

United Nations  
**GENERAL  
ASSEMBLY**

Official Records



**FIFTH COMMITTEE, 990th  
MEETING**

Friday, 31 May 1963,  
at 10.55 a.m.

**FOURTH SPECIAL SESSION**

**NEW YORK**

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**Chairman:** Mr. Jan Paul BANNIER  
(Netherlands).

**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)**

1. Mr. PAZHWAQ (Afghanistan) fully shared the Secretary-General's concern about the Organization's serious financial problem and his view (954th meeting) that a financially bankrupt United Nations would be an ineffective United Nations. He assured the Secretary-General and the Members of the United Nations that his delegation would not fail to make any effort which might lead to a solution of that problem.

2. His delegation had full confidence in the sense of responsibility of all Members and therefore did not feel that the alarm voiced by certain commentators, most of whom belonged to circles outside the United Nations, concerning the financial problem was justified. His delegation dissociated itself from statements implying that any Member of the United Nations might intend to destroy the Organization or that the United Nations would not survive the financial situation. Were it not for the regrettable factor of political controversy between certain groups, the problem might be treated simply as a financial issue and a solution more easily found.

3. None of the legal arguments used by the two main opposing groups in expression of their political views was entirely irrelevant or unfounded. Even the political considerations involved were understandable. Yet none of those views, if rigidly maintained, would enable the General Assembly to lead the Organization to financial solvency. As the Chairman of the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations had noted (984th meeting) the very fact that the Working Group's composition had reflected the full gamut of political opinion among the States Members of the United Nations had prevented it from adopting a unanimous report.

4. In determining its own position, his delegation was guided by certain principles. It had voted in favour of the advisory opinion of the International Court of Justice,<sup>1/</sup> because from the judicial standpoint, it had every respect for the advice of the Court as a principal organ of the United Nations. Nevertheless, it had argued that UNEF and ONUC had many political and other aspects which should be fully considered, and that the discussion in the General Assembly should not be based solely on juridical considerations. It had added that reluctance to pay the expenses, in those circumstances, did not imply a disregard of the advisory opinion or of the usefulness of United Nations operations. It had stressed that the political elements and the economic difficulties of the developing countries should be given full consideration in the discussion of the apportionment of those expenses. It had stated that its vote in no way signified acceptance of the financial assessments and had reserved its right to express its views on that issue when the report of the Working Group came before the Assembly.

5. The report of the Working Group (A/5407 and Corr.1) laid down certain guiding principles. His delegation supported the principle that the peace-keeping function and machinery of the United Nations, arising from the Organization's primary duty as the chief guardian of international peace and security, should, in principle, be considered the obligation of all its Members. The deliberations of the Working Group had also led to a further clarification of various positions and to the exploration of some reasonable suggestions regarding a special scale of assessments. His delegation was pleased to note that due consideration had been given to the financial position of the developing countries and to the principle of ability to pay. Afghanistan was willing to meet its obligations as a Member State under any agreement reached by a majority of the Members, particularly if that agreement was fair, just and realistic as regards the financial capability of the developing countries.

6. His delegation did not feel that anything of value could be achieved simply by debating the matter in the Fifth Committee: other methods were needed if the General Assembly was to find a practical and realistic solution to the problem at the present session. That was why the Ceylonese representative's suggestion at the 987th meeting for bilateral discussion between the two great Powers at the highest level deserved serious consideration. His delegation was not convinced by the argument that such discussion would be useless because the controversy was not between the two countries alone: that argument might be valid in theory, but it was not a realistic response

<sup>1/</sup> 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).

to such a suggestion. While his delegation found the Ceylonese suggestion appealing in principle, it believed that the solution of the problem should be sought inside the United Nations with the co-operation of all Members, particularly those having a special responsibility in such matters.

7. It had been decided at the 984th meeting that the Committee's first few meetings should be devoted to general statements and that the second phase of the proceedings would be a consideration of practical proposals. His delegation suggested that, between the first and second phases, the Fifth Committee should adopt a proposal for the establishment of a negotiating body. It should request the Secretary-General to undertake negotiations, at any level he might consider appropriate, with the countries directly involved in the political controversy, with a view to reaching an understanding on divorcing the financial issue from the political controversy. While strict terms regarding the composition of the negotiating body should not be imposed, the Secretary-General should take into consideration the responsibility of the members of the Security Council and the special responsibility of its permanent members. The Secretary-General should be requested to submit a report on the results of the negotiations, together with such recommendations as he might wish to make, to the Fifth Committee, before the Committee adopted any draft resolution for the General Assembly's approval.

8. That suggestion, if accepted, would, it was hoped, lead the Committee to recommend realistic and practical measures for adoption by the General Assembly or at least to avoid recommendations which might bring about a fateful division in the General Assembly. His delegation hoped that the confidence placed in the Secretary-General by all Members of the United Nations, including the permanent members of the Security Council, would enable him to accept that mission on behalf of the Fifth Committee, and that he would receive the co-operation of those Members on whose good will and spirit of understanding the success of his mission would depend.

9. Mr. HAJEK (Czechoslovakia) observed that the debate thus far had merely confirmed the view held by the socialist countries from the very first and eloquently expressed by the representative of Afghanistan, that the question before the Committee was not a simple financial issue, but a basic political problem. Appeals had been made to save the United Nations from bankruptcy and many suggestions had been advanced for dealing with its financial crisis. His delegation believed that, before those appeals and suggestions could be properly judged on their merits, two very important questions must be faced: must the Committee, in order to assure the financial means to cover the Organization's deficit, overlook how the operations that had caused the deficit had been conducted and how the deficit itself had originated; and must it, in order to achieve an administrative and financial solution, endorse a position which was contrary to the Charter and which negated its fundamental principles?

10. The situations which had necessitated the United Nations operations in the Middle East and the Congo had been created by the attempts of colonialist and neo-colonialist Powers to turn back the tide of history and to thwart the process of decolonization through illegal acts of naked aggression contrary to the Charter. Furthermore, those same Powers had been

able, in the case of the Congo, to exert a decisive influence on the course of the operations by circumventing the legally competent organs of the United Nations and by condoning and assisting further activities against the people of the Congo for their own profit, thus increasing the costs of the United Nations operations. Those facts had been admitted by dedicated and honest advocates of United Nations action, among them Mr. Conor Cruise O'Brien, who had endorsed and participated in the operations, only to realize later what was at stake.

11. He had felt it necessary to recall the historical aspects of the problem, because some previous speakers had completely overlooked them. Equally serious were the legal aspects, for the operations had not been carried out in conformity with the Charter. Under Articles 11 and 24, the Security Council was the only body which could conduct operations for the purpose of maintaining international peace and security, and under Article 42, the employment of armed forces was within the Council's competence. The violation of that principle in the case of the Congo operations which had been conducted in circumvention of the most important United Nations organ, had been a decisive factor in facilitating the use of United Nations forces by the colonialist and neo-colonialist Powers against the people of the Congo. The General Assembly, instead of concentrating its efforts on putting an end to such illegal actions and to all their consequences and, in particular, creating guarantees that such practices would be prevented in the future, was now invited, under pretext of a financial crisis, to usurp the powers of the Security Council in order to "legalize" illegal actions taken in the past.

12. In his delegation's view it was clear that if the Security Council decided to employ armed forces it should, under Article 43 of the Charter, create the prerequisites for carrying out its decision. Those obviously included the securing of the necessary financial means, and there were no grounds for the contention that the financial aspect was within the competence of the General Assembly and should be treated on the same footing as the regular expenses of the Organization. That argument had been refuted by L. M. Goodrich and E. Hambro in their book, The Charter of the United Nations — Commentary and Documents,<sup>2/</sup> which stated that the expenses referred to in Article 17 did not include the cost of enforcement action. That was also the position adopted in the United Nations since its foundation, and even General Assembly resolution 1732 (XVI) admitted that "the extraordinary expenses for the United Nations operations in the Congo are essentially different in nature from the expenses of the Organization under the regular budget"; that meant that the whole basis of those expenses was different, and the fact that they were within the competence of a different organ from the one responsible for the regular budget could not be changed by any attempt to link them, not to Articles 42 and 43 of the Charter, but to other Articles which dealt with other problems.

13. As to the question who should meet the cost of United Nations peace-keeping operations, it should logically be the States responsible for the acts which made such operations necessary. That was clear from the report of Committee 3 of Commission III of the United Nations Conference on International Organization<sup>3/</sup> and in any event the responsibility of States for

<sup>2/</sup> Boston: World Peace Foundation 1949; second and revised edition.

<sup>3/</sup> United Nations Conference on International Organization, III/3/46.

acts of aggression had long been established in international law and had even been extended at the Nürnberg Tribunal to include penal responsibility. General Assembly resolution 365 (IV) established the responsibility of States to make reparations in respect of damage caused to the United Nations, and it was only logical that the same principle should apply to acts which made it necessary for the Security Council to initiate and direct peace-keeping operations. Many members of the Working Group had supported that view, as could be seen from the three-Power working paper (A/AC.113/3) and the seven-Power memorandum (A/AC.113/18), and the Secretary-General's note (A/AC.113/1) included among its criteria for the apportionment of expenses the situation of Member States having a special responsibility in the events which necessitated the operations. However, whereas that criterion was formulated rather timidly and discreetly in the documents to which he had referred, his delegation considered that it should be applied as the basic and only principle in determining the material responsibility for covering the cost of United Nations peace-keeping operations in the Congo. The States which had caused or profited from the United Nations operations and had supported Mr. Tshombé's activities against the United Nations ought now to provide the means of liquidating their criminal adventure, instead of asking other Member States to do so and trying to cloak their violation of the basic provisions of the Charter with the authority of the United Nations. His Government's position, as stated emphatically in the past, was that it did not consider the decisions concerning UNEF and ONUC to be legally valid, and that it recognized no political or financial responsibility for the operations or the costs thereby incurred. Similarly, with respect to its contributions to the regular budget of the United Nations, it recognized no obligation to finance other activities which had been initiated and developed in violation of the Charter and in circumvention of the competent organs, and subsequently included illegally in the regular budget.

14. He had found it necessary to recall the provisions and, to some extent, the history of the Charter because of the persistent attempts to interpret those provisions, with respect to peace-keeping operations, in an entirely different manner from that in which they had been formulated at the inception of the Organization. It was true that much had changed in the world and that the changes should be reflected in the United Nations, particularly with regard to the principle of universality and the proper representation of States; but those changes did not make it in any way necessary to change the powers of the Security Council within the United Nations system of responsibility for the maintenance of peace and security. The vesting of very important powers in the Security Council could not be correctly construed as a temporary delegation of powers which could be transferred at any time to the General Assembly; by accepting the Charter, Members had agreed to a limitation of the exercise of their sovereign rights, because unanimity among the great Powers was the best safeguard of international peace and security. Article 11 of the Charter had been adopted only in conjunction with Articles 24 and 25 and Chapter VII, and it had never been intended that the questions covered by the latter should be considered and decided upon by the General Assembly. No Member could impose upon others a revision of the Charter under the pretext of interpreting its provisions, and the attempt to do so was not strengthened legally by in-

voking the advisory opinion of the International Court of Justice which, under the Charter, was not binding on Members and, in any event, had not been unanimous. The fact that its acceptance had been recommended by the General Assembly could not make it binding or legalize a revision of the Charter, which itself contained clear and unambiguous provisions for revision. The United Nations was a community of sovereign Powers, and not a world parliament or world government in which a majority of Members could impose their will on others, contrary to the principles on which the latter had agreed to cooperate within the framework of the Charter.

15. Although he had dwelt on the legal aspects, the problem obviously had deep political implications. Those who defended the basic principles of the Charter were defending the only effective instrument for the preservation of international peace and security. Many members of the Committee wished the United Nations to be strong, in order that it could promote the development of the new countries recently freed from the shackles of colonialism and protect them against possible aggression. Czechoslovakia fully shared that wish, but the strength of the United Nations and its ability to act should and could be built on the principles of the Charter; otherwise, there was a real danger that its strength might be turned against those who became the victims of colonialist aggression and sought its protection, as had happened in the case of Patrice Lumumba. The representative of Cambodia, in emphasizing the need for a strong United Nations at the 987th meeting, had mentioned a number of instances of threats to his country by South Viet-Nam. The Czechoslovak delegation had on several occasions pointed out the dangerous situation in that area, and it was theoretically possible that developments there might call for United Nations intervention; but if the Organization endorsed the violation of the Charter with respect to the Congo, it would establish a precedent for further abuses, especially bearing in mind that those who were urging such endorsement were helping to create the dangers mentioned by the representative of Cambodia.

16. The present serious situation could be settled satisfactorily and justly only in conformity with the Charter. First, peace-keeping operations, including the financial aspects, must in future be directed by the Security Council in accordance with Article 43; consequently, there was no need to devise any special system to meet the costs. Secondly, financial problems arising from violations of the Charter must be settled in accordance with the material responsibility; in other words, Governments responsible for acts necessitating peace-keeping operations must bear the financial consequences, and that principle must be applied also to past operations. Thirdly, military operations in the Congo must be halted and the troops withdrawn as soon as possible to avoid further expenses, since their presence was no longer necessary. Any settlement of the problem not in accordance with the Charter would endanger the existence of the United Nations and the peace of the world.

17. Mr. JARGALSAIKHAN (Mongolia) recalled that his delegation's position was reflected in the report of the Working Group (A/5407 and Corr.1/, of which Mongolia had been a member, and said that he would confine himself to a brief statement of the principles on which that position was based.

18. Since the United Nations operations in the Middle East and the Congo were being conducted in violation of the Charter, the financing of those operations must be regarded as an important political issue involving the very existence of the United Nations. All matters pertaining to the organization, conduct and financing of peace-keeping operations must be dealt with in conformity with the pertinent provisions of the Charter, and those provisions made it abundantly clear that responsibility for such matters rested exclusively with the Security Council. Yet in the case of both UNEF and ONUC the Security Council had been bypassed; the principle of the unanimity of its permanent members had been violated, and where the Council had taken decisions, those decisions had been flouted. The responsibility for that state of affairs rested with the Western Powers, whose only concern was to divide up the wealth of the Congo and to hinder the independent growth of the new African States. Closely connected with the various companies operating in the Congo, those Powers knew that that country's independent development could obstruct the free penetration of their capital and rob them of their vast profits. Thus, the starting point of the whole series of events in the Congo was the policies of the colonial Powers headed by the United States, and their determination to attain their selfish aims both by direct interference and by using the United Nations flag. Those events, including the encouragement given to the separatist activities of Tshombé and the inadmissible protraction of the operation, were clear evidence of such direct interference and of an attempt to crush the national liberation movement in that area. All the evidence pointed to the complicity of the colonial Powers, particularly Mr. Conor Cruise O'Brien's book, To Katanga and Back.<sup>4/</sup> Meanwhile the colonialists were resorting to their favourite diversionary tactic, which was to warn the world of the non-existent "Communist threat", as could be seen from statements in the United States Press.

19. Since the operations concerned had been provoked by the aggression of the colonialist Powers and conducted in violation of the Charter, the costs could naturally not be regarded as binding on Member States. Only the Security Council was competent to determine such questions, as was perfectly clear from the Charter; nevertheless, attempts were unfortunately being made to impose a distorted interpretation of the pertinent Charter provisions. Although appreciating the efforts of the African-Asian countries in the Working Group, his delegation was unable to support the position some of them had taken for it based itself exclusively on strict observance of the Charter. His delegation could not, therefore, accept the expenses arising from UNEF and ONUC as binding on Member States, since they could not be regarded as expenses of the Organization within the meaning of Article 17 of the Charter. For the same reasons of principle, his delegation could not share the view of those who hoped to find some compromise solution: where the Charter was concerned there could be no compromise, for it was the cornerstone of the Organization. His delegation accordingly would not contribute to the direct costs of the Middle East and Congo operations, to the repayment of the United Nations bond issue, or to the payment of interest on the bonds.

20. The only reasonable and just solution to the present financial problem was for the States respon-

sible for creating it by their aggressive acts to assume the entire material responsibility for the operations. "Collective responsibility", which meant nothing less than sharing both material and political responsibility for those acts, was unacceptable to his country.

21. With regard to the financing of ONUC in the months ahead, his delegation could see no reason why United Nations armed forces should remain in the Congo any longer. However, the Western Powers had different plans; as could be seen from statements in the United States Press, the colonial status of the Congo was to remain to all intents and purposes unchanged, and it was with that end in view that the colonialists were seeking artificially to create a situation in which outside interference should continue to appear necessary. But his delegation had every confidence in the capacity of the Congolese Government and people to solve their own problems.

22. As far as the financing of future peace-keeping operations was concerned, his delegation adhered to the principle that only the Security Council was competent to decide such matters.

23. In the course of the debate, several delegations had called for the exclusion from the regular budget of a number of items having nothing in common with the purposes of the Organization, such as the United Nations Commission for the Unification and Rehabilitation of Korea; his delegation found the arguments adduced altogether convincing. In conclusion, he stressed that his country was inspired by the deepest devotion to the United Nations and to its Charter.

24. Mr. SCHWEITZER (Chile) said that the problem facing the Committee was not merely the financial deficit but the whole question of collective responsibility upon which the Organization was founded. That deficit had been caused by disagreement among Member States regarding their legal and political obligations, and by the lack of a permanent method of reconciling the obligation to pay with the capacity to pay of the various Members. It was important to avoid aggravating the differences between Members and to bend every effort towards reconciling the conflicting points of view. His delegation believed that the great Powers should be encouraged to engage in private consultations with a view to finding common ground as a starting point for the ultimate solution of the problem.

25. The Organization was growing constantly, both in membership and in the scope of its activities, and the necessary funds would have to be found if that growth was to continue. Money spent by the United Nations represented an investment in peace and development, and its activities benefited great and small Powers alike. But those activities must be paid for, and the present crisis was a matter of the greatest concern, particularly to the smaller countries. The gravity of the situation was clearly brought out in the Secretary-General's report (A/C.5/974), and his delegation fully understood and endorsed the Secretary-General's observation that a financially bankrupt United Nations would be an ineffective United Nations.

26. It was all the more discouraging, therefore, that the Working Group had been unable to arrive at agreed recommendations, and had been unable to do more than "identify the various individual approaches to the question". (A/5407 and Corr.1, para. 7). However, it was gratifying that the United Kingdom, Canadian, Australian and Netherlands delegations had moved

<sup>4/</sup> London: Hutchinson and Co (Publishers) Ltd.

closer to the Latin American and African-Asian positions in taking into account the reduced capacity of the developing countries to contribute to peace-keeping operations. By contrast, it was regrettable that the position of the USSR delegation had remained inflexible. His delegation also hoped that the United States position as set forth in the Working Group's report was not that Government's last word.

27. The most encouraging document to emerge from the deliberations of the Working Group was the memorandum presented by seven African-Asian and Latin American countries. His delegation supported the criteria set forth in that memorandum because none of them could be regarded as a radical innovation, all having been approved at one time or another by the General Assembly; because all were consistent with the Charter, with due regard to the capacity to pay of individual Members; because they were also consistent with the obligation to pay of all Members in accordance with Article 17 of the Charter and with the interpretation given by the International Court of Justice; lastly, because they recognized the authority of the General Assembly to apportion peace-keeping costs among Members, which also followed from the Court's advisory opinion. The seven-Power memorandum thus covered all aspects of the problem, and

testified to the willingness of the poorer countries to make sacrifices for the sake of the Organization.

28. With regard to the payment of arrears, his delegation agreed with the principle, set forth in the paper by six African-Asian and Latin American countries (A/AC.113/19), that the Secretary-General should be invited to work out arrangements for the payment of such arrears, in consultation with the Member States concerned. His country, for its part, had just taken steps to bring up to date its payments on the UNEF and ONUC accounts, although it was facing the economic and financial difficulties common to all developing countries. His delegation was proud of the effort Chile had made, for it showed that his country did not hesitate to sacrifice urgent national needs in the hope of easing international tensions through the United Nations. His country had every confidence in the United Nations and wished to see it emerge triumphant from its present difficulties. But a crisis within the Organization was itself a threat to peace, and it was therefore the duty of all Member States, great and small, to leave no stone unturned in the search for practical solutions.

The meeting rose at 12.50 p.m.