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Chairman: Mr. Vahap AŞIROĞLU (Turkey).

AGENDA ITEM 74

Budget estimates for the financial year 1967 (con-
tinued) (A/6305, A/6307, A/6385, A/6457 and Add.1,
A/6502, A/C.5/1054, A/C.5/1055 and Corr.1, A/C.5/
1056 and Corr.1, A/C.5/1060, A/C.5/1062, A/C.5/
1065, A/C.5/1066, A/C.5/1074-1076, A/C.5/1081,
A/C.5/L.868, A/C.5/L.871, A/C.5/L.875, A/C.5/
L.876)

First reading (continued) (A/C.5/L.868, A/C.5/L.871)

SECTION 12. SPECIAL EXPENSES (continued)
(A/6305, A/6307, A/C.5/L.876)

1. Mr. LYNCH (New Zealand) said that one of the considerations which had led the New Zealand Government to purchase United Nations bonds to the value of \$1 million in 1962 had been its desire to help the Organization to cope with the financial difficulties it had faced at that time. Together with most other States, his delegation had supported the decision in General Assembly resolution 1739 (XVI) to authorize the Secretary-General to issue the bonds and to include annually in the regular budget of the Organization an amount sufficient to pay the interest charges on such bonds and the instalments of principal due on them. While he had been under no illusion about the obligations which that decision would place upon the Organization, his delegation had believed the arrangement to be both fair and reasonable. It spread the burden of repayment over a long period, the rate of interest was very low and there was an assurance that the United Nations would be in a position to fulfil its commitments to the bond holders.

2. His delegation appreciated the factors which had prompted the sponsors of draft resolution A/C.5/L.876 to submit it and recognized that certain developments affecting the financing of peace-keeping operations had taken place since 1962. However, due regard must be paid to the fact that Member States which had purchased bonds had done so in good faith and on the basis of the arrangements made at the time for repayment. A unilateral decision by the General

Assembly to alter the method of repayment would therefore be fraught with consequences. By giving the impression that the United Nations was defaulting on obligations it had solemnly contracted, such a decision would seriously prejudice any such venture in future. Furthermore, although the principles stated in document A/AC.113/R.18^{1/} and in resolution 1874 (S-IV) of the General Assembly were undeniably valid, it remained to be established that they would constitute a dependable basis for the further financing of bond repayment.

3. Accordingly, his delegation, without denying the value of the arguments put forward by the sponsors of the draft resolution, could not but join those delegations which had expressed concern at the impact it might have on governmental opinion and on the future of the United Nations.

4. Mr. BEL HADJ ALI (Tunisia) said that all speakers who had defended resolution 1739 (XVI) of the General Assembly, and thereby the credit and prestige of the United Nations, had emphasized how serious it would be if the United Nations failed to honour its commitments. Tunisia had always been whole-hearted in its support for the Organization and had not hesitated, in the difficult conditions prevailing at the sixteenth session, to submit, together with Denmark, Ethiopia, the Federation of Malaya, the Netherlands, Norway, Pakistan and Yugoslavia, draft resolution A/C.5/L.7092^{2/} to the Committee. It had been convinced that only a bold measure could save the United Nations and enable it to function until a lasting and universally acceptable solution was found. The deficit, which in 1956 had been \$9.3 million, had risen to nearly \$170 million by the end of June 1962. Quick action had therefore been required. After careful consideration, it had been decided that only a bond issue would enable the Organization to extricate itself from its critical situation. No less than five meetings of the Committee had been necessary for the adoption, by 45 votes to 11, with 21 abstentions, of the draft resolution introduced by Tunisia. Since then, resolution 1739 (XVI), as amended by resolutions 1878 (S-IV) and 1989 (XVIII), had been strictly applied.

5. His Government, which had always honoured its commitments, was even more anxious to protect the long-term interests of the United Nations. The latter could not default on its obligations without being untrue to itself and losing the world's respect. His delegation therefore urged the sponsors of draft resolution A/C.5/L.876 not to upset the balance which

^{1/} Same text as A/AC.113/18 (see Official Records of the General Assembly, Fourth Special Session, Annexes, agenda item 7.)

^{2/} See Official Records of the General Assembly, Sixteenth Session, Annexes, agenda item 54, document A/5076, para. 2.

had been maintained since 1961 and to withdraw their proposal. If they pressed it to a vote, his delegation would be obliged to withhold its support.

6. Miss MEAGHER (Canada) said that her delegation appreciated the considerations behind draft resolution A/C.5/L.876. Even more compelling reasons, however, made it necessary to keep the present repayment procedure. When Member States had decided to purchase the bonds, they had done so on the basis of General Assembly resolution 1739 (XVI) and the other resolutions authorizing their issue, and under those resolutions the Organization had entered into specific commitments. It could not now go back on its obligations without seriously undermining its credit and prejudicing its long-term interests.

7. The General Assembly should therefore weigh most carefully the political and financial implications for the future of the United Nations of adopting the draft resolution before the Committee. The sponsors of the draft resolution had themselves emphasized the need to proceed with the utmost caution and arrive at a broad consensus, ensuring that the proposed action improved the Organization's financial situation and not aggravated it. Her delegation entirely shared their view on that point while holding a very different view on the merits of the proposal.

8. Mr. SANU (Nigeria) rejected certain comments made at the 1142nd meeting by the United States and United Kingdom delegations, which, referring to operative paragraph 3 of General Assembly resolution 1739 (XVI), had accused the sponsors of draft resolution A/C.5/L.876 of proposing that the United Nations should break a contract and default on its commitments. The United States representative had even resorted to threats with regard to the position his Government might take on the Organization's finances if the draft resolution were adopted.

9. Despite Nigeria's position on the legitimacy of certain peace-keeping operations, it had purchased United Nations bonds in the amount of \$1 million, a very considerable sum for a country whose own needs, particularly in social matters, were great. It was undeniable that the proceeds from the bond issue had been used largely to finance peace-keeping operations.

10. His delegation was aware of the existence of operative paragraph 3 of resolution 1739 (XVI). It was not seeking to jeopardize the financial arrangements for repayment of the bonds. It hoped, on the contrary, that the Organization would honour its commitments. It merely considered that the present arrangements imposed an excessive financial burden on the developing countries, whose limited capacity to contribute financially was explicitly recognized in the first preambular paragraph of resolution 1854 B (XVII) and in operative paragraph 1 of resolution 1874 (S-IV). The only purpose of the draft resolution was to open a discussion on a problem which still awaited a solution. Resolutions 1739 (XVI) and 1874 (S-IV) must be concurred and the method of assessing contributions in the light of Member States' capacity to pay must be revised, with particular regard to the developing countries.

11. Mr. ROHRMOSER (Guatemala) said that his delegation did not question the principle of collective responsibility for payment of the Organization's debts. It considered, however, that the burden on each State should be related to its capacity to pay. It was of the opinion, therefore, that expenditure for payment of the principal and interest on the United Nations bond issue should be distributed in accordance with special criteria. Since draft resolution A/C.5/L.876 sought to establish criteria by which the financial burden on developing countries would be lightened, his delegation was ready to support it.

12. Mr. YAMAZAKI (Japan) said that his Government had bought United Nations bonds to the value of \$5 million. His delegation could not, therefore, remain indifferent to the possible consequences of draft resolution A/C.5/L.876. The sixty-four countries which had bought bonds had unquestionably assumed that the United Nations would honour its commitment to repay them in accordance with the provisions of operative paragraph 3 of General Assembly resolution 1739 (XVI). Furthermore, the draft resolution gave no assurance that any special criteria or arrangements would, in the long run, be more effective than the present procedure in ensuring repayment of the bonds. Of equal importance was the fact that several non-member States had also bought bonds. The United Nations would be defaulting on its commitments if it decided unilaterally to change the repayment terms.

13. His Government, which was contributing substantially to the economic and social progress of the developing countries, sympathized with the sponsor's motives, but felt that the draft resolution was not the best way of helping the economically less developed countries. His delegation therefore hoped that the sponsors would reconsider their position and not press for a vote.

14. Mr. CREMIN (Ireland) said that his delegation too was concerned about the possible consequences of draft resolution A/C.5/L.876. In accordance with its obligations under the Charter, his country had consistently supported all United Nations activities, in particular by participating in a number of peace-keeping operations and paying its due share of contributions. In 1961, when financial difficulties had compelled the United Nations to issue bonds, his Government had bought bonds to the value of \$300,000. Naturally, it had done so in the light of the provisions of resolution 1739 (XVI), which provided, *inter alia*, that the General Assembly would include annually in the regular budget of the United Nations an amount sufficient to pay the interest charges and instalments of principal due on those bonds. His delegation therefore found it difficult to understand how, five years after the adoption of the resolution authorizing the bond issue, it could be seriously suggested that the method of financing repayment should be altered in such a radical manner as that proposed in draft resolution A/C.5/L.876. Such a decision would be unfair to the bondholders and would set a most dangerous precedent which might cast doubt on the good faith of the United Nations. It was hardly necessary to recall that the Organization had been harmed by its financial problems and by the failure to solve

them satisfactorily. Since draft resolution A/C.5/L.876 might aggravate the situation, he hoped that it would not be pursued. If it were, he would be obliged to vote against it.

15. Mr. ZIEHL (United States of America), replying to the Nigerian representative, said that at the 1142nd meeting the United States representative had not levelled any accusation at the sponsors of draft resolution A/C.5/L.876; on the contrary, Ambassador Goldberg had emphasized his high regard for them. Neither had Mr. Goldberg made any threats concerning his Government's possible position with regard to United Nations finances if draft resolution A/C.5/L.876 were adopted. His Government's objectives were the same as those of other Member States, and it would never think of harming the United Nations. The Nigerian representative should perhaps reread the United States representative's statements.

16. Mr. FAKIH (Kenya) thanked the sponsors of draft resolution A/C.5/L.876 for their initiative, which showed that they had the courage of their convictions. The draft resolution, which sought to share equitably the burden of repaying United Nations bonds, was basically fair and reasonable.

17. His delegation felt, however, that the question of the bond issue could not be divorced from its historical context and should be solved by means other than a resolution. It was because of that conviction that his delegation, during the consideration of the report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (1135th meeting), had stressed that the latter should have recommended a change in the present repayment method. It thought that General Assembly resolution 1874 (S-IV) should have been implemented, and failed to understand why the Secretariat had not done so. The Ad Hoc Committee should have considered the question and reached a consensus, the only acceptable solution in the sphere of peace-keeping. It should be possible to reach a consensus, for the sponsors of draft resolution A/C.5/L.876 had no rigid positions and were willing to discuss the matter.

18. Furthermore, there was a conflict between resolutions 1739 (XVI) and 1874 (S-IV). The first included the repayment of United Nations bonds in the regular budget, while the second established criteria giving financial relief to the developing countries. That contradiction could not be overcome unless resolution 1874 (S-IV) was held to amend resolution 1739 (XVI).

19. His delegation supported in principle the aims of draft resolution A/C.5/L.876, but felt that an effort should be made to achieve those aims by means of a consensus rather than of a resolution.

20. Mr. FEKKES (Netherlands) thought that, in view of the spirit of mutual understanding shown by both the sponsors and the opponents of draft resolution A/C.5/L.876, it should be possible to find a solution acceptable to all. The problem was not new; it dated back to 1956, when UNEF had been established, and it had since been the subject of many debates which had consistently produced solutions which, while not

perfect, had always been the best the circumstances allowed.

21. His delegation was fully aware of the sacrifices which payment of the interest and principal on United Nations bonds imposed on the poorer countries, and understood their desire to see their contributions reduced. It had always co-operated with them in seeking arrangements favourable to them; thus, it had taken an active part in drawing up resolution 1874 (S-IV), of 27 June 1963, which established general principles to serve as guidelines for the equitable sharing of the cost of future peace-keeping operations involving heavy expenditures. However, when that resolution had been adopted it had been understood that its provisions would apply to future peace-keeping operations and not to past operations.

22. Furthermore, the situation in 1963 had been much less urgent than in 1961, when the United Nations had experienced a very serious financial crisis which had been overcome only thanks to the bond issue. During the negotiations preceding the adoption of resolution 1739 (XVI) of 20 December 1961, it had been decided that the only guarantee which would encourage countries to buy the bonds was the assurance that repayment would be included in the regular budget of the United Nations. The Organization had thus assumed formal obligations with regard to the bondholders, which could not be modified without prejudice to them.

23. The Brazilian representative had quite rightly remarked that the main aim of all Member States was to improve the financial position of the United Nations. However, whether the draft resolution he had introduced would achieve that end was open to question. The elimination of all controversial items would undoubtedly balance the regular budget, but there would be a concomitant proliferation of special accounts which would be more or less in deficit, and the financial position of the United Nations would not be basically improved.

24. Lastly, at a time when confidence in the United Nations had already been seriously shaken, it would be inadvisable to do something which would only increase doubts and misgivings concerning the Organization. The United Nations had assumed formal obligations which could not be changed suddenly without adversely affecting its prestige and its very existence. He therefore urged the sponsors of draft resolution A/C.5/L.876 not to press it to a vote and to be satisfied with having their views included in the Committee's report to the General Assembly.

25. Mr. CISS (Senegal) thanked the sponsors of draft resolution A/C.5/L.876 for trying to obtain more favourable conditions for the developing countries with regard to the financing of peace-keeping operations. His delegation supported the principle of the draft resolution, and in the Ad Hoc Committee of Experts it had joined the delegations of Argentina, Brazil, India and Nigeria in submitting an almost identical text,^{3/} for it had thought then that a solution acceptable to all could be found by that Committee. Unfortunately, that had not been possible.

^{3/} See document A/AC.124/R.63 (mimeographed).

26. Now that the General Assembly had adopted the recommendations of the Ad Hoc Committee, however, Member States were expected to make voluntary contributions to help the United Nations to overcome its financial difficulties. In those circumstances, his delegation felt that a favourable atmosphere should be created and any initiative which might revive political differences should be avoided for the time being.

27. He therefore hoped that the sponsors, whose motives were of course most praiseworthy, would understand his delegation's concern and the reasons why it would be unable to vote in favour of their draft resolution. He agreed with the Kenyan representative that a consensus could be reached through negotiation, and he supported the Netherlands representative's appeal to the sponsors not to press for a vote.

28. Mr. MORRIS (Liberia) remarked that the decision taken in 1961 to issue the bonds, which had greatly helped the United Nations to cope with its financial difficulties, had been taken after long and delicate negotiations. Draft resolution A/C.5/L.876 unwisely reopened a decision which should be allowed to stand and he therefore hoped that its sponsors would withdraw it.

29. Mr. ZIEHL (United States of America) denied that the provisions of General Assembly resolution 1739 (XVI), of 20 December 1961, had in any way been amended by resolution 1874 (S-IV), of 27 June 1963. Paragraph 1 of the latter stated expressly that the general principles set out in the resolution should also apply to "operations involving heavy expenditures that may be initiated in the future". Resolution 1874 (S-IV) consequently applied only to future operations, and his delegation failed to see how it could be used to justify draft resolution A/C.5/L.876.

30. Mr. SILVEIRA DA MOTA (Brazil) wished to reply to representatives who had said that draft resolution A/C.5/L.876 was inappropriate and ill-advised. As the representative of Senegal had recalled, the Brazilian delegation had attempted to raise the question in the Ad Hoc Committee. As could be seen from paragraph 118 of that Committee's second report (A/6343), however, the majority had considered that matters relating to the bond issue were not within the Ad Hoc Committee's competence, because they related to peace-keeping operations, and the Committee had reached the understanding that it was not to deal with those matters. As the members of the Ad Hoc Committee had said in justifying their refusal, the question of the United Nations bond issue therefore was related to the peace-keeping operations and should be governed by the same criteria.

31. His delegation could not readily accept the argument that the adoption of draft resolution A/C.5/L.876 would undermine the credit of the United Nations and compromise its borrowing capacity in the future. On the contrary, the sponsors of the draft wanted the United Nations to honour its commitments. They merely wished it to use a different method. That had been done in setting up special

accounts for UNEF and ONUC; yet no one had said that the establishment of those accounts was harmful to the financial prestige of the United Nations.

32. The United States and Netherlands representatives had said that resolution 1874 (S-IV) applied only to future peace-keeping operations and did not in any way alter resolution 1739 (XVI) of 20 December 1961. That was contradicted by the facts, for the General Assembly had adopted a number of resolutions, some of which called for special arrangements for certain operations. That was true, for example, of UNEF, which certainly was not a future operation and on which such a resolution had been adopted during the twentieth session (resolution 2115 (XX)).

33. Lastly, while some bond purchasers were opposed to a change which they considered harmful to their interests, it should be borne in mind that draft resolution A/C.5/L.876 in no way altered the commitments undertaken by the United Nations and that the General Assembly was also under an obligation to respect its commitment to safeguard the interests of the developing countries. Those countries would bear an unfairly heavy burden if repayment of the bond issue continued to be carried on the regular budget. His delegation noted that defence of the interests of developing countries had always given rise to hard-fought debates and that those countries had to engage in a constant struggle not to have controversial questions settled at their expense.

34. Mr. MAJOLI (Italy) observed that the Brazilian representative had cited only part of paragraph 118 of the Ad Hoc Committee's report, that relating to peace-keeping operations, and had failed to add that some members "stated that the proposal could not be considered, for it impaired the integrity of commitments made by the United Nations on which a large number of States relied in purchasing the Organization's bonds, and because it includes a change in the methods and source of collection of funds for repayment".

35. Mr. SILVEIRA DA MOTA (Brazil) replied that at the 81st meeting of the Ad Hoc Committee of Experts, on 7 July 1966, the basic argument advanced by the countries which had opposed the establishment of a special account for the amortization of the bonds had been that matters relating to peace-keeping operations did not come within the competence of that Committee.

SECTION 18. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (A/6305, A/6307)

36. The CHAIRMAN recalled that, in the budget estimates for 1967 (A/6305), the Secretary-General had proposed an amount of \$3,280,400 for section 18 and that the Advisory Committee in its main report (A/6307, para. 315) had recommended the amount of \$3,225,000, or a reduction of \$55,400.

37. Mr. Mohamed RIAD (United Arab Republic) noted with satisfaction that, in response to General Assembly resolutions 1959 (XVIII) and 2039 (XX), the Office of the High Commissioner had endeavoured within the limitations of its staff resources to meet the requests for expansion of international protection,

with particular regard to refugees in Africa (see A/6305, para. 18.4). It was also encouraging that there was collaboration between the Office of the High Commissioner and the Organization of African Unity and its Refugee Commission. Those various endeavours had of necessity involved considerable additional work. As the Secretary-General stated in paragraph 18.9 of the budget estimates, the shortage of staff was particularly acute in Africa, where the High Commissioner's representatives themselves, with little or no professional assistance, had to cope with all the protection work together with their assistance activities and their general responsibilities.

38. His delegation wanted the problems of refugees, wherever they were, to be settled in the best interests of the refugees. The United Nations must continue to supply to the Office of the High Commissioner all the support and funds it might reasonably need.

39. The High Commissioner had given assurance that every effort would be made to readjust staff resources, in the light of lessening responsibilities as regards the older refugee programmes, in order to cope with the new emergency situations. The Advisory Committee had taken note with satisfaction of that assurance and had given its approval to some of the High Commissioner's proposals.

40. His delegation paid a tribute to the constructive work accomplished by the Office of the High Commissioner in its many fields of activity and expressed the assurance that it would make every effort to discharge fully its heavy responsibilities.

41. Mr. MTINGWA (United Republic of Tanzania) said that his Government was most grateful to the Office of the High Commissioner for helping Tanzania to assist the growing number of African refugees who found asylum in its territory.

42. The problem of refugees was of increasing importance for many countries, including Tanzania. The Organization of African Unity had given it special attention and had examined a draft convention on the status of refugees. Its Council of Ministers had unanimously adopted a resolution inviting members of the Organization of African Unity who were not parties to the Convention relating to the Status of Refugees to accede to it without delay and to apply its provisions to African refugees.

43. His delegation supported the appropriation of \$3,280,400 requested by the Secretary-General and the High Commissioner's proposal for the creation of new permanent posts.

44. Mr. WEI (China) paid a tribute to the High Commissioner and his associates for the work they had done for the refugees. He expressed his deep appreciation to the Governments and private organizations which had provided assistance to the Chinese and Tibetan refugees, and was gratified to note that the High Commissioner had stressed the principle of

non-refoulement and had given attention to new refugees in Asia, especially the Chinese refugees at Hong Kong. He hoped that the High Commissioner would continue his efforts to give relief to those new refugees, particularly by initiating large-scale development projects, and also that the reductions recommended by the Advisory Committee, which he thought justified, would have no negative effect on the situation of those refugees.

45. Mr. McMILLAN (Australia) supported the Advisory Committee's recommendations, particularly the suggestion that the High Commissioner initially should consider using the temporary assistance funds placed at his disposal in responding to the more temporary and fluid emergency programmes, rather than establishing additional permanent posts and committing funds on a full-time basis. He would like further details on the connexion between the current programme for 1967 and such funds as the Office of the High Commissioner might receive from certain Governments and private organizations.

46. Mr. TURNER (Controller) remarked that the Executive Committee of the High Commissioner's Programme had just completed its session; it should therefore not take long to obtain the information requested by the Australian representative. The Secretary-General did not contest the Advisory Committee's recommendation and felt certain that the Office of the High Commissioner would be able to carry out its programme within the funds allowed.

47. Mr. ZIEHL (United States of America) supported the Advisory Committee's recommendation in the hope that it would not weaken the legal services and protection provided by the Office of the High Commissioner.

48. Mr. KOUYATE (Guinea) expressed his appreciation to the Secretary-General, the Advisory Committee and the Office of the High Commissioner for Refugees for the attention given to the African refugees. His delegation reserved the right to speak later to explain its position on the status of those refugees. His Government was sparing no effort in applying the principles established by the United Nations and aiding the thousands of persons from so-called Portuguese Guinea who sought asylum in its territory.

49. Mr. OMRAN (Syria) paid a tribute to the High Commissioner and supported his request for the establishment of new posts.

50. The CHAIRMAN invited the Committee to vote on the Advisory Committee's recommendation concerning section 18.

The recommendation of the Advisory Committee (A/6307, para. 315) for an appropriation in the amount of \$3,225,000 under section 18 was approved on first reading by 75 votes to none, with 10 abstentions.

The meeting rose at 12.45 p.m.