

Debt Is Still Major United Nations Hazard

By DONALD JOHNSTON
United Press International
UNITED NATIONS, N.Y. (UPI)—The so-called East-West armistice so far has done nothing to ease an old familiar United Nations bugaboo—money.

The current 18th General Assembly session started on Sept. 17 in an atmosphere of optimism generated by the partial nuclear test ban treaty concluded by the United States, Britain and the Soviet Union. There was great hope that the relaxation of cold war tension would open the way for more international agreements and progress by the United Nations.

But to veteran hands in the work-a-day operation of the world organization there was one cold, practical factor that could burst the balloon of high hopes: the United Nations is deep in debt and because of the money shortage, is dangerously close to forfeiting its primary purpose of maintaining peace and security.

Far in Red
By the end of 1963, the United Nations will be at least \$140 million in the red, mainly because of dues delinquency. The organization has little likelihood of collecting massive arrears of members, which total \$179 million as of Aug. 31, and lacks a mutually acceptable means of financing future peace operations such as the Congo (ONUC) and the Middle East emergency force (UNEF) in the Gaza strip.

Though the financial crisis has become a familiar tale of woe since the Congo trouble erupted in 1960, there is an interesting new element this year. The Soviet Union is nearing the point where it could lose its assembly vote because of dues delinquency, a contingency that might shake the foundations around here.

Secretary General Thant has warned that the United Nations simply cannot conduct its business much longer if the treasury is empty. Last July he called for a reduction in U.N. activities even though membership has grown to 111 nations from the original 51, and requests for help have multiplied.

Because of the lack of money, Thant has suggested the withdrawal of the Congo force, the main drain on the treasury. And there is talk that he wants UNEF, which has been a 1956 Suez crisis, reappraised by the Assembly with an eye to "phasing out" the military force.

U.N. budgetary experts are almost unanimous in agreeing that a clarification of the fiscal middle hinges on the future of the Congo—a problem loaded with political complexities. There is no trouble collecting for the regular administrative budget, although there is increasing grumbling about the steady rise in figures. The budget total for this year was about \$89 million, and estimates for 1964 run close to \$100 million.

Though most diplomats would like to ignore the Congo matter, it seems likely it will come to a head in the Assembly's fifth (budgetary) committee early next month. Thant has Assembly authorization to spend money in the Congo only until Dec. 31. He has warned that an extension of the authorization must come in October if the supplies and troop deployments are to be maintained without costly rearrangements.

How the showdown develops, some diplomats feel, could have consequences reaching far beyond the purely monetary considerations.

In a recent report to the Security Council, Thant expressed fears of more trouble in the Congo if the U.N. troops are pulled out at the end of the year. But he says the force can be extended in part until next June, as requested by Congolese Premier Cyrille Adoula, only if the Assembly provides the necessary money pronto. The force has been scaled down from its top strength of more than 18,000 men to approximately 7,000 at present.

Thant, on the advice of his military aides, says 6,000 men are needed to do an adequate policing job in a vast jungle country still trying to recover from the disunity and destruction wrecked by Katanga's two-year fight for secession. Such a force would cost \$25 million for six months.

The United States, which has footed nearly 50 per cent of the \$400 million Congo bill since the beginnings in 1960, believes that a force of 3,000 would be adequate. Other nations involved in the operation have failed to reach a consensus on how big the force should be and how long it should stay in the Congo.

There is the disquieting concern that three years of intensive work at high cost in money and lives might be canceled if the U.N. troops are withdrawn prematurely, and tribal warfare, political rebellion, lawlessness and economic chaos develop again. If this were to happen, many diplomats feel, the image of the United Nations as a peace-keeping agency could be destroyed.

A second and more long-range aspect, of course, is the refusal of the Soviet Union, its Communist allies, France, South Africa, Belgium and some others to pay their shares of Congo costs. It is their refusal that has plunged the United Nations so deep into debt.

As of Aug. 31, U.N. members owed a total \$100.5 million for the Congo operation, including assessments until the end of this year. Of this, the Soviet Union owed \$37 million and the rest of the 10-member Soviet bloc (excluding Cuba and Yugoslavia) owed another \$13 million. France

is \$16 million behind in its payments.

In addition, the Soviet bloc had arrears of \$22 million out of \$35.5 million owed by members for UNEF.

Moscow's argument is that the countries responsible for the situations requiring peacekeeping outlays should pay the costs, and all decisions pertaining to peace missions should come from the Security Council rather than the Assembly as with ONUC and UNEF.

This attitude is shared generally by France, Belgium and South Africa, among others, in the case of ONUC, and by the Arab countries and diverse states in the case of UNEF.

For the past year or so the Congo has been kept going by proceeds from the sale of emergency bonds and deferral of bills from governments participating in the operation.

Efforts Stalled
Efforts to devise a new permanent formula for financing peace-keeping operations on general principles worked out in a special Assembly session last spring have stalled. The Assembly passed a resolution stating that the economically less developed nations should pay less and the wealthier countries more, but the details are missing.

A working group charged with settling this question is in recess indefinitely.

The whole financial mess could be tidied up if the Communist nations and France would accept the Assembly's majority decision that peacekeeping expenses are a collective responsibility, and that the World Court

opinion, later enacted into U.N. law by the Assembly, that ONUC and UNEF assessments are legally binding. Other delinquents almost surely would fall in line.

But the Russians and the French so far have shown no signs of changing their positions. This brings up the question of whether the Assembly will try to penalize the delinquents. Under Article 19 of the charter, a nation falling two years behind in payment of its assessments "shall" lose its vote in the Assembly. The Soviet Union will be liable to such penalty on Jan. 1 unless it makes some payment in the meantime.

Whether the other nations would try to force the Russians out is a moot point. Most diplomats feel that the United Nations would lose its impact without participation of the Communist countries.

At any rate, delegates are reluctant to face the question squarely at present. Since there will be no Assembly session after Jan. 1 until next fall—unless a special session is called—there probably will be no showdown for a year. And diplomats prefer to wait and see, and hope for a "miracle."

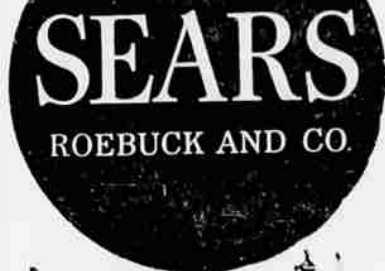
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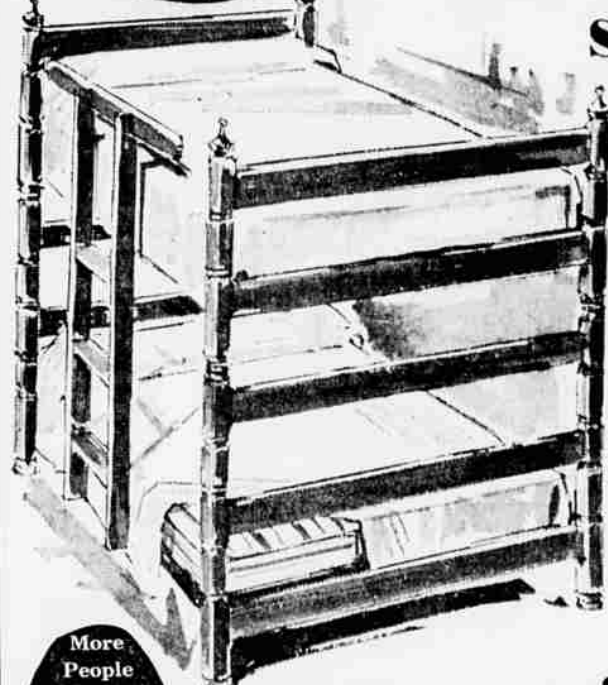
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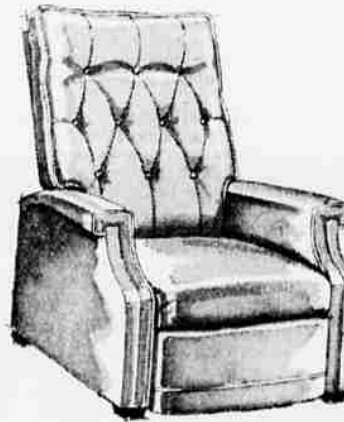
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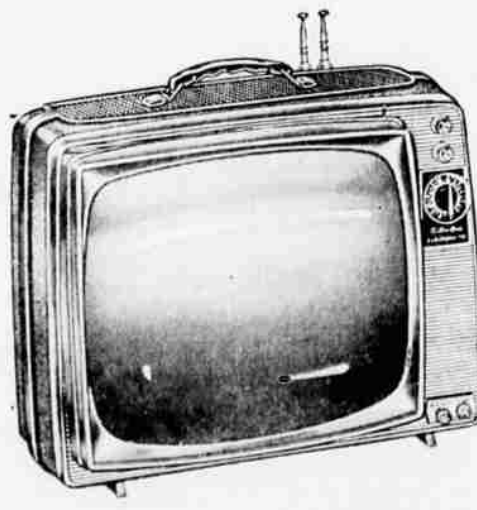


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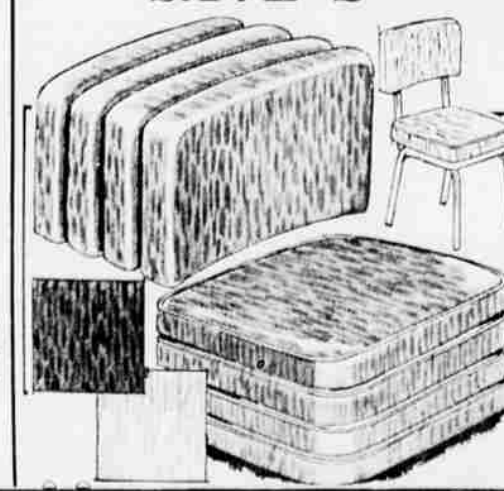
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Newspapers Said Retailer's Major Advertising Medium

SARATOGA SPRINGS, N. Y. (UPI)—The head of one of the nation's largest department stores said today the retailer's most important advertising medium is the newspaper.

The statement was made by David L. Yunch, president of Macy's of New York, in a speech prepared for delivery before the annual executive conference of the Gannett newspapers.

Yunch, at the same time, called on newspapers to work toward raising advertising standards even higher to make certain readers are protected by half-truths and questionable claims of some businesses.

Large retailers cannot afford to depend on the business which comes from people who may walk past their stores. "This is even more true of those stores located in remote areas and in regional shopping centers," Yunch said.

Must Invite People
Therefore, retailers must attract people to their stores. The most powerful way of doing this for any store is through good and effective advertising in strong, interesting and widely-read newspapers.

"A vital newspaper, from the retail advertiser's point of view, is one which is constantly striving to keep pace with the pattern of living, presenting to its readers a responsible report of news and special interests as well as merchandise news."

Yunch said there was a definite relationship between newspapers and retailing and their contribution to society together is to help society flourish—to grow and prosper.

"We haven't yet learned how to succeed in retailing without really trying," Yunch said. "But we have clearly learned certain ways to success—and the one formula that never fails is to advertise the right goods—at the right time—in the right newspaper."

"When we had to get along without this energy during the very costly newspaper strike, retailers in New York City—if they didn't already know it—learned how to appreciate and evaluate the force of newspaper advertising."

TV 'Very Costly'
Yunch said that during the strike, some of the retailers turned to television.

"We concluded that its use has to be limited because it is a very costly medium," he said. "In order to realize a reasonable return, merchandise advertised on television must be quickly identifiable and represent conspicuous value."

"For this reason, we found that it could be used most effectively in major sales events for such big-ticket merchandise as furniture, floor covering and major appliances."

"We will continue to use television on the basis that two and one make three—it cannot take the place of retailing's dependence on newspaper advertising, but it may be considered as a valuable supplementary medium. The same can be said for radio advertising."

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