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Chairman: Mr. Jan Paul BANNIER
(Netherlands).

**TRIBUTE TO THE MEMORY OF MR. OMAR LOUTFI,
UNDER-SECRETARY FOR SPECIAL POLITICAL AFFAIRS**

1. The CHAIRMAN paid a tribute to the memory of Mr. Omar Loutfi, Under-Secretary for Special Political Affairs. On behalf of the Fifth Committee and himself, he wished to offer the most heartfelt condolences to Mr. Loutfi's family, to the Government of the United Arab Republic and to the Secretary-General of the United Nations. He invited the Committee to observe a minute's silence in tribute to the memory of Mr. Loutfi.

The members of the Committee observed a minute of silence in tribute to the memory of Mr. Loutfi, Under-Secretary for Special Political Affairs.

2. Mr. RIAD (United Arab Republic) thanked the Chairman and the members of the Committee, on behalf of his Government, for the tribute which they had just paid to the memory of Mr. Loutfi.

AGENDA ITEM 7

Consideration of the financial situation of the Organization in the light of the report of the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations (A/5187, A/5274, A/5407 and Corr.1, A/5416, A/5421, A/C.5/974, A/C.5/975, A/AC.113/1-27) (continued)

3. Mr. HAY (Australia) stressed the magnitude of the financial crisis confronting the Organization. He said that unpaid obligations were at present almost double the budget for the current financial year; the Organization must be given the means, not only to obtain adequate resources to meet its present and future commitments, but also to collect the arrears which were owing to it and which it urgently needed.

4. Responsibility for putting the Organization on a sound financial basis did not rest mainly on one Member or group of Members, or on the Secretary-

General, or on the United Nations itself as a kind of special entity with its own financial resources. The responsibility rested with each Member. It was to be hoped that all other Governments would accept that premise which was essential to give effect to the principle of collective responsibility. There was no doubt that that principle was just as seriously impaired when countries which had scrupulously fulfilled their financial obligations were obliged to assume additional burdens as it was when certain other Members, while not hesitating to accept the benefits offered by the Organization, refused to meet their commitments or to participate in a fair distribution of the costs of peace-keeping operations.

5. It was with the principle of collective responsibility in mind that the General Assembly, at its seventeenth session (resolution 1854 (XVII)), had accepted the advisory opinion of the International Court of Justice^{1/} and had decided to establish the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations, of which Australia had had the honour to be a member. The Working Group, as had been pointed out by its Chairman, Mr. Adebo, had made important progress. For one thing, its report (A/5407 and Corr.1) contained a number of concrete proposals. Among those, the Canadian proposal came closest to the general position of the Australian Government, which could support an arrangement based on it. The Working Group had also been able to narrow down considerably the areas of disagreement. That result had not been achieved without great effort on the part of the members, who had displayed a commendable spirit of co-operation as evidenced, for example, by the proposals submitted by Argentina, Brazil, Cameroon, India, Nigeria, Pakistan and the United Arab Republic (see A/5407 and Corr.1, para. 9).

6. But perhaps the most striking achievement of the Working Group was the consensus on certain guiding principles which were listed in paragraph 10 of the report. Those principles could, in the view of the Australian delegation, provide the framework for a satisfactory and effective system of financing costly peace-keeping operations.

7. Despite those encouraging achievements, the members of the Working Group had been unable to produce agreed recommendations for submission to the General Assembly. The reasons for that were political as well as financial.

8. One reason was that a small minority of members had asserted from the outset that they would accept no responsibility for the costs of the United Nations

^{1/} Certain expenses of the United Nations (Article 17, paragraph 2 of the Charter), Advisory Opinion of 20 July 1962: I.C.J. Reports 1962, p. 151, transmitted to the Members of the General Assembly by a note of the Secretary-General (A/5161 and Corr.1).

Emergency Force (UNEF) and the United Nations Operation in the Congo (ONUC) and would not share in those costs, whatever the Assembly might say. The Australian delegation regretted that attitude, which was contrary to the Charter and endangered the Organization's financial stability and its effectiveness. A solution to the present difficulties could not be found in an approach designed to enable those few countries to evade their responsibilities under the Charter.

9. Another factor was that the representative of the United States of America, which was by far the largest contributor, had made clear that his Government, for the time being, would not accept any arrangement obliging it to contribute to peace-keeping costs beyond its share on the basis of the regular scale of assessments.

10. A third factor was the differences of opinion on many other points, such as the financial responsibility of permanent members of the Security Council and the question whether a general formula for financing should be adopted or whether a decision should be taken in each case on an *ad hoc* basis. The seriousness of those differences must not be underestimated; to take as an example one particular point—the possibility of adopting special provisions applicable to the victims and to the perpetrators of aggression—the Australian delegation held the view that criteria of that kind could not be used for apportioning the costs of peace-keeping operations. Victims of aggression would benefit from the criterion of capacity to pay in so far as they would have suffered from the consequences of aggression. As for the countries responsible, history showed that it would be unrealistic to expect compensation from them of a kind which would be material to the present problem.

11. The Australian delegation, being aware of the obstacles which lay in the path of a general agreement, shared the view of the Secretary-General that the wide consensus of opinion on certain guiding principles expressed in the Working Group's report (A/5407 and Corr.1, para. 10) could provide the point of departure for the consideration of methods. The first three of those principles related to the collective responsibility of the States Members of the Organization and to the need for the costs of peace-keeping operations to be apportioned among them with due regard to their relative capacity to pay. With regard to the first point, collective responsibility must apply as much to peace-keeping operations as to other activities of the Organization. Peace-keeping costs did not differ in kind from other costs but might differ in magnitude.

12. In the matter of capacity to pay, it should be made clear that that was a relative, and not an absolute, concept. The question was not simply whether a Member State could afford to pay a certain contribution; there must also be a guarantee that no State, whatever its financial resources, would be called upon to assume a disproportionate or inequitable share of the expenses. In that connexion the regular scale was widely regarded as equitable and there were strong arguments for using that scale for peace-keeping costs. The fourth point on which a consensus of opinion had been reached in the Working Group related to the use of the regular scale of assessments in apportioning a certain initial segment of the total net costs. In the view of the Australian

delegation that initial segment should be of substantial magnitude.

13. Nevertheless, it must not be overlooked that the costs of peace-keeping operations might be very heavy in relation to the regular expenses of the Organization. It was not always possible to foresee all the financial implications of an operation of that kind, which often had to be undertaken quickly before all the effects could be evaluated. The costs might therefore reach a point beyond which the use of the regular scale of assessments would throw an excessive burden on some countries. In that case, another method of apportionment would have to be adopted—a point on which most members of the Working Group appeared to have agreed.

14. The fifth principle put forward by the Working Group was that the balance of the costs should be apportioned according to a special scale which would serve to reduce the financial burden on those Member States least capable of bearing heavy costs. Acceptance of that principle was a substantial concession since for most countries the extra costs arising out of peace-keeping operations were not a large price to pay for the influence and authority inherent in their rights as Members of the United Nations.

15. His delegation therefore believed that the consensus of opinion which had emerged within the Working Group had advanced consideration of the problem. However, many questions still remained to be answered, such as the size of the initial segment of costs to which the regular scale of assessments would apply, what countries should benefit from a special arrangement, and how could reasonable reductions be financed without placing unreasonable burdens on others. His delegation had made proposals on those points which were reflected in the report of the Working Group and set out in detail in document A/AC.113/24.

16. Such questions were not amenable to speedy and easy solutions. He was nevertheless convinced that the general principles which he had just outlined would enable a solution to be found for the problem of how to share peace-keeping costs, whether in general or in the particular case of ONUC and UNEF. In the light of the important differences of opinion that remained, it had to be admitted that agreement on long-term arrangements would be difficult to achieve at that stage. The Secretary-General himself had stressed (984th meeting) that it was debatable whether the moment was ripe for a break-through on that question. It was vital, however, that at the special session, the General Assembly should give the Organization the financial means to continue and complete the two major operations that had already been undertaken. At the very least, reasonable arrangements should be made for financing the operations in the second half of 1963, so that the Assembly might be able to review future requirements at the eighteenth regular session. The Working Group had considered various short-term proposals put forward for that purpose, and his delegation, for its part, would be willing to consider sympathetically a short-term approach of the kind suggested by the United Kingdom (see A/5407 and Corr.1, para. 9), if that seemed to offer the best prospects for agreement.

17. The Organization was confronted, however, with another question, that of arrears of contributions. In that connexion, the Working Group had made some

general comments, and, the Secretary-General, in his report on the question (A/C.5/974), had highlighted the endeavours that had been made to secure early payment of contributions by the Member States concerned. The situation had improved somewhat, but it was still far from satisfactory and progress had been slow. For the great majority of Member States, the issue was not an economic or financial one; what was involved was their willingness to accept and their determination to discharge fully the obligations of membership. Countries that were in arrears should accept the implications of the advisory opinion of the International Court of Justice and pay their arrears before there was no alternative except for the sanction provided clearly by the Charter to take effect.

18. In the meantime, the Organization had to have sufficient cash available to meet its commitments and to stabilize its financial position. For that reason, it was imperative that the United Nations bond issue should be subscribed as quickly as possible. The target was far from being reached, despite the efforts made by several countries, including Australia, which had purchased \$4 million worth of bonds or more than its normal share of United Nations expenses. The sale of United Nations bonds should therefore be encouraged, particularly as the United States had agreed to match all purchases of bonds by other countries, dollar for dollar. His delegation would support the Secretary-General's proposal (see A/C.5/974, para. 20) to extend until 31 December 1963 the period during which bonds could be sold.

19. His delegation had also noted with interest the Secretary-General's statement that he would scrutinize with particular care estimates of expenditure for the other activities of the United Nations. It followed from the advisory opinion of the International Court of Justice that when peace-keeping costs were very heavy, the United Nations should consider its total ordinary costs, and if that total was found to be too high, it should make cuts in other activities. That was a practice familiar to all Governments.

20. At the present stage he had avoided going into the details of the problem, particularly as informal negotiations were being carried on with a view to reaching a generally acceptable agreement. He hoped that those endeavours would bear fruit. Until all the possibilities of agreement had been explored he would not express a final view on some of the matters that had been raised in the Working Group's report.

21. In conclusion, he recalled that in a recent statement in Canberra, the Australian Minister for External Affairs had emphasized that the current session was probably the most crucial one in the Organization's history because it would really put to the test the firmness of its Members' belief in the basic purposes endorsed in the Charter of the United Nations.

22. Mr. CUEVAS CANCINO (Mexico) recalled that maintaining peace was the Organization's essential task and that the responsibility for doing so rested with all Member States. There was no doubt as to the urgency and extent of the financial problem on which stress was laid in the Secretary-General's report (A/C.5/974). Although its urgency was a new factor, the problem itself had existed since the Organization's earliest days. The aim of those taking part in the United Nations Conference on International Organization at San Francisco had, after all, been to establish effective machinery for maintaining peace.

The current situation had arisen because in actual practice that machinery had proved to be very imperfect. The hoped-for unanimity of the five permanent members of the Security Council, on which the future of the world had been supposed to depend (hence the vital role allotted to the Council), had not been achieved. It had quickly become obvious that the Security Council was incapable of performing the task assigned to it under the Charter, and from 1950 onwards the General Assembly had found itself compelled to intervene, by virtue of resolution 377 (V), in so far as the maintenance of peace was concerned.

23. It would therefore be idle to claim that the current problem had arisen owing to the failure of the poorer countries to pay their contributions in full. The framers of the Charter had clearly stressed the difference between small and great Powers, and had undoubtedly taken it for granted that the political and military responsibilities of the great Powers would automatically be accompanied by financial responsibilities. It might be asked who were the real parties responsible for the current financial crisis, and the answer would be that the Assembly had found itself compelled to assume the responsibility for maintaining peace simply because of the discord prevailing between the great Powers. It was those Powers which had disappointed the hopes of mankind and whose quarrels had led, along with other difficulties, to the current financial crisis. It followed that the proposal made by a delegation (see A/5407 and Corr.1, para. 9) that the Working Group should appoint a special committee, on which the five permanent members of the Security Council would be represented, to recommend the adoption of a compulsory scale to the General Assembly, was a strange one. Such a proposal seemed quite pointless, since the lack of agreement among those five Powers had been the precise reason why the current special session had had to be convened. No doubt the possibility still remained that those Powers might one day find themselves in agreement, but in any case it was necessary to point out that the entire Charter was predicated on the existence of such agreement, which was accompanied by special powers for the countries involved, and that those countries had not fulfilled their obligations under the Charter. The annexes to document A/C.5/974 showed that four of the five great Powers had not yet made any payment to the Working Capital Fund for 1963; that all five of them were in arrears in their contributions to the regular budget; that two of them had not paid anything whatsoever towards the operation in the Congo.

24. His delegation did not dispute the fact that all the Member States were collectively responsible for the financing of peace-keeping operations, in conformity with resolution 1854 (XVII). That was why it was not favourably disposed toward the idea of token contributions, which would, moreover, be unjustifiable, in view of the General Assembly's acceptance of the advisory opinion of the International Court of Justice. It strongly urged, however, that the scale of contributions should be a fair one, in keeping with the special circumstances of the under-developed countries and the financial capacity of all Member States. That capacity was in any event extremely difficult to determine. Economists explained the value of things by resorting to the theory of marginal utility. The poorer countries, and the developing countries, should not be put in a position in which they would be forced to assess the marginal utility

of the United Nations. Mexico, for example, had embarked on an educational programme providing for the establishment of training centres; that programme, which was of crucial importance for the economic and technical development of the country, would require an initial investment of \$3 million, followed by an annual investment of somewhat over \$1 million. Yet Mexico was being asked to pay more than \$1 million for the support of the emergency forces in the Middle East and in the Congo. In view of the country's limited financial resources, there was a lack of proportion between the two amounts.

25. His delegation shared the view of the majority of Member States that resolution 1854 (XVII) established the principles which must govern the methods of financing peace-keeping operations. Resolution 1854 B (XVII) set forth the special criteria to be taken into account in giving effect to the opinion of the International Court of Justice; the Court itself, indeed, had acknowledged the General Assembly's right to establish a special scale of contributions for such operations. Operative paragraph 2 of that resolution laid down clear and precise directives which could and should be followed in establishing an equitable scale of contributions for financing the costs involved. Several Member States had raised objections to the directives which were entirely unacceptable since they conflicted with the principles approved by the General Assembly itself and would substitute for those principles minority or even national interests.

26. It had often been said that the main problem in the modern world was not so much disarmament as the ever-widening gap between the developed and the under-developed nations. Accordingly, it was the responsibility of the wealthier countries to bear the main burden of peace-keeping expenditures. Among those countries the Charter laid a special responsibility on the five permanent members of the Security Council. It was clear from Articles 24, 43 and 45 that other Member States had only a secondary responsibility in that matter. That point was also stressed in General Assembly resolution 377 A (V), operative paragraph 7. Thus if the Assembly wished to establish a more equitable scale than the one prescribed in the Charter for the regular budget, it should adopt a proportional system favouring the poorer members of the international community.

27. It would not seem necessary for the Secretariat to undertake a very broad inquiry to determine which countries were under-developed today. It could probably provide that answer immediately. Nor did it seem desirable to link the problem with that of the economic and social consequences of disarmament, although it was true that the information supplied to the Committee dealing with that question had clearly shown that the wealthiest countries' ability to pay had undergone no change. At a time when an enlargement of the Expanded Programme of Technical Assistance and the Special Fund was rightly under consideration, if the existing scale of assessments was applied Mexico would have to contribute more for the operations in the Middle East and the Congo than it received over a two-year period under United Nations technical assistance.

28. The problem could be solved only by means of a flexible policy based on the principles set forth in resolution 1854 B (XVII). The report of the Working Group (A/5407 and Corr.1) presented merely a state-

ment of contradictory views; it was to pass beyond that stage of mere confrontation of views that efforts must now be made.

29. In any event, it was essential that the General Assembly should take a decision regarding the financing of the Congo operations for the remainder of the current year. A provisional solution might be all that would be possible; if so, his delegation would not favour the adoption of a formula that stressed the need for immediate payment, since such a procedure would be more appropriate to the world of commerce than to an organization like the United Nations.

30. Another aspect of the problem was the resolution which the Assembly must adopt on the subject of arrears in the payment of contributions for financing peace-keeping operations. Resolution 1854 B (XVII) seemed very clear on that point. Since the Working Group re-established under that resolution had been unable to reach agreement, the time had come to put forward positive proposals. His delegation wondered whether all the possibilities offered by the international agencies had in fact been exhausted. Among the United Nations agencies, for example, there were several financial institutions which aided Member States and which should therefore be even more prepared to aid the Organization itself, when necessary, as in so doing they would be upholding their own cause. It was true that Mr. Eugene R. Black had been appointed Special Financial Consultant to the Secretary-General, but that appointment had taken place only after Mr. Black had left the International Bank for Reconstruction and Development. There was no doubt that more could be done in that area.

31. The existence of arrears raised the question of the sanctions prescribed in Article 19 of the Charter. His delegation held that the Article should not apply in cases of arrears in respect of exceptional peace-keeping operations. The principle of sanctions had been retained by the drafters of the Charter only after long debate and solely because of the precedent established by the League of Nations. But there were very many differences between the League and the United Nations, and the application of Article 19 should take the existing situation into account. Nor should it be forgotten that France had proposed requesting the Court to consider the legality of the decisions by which the Assembly had established the emergency forces; in the absence of an opinion by the Court on that subject, Judge Bustamante y Rivero had been compelled to dissent^{2/} from the majority of his colleagues. To apply the sanctions prescribed in Article 19 to the financing of peace-keeping operations would be contrary to the spirit of the Charter and detrimental to the United Nations itself. Mexico, which had always upheld the universal character of the Organization, could not agree to let a financial debt in respect of operations which, to say the least, had been highly disputed put an end to the exceptional vitality displayed so far by the Organization.

32. His delegation hoped that operative paragraph 4 of resolution 1854 B (XVII) would be strictly applied and that it would be unnecessary to resort to sanctions to settle the matter. Indeed, even if the application of Article 19 was automatic, there would be nothing to prevent the Assembly from establishing a longer

^{2/} See *Certain Expenses of the United Nations (Article 17, paragraph 2, of the Charter)*, Advisory Opinion of 20 July 1962; I.C.J. Reports 1962, p. 288.

period for the payment of debts by Member States; that would avoid having to apply sanctions to any Member State which might be in arrears in the payment of its contributions. The solution to that problem should be sought outside the context of the immediate financial preoccupations. It was in that regard that the Fifth Committee could perform a most useful function.

33. Mr. HOUAISS (Brazil) associated himself with the tribute paid to the memory of Mr. Loutfi and asked the delegation of the United Arab Republic to convey his own and his Government's condolences to the family of the deceased. He congratulated the Chairman and the other officers on their election.

34. Like the Secretary-General, the Brazilian delegation was convinced of the vital importance of the Committee's deliberations for the future of the Organization. He believed that a basic decision was close at hand and that a little determination would enable Members to reach it. That was what emerged from the report of the Working Group (A/5407 and Corr.1) which, though it offered no ready-made solution, was still highly encouraging when compared with the report of the Working Group of Fifteen on the Administrative and Budgetary Procedures of the United Nations.^{3/} The more recent report revealed that there was still a gulf between two groups of Member States—those which held that the adoption of decisions concerning peace-keeping operations was the exclusive and inalienable prerogative of the Security Council, and those which considered that the General Assembly could in certain circumstances legitimately take measures in respect of such operations. While it was to be hoped that decisions on peace-keeping operations would in the future be taken with the consent of all the great Powers, it must nevertheless be anticipated that the Organization might find itself in situations similar to the present one and might be obliged to seek solutions in the General Assembly. His delegation was convinced that the very existence of the United Nations and the application of the Charter over the past seventeen years had created new international obligations of a reciprocal nature. The fact that the General Assembly should have felt compelled in certain circumstances to consider the question of maintaining peace through the use of armed force represented a considerable advance for the cause of peace, for it had kept certain countries from becoming battle-fields, weak countries from falling victim to stronger ones and the cold war from becoming a hot war and even an atomic holocaust. His delegation could not therefore agree with those delegations which held that matters relating to the maintenance of peace fell exclusively within the jurisdiction of the Security Council, and it believed that those delegations could, without renouncing their position, agree to comply with the binding resolutions of the General Assembly.

35. Those countries which accepted the principle of the General Assembly's jurisdiction and of the collective responsibility of Member States with regard to political decisions and the resulting financial measures were by no means at one in their interpretation of the concept of collective responsibility. At one extreme were the countries which held that peace-keeping operations represented a normal function of

the United Nations and that the expenses involved should be met by applying the regular scale of assessments, which was felt to be the most reliable means of judging Member States' capacity to pay. At the other extreme were the countries which held that peace-keeping operations were of a special political character and that their financial implications should be dealt with in accordance with a special scale based on a number of factors, in the light of which some States would be required to make only a token contribution or would even be given outright exemption. Brazil strongly supported those who favoured a special scale for peace-keeping operations resulting from a decision by the General Assembly, while at the same time it felt that operations of that nature resulting from a decision by the Security Council should be financed under special agreements of the kind provided for in Article 43 of the Charter. In his view, that position was consistent with resolution 1854 A (XVII), in which the General Assembly accepted the opinion of the International Court of Justice. That was why, unlike certain other delegations which felt that at the present special session the Assembly should confine itself to dealing with the problem of financing the Congo and Middle East operations for the next six months, his delegation considered it essential that the Assembly should take up the question of establishing a special scale. If the Assembly established, once and for all, the legal procedure to be followed in the consideration of peace-keeping expenses or even of the regular budget, it would be possible to avoid taking provisional decisions which would create truly chaotic situations.

36. It was in the light of those considerations that Brazil and the other developing countries represented in the Working Group, which wished to assist in defending the collective interests of all countries facing difficulties even though future peace-keeping operations might represent a heavy burden for them, had sought (see A/5407 and Corr.1, para. 9), to present a synthesis of their views and to formulate principles of lasting value; those countries had, in fact, presented their views in mathematical terms by preparing a draft special scale based on a hypothetical budget, which provided for somewhat larger contributions by the developing countries than those they would be required to pay under the provisional financing arrangement made in resolutions so far adopted by the General Assembly. It must be realized, however, that the developing countries would be prepared to make that sacrifice only if it resulted in a permanent solution of the problem.

37. The formula for apportionment of expenses suggested in the memorandum had been criticized by some on the ground that it did not take account of either the contribution ceilings for Member States or the per caput contribution ceilings. His delegation felt that that criticism could be met by laying down the following final principle: if the assessments fixed under the formula for the apportionment of future peace-keeping expenses exceeded the ceilings established by the General Assembly, the Member States to which those ceilings applied would not be required to go beyond the ceilings in helping to finance the operations in question. Moreover, the authors of the memorandum were not attempting to provide a broad theoretical definition of aggression; they merely recognized that, in any given case, the General Assembly might take account of the situation of the

^{3/} Official Records of the General Assembly, Sixteenth Session, Annexes, agenda item 62, document A/4971.

State or States which had suffered damage as a result of the events which had led to the operations.

38. If a permanent solution to the problem could not be found, the only alternative would be to follow existing precedents. His delegation would resign itself to supporting a new resolution apportioning the \$42.5 million required for the Congo and Middle East operations during the period from July to December 1963. It hoped, however, that the apportionment would be made in the light of the provisional financing arrangements made in previous resolutions and that the \$42.5 million would be regarded as the total for one-half of a financial year so that the reductions would be the same as those formerly applied, namely, 80 per cent and 50 per cent, respectively, and not 50 per cent in all cases. Finally, his delegation would not oppose the Secretary-General's proposal that the subscription period for the purchase of United Nations bonds should be extended to 31 December 1963.

39. Mr. QUILJANO (Argentina) said that he wished to associate himself with the tribute paid to the memory of Mr. Loutfi.

40. In his opinion, the Secretary-General's statement and his report on the financial position and prospects of the United Nations (A/C.5/974) had fully vindicated the decision to convene a special session of the General Assembly. The latter could not remain inactive in the face of a probable deficit of \$140 million, which would leave the Organization with cash resources of \$10 million—an amount sufficient to cover only one month's requirements. It was in order to escape from that grave impasse that the Assembly had adopted resolution 1854 (XVII). His delegation felt that the financial crisis now confronting the United Nations was primarily due to the huge expenses caused by peace-keeping operations and to the fact that in seven years no agreement had been reached on a formula for solving the problem in the light of all the factors involved.

41. The Working Group, whose Chairman deserved the highest praise, had tried to devise a method of financing peace-keeping operations, and its report served a constructive purpose by bringing together the information which the Group had obtained. It appeared from the report that the great majority of the Group's members accepted the principle of the collective responsibility of Member States and favoured the establishment of a special scale based on criteria different from those applied in respect of the regular budget and reflecting the different conditions in the industrialized and the developing countries. The report also indicated that most of the Group's members had found acceptable the advisory opinion of the International Court of Justice that the costs of peace-keeping operations constituted expenses of the Organization within the meaning of Article 17 of the Charter. It was also his impression that there was less opposition to that idea than there had been at the seventeenth session of the General Assembly.

42. The General Assembly should now seek solutions which would enable the United Nations to cope with

peace-keeping expenses both now and in the future; the result would be a substantial improvement in the Organization's financial position. The Secretary-General had expressed doubt as to whether the time had in fact come to work out a really new system, and other delegations, including in particular those representing developed countries, had indicated that they would prefer a specific arrangement covering only the next six months. In his delegation's view, however, it would be regrettable if the Fifth Committee failed to seize the present opportunity to work out a final solution to the problem, particularly since the report of the Working Group had shown that many delegations were approaching the matter in a praiseworthy spirit of compromise, that some countries which had hitherto favoured the regular scale now accepted the idea of a special scale, and that other countries—including those of Latin America—now accepted the definition of expenses of the Organization given by the International Court of Justice. There had also been progress towards recognition of the special position of the permanent members of the Security Council with regard to peace-keeping operations and towards the possibility of giving special consideration to the situation of Member States which were victims of the acts that led to such operations.

43. The Argentine delegation in the Working Group had joined with the delegations of Brazil, Cameroon, India, Nigeria, Pakistan and the United Arab Republic in proposing a solution to the problem (see A/5407 and Corr.1, para. 9). Those countries recognized that, despite the burden imposed on their fragile economies by United Nations peace-keeping operations, it was the duty of all Member States to support those operations; several of the countries concerned had, in fact, demonstrated their devotion to the United Nations by sending military contingents to take part in peace-keeping operations. The seven countries which he had just mentioned had taken the position that a special method of financing should apply to peace-keeping expenses which totalled more than \$5 million in any financial year—a figure which, it might be noted, had been reached only in the case of ONUC and UNEF—and that there was a difference between each Member State's capacity to pay when contributing to the regular budget of the Organization and its capacity to pay where peace-keeping operations involving heavy expenditure were concerned.

44. The formula presented by the seven Powers, which reflected the views of all the developing countries, could provide a useful basis for a complete solution to the problem of financing peace-keeping operations. The poorer countries were not asking for favours; they merely felt that the only fair apportionment of expenses would be one which imposed heavier assessments on the wealthier countries.

45. His delegation reserved the right to present its views on any specific proposals that were made and on the question of financing the United Nations Operation in the Congo.

The meeting rose at 12.55 p.m.