

U.N. Is \$106 Million in Debt Because Nations Won't Pay Up

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UNITED NATIONS, N.Y., Jan. 27—The net debt of the United Nations as of last Sept. 30 was \$106 million, according to the long-awaited financial report on the organization.

But, if all members were to pay their bills, the United Nations would have a surplus of \$56.9 million, due largely to the U.N. bond issue.

An analysis of the figures by experts suggests that the United Nations could tidy up its fiscal affairs if it could get about \$70 million in donations.

The special report will be the basis for the first round of study by a new 14-nation committee that will convene for the first time next Wednesday.

The committee was authorized by the last General Assembly, on the initiative of France, to conduct a thorough analysis of U.N. financing, not only at headquarters, but in all of the specialized agencies as well. It is the first study of its type since the United Nations was organized 20 years ago.

Members of the committee will probably find themselves embroiled in controversy over

analyzing portions of the 32-page financial report because of the completeness of the accounting. Communist members, with French support, are expected to challenge the peacekeeping assessments, which they regard as illegal.

The report dramatizes what everybody has known — that the peacekeeping operations have been the principal cause of the financial crisis.

There was no significant problem before 1957. In that year, the first large peacekeeping assessments were made for the U.N. emergency force in the Middle East, and the Communists and Arabs refused to pay their assessments.

The problem was further complicated in 1960, when assessments were voted for the still costlier Congo operation, and France and the Communists refused to pay while a majority of all the members fell behind in their payments.

There was further difficulty in 1963, when France and the Communists began a new policy of refusing to pay portions of the regular budget assessment as well.

Everything would be all right if the delinquent members paid their debts, but

there is virtually no chance of this happening. In fact, the Assembly last Sept. 1 adopted a decision not to apply Article 19 of the charter to force the delinquent members to pay up.

The deal included an appeal for voluntary contributions to make up the deficit. But the principal debtors like France, the Soviet Union and Nationalist China have not responded and only \$13.7 million has been received in voluntary contributions, most of it from Britain, Canada and the Scandinavian countries, which had already paid all their bills.

The controversial U.N. bond issue raised \$173.1 million, half of it subscribed by the United States, and this rescued the organization from fiscal collapse. Of this total, \$129.9 million has been applied to cover all the costs of peacekeeping for the fiscal year 1962-63, when there were no assessments for peacekeeping in effect.

Redemption of the bond issue is now in some jeopardy because of the decision of France and the Communist members to withhold funds from the budget allocated to bond redemption and interest payments.