a paramount consideration when it came to dealing with the financing of the forces. His country would spare no effort in ensuring the most effective and economical functioning of UNEF and UNDOF in conformity with the relevant Security Council and General Assembly resolutions.

51. Mr. GOSS (Australia) said that, in view of the inflation and the increase in costs since 1973, indicated in the Secretary-General's report (A/32/339), the increase in the rates of reimbursement were quite justified. He underlined the importance and usefulness of United Nations peace-keeping activities but emphasized that such activities entailed expenditure and that approximately 50 per cent of that expenditure was financed from the national budgets of the troop-contributing countries. His delegation thought that the proposed increase in the rate of reimbursement was very small. Not only was there a risk that the amounts received would not cover costs, but there was also a possibility that reimbursements for the following year would be subject to delays.

52. Mr. ABRAHAMSON (Denmark) said that his delegation supported draft resolution A/C.5/32/L.23. Paragraph 5 of the Secretary-General's report (A/32/339) indicated that as at 31 October 1977 the balance due amounted to \$50 million. In paragraph 7 of the Advisory Committee's report (A/32/386) it was stated that the question of the "uncollectible" contributions would require a political decision and that the Secretary-General would be unable to meet all his obligations unless the deficit

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(Mr. Abrahamson, Denmark)

were met by some means. His delegation was convinced that all should participate in the financing of collective peace-keeping measures lawfully undertaken by the United Nations and it was concerned at the growing deficit in the special UNEF/UNDOF account, resulting from non-payment by some States and late payments by other States. Such conduct jeopardized the principle of collective responsibility and could be detrimental to future peace-keeping operations.

53. Mr. SEKYEI (Ghana) said he was happy to see that the new rates of reimbursement had not caused much discomfort in the Committee. All Member States should share responsibility for the cost of United Nations peace-keeping operations, and all Member States should be able to offer their services for such activities. The new rates for reimbursement, although they could be higher, were sufficient to encourage all Member States to participate with their troops in United Nations peace-keeping operations. However, the rates should be reviewed annually. His delegation would vote in favour of draft resolution A/C.5/32/L.23.

54. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said that the proposals submitted to the Committee by the Secretary-General were based on a careful analysis of all the relevant factors, in the light of the General Assembly resolutions on the subject, and afforded the States concerned fair and reasonable compensation. In reply to the question asked by the representative of the Philippines, he said that the reduction from \$12.1 million in 1976 to \$7.9 million in 1977 in the amounts apportioned among Member States which had stated they did not intend to make any payment was due, firstly, to the fact that appropriations for 1977 had been lower and, secondly, to the fact that adjustments had been made in the scale of assessments.

55. As for the question raised by the delegations of the Philippines and the USSR concerning the Financial Regulations, the situation was complex. In the first place, it was necessary to establish what was meant by financial period in the case of the operations of United Nations forces. The Secretariat had reached the conclusion that the financial year should be made to coincide with the operations cycle and should therefore cover the period from 25 October in one year to 24 October of the following year. However, regulations 4.4 and 4.5 of the Financial Regulations led to somewhat different conclusions. Thus, on the one hand, at the end of a budgetary period, if appropriations had exceeded obligations entered into, the surplus had to be surrendered, whereas on the other, appropriations required to discharge obligations in respect of services rendered could be carried over to the following budgetary period. At the end of the second year, that balance was surrendered and credited to the assessments of Member States. Specifically, the amount of \$10,100,000 which had been appropriated for the period ending 24 October 1977, which had been mentioned by the Soviet delegation, would have to be carried over to the following period since it had been earmarked for the relocation of UNEF headquarters. On 24 October 1976 that amount had ceased to be an appropriation and had become an outstanding balance. That outstanding balance would be established when the accounts for the period ending 24 October 1977 were closed. Those accounts would have to be approved by

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(Mr. Debatin)

the external auditors and the General Assembly. That meant that the amount of \$10,100,000, which currently represented a cancelled balance, would be credited to assessments for the period ending 24 October 1979.

56. In reply to the question whether the budget for the United Nations forces was based on net or gross figures, he said that the budget for peace-keeping operations was currently prepared on the basis of net figures. However, the budget could, of course, also be prepared on the basis of gross figures. That would involve increasing the appropriations by \$1,200,000 and including an equivalent amount under the income section. It was his understanding, however, that the question had been asked with a view to ascertaining whether net budgeting favoured some countries by making it possible for some staff members to be reimbursed from the budget for taxes they had to pay to their Governments on income received for the services they rendered to the United Nations. The countries in that situation were Canada, Colombia, Madagascar, Spain, Turkey, Uganda, the United Republic of Tanzania, the United States of America and Zaire. So far, \$459,420 had been paid out from the regular budget in order to reimburse staff members for national taxes they had had to pay. He thought that the solution would be to ask the countries concerned to allow those amounts to be charged to the Tax Equalization Fund.

57. Lastly, he said that he would provide the United Kingdom delegation with the study it had requested on the analysis of vehicle utilization costs.

58. Mr. SHARMA (Nepal) said that his country attached great importance to the peace-keeping activities of the United Nations, which was the only Organization which could promote international peace and security. His country had participated and hoped to continue to participate in such operations. Although the new rate of reimbursement could be improved, his country fully supported the recommendation of the Secretary-General and hoped that draft resolution A/C.5/32/L.23 would be adopted by consensus.

59. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) said that his delegation was not satisfied with Mr. Debatin's replies to questions it had asked earlier on. It rejected the first clarification by the Controller, because it did not agree that the two-year cycle should be automatically extended to the financing of the forces, since the forces were financed on a yearly basis from a special account, in conformity with the resolutions adopted by the General Assembly and the Security Council. Consequently the Financial Regulations could not be applied automatically and the time-limit applicable in the present case was 12 months after the close of the financial period and not 24 months. The Controller had also failed to indicate why Member States had not received reimbursements for the depreciation of equipment. Those payments had been pending not merely for two years but for more than three years, so that even if the Controller's interpretation of the Financial Regulations were accepted, and his delegation did not accept it, those amounts should also be cancelled.

60. Lastly, with regard to reimbursement of income tax the Controller had explained why such reimbursement was made, but the question asked by his delegation

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(Mr. Safronchuk, USSR)

was: why was reimbursement being made without authorization from the General Assembly? Furthermore, those costs were not reflected in the budget. It was clear that the reimbursement was illegal, since it had not been approved by the General Assembly.

61. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said that the normal budget cycle was two years, but that after careful study it had been concluded, as the representative of the Soviet Union had said, that the budgetary period for the forces should be one year and not two years. Therefore the budget for the forces was not on a biennial basis, and the period extended from 25 October to 24 October of the following year, in accordance with the mandate for the peace-keeping operations.

62. The closing of accounts was a completely different matter, governed by the regulations of the organizations concerned, and all accounts should be audited by the external auditors and then approved by the General Assembly. When the external auditors audited the accounts for the biennium they were given the accounts for two years of UNEF and UNDOF operations, and they thus, in each biennium audited the accounts of the forces for two separate years.

63. With regard to depreciation, the representative of the Soviet Union had correctly noted that the Fifth Committee and the General Assembly had on several occasions approved expenditures for several years of operations; however, thus far it had been recognized that the operations could not be divided up strictly in terms of years, but that there were common underlying objectives which had led the Committee to approve, for example, in a single year appropriations for all preceding years of operations, authorizing the Controller to charge them to the surpluses and unused balances for those years. He gave his assurance that he was in favour of the strict application of the Financial Regulations, and that any surplus would be cancelled as soon as possible. With regard to the \$10 million, it would be applied to the 1978-1979 period of operations, in strict implementation of regulations 4.3 and 4.4 of the Financial Regulations.

64. With regard to authorization for the reimbursement of income taxes, contrary to the practice applied with respect to the regular budget, no provision was made for the taxes of staff and therefore, those expenses were met from appropriations for salaries and common staff expenditure, in which account was always taken of the tax equalization factor. There was no cause for concern because all necessary measures had been taken to ensure that the procedure did not favour any country concerned. Furthermore, if the Fifth Committee wished him in future to apply the procedure followed in the case of the regular budget, whereby items for staff taxes were included under expenditure and income at the same time, he would be very glad to do so in accordance with the Committee's instructions.

65. Mr. GAMBOA (Venezuela) expressed full support for draft resolution A/C.5/32/L.23 since UNEF and UNDOF served as a guarantee for the maintenance of international peace and security.

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66. Mr. EL-HOUDERI (Libyan Arab Jamahiriya) said that his delegation would not take part in the vote on draft resolution A/C.5/32/L.23, since the Security Council resolutions mentioned in that draft resolution did not provide the basis for a practical solution to the Middle East problem.

67. Mr. GARRIDO (Philippines) wished to know in what way Djibouti and Viet Nam would participate in the financing of UNEF and UNDOF.

68. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) expressed surprise at the fact that the UNEF and UNDOF accounts were audited every two years. The auditing of accounts depended on the budget cycle which, in the case of those forces, was a one-year cycle. The accounts could therefore not be audited on a biennial basis. He was not satisfied with the clarification provided by the Controller and asked that, in accordance with the Financial Regulations of the United Nations, the audit should be carried out each year. Furthermore, the unutilized funds should be returned to Member States 12 months after the end of the financial period.

69. With regard to the income tax payable by personnel serving with the forces, he considered that the General Assembly should take a decision on the matter. When UNEF and UNDOF had been established it had not been known which States would collect taxes from their contingents and which would not. Since that information was now available, the General Assembly should authorize the necessary expenditure, which had not yet been requested. In the circumstances, he hoped that the Controller would consider the problem in greater depth and inform the Committee on the subject.

70. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said, in reply to the representative of the Philippines, that the Committee on Contributions would determine the contribution of Djibouti and Viet Nam to the financing of the peace-keeping forces.

71. In reply to the representative of the Soviet Union, he said that when the external auditors audited the accounts of the United Nations, they had before them separate accounts corresponding to two operational financial periods; that was to say, they studied separately the operations of the forces in two different years, a procedure which was compatible with the Financial Regulations.

72. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) said that that auditing procedure was incorrect. An audit depended on the budgeting process and should therefore be done on the basis of the budget cycle. The reverse procedure could not be followed, and therefore the auditing of UNEF and UNDOF accounts should be carried out annually.

73. Mr. ANDRIANKIRIJA (Madagascar) wondered whether it might be necessary for ACABQ to consider draft resolution A/C.5/32/L.23 before the Fifth Committee took a decision on it, since the draft had financial implications.

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74. Mr. WILLIAMS-MATTIS (Panama) said that his delegation supported draft resolution A/C.5/32/L.23 because it reflected the spirit of justice that should prevail in the reimbursement of expenses to troop-contributing countries. He stressed the need for developing countries to contribute to the financing of the peace-keeping forces, which could not be maintained otherwise. In his opinion the subject of the discussion that had arisen between the Controller and the representative of the USSR was not very important, since certain developing countries, including Panama, had contributed troops without claiming reimbursement of income tax payments.

75. Mr. MOLTENI (Argentina) said his delegation did not consider it necessary to submit draft resolution A/C.5/32/L.23 to the Advisory Committee for a study of financial implications, since it was based on the report of the Secretary-General, which had already been the subject of a report by the Advisory Committee.

76. Mr. FOKIN (Union of Soviet Socialist Republics), speaking on a point of order, said his delegation objected in principle to taking a vote on draft resolution A/C.5/32/L.23 at the current meeting because such a course of action would deprive delegations of the 24-hour period which they need in order to study it. However, his delegation was prepared to agree to the vote on the understanding that a precedent would not thereby be established. It also reserved the right to revert to a discussion of the figures it involved if it felt that there were any discrepancies. The Fifth Committee could take a decision at a later meeting on the question of the illegal reimbursement of income taxes to certain staff. His delegation requested that the question should not be put to the vote in a plenary meeting of the General Assembly until the following Friday.

77. Mr. SIBAHI (Syrian Arab Republic) said that the presence of the United Nations Emergency Force and the United Nations Disengagement Observer Force was simply the direct outcome of Zionist aggression and Israel's refusal to withdraw from the occupied territories, in violation of United Nations resolutions. His delegation therefore did not agree that the expenses of those forces should be borne by Member States. Failure to make a distinction between the aggressor and the victims of aggression meant implicit support for the aggressor. His delegation recognized the important role played by the United Nations forces, but felt that they should be financed by the aggressor. It therefore refused to contribute, or to participate in the expenses, and would consequently vote against draft resolution A/C.5/32/L.23.

78. Mr. CHANG (China) said that, on the question of UNEF and UNDOF, his delegation had repeatedly stated its position of principle. There was no need to repeat it again. China would not take part in the vote on draft resolution A/C.5/32/L.23.

79. Mr. NAUDY (France) said that the operations of UNEF and UNDOF had been undertaken in accordance with the provisions of the Charter, and his Government approved of their aims and organization. France also supported draft resolution A/C.5/32/L.23, on the financing of those forces.

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(Mr. Naudy, France)

80. As had been repeatedly stated by the General Assembly, it was necessary to maintain the forces with a maximum of efficiency and economy. The Secretary-General and his staff had done a commendable job in that respect, but the results could have been better. Some of the estimates, such as the estimates for the effects of inflation, were excessively high. All or part of the additional sums under that heading could be dispensed with.

81. His delegation had no objection to increasing the rate of reimbursement to troop-contributing countries. In conclusion, he said that his delegation had listened with interest to the comments made by Japan, particularly with regard to paragraphs 13 and 14 of the report of the Advisory Committee (A/32/386).

82. Mr. MOHMOUD (Nigeria) said that his country firmly believed in the principles of the United Nations Charter and, as a Member of the Organization, in the commitment to support all measures for the maintenance of peace and the protection of the territorial integrity of the nations of the world. Nigeria therefore supported the activities of UNEF and UNDOF, because they reflected the principles enshrined in the Charter.

83. Mr. THEOPHILOU (Cyprus) said that, for over 13 years, Cyprus had been one of the areas of UNEF operations. There was therefore good reason for the people of Cyprus to believe in the need for such peace-keeping forces, whatever they might be called. Their function was to make it possible to restore the necessary conditions for the achievement of a peaceful settlement of disputes and ensure lasting solutions. As a matter of principle, Cyprus supported draft resolution A/C.5/32/L.23 and would vote in favour of it.

84. The CHAIRMAN said that, if there were no objections, he would take it that the Committee agreed to vote first on paragraph 21 of the report of the Secretary-General (A/32/339), then on operative paragraph 1 of part I A of draft resolution A/C.5/32/L.23 and, lastly, on the draft resolution as a whole.

85. It was so decided.

Paragraph 21 of the report of the Secretary-General (A/32/339)

86. Paragraph 21 of the report of the Secretary-General (A/32/339) was adopted by 82 votes to 1, with 12 abstentions.

Operative paragraph 1 of part I A of draft resolution A/C.5/32/L.23

87. Operative paragraph 1 of part I A of draft resolution A/C.5/32/L.23 was adopted by 82 votes to 9, with 6 abstentions.

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Draft resolution A/C.5/32/L.23 as a whole

88. Draft resolution A/C.5/32/L.23 as a whole was adopted by 81 votes to 2, with 14 abstentions.

89. Mr. AGOLI-AGBO (Benin) and his delegation had not participated in the vote on the draft resolution for the very same reasons for which it had not taken part in the vote that morning in the Security Council, of which it was a member.

The meeting rose at 6.45 p.m.