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Chairman: Mr. Milton Fowler GREGG (Canada).

AGENDA ITEM 19

United Nations Emergency Force (continued):

(b) Cost estimates for the maintenance of the Force (A/5495, A/5642, A/C.5/1001, A/C.5/L.818/Rev.1) (continued)

1. The CHAIRMAN invited the Committee to vote on the revised draft resolution (A/C.5/L.818/Rev.1) on cost estimates and financing for the period 1 January to 31 December 1964. The representative of Brazil had requested a separate roll-call vote on operative paragraph 3 of the draft.

2. Mr. LEONARD (Canada) said that operative paragraph 3, which set out the formula for the apportionment of the UNEF costs, represented a compromise reached in the course of the past week's negotiations. Every representative who had spoken in support of that formula had explained that he would vote for it precisely because it was such a compromise. His own delegation had regarded the original draft (A/C.5/L.818) as representing a reasonable solution, and had made concessions in order to meet the divergent views of other delegations. Operative paragraph 3 of the revised draft was an integral part of the whole resolution, and conditional upon the reservations set forth in the preamble; it was therefore illogical to separate it from the whole. Nevertheless, his delegation would not formally oppose the Brazilian representative's proposal, but would vote for operative paragraph 3 on the understanding that it was the last ad hoc assessment to be presented to the General Assembly, that the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations would recommend to the nineteenth General Assembly a special method for the equitable sharing of the costs concerned, and that the present formula constituted no precedent for the future. His delegation's separate vote in favour of paragraph 3 would therefore be without prejudice to any later position it might adopt regarding the apportionment of peace-keeping expenses.

At the request of the representative of Brazil, a vote was taken by roll-call on operative paragraph 3 of the revised draft resolution (A/C.5/L.818/Rev.1).

The Philippines, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Senegal, Sweden, Togo, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yugoslavia, Argentina, Australia, Austria, Belgium, Bolivia, Cameroon, Canada, Central African Republic, Ceylon, Chad, Chile, China, Congo (Leopoldville), Costa Rica, Cyprus, Denmark, El Salvador, Finland, Ghana, Greece, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Libya, Madagascar, Malaysia, Mexico, Netherlands, Nigeria, Norway, Pakistan.

Against: Poland, Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, Hungary, Mongolia.

Abstaining: Philippines, Portugal, South Africa, Spain, Sudan, Syria, United Arab Republic, Afghanistan, Algeria, Brazil, Burma, Colombia, Ethiopia, France, Guinea, Iraq, Kuwait, Mali, New Zealand, Panama, Peru.

Operative paragraph 3 of the revised draft resolution was adopted by 47 votes to 10, with 21 abstentions.

3. The CHAIRMAN invited the Committee to vote on the revised draft resolution (A/C.5/L.818/Rev.1) as a whole. A roll-call vote had been requested.

Uganda, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yugoslavia, Afghanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cameroon, Canada, Central African Republic, Ceylon, Chad, Chile, China, Colombia, Congo (Leopoldville), Costa Rica, Cyprus, Denmark, El Salvador, Finland, Ghana, Greece, Guinea, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Liberia, Libya, Madagascar, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Philippines, Portugal, Senegal, Sweden, Togo, Tunisia, Turkey.

Against: Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, Hungary, Mongolia, Poland, Romania.

Abstaining: United Arab Republic, Algeria, Ethiopia, France, Iraq, Kuwait, Mali, Panama, Peru, South Africa, Spain, Sudan, Syria.

The revised draft resolution (A/C.5/L.818/Rev.1), as a whole, was adopted by 56 votes to 10, with 13 abstentions.

4. Mr. ZODDA (Italy), speaking in explanation of his vote, said that his delegation had been very satisfied with the original draft resolution (A/C.5/L.818), which had provided for the same financing formula as that adopted for both UNEF and ONUC at the fourth special session and for ONUC at the current session. It had

expected that the great majority of members of the Committee would endorse the Secretary-General's view that in the present situation it was essential to continue UNEF. It had anticipated some difficulty over the way in which the costs of the operation were to be distributed, but thought the solution proposed in the original draft resolution the most feasible in the circumstances. That did not mean that it regarded the ad hoc formula adopted previously as entirely satisfactory: it placed too heavy a burden on the developed countries, and its over-simple distinction between "developed" and "developing" countries disregarded the essential criterion of the relative capacity to pay of countries within those categories. His delegation had wished, however, to avoid introducing any new proposals at the present stage, before the Working Group had had a chance to deal with the matter. Since the Working Group would make new recommendations in any case, there was no point in disturbing the compromise reached on the old formula. Other delegations, however, had thought it necessary to obtain further concessions from the so-called developed countries, an attitude which his delegation regretted, and the result had been the revised draft resolution just adopted.

5. His delegation wished to reiterate its view that the maintenance of international peace and security was the Organization's primary task and that all Member States were collectively responsible for ensuring, to the extent of their capacity, that it was able to discharge that task. It had voted for the draft resolution, and the Italian Government would ask Parliament to authorize a voluntary contribution. But Italy was also resolved that, as indicated in the third preambular paragraph and operative paragraph 3, the adoption of the draft resolution should be the last time that approval was given to the present ad hoc arrangement.

6. Mr. MATHEW (United Kingdom) said that in the view of his delegation the original draft resolution had offered an eminently fair formula under which the assessments of the developing countries would be modest; indeed, no one had claimed that they were excessive in relation to those countries' capacity to pay. In addition, the solution proposed was an interim one which could not have constituted a precedent or raised any obstacle to a future compromise solution. As the original draft had not received sufficient support, his delegation had voted for the revised text because it was the only basis on which a decision on the financing of UNEF for 1964 could be obtained. However, its vote must not be interpreted to mean that it felt the formula contained in the draft resolution to be a sound one; it was only a temporary measure pending agreement on a more permanent arrangement.

7. Mr. TEMPLETON (New Zealand) said that his delegation had already stated its position (1053rd meeting). His country shared the concern of developing countries at the strain imposed by heavy peace-keeping assessments. In order to assist in spreading that burden, New Zealand had accepted the principle contained in the fourth preambular paragraph, namely, that the economically less developed countries had a relatively limited capacity to contribute. It had therefore been prepared to make a voluntary contribution; but his delegation had emphasized that the New Zealand Government's readiness to make such a voluntary contribution had been based on its belief that the cost-sharing formula adopted at the fourth special session

in resolution 1875 (S-IV) would be maintained. It regretted that, in view of the concessions it contained and the over-all decrease in total peace-keeping costs from \$42.5 million in 1963 to \$33 million in 1964, there had been a departure from that formula. Because it felt that that formula was perfectly equitable and should have been maintained, the New Zealand Government felt obliged to reserve its decision regarding the size of its voluntary contribution. The New Zealand delegation had therefore abstained in the vote on operative paragraph 3 of the draft resolution. That did not imply any lessening of its support for UNEF; New Zealand continued to attach very great importance to the peace-keeping role of the United Nations and consequently to the maintenance of UNEF. For that reason, while reserving its position regarding the amount of its voluntary contribution, his delegation had voted for the draft resolution as a whole.

8. Mr. CHRISTIADI (Indonesia) said that he had voted for the draft resolution because its provisions were not contrary to the principles to which his country adhered and the formula it contained was not to constitute a precedent. His delegation's views regarding UNEF were well known, and had not changed. He therefore wished to emphasize that the reference his delegation had made to the equal sharing of costs between Indonesia and the Netherlands in the case of the administration of West New Guinea did not apply to other peace-keeping operations.

9. Mr. BAUTISTA (Philippines) said that he had voted for the draft resolution as a whole because his delegation was convinced that the United Nations must undertake peace-keeping operations; but it had reservations regarding the proposed formula for the apportionment of the costs. In view of the importance which his delegation attached to the continuance of peace-keeping operations wherever necessary, he wished to emphasize that they could be continued only if the costs were shared on an equitable basis. He expressed the hope that a permanent arrangement for the apportionment of costs on a more equitable basis would be arrived at in the future.

10. Mr. MAKKAWI (Lebanon) said that his delegation had not been present for the votes, but if it had been it would have voted in favour of both operative paragraph 3 and the draft resolution as a whole. It wished its position to be recorded in the Committee's report.

11. Mr. MALHOTRA (Nepal) said that his delegation had also been absent. It would have voted for the draft resolution as a whole, but would have abstained on operative paragraph 3.

ORGANIZATION OF THE COMMITTEE'S WORK

12. Mr. NOLAN (Ireland) pointed out that the Committee still had several uncompleted items on its agenda, some of which related to the financial position of the Organization. It would be helpful if the Controller would indicate whether there had been any change in the cash position of the Organization since the end of 1962. The position with regard to the United Nations bond issue was relevant to that question, as the proceeds had been used as working capital. The terminal date for the purchase of bonds was at present 31 December 1963. He would like to know whether all pledges to purchase bonds had been executed. If not, it might be advisable to extend the terminal date to give the Secretary-General time to improve the cash position. He would like to know whether the Secretary-General would find such an extension helpful.

13. Mr. TURNER (Controller) said that unfortunately, the financial position had somewhat worsened in 1963. Despite the sale of some \$30 million worth of United Nations bonds, net cash resources as at 31 December 1963 would have decreased to \$38.5 million, compared with \$86 million on 31 December 1962 while unpaid obligations would have increased from \$160 million at the beginning of 1963 to \$173 million as at 31 December 1963; the deficit would therefore have risen over the year from \$74 million to \$134 million. It was clear that the Organization would be confronted during the first half of 1964 with a highly critical cash situation. Any steps to provide a more adequate cash margin would be helpful.

14. The situation with regard to the United Nations bond issue was that sixty-eight Governments had purchased or pledged purchases of bonds amounting to approximately \$153 million. That included pledges amounting to little over \$1 million, from eight or nine Governments many of which, due to unforeseen difficulties, might be unable to make good their pledges before the end of the year. A decision to extend the period for bond purchases might well be of assistance to those Governments. It was not possible to forecast how many more bonds would be sold if the period was extended, but several Governments which had already purchased bonds had indicated a willingness to consider the possibility of making additional purchases, given sufficient time in which to do so. Actual sales were still about \$50 million short of the \$200 million target. Thus, to reach that target, it would be necessary to sell half that amount to Governments other than that of the United States of America which had agreed to match all purchases up to a total of \$100 million. At present, however, there was no authority to effect sales or accept pledges after 31 December 1963.

15. Mr. KITTANI (Iraq) said that it was not clear to him whether the deficit of \$134 million mentioned by the Controller included the obligations incurred as a result of the appropriations voted by the Committee for ONUC and UNEF at the present session.

16. Mr. TURNER (Controller) said that the deficit represented the difference between cash in hand and unliquidated obligations. The latter related only to debts incurred up to the end of 1963 and did not take account of 1964 appropriations such as those mentioned by the representative of Iraq. The situation

while no occasion for alarm, nevertheless gave grounds for continuing concern.

17. Mr. MARSCHIK (Austria) suggested that since the situation with regard to the bond issue was as described by the Controller, it might be advisable for the Committee to extend beyond 31 December 1963, the period for which the Secretary-General was authorized to make sales of bonds, if the Secretary-General himself felt that was necessary.

18. Mr. AHSON (Pakistan) reminded the Committee that in the general discussion on the budget estimates (1028th meeting) his delegation had expressed profound concern over the Organization's cash situation. That concern had been intensified by the Controller's statement. In view of the gravity of the matter, the Committee should deal with it as soon as possible.

19. Mr. FERNANDO (Ceylon) pointed out that the question had not been included in the Committee's agenda for the day. If it had been, some delegations which were absent might have wished to be present. He therefore suggested that the matter should be taken up on the following Monday.

20. Mr. SHATSKY (Union of Soviet Socialist Republics) asked under what agenda item the matter would be taken up.

21. The CHAIRMAN said that it would be considered under item 58 (Budget estimates for the financial year).

22. Mr. NOGUEIRA BATISTA (Brazil) agreed with the representative of Ceylon. It would help the Committee if it could then have the figures just given by the Controller in writing.

23. Mr. TURNER (Controller) said that the figures he had given were much the same as those given by the Secretary-General at the beginning of the session, although they were a little more up to date. It would be possible, however, to prepare a short document of the kind requested by the representative of Brazil. ^{1/}

24. Mr. NOGUEIRA BATISTA (Brazil) said that he would also like to know the Secretary-General's views on the question of extending the period for the sale of bonds beyond 31 December 1963.

The meeting rose at 4.35 p.m.

^{1/} Subsequently circulated as document A/C.5/1007.