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CONTENTS

Chairman: **Mr. Hermod LANNUNG (Denmark).**

In the absence of the Chairman, Mr. Alfred Edward (Ceylon), Vice-Chairman, took the Chair.

FINANCIAL IMPLICATIONS OF THE DRAFT RESOLUTION SUBMITTED BY THE SECOND COMMITTEE IN DOCUMENT A/5060 ON AGENDA ITEM 87* (A/C.5/912)

1. The CHAIRMAN drew attention to the statement of financial implications contained in document A/C.5/912.

2. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), reporting on behalf of the Advisory Committee, said that that Committee had considered document A/C.5/912. It believed that efforts should be made to restrict to $10,000 the printing costs referred to in paragraph 2 of that document and that the consultant's costs referred to in paragraph 3 should be absorbed within the appropriation already approved under section 3—Salaries and wages—of the 1962 budget estimates (A/4770). It therefore recommended that the General Assembly should be informed that the adoption of the draft resolution submitted by the Second Committee (A/5060, para. 11) would give rise to additional expenditures in 1962 in the amount of $13,000, of which $10,000 would be provided for by means of an additional credit under section 11—Printing.

3. The CHAIRMAN suggested that the Committee might wish to take the action recommended by the Advisory Committee.

It was so decided.

FINANCIAL IMPLICATIONS OF DRAFT RESOLUTION VIII SUBMITTED BY THE SECOND COMMITTEE IN DOCUMENT A/5056 ON AGENDA ITEM 30** (A/C.5/913)

4. The CHAIRMAN drew attention to the statement of financial implications contained in document A/C.5/913.

5. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), reporting on behalf of the Advisory Committee, said that that Committee had considered document A/C.5/913. It recommended that the General Assembly should be informed that adoption of draft resolution VIII (A/5056, para. 161) would entail estimated additional expenditure of $18,000 in 1962, consisting of $15,000 for consultants and $3,000 for travel of staff, and that the 1963 costs were estimated at $12,000. The Advisory Committee recommended, however, that no supplementary appropriation should be made in 1962 and that the expenses referred to should be absorbed within the existing appropriations under section 3—Salaries and wages, and section 5—Travel of staff, of the budget.

6. Mr. VIAUD (France) recalled that his delegation had abstained in the vote on the draft resolution in the Second Committee because it had considered that adoption of that draft resolution could imply intervention by the General Assembly in a field in which France had contracted international obligations and because it disagreed with the procedure that had been followed. The question dealt with in the draft resolution should, in its view, have been considered by the Economic and Social Council prior to its consideration by the General Assembly. His delegation could not support the action recommended by the Advisory Committee. He hoped

*Permanent sovereignty over natural resources.

**Questions relating to science and technology:
(a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary General;
(b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such knowledge for peaceful ends: report of the Economic and Social Council.

that the position of his delegation would be reflected in the Committee's report to the General Assembly.

7. Mr. RAFFAELLI (Brazil) said that his delegation, as one of the sponsors of draft resolution VIII, attached particular importance to the preparation of the study provided for in that proposal. It was prepared to endorse the action recommended by the Advisory Committee on the understanding that the decision to provide no supplementary appropriation in 1962 would not prevent the study from being made.

8. Mr. TURNER (Controller) said that the Acting Secretary-General would not object to the action recommended by the Advisory Committee on the understanding that the intention was that the Secretariat should make every possible effort to absorb the costs referred to. He could give no assurance that that would prove possible. The failure to provide an additional appropriation for the purpose would be equivalent to a 20 per cent reduction in the provision for other projects. It was clear that the present appropriation could not cover the cost of all the activities requested. The Acting Secretary-General would have to decide what project should be sacrificed. The need for a supplementary appropriation could not be excluded.

9. The CHAIRMAN suggested that the Committee might wish to take the action recommended by the Advisory Committee.

It was so decided.

FINANCIAL IMPLICATIONS OF DRAFT RESOLUTION IV SUBMITTED BY THE FOURTH COMMITTEE IN DOCUMENT A/5044 ON AGENDA ITEM 47*** (A/C.5/914)

10. The CHAIRMAN drew attention to the statement of financial implications contained in document A/C.5/914.

11. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), reporting on behalf of the Advisory Committee, said that that Committee had considered document A/C.5/914. It believed that a case could have been made for providing the fellowships proposed in the draft resolution under existing technical assistance programmes. However, in the special circumstances stated in the draft resolution, it would have no objection to including a provisional appropriation for the purpose under section 12—Special expenses—of the 1962 budget. Accordingly, it recommended that the General Assembly should be informed that adoption of draft resolution IV submitted by the Fourth Committee (A/5044, para. 46) would give rise to additional expenditure estimated at $50,000, to be included in section 12 of the 1962 budget.

12. The CHAIRMAN suggested that the Committee might wish to take the action recommended by the Advisory Committee.

It was so decided.

***Question of South West Africa:
(a) Report of the Committee on South West Africa;
(b) Assistance of the specialized agencies and of the United Nations Children's Fund in the economic, social and educational development of South West Africa: reports of the agencies and of the Fund;
(c) Election of three members of the Committee on South West Africa.

AGENDA ITEM 62

Administrative and budgetary procedures of the United Nations: report of the Working Group appointed under General Assembly resolution 1620 (XV) (concluded)†

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.714)

13. Mr. ARRAIZ (Venezuela), Rapporteur, introduced the draft report (A/C.5/L.714).

14. Mr. ULANCHEV (Union of Soviet Socialist Republics) proposed that the second and third sentence of paragraph 7 should be deleted in view of the position which had been taken by the various members of the Working Group of Fifteen on the Administrative and Budgetary Procedures of the United Nations, as reflected in paragraph 14 of its report (A/4971).

The amendment proposed by the USSR representative was approved.

The draft report (A/C.5/L.714), as amended, was adopted.

AGENDA ITEM 54

Budget estimates for the financial year 1962 (A/4770, A/4814, A/C.5/907, A/C.5/L.709) (continued)

United Nations financial position and prospects (A/C.5/907, A/C.5/L.709) (continued)

15. Mr. PRICE (Canada) announced that his delegation had joined the sponsors of draft resolution A/C.5/L.709.

16. Mr. ITO (Japan) said that it was entirely appropriate for the various Members of the United Nations, a parliamentary body, to hold differing views on the methods of financing United Nations activities. However, at a time when the very existence of the Organization was endangered, all Members that had faith in it should act in concert. The present situation certainly called for concerted action. His delegation commended the initiative taken by the sponsors of the draft resolution. It endorsed their idea that the proceeds from the sale of the proposed United Nations bonds should be utilized for purposes normally related to the Working Capital Fund and was glad to note that there was no intention of offsetting the deficits resulting from arrears of contributions. Bonds issued for the latter purpose would scarcely prove attractive.

17. The General Assembly could not claim to have completed its task if it adjourned without making financial arrangements which would enable the Organization to remain solvent at least until September 1962. There was no assurance that the situation with regard to the payment of contributions would improve and no financial provisions had been made for the Congo operations after 1 July 1962. Failure to take action at the present time would therefore mean that the bankruptcy of the United Nations, which was at present merely a possibility, would become a harsh reality on that date.

18. Although not yet in a position to commit its Government to the purchase of any of the proposed bonds, his delegation would vote in favour of the draft resolution recommending their issue.

†Resumed from the 899th meeting.

19. Mr. MORRIS (Liberia) said that his delegation approved the purpose for which it was proposed to utilize the proceeds from the sale of the bonds referred to in the draft resolution. It could not fail, therefore, to support the idea of such an issue. The present financial situation of the United Nations was such that the very future of the United Nations was at stake. The proposal made in the draft resolution was a novel one, but his delegation did not agree with those who held that its adoption would alter the character of the Organization.

20. However, his delegation would prefer to see the General Assembly adopt the approach to its financing problems which had been suggested in an article by Mr. Paul Heffernan in The New York Times of 13 December 1961. Mr. Heffernan had pointed out that the International Bank for Reconstruction and Development had had difficulty in entering the bond market in its first years of operation. That condition no longer applied, however, and it would therefore be more realistic for the United Nations, in becoming a borrower, to harness the established market credit of the Bank.

21. Mr. VIAUD (France) said that his delegation recognized the gravity of the situation which the sponsors of draft resolution A/C.5/L.709 sought to remedy. However, it had serious doubts concerning the validity and effectiveness of the solution they had proposed. The draft resolution did not make the necessary distinction between the ordinary and extraordinary expenses of the United Nations. There were some arrears in the contributions of Members towards the regular expenses of the Organization, but they were not sufficient to endanger its financial stability. It was in the case of the extraordinary expenses—i.e., the special accounts established for peace-keeping operations—that difficulties had arisen which had resulted in the present crisis. The actual purpose of the draft resolution was, therefore, to secure the resources necessary to meet those extraordinary expenses.

22. A further defect of the draft resolution was that it proposed to treat the cost of servicing the debt which the proposed bond issue would create as regular administrative expenses of the Organization under Article 17 of the Charter. The General Assembly, by adopting the draft resolution, would itself be answering the question which the Committee had proposed, under agenda item 62, should be put to the International Court of Justice (A/C.5/L.702 and Add.1 and 2).

23. Sound financial practices could not be abandoned, no matter how critical the situation might be. The terms of the proposed bond issue would require detailed consideration in order to determine the feasibility of the transaction and it would be necessary to study a question which the draft resolution completely ignored, that of the guarantees to be afforded. Would the principle of collective and several responsibility apply to all Member States? Would their individual obligations under the scheme derive solely from the terms of the draft resolution? Majority approval of the scheme would not suffice. It would have to be approved by those Members paying the largest contributions, since they would have to bear the bulk of the cost of servicing the debt.

24. His delegation regretted that it could not support draft resolution A/C.5/L.709. It did not intend to become a subscriber and would not consider itself financially liable if the proposed bonds were issued by the Organization.

25. Mr. LIM (Federation of Malaya) said that his delegation fully appreciated the critical financial situation in which the United Nations now found itself. If effective action was not taken to recover the present arrears in contributions, the Organization would face imminent bankruptcy. Some Members were in arrears only because they were experiencing financial difficulties, whereas others were refusing to honour their financial obligations. The contributions owed might be paid in time, but time was what was now lacking. In the circumstances, his delegation commended to the Committee the draft resolution of which it was a sponsor and appealed to all members of the Committee to give it their full support.

26. Mr. MARTIN (South Africa) said that, under operative paragraph 2 of the draft resolution, the proposed United Nations bonds were to be used for purposes "normally related to the Working Capital Fund" and both interest and capital were to be met by instalments payable from the regular budget of the Organization. However, the present level of the Working Capital Fund was adequate for the purpose for which the Fund was normally intended—meeting delays in the payment of annual contributions to the regular budget of the Organization. The level of the Fund had been increased from time to time to meet the situation created by a growing budget and a growing membership, but there had been no proposal at the present session for any further increase. The sponsors of the draft resolution had made it clear that the bond issue was essentially related to the problem of financing the present peace-keeping operations of the United Nations.

27. His country had always paid its assessed contributions to the costs of UNEF, but had consistently held that the costs of maintaining international peace and security should be regarded as quite separate from the financing of the annual budget of the Organization. In that connexion, it was important to recall that the Committee, in adopting, under agenda item 55, draft resolution A/C.5/L.706/Rev.1 had recognized that the extraordinary expenses for the United Nations operations in the Congo were essentially different in nature from the expenses of the Organization under the regular budget.

28. The present draft resolution did not impose on Members any obligation to buy the proposed bonds, but it would bind all Members to pay interest and instalments on principal annually on the basis of the regular scale of assessments. For that reason, his delegation could not accept operative paragraph 3 of the draft resolution and would be compelled to vote against it if it was voted on separately. The draft resolution might be regarded as a temporary expedient, but it would have far-reaching implications, since it would commit the United Nations to an annual expenditure of $10 million until 1988. Furthermore, it would be necessary to consider what would happen if one of the two greatest Powers in the United Nations refused to pay its share of that amount. Would the Organization then default on the sum in question, or would the shortfall of 20 per cent or more be added each year to the $10 million and have to be met by the Members which agreed to pay? Another question to be considered was the nature of the responsibility of Member States for the financial obligations created by the bond issue. His delegation would be compelled to reserve the position of his Government if the draft resolution was adopted.

29. Mr. MOLEROV (Bulgaria) recalled that at the 906th meeting his delegation had expressed its surprise at the unusual treatment accorded to the question under discussion—"The United Nations financial position and prospects". The question was a completely new one, which should have been dealt with in accordance with rule 15 of the rules of procedure. In any case it could hardly be considered as a sub-item of agenda item 54, not only because that item concerned an entirely different matter but also because the discussion of the 1962 budget estimates had been completed. While the Chairman's ruling on the point of order raised by the Soviet Union representative at the 906th meeting had been upheld in the Committee, that did not alter the fact that the question was being treated in a manner contrary to the rules of procedure.

30. He fully agreed with those who maintained that the question was of major importance and involved very large sums of money. Indeed, his delegation felt that the question was more important than any other on the agenda; the draft resolution (A/C.5/L.709), if adopted, would have financial and political consequences that would last for at least a quarter of a century. Moreover, it was impossible to foresee all the consequences of such a decision. The bonds might, for example, become the subject of speculation and rich States in a position to buy them might be able to exert an even greater influence on the United Nations than they did at present. His delegation could not permit such a state of affairs in the United Nations.

31. His delegation did not dispute the facts which the Acting Secretary-General had given in his statement at the 899th meeting (A/C.5/907). The Bulgarian delegation had maintained for many years that if the United Nations pursued methods of financing which violated the Charter and the Financial Regulations, the result would be financial ruin. Its warnings had not been heeded, however, nor had its suggestions been adopted. The results were apparent to all.

32. The grave financial situation confronting the United Nations was primarily due to its operations in the Congo and the Middle East. While the draft resolution stated that the proceeds from the sale of the bonds would be utilized "for purposes normally related to the Working Capital Fund", they would in fact be used to cover the expenses of those operations. His delegation's position on the operations in question was already well known and he would therefore confine himself to saying that it opposed any attempt to make all Member States bear the responsibility for the actions of a small number of colonialist countries which were responsible for the troubles leading to United Nations intervention. Those who had pressed the United Nations into taking such action should assume all the financial responsibility for the present difficulties.

33. He recalled that at its 905th meeting the Fifth Committee had adopted a draft resolution (A/C.5/L.706/Rev.1) stating the principle 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 and that therefore a procedure different from that applied in the case of the regular budget is required for meeting these extraordinary expenses". His delegation endorsed that principle even though it had voted against the draft resolution. Draft resolution A/C.5/L.709 would, however, destroy it. His delegation would therefore be unable to support the draft resolution and would reserve its position with regard to the financial repercussions of the proposal.

34. Mr. SERBANESCU (Romania) said that, as he had stated at the 906th meeting, his delegation felt that because of the problems it raised, draft resolution A/C.5/L.709 did not fall within the agenda of the present session and could not properly be discussed by the Fifth Committee. The draft resolution was also contrary to the letter and the spirit of the Charter because it proposed the adoption of certain methods of financing the activities of the United Nations which were not provided for in any Article of the Charter.

35. The regular procedure for the submission, examination and approval of the budget estimates, as set forth in the Financial Regulations, was in accordance with the Charter and had not given rise to any major difficulties since the beginning of the United Nations. Under the same procedure, the Working Capital Fund had always constituted a legal means of meeting certain requirements or filling gaps between one financial year and the next. An altogether different procedure, however, applied under the Charter to the financing of actions initiated by the Security Council for the purpose of maintaining peace and security, which fell within the Council's exclusive competence.

36. The fact that the United Nations was at present faced with a deficit which would amount to $170 million in 1962 was not due to any inadequacy in the procedure for considering the budget estimates; quite the contrary—there had been no deficit on the United Nations budget at any time during its existence. The United Nations was today unable to meet its obligations because the Secretariat had in recent years violated the Charter provisions relating to the financing of actions for the maintenance of peace and security and had, without the authorization of the Security Council, committed the United Nations to expenses which exceeded its regular budget, fell outside the Charter and endangered the Organization's existence and prestige.

37. It was therefore regrettable that, instead of putting an end to such practices, a further attempt was being made to take the course of expediency and of violation of the Charter, which could hardly fail to impair the work of the Organization still further.

38. By proposing the inclusion in the regular budget of an amount sufficient to pay the interest charges and the instalments of principal due on a bond issue of $200 million, an obvious attempt was being made to absorb the special accounts for peace-keeping operations into the regular budget, which would, in effect, absolve the perpetrators of the aggression against Egypt and against the Congo of any material responsibility for their actions.

39. A bond issue which would be sold to Members and non-members of the United Nations, to national banks and even to non-profit institutions might have the effect of changing the constitutional character of the United Nations. As a debtor of such States or institutions, the United Nations would inevitably come under their influence; in other words, it would assume an entirely different character from that envisaged in the Charter.

40. His delegation could therefore not support the measures proposed in draft resolution A/C.5/L.709 and earnestly appealed to other delegations to give careful consideration to the possible implications of

that proposal for the future of the United Nations. It considered that the Fifth Committee was in duty bound to declare itself incompetent to consider any change in the character of the United Nations such as that implied in the draft resolution. His Government would give close attention to future developments in regard to the problems to which he had referred and would take the appropriate action.

41. Mr. NIELSEN (Denmark) pointed out that the gravity of the financial plight of the United Nations had already been known at the opening of the General Assembly's sixteenth session. His delegation had been impressed by the Acting Secretary-General's appeal for assistance in solving the financial crisis, and since it fully supported his efforts, it had become a sponsor of draft resolution A/C.5/L.709.

42. Some delegations had regretted that the solution proposed should take the form of a loan. His delegation, too, would have preferred a solution whereby all Members would pay their assessed contributions. Nevertheless, the idea of a loan had gained wide support and his delegation would have no difficulty in accepting it.

43. He stressed the importance of all Members paying their share of the interest charges and the instalments of principal due on the bonds since, in his opinion, the maintenance of peace and security was the responsibility of all. Moreover, if operative paragraph 3 were omitted from the draft resolution, it was doubtful if even one bond could be sold.

44. With regard to the question raised by the United Kingdom representative concerning paragraph 5 of the annex, his delegation felt that it would make no substantial difference whether the principal was repaid in instalments of 4 per cent a year during the whole period or in instalments ranging from 3.1 per cent to 5.1 per cent.

45. The Members of the United Nations, especially the small countries which expected so much from it, could not permit it to collapse because of bankruptcy. It would, however, face bankruptcy if the necessary funds were not raised soon. It was surely unjustifiable to authorize expenditure without raising sufficient funds to cover it. He therefore urged the Fifth Committee to approve the draft resolution.

46. Mr. KLUTZNICK (United States of America) said that all the questions that had been raised concerning the propriety or legality of the draft resolution could be countered by a single question: what other alternatives were there if the Members of the United Nations wished to preserve a semblance of adherence to the principle of collective responsibility? His Government, for its part, was always prepared to discuss any feasible plan which would preserve the principle of collective responsibility and it deplored the spirit of negativism which some representatives had shown. It was easy to criticize any effort to cope with the problem; what was needed was some constructive answers to it.

47. He commended the sponsors of draft resolution A/C.5/L.709 for their constructive approach. While several problems had been resolved through negotiation at the present session of the General Assembly, the particular problem under discussion did not admit of the same approach because the Soviet bloc and a few other States were not prepared to accept the only possible objective of such negotiations: the payment of their obligations for the financial consequences of political decisions in accordance with the principle of collective responsibility. As long as some States voted for peace-keeping operations but considered themselves exempt from any obligation to pay for them, there could be no basis for negotiations in regard to their financing.

48. Since his delegation had already expressed its views on the financial questions facing the United Nations on 16 October 1961 (856th meeting) and again on 16 December 1961 (906th meeting) it would now merely discuss certain aspects of the draft resolution.

49. In the first place, some representatives had said that the step was an unusual one with far-reaching implications. He, on the other hand, felt that that applied not so much to the proposal under discussion as to the problem which the Members of the United Nations must collectively face, that of the huge deficit resulting from defaults or delays in payment of contributions. The matter could be solved very simply if all defaulting States would undertake to pay their assessed contributions. Unfortunately, however, the opposite was the case. In those circumstances, the Fifth Committee could hardly adjourn and leave the Acting Secretary-General with a political mandate unmatched by sufficient funds, for such an action would be unworthy of it.

50. Secondly, some concern had been expressed at the magnitude of the sum mentioned in the draft resolution. His delegation felt, however, that any lesser sum would be inadequate since the Organization's debts would amount to $170 million by 30 June 1962. It was, therefore, obvious that $200 million was merely a minimum amount and the Acting Secretary-General would have to economize if it was to prove adequate. An effort must, of course, be made to reduce the obligations as quickly and as safely as possible. The principle, however, remained the same whatever the amount: if the United Nations could not apply the principle of collective responsibility in the financing of its operations, it would either have to contract long-term loans or go into bankruptcy. In fact, there were only two possible alternatives: either every Member paid its assessed contribution immediately or the United Nations would have to borrow enough over a sufficiently long period so that all Governments would pay towards the retirement of the debt, if not to the costs of the emergency operations. Since the first alternative seemed to be out of the question, the second was the only hope.

51. Thirdly, some members had objected that the draft resolution would establish a precedent. He could not agree and recalled that at the beginning of its activities, the United Nations had unanimously decided to borrow $65 million for a period of thirty years to provide a headquarters building and other facilities. While the purpose of the present draft resolution was different, it was no less constructive and would also serve to put the Organization's house in order.

52. Fourthly, he also disagreed with the view that the measure proposed in the draft resolution would establish a kind of peace-keeping fund. His delegation considered it an isolated case. The President of the United States would try to obtain Congressional authority to purchase an appropriate share of the bonds and the United States Government would not consider that such action would set a precedent. While his delegation regretted the necessity for the particular approach envisaged, it felt that there was no alternative.

53. Fifthly, some members had stated that the adoption of the draft resolution would mortgage the United Nations for twenty-five years, but the United Nations was already heavily mortgaged by its unpaid bills and its creditors were even now entitled to its assets. All the proposal would do would be to lengthen the period of time in which that debt could be repaid.

54. Sixthly, he pointed out that policy decisions with regard to the use of the method of borrowing must relate to the specific proposal in draft resolution A/C.5/L.709; it would be idle to adopt a draft resolution setting forth terms which made the bonds unmarketable. The United States Government was in favour of the draft resolution as it stood, because it felt that borrowing was the only course now left to the United Nations, and that the bonds could be sold in sufficient amounts to justify the departure from normal procedure. If amendments were made to the draft resolution, his delegation would have to reconsider its position. The draft resolution had been very carefully thought out and all its provisions were essential to the marketing of the bonds.

55. His delegation had been taken aback by the statements of some representatives who had suggested that their Governments had been surprised by the step proposed in the draft resolution. He recalled that the Acting Secretary-General had discussed the whole financial problem at length with many delegations and had issued an "aide-mémoire" setting forth the problem and the bond scheme as one possible solution, making it clear that it was only the General Assembly which could deal with the problem. In view of those facts, he felt that delegations should make an active effort to help find a practical solution to a problem whose gravity could not be overemphasized. Indeed, his delegation had drawn attention to the seriousness of the situation as far back as the spring of 1961 and even earlier. Member States must either accept the ideas in the Acting Secretary-General's statement or improve on them if they wanted the United Nations to survive. His delegation, for its part, was willing to meet with any representative who had any constructive ideas to offer but it would not be guilty of opposing any feasible solution unless a better one was in prospect.

56. Mr. ROSHCHIN (Union of Soviet Socialist Republics) said that he could not accept the arguments put forward by the United States representative. The deficit with which the Organization was now faced was due not to the refusal of certain Member States to pay their contributions to UNEF and ONUC but to the fact that those operations had been decided upon and carried on in defiance of the regular procedures. The real cause of the deficit was the fact that the United States and some other Governments had forced the Secretariat to act illegally in defiance of the Charter, and they were now trying to force other Member States to shoulder the burden of the expenses incurred. As everyone knew, the United States was deeply involved in the Congo operations, which were being carried out largely by United States personnel. The USSR had always refused to agree to the irregular procedure which had been followed with regard to ONUC and had repeatedly called for legality to be restored by a proper observance of the relevant Charter provisions. Its position was entirely logical and consistent and it had been made clear from the outset. The United States could not, therefore, expect it to accept any responsibility for the present unsatisfactory situation.

57. For instance, the USSR had always maintained that the expenses of the Congo operation did not come under Article 17, paragraph 2, of the Charter. The United States representative felt that that was merely a manœuvre to enable the USSR to avoid paying its just dues; but that was just an attempt to cast doubt on the USSR's position. In reality, the United States position was far more questionable. Although it maintained that the expenses of ONUC were covered by Article 17, paragraph 2, it had voted for the draft resolution on the cost estimates and financing of the Congo operation (A/C.5/L.706, Rev.1), which clearly stated that those expenses were essentially different in nature from those of the regular budget and that therefore a different procedure was required. It had also voted for the draft resolution (A/C.5/L.702 and Add.1 and 2) requesting the International Court of Justice for an advisory opinion on the applicability of Article 17, paragraph 2, to such expenses; if it really had no doubts, it was difficult to see why it should desire an advisory opinion from the Court.

58. It was the United States that was guilty of manœuvering. The proposal contained in the draft resolution (A/C.5/L.709) was obviously inspired by the United States and represented an attempt to extricate itself from its difficulties. The mere fact that the United States representative had stated that he could not accept any amendments to the draft resolution showed that his country was behind it. The United States was also responsible for the fact that the proposal had been sprung on the Committee at the last moment and an attempt made to force it into a decision without due reflection. It was easy for the United States representative to consult his Government, for Washington was close at hand, but the USSR delegation and many others were not so fortunate. Thus, they were being asked to take a decision on the proposal without having had the opportunity of ensuring that it was given proper consideration at the appropriate government level in their own countries. It was that consideration more than any other which had led the USSR delegation to state, at the 906th meeting, that the proposal was out of order; but for reasons best known to himself, the Chairman had decided otherwise.

59. Lastly, the analogy between the original loan of $65 million and the present proposal was quite untenable. The loan of $65 million had had no political significance and it had been incurred merely to finance the construction of the present United Nations premises. A bond issue was quite another matter; the Committee could not allow itself to be rushed into accepting such a proposal without very serious consideration.

60. Mr. KLUTZNICK (United States of America) said that the repetition of an accusation did not make it true; the United States was not directing the Congo operations. If those operations had been undertaken in violation of the Charter, as the USSR representative maintained, the matter should be raised in the competent body, not in the Fifth Committee.

61. He deplored the suggestion repeatedly made by the USSR delegation that the United States had suborned other Member States into supporting the resolution on the financing of the Congo operations and the Security Council resolution of 24 November 1961.[1/] Such a suggestion was surprising in the latter case, for the USSR itself had supported that resolution. In reality,

1/ Official Records of the Security Council, Sixteenth Year, Supplement for October, November and December 1961, document S/5002.

the United States had regarded the situation in the Congo as a threat to peace, for the maintenance of which all Member States had a collective responsibility. It would be very convenient if one Member State could simply decline to have any part in such operations, but the principle of collective responsibility for peace-keeping operations had been repeatedly affirmed by the Fifth Committee, by the General Assembly and by the Security Council. That being so, the United States could hardly have suborned Member States into accepting what was clearly their responsibility in any case.

62. The USSR delegation had repeatedly maintained that the Congo operations were being conducted illegally, but that was not so. There was an Advisory Committee on the Congo, which had assisted the late Secretary-General and was now assisting the Acting Secretary-General, but the Acting Secretary-General would make up his own mind. The insinuation that any Power could induce the Acting Secretary-General to commit illegal acts was absurd.

63. The USSR representative had distorted the United States position regarding the request to the International Court of Justice for an advisory opinion on the applicability of Article 17, paragraph 2, to the costs of peace-keeping operations. The United States had never had any doubt that that Article did apply. It had voted for the draft resolution because it realized that other delegations had doubts on that point and felt that the best way to dispel them was to submit the question to the Court.

64. The fact that the United States delegation could consult its Government with ease was irrelevant. Moscow might be much further off than Washington, but the USSR delegation was certainly in communication with it, and the USSR Government must by now be fully informed of the proposal for a bond issue. If it wished for more time for consultation, that was another matter; the United States would not wish to deny that to any delegation.

65. The United States was not an unavowed sponsor of the draft resolution. He had made his statement regarding amendments because the proposal constituted a single whole and one part could not be altered without affecting the entire proposal. A bond issue was a complicated matter which had to be carefully worked out. The United States took it very seriously, for it regarded itself as a prospective purchaser, and it felt that the present proposal, as it stood, was sound. If the USSR found the proposal unacceptable, it should put forward some alternative proposal to preserve the Organization. The solution was certainly not just to urge the United States to pay more; that suggestion was singularly unbecoming to a State which refused to pay anything at all. The United States would welcome any ideas that the USSR might put forward if they seemed likely to produce the desired result. It deplored the negative attitude adopted by the USSR, and was determined not to follow in its footsteps. If the United Nations was destroyed throught negativism and failure to accept responsibility, it would not be the fault of the United States.

66. Mr. ROSHCHIN (Union of Soviet Socialist Republics) said that the Advisory Committee on the Congo did not confer legality on the Congo operations. It had been set up by the late Secretary-General for his own purposes, to carry on the operations in defiance of the Security Council. As he (Mr. Roshchin) had already pointed out, the conduct of the operations should have been entrusted to the Military Staff Committee.

AGENDA ITEM 64

Personnel questions (concluded): ††

(a) Geographical distribution of the staff of the Secretariat;

(b) Proportion of fixed-term staff;

(c) Other personnel questions

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67. Mr. ARRAIZ (Venezuela), Rapporteur, recalled that item 64—Personnel questions—had given rise to a lengthy and impassioned debate, with the result that the report had been difficult to write. He expressed the hope that the passage he had drafted for insertion in paragraph 51 would meet with the approval of the delegations concerned.

68. Mr. ROSHCHIN (Union of Soviet Socialist Republics) said that the last sentence of that paragraph was not the text that had been agreed upon by his own and the Canadian delegations.

69. Mr. PRICE (Canada) agreed. He proposed that the words "to be guided by", at the beginning of section (a) of that sentence, should be replaced by the words "to take into consideration" and that the final clause of section (b) from ", ... based on the two texts ..." should be deleted and replaced by the words "on how to improve the distribution of the staff of the Secretariat".

70. Mr. ROSHCHIN (Union of Soviet Socialist Republics) said that that wording was acceptable, with two slight changes. First, the words "which reflected the opinions expressed in the Committee" in section (a) should be replaced by the words "and also the views expressed in the Committee on the question", and that the word "geographical" should be inserted before the word "distribution" in the text suggested by the Canadian representative for the last part of section (b).

71. Mr. ARRAIZ (Venezuela), Rapporteur, accepted the text proposed by the Canadian and USSR representatives.

72. Mr. HODGES (United Kingdom) proposed that a new paragraph should be inserted after paragraph 56, to read as follows:

> "One delegation, however, while welcoming a more consistent application of the principle of partial compensation, considered that the present education grant was already adequate in relation to both total United Nations emoluments and also to similar grants payable to comparable officials in certain national administrations and other international civil services."

73. Mr. ARRAIZ (Venezuela), Rapporteur, said that he had no objection to the insertion of that paragraph.

The draft report (A/C.5/L.716), as amended, was adopted.

The meeting rose at 6.10 p.m.

†† Resumed from the 891st meeting.

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