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Chairman: Mr. Awni KHALIDY (Iraq).

Budget estimates for the financial year 1954 (A/2383 and Add.1, A/2403, A/C.5/540, A/C.5/542, A/C.5/L.239) (*continued*)

[Item 39]*

General discussion (continued)

1. Mr. FENAUX (Belgium) congratulated the officers of the Committee on their election; they were eminently suited to carry on the high traditions of the Fifth Committee. He also paid a tribute to the Advisory Committee and to the Secretary-General. The latter had struck, in his opening statement at the 379th meeting of the Fifth Committee, a new note of co-operation between the General Assembly and the Secretariat. As the Secretary-General had rightly pointed out, the interests of the Secretariat and of Member States were identical. The Charter laid heavy responsibilities upon the Secretariat as a vital part of the general structure of the United Nations. The quality of the Secretariat's contribution depended largely upon the nature of its administrative leadership. The Secretary-General had described frankly his conception of the duties of his office and had requested the Fifth Committee to lay down general principles for the administration of the Organization, allowing him some leeway in their application. The Advisory Committee, sharing that point of view, had abstained from making recommendations which might prejudice the question of the reorganization of the Secretariat, a matter which was primarily within the jurisdiction of the Secretary-General. In the Belgian delegation's view that was an appropriate distribution of responsibilities.

2. With regard to the Administrative Tribunal the Secretary-General had said that he would respect those of its decisions which had financial implications and had justified the existence of the Tribunal by saying that, as Secretary-General, he could not undertake the dual role of judge and party in a dispute. The Netherlands representative had rightly emphasized the importance of that statement (382nd meeting).

3. As for the Secretary-General's request that governments should accede to the Convention on Privileges and Immunities of the United Nations, the Belgian delegation endorsed the Advisory Committee's view

* Indicates the item number on the agenda of the General Assembly.

that it was for the governments concerned to decide whether to implement the General Assembly's recommendations on accession or to grant their nationals relief from double taxation in some way. He also supported the French representative's forthright comments (383rd meeting) on that issue.

4. The Secretary-General's statement on the 1954 budget estimates reflected a welcome change in attitude. It was particularly gratifying to note that the Secretary-General would not contest, and therefore tacitly accepted, the reductions recommended by the Advisory Committee (A/2403). Progress was being made towards a stabilized budget. That goal would be attained in 1953 if the Advisory Committee's recommendations were adopted. But savings could not be effected beyond a certain point without detriment to the work of the Organization unless further economies could be achieved through a reorganization of the Secretariat's structure. Additional savings must be realized to compensate for unavoidable increases in certain costs.

5. The establishment and development of regional organizations was to an increasing extent providing governments with a basis of comparison with the United Nations. The Organization must try to live up to that comparison. Special attention should be paid to the vital question of documentation, for governments tended to appraise the United Nations work by the content and volume of its documentation and the promptitude with which it was circulated. Every day one delegation or another had to protest against delays in the distribution of documents. Texts were frequently received so late that governments were unable to study them or to brief their representative before sessions. In Belgium the technical services constantly had to inform the Ministry of Foreign Affairs that they were unable to comment on certain documents because they had not been received. Moreover, the documentation was much too lengthy. That was a deplorable situation which would rapidly bring discredit upon the United Nations. There was only one solution: a drastic reduction in the number and bulk of documents. A more careful selection should be made of activities and priorities should be established. The United Nations was not an ephemeral but a permanent body and should prepare its programmes accordingly. It should not attempt to remake the world in a day. An excellent example had been set by the United Nations International Children's Emergency Fund (UNICEF) which, instead of attempting to cure all the diseases prevailing in the world, had concentrated on a few of the most devastating.

6. Many delegations had complained about the translation of documents. He cited a case in point. It was only the previous day that he had received several documents in French relating to earlier sessions of the Economic and Social Council. Such delays were inadmissible. Nor could he accept the practice constantly followed of discussing conference room papers when the only version distributed was that in English. There

was no valid excuse for such a situation which clearly contravened the rules of procedure concerning the use of languages in the United Nations. If the Organization did not retain its multilingual character it would cease to be international. Any reductions in the translation and publication of documents in the various official languages should be equally distributed. Economies should not be effected at the expense of any one language. He was confident that the Secretariat intended to remedy that deplorable disregard of the rules of procedure, but would urge the Secretary-General and the Advisory Committee to give the matter serious consideration when discussing the reorganization of the Secretariat. Accurate estimates should be made of the Secretariat's needs for funds and staff. Concrete proposals on the subject should be submitted, if possible, at the current session. The issue entailed the problem of the language qualifications of the staff at all levels. Too many staff members were monolingual, and certain requirements for posts were never applied. Although it had been decided in principle that staff members should possess two of the official languages that policy was seldom enforced.

7. He agreed with the Brazilian (380th meeting) and Netherlands (382nd meeting) representatives' objections to the practice of applying global reductions to the budget estimates, since in that way certain important budgetary actions might escape the attention of the General Assembly despite the Advisory Committee's vigilance and the Administration might be led to save on essential services such as maintenance costs where the impact would not immediately be apparent. He had been particularly struck by that problem at Geneva. He therefore urged the Advisory Committee to give careful attention to the question and requested the Fifth Committee to reject proposals for global reductions. Nor should the Committee encourage the Secretary-General and the Advisory Committee to agree on compromise proposals, a procedure that ignored the very nature of the Advisory Committee which was in no sense a negotiating body.

8. In conclusion he expressed the hope that the Advisory Committee's recommendations would be accepted.

9. Mr. TRANOS (Greece), after congratulating the Committee's officers on their election and paying a tribute to the work done by the Advisory Committee under its able Chairman, expressed his Government's satisfaction at the appointment of the new Secretary-General. With his long record of service to his country, particularly in financial and foreign affairs, Mr. Hammarskjöld was eminently well qualified for his present post. The Greek Government offered him its whole-hearted co-operation.

10. The present picture of the financial situation was encouraging. The budget estimates had obviously been prepared with a view to the most effective utilization of Member State's contributions. He therefore welcomed the Secretary-General's statement that his role would not be confined to passive collaboration, a reassuring attitude which augured well for the Organization's success. The present budget was based on sound financial principles. The Greek delegation was convinced that the Secretary-General would make a wise use of the broad powers conferred on him in financial matters.

11. The current budget estimates had not been kept down at the 1953 level, although at a first glance the position might appear to have been stabilized. Efforts

were therefore needed to reduce expenditure to that level. The budgets of all United Nations organs showed a tendency to increase until expenditures that had at first seemed shockingly high began to take on an appearance of normality; nevertheless, economies could be realized without impairing the functioning of the Organization. It was gratifying to note that the new Secretary-General, despite the many difficulties he had to face, had already expressed the desire to reduce expenditure. The Greek delegation was prepared to co-operate with him to that end.

12. There was general agreement that the volume of documentation must be brought under control. The Secretariat could not do it alone, however; delegations must co-operate by reducing the length and frequency of their interventions. Member States must adopt a logical attitude. No delegation should recommend that the Fifth Committee cut the budget by 50 per cent and at the same time encourage expenditure in other committees. The fear, expressed by some representatives, that the Advisory Committee's recommendations for reducing the volume of documentation might deprive governments of vital information was unjustified; savings could be effected on the length of documents and on the number of copies distributed, not on their substance.

13. He doubted whether the expenditure on technical assistance and certain of the specialized agencies' projects was excessive. That work was very useful to the war-devastated and the under-developed countries. While he attached due importance to the Technical Assistance Administration (TAA) as a practical demonstration of international co-operation, he felt that more flexible administrative procedure might have yielded better results at the same cost. He would support a reduction in the TAA budget estimates on the understanding that the savings should affect administrative and indirect operational costs and not direct expenditure on programmes.

14. His delegation had noted with deep concern the recommendations of the Committee on Contributions (A/2461). His Government's contribution had been raised by 6 per cent in 1953 and was to be increased by a further 10 per cent in 1954. Greece had already shown that it was prepared to make sacrifices in support of the United Nations. Serious events had occurred in Greece recently, however. The currency had undergone a devaluation of 50 per cent, which had resulted in a decline in per capita dollar income. The recent earthquakes had also placed a serious strain upon the economy, already undermined by the Second World War.

15. He welcomed the Secretary-General's acceptance of the Advisory Committee's recommendations, particularly in view of the statement that those recommendations would not lead to serious difficulty or delay in carrying out the Organization's work.

16. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), expressing his gratification at the many warm tributes paid to the Advisory Committee, said that the Fifth Committee's comments would be most useful to his committee in its work both at the current and at the 1954 sessions.

17. There had been some suggestion that the restriction and control of documentation, recommended by the Advisory Committee, might be carried out at the expense of some of the official languages. That was

not the case. There were arrears of translation into certain languages, accumulated over several years. The Advisory Committee's recommendation, however, was for a control of the number and the bulk of documents and should lead to the speedier translation of documents. Discrimination between languages was excluded under the rules of procedure. The Advisory Committee would keep in mind the Belgian representative's remarks concerning the necessity for the prompt translation of official documents.

18. As the French representative had pointed out at the 383rd meeting, the Advisory Committee had recommended a reduction of \$17,500 (A/2403, paragraph 220) and not of \$47,500 in the budget estimates of the Economic Commission for Latin America. The Advisory Committee had recently been informed by the Secretariat that the application of the minus 10 per cent differential was, in the present circumstances, entirely justified. The only matter for decision, therefore, was whether a reduction of \$17,500 was excessive in relation to the figure for \$936,200 proposed by the Secretary-General for section 23.

19. It was obvious that many representatives desired stabilization of the budget and that all were in favour of economy. Those two considerations had prompted the Advisory Committee's observation that revision of the administrative structure, combined with a review of programmes and projects, might lead to major economies. The Advisory Committee was concerned principally with the budgetary and administrative implications of action taken in the substantive organs of the United Nations but it could not comment on the substantive aspect of any activity. To that extent its functions were limited. If stability and economy were desired they could be achieved by each delegation acting consistently in the various United Nations organs. A Member State's actions in the Fifth Committee could not be completely isolated from its actions in other committees and if it pursued the objective of economy in the Fifth Committee, its representatives in other bodies must bear that consideration in mind.

20. After a brief procedural discussion in which Mr. RICHARDS (United States of America), Mr. CHERNUSHCHENKO (Byelorussian SSR), Mr. ASHA (Syria), Mr. VAN ASCH VAN WIJCK (Netherlands) and Mr. FENAUX (Belgium) took part, the CHAIRMAN explained that the general discussion was not yet closed. He suggested that the Committee might tentatively decide to consider part I of the Advisory Committee's report after the first reading of the budget on the understanding that any delegation would be entitled to comment on specific aspects of that part of the report in relation to particular budget sections.

It was so agreed.

First reading (continued)

SECTION 9: TECHNICAL ASSISTANCE ADMINISTRATION; SECTIONS 27, 28 AND 29: TECHNICAL PROGRAMMES

21. The CHAIRMAN said that in accordance with General Assembly resolution 594 (VI) the Advisory Committee had examined the administrative part of the technical assistance programmes executed by the United Nations, irrespective of the source of the funds concerned. It recommended an appropriation of \$386,700 under section 9, as proposed by the Secretary-General, but suggested (A/2403, paragraph 113) "that the total

of administrative and indirect operational expenditure should in any case not exceed the 1953 estimate of \$1,500,000 (gross) and that efforts should be made to arrive at a still lower figure". The Advisory Committee recommended approval of the Secretary-General's estimates for the related technical programmes under sections 27, 28 and 29 of the budget estimates, totalling \$1,392,900.

22. He invited the Director-General of the Technical Assistance Administration to make a statement to the Committee.

23. Mr. KEENLEYSIDE (Director-General, Technical Assistance Administration) said that the Secretary-General was gratified by the Advisory Committee's decision to recommend appropriation of the sum requested as a contribution towards the administrative costs of the United Nations technical assistance programmes. He also thought that it might be possible, in response to the Committee's advice, to reduce by \$48,500 the over-all total of administrative costs. The Secretary-General and TAA were conscious of their responsibility for the wise spending of every dollar, and in the current year every effort had been made to retrench, with the result that it was expected to achieve substantial saving by the end of the year, in spite of the vicissitudes undergone by the expanded programme during that period. Owing to the delay of governments in making their pledges and paying them, to the non-convertibility of certain currencies and consequent drain on convertible currencies, and to various uncertainties, the programme had had to be revised no less than five times in the course of the year. It could hardly be expected that under such conditions the cost of administering it would have decreased, and in fact, although the actual amount was smaller, the relative cost was greater than in 1952.

24. In that connexion he wished to correct the false impression given by the mention in A/2403, paragraph 107, of 17.5 per cent as the proportion of the total expenditure required for administrative expenses. In fact the estimate covered both central administrative and indirect operational costs. Administrative costs, in the sense of the term, were expected to amount to about 6 or 7 per cent. It would be very helpful if a definition could be arrived at so as to make it easier to distinguish between the two types of costs at present represented by a single, often misleading, figure.

25. TAA, however, shared the Advisory Committee's anxiety to reduce all such costs wherever possible and had indeed already cut the number of Headquarters posts authorized from 182 to 162 for 1954. Naturally, much would depend upon the funds pledged, the currencies in which they were promised and the dates on which they were made available. Promises made in the Second Committee for an increase in national contributions in 1954 were very welcome.

26. With regard to specific recommendations made by the Advisory Committee he could assure members that TAA was at all times ready to consider proposals for the integration of the recruitment, accounting and purchasing activities of all participants in the expanded programme. TAA agreed with the Committee's comments on the functions of resident representatives. Their position, in the eyes of the Secretary-General and the Administration, had always been quite clear: they were to be appointed only when their services were requested by governments and they were to act in accordance with the governing resolutions and as the

servants of governments, the Technical Assistance Board (TAB) and the specialized agencies. Their appointment had in every instance done away with the functions of heads of missions in recipient countries and regional representatives in larger areas. The result had been the appreciable saving of between \$125,000 and \$200,000 a year. Apart from the permanent delegations in New York, they represented the principal means of contact with governments for the general handling of the whole programme.

27. The Advisory Committee had recommended a review of the staffing requirements of the Public Administration Division. Such a review was already in progress, although it was obvious that the size of the division at Headquarters must be in proportion to the extent of the technical assistance programme in that field. A cut in the one would entail a cut in the other. The same applied to four or five other projects in preparation for 1954. If resources shrank, projects would have to be dropped and further contractions of staff would be possible. Any drastic curtailment, however, would undoubtedly render the whole programme sterile and the value of the experience slowly built up would be entirely lost. Nevertheless, the Committee could be assured that effect would be given to its recommendations and that the Administration would do its best to curtail administrative costs while maintaining a fruitful operational programme.

28. Mr. RICHARDS (United States of America) said that his delegation endorsed the Advisory Committee's comments on administrative costs under section 9 of the budget estimates. The Secretary-General's estimate for the total of central administrative costs plus indirect operational costs had been \$1,548,500 (A/2383), which, although below the 1953 estimate, was higher than the amount recommended by the Advisory Committee for that year. The Advisory Committee recommended the reduction of the total gross figure for 1954 to \$1,500,000 but his delegation believed that a further cut was warranted, and proposed the insertion of a final paragraph, as set forth in document A/C.5/L.239, in the relevant appropriation resolution, placing a ceiling of \$1,400,000 on administrative costs. That figure might be further reduced if the operational programme were curtailed. The cut proposed should not detract from efficiency but should merely divert a greater proportion of the available resources into the actual execution of programmes.

29. Mr. STRAUCH (Brazil) said that his delegation had always attached great importance to the assistance programmes carried out by United Nations bodies and believed that success depended as much on an efficient administration as on carefully-selected and well-executed programmes in the field. His Government felt that the comments in the Advisory Committee's report were sound, and agreed that administrative costs should be cut to a minimum; it would therefore in principle support the United States proposal for a ceiling of \$1,400,000 on administrative expenditure.

30. With regard to specific items, his delegation felt that a careful review was needed in view of the large estimate (\$1,200,000) for the TAB secretariat and resident representatives. Representatives should act as the delegates of central bodies in all administrative and substantive matters, and the position of the TAB secretariat should be strengthened as the co-ordinating body so that the present diversity of projects might be resolved into a single well-integrated programme. Re-

cruitment, accounting and purchasing might profitably be centralized.

31. The Brazilian delegation felt it was important that the principle of wide geographical representation should be borne in mind in recruiting for TAA and the TAB secretariat. In particular, the less developed countries should be adequately represented as they provided essential knowledge of local conditions.

32. While endorsing the Advisory Committee's recommendations, the Brazilian Government nevertheless wished to express its keen appreciation of the work done by TAA.

33. Mr. VAN ASCH VAN WIJCK (Netherlands) said that his delegation was anxious that the amount of work done in the field should not be diminished because of funds being required for the expenses of an over-weighty administration. It had been glad to learn that considerable economies had been effected during the current year, even though the target of \$250,000 had not been reached. If administrative costs were really as high as 17.5 per cent of the total costs for 1954, it was clear that the administrative machinery was too heavy. It might, however, be that a large part of that amount was represented by indirect operational costs. In order to arrive at a proper appraisal of the respective costs, his delegation would welcome a study, presumably by the Technical Assistance Committee (TAC), perhaps in co-operation with the Advisory Committee. The Netherlands delegation further agreed with the Advisory Committee that an integration of services at present dispersed among participating agencies was desirable and that resident representatives should not merely serve as a correspondence unit; it also stressed the importance of their function of co-ordination. Lastly, the TAB administration and costs should be reviewed by the Advisory Committee as was recommended in the Second Committee by his and other delegations.

34. His delegation was not yet in a position to comment on the United States proposal for an administrative costs ceiling of \$1,400,000 but was prepared in principle to support the Advisory Committee's recommendation on the Secretary-General's estimate.

35. Mr. KIA (Iran) expressed his country's gratitude and appreciation of all the help it had received from TAA and its staff. Technical assistance programmes were of inestimable value to the under-developed countries, which were anxious that they should not be reduced, more particularly the fellowship and scholarship programme, which was specially concerned with social welfare. His delegation earnestly hoped that in envisaging any alteration of programme the General Assembly and the Economic and Social Council would take into account the wishes of the countries concerned.

36. Mr. CAFIERO (Argentina) said that his delegation believed technical assistance to be one of the most valuable objects to which funds were assigned by the Organization. It approved the Advisory Committee's comments on the budget estimates, particularly those regarding resident representatives. It endorsed the conclusion reached by the Economic and Social Council at its sixteenth session that resident representatives could be of very great value both to TAA and to the recipient countries in co-ordinating programmes, and that the specialized agencies should delegate tasks to them so as to lighten their own administrative costs. Indeed, a radical economy could be effected by a sound

rationalization and integration of the work of TAA, TAB and the Departments of Economic Affairs and of Social Affairs in the United Nations Secretariat. Nor should it be forgotten that substantial economies could be achieved within the budgets of the separate specialized agencies.

37. His delegation reserved the right to speak later on the United States proposal (A/C.5/L.239).

38. Mr. LIVERAN (Israel) said that his country had for many years benefited from the Expanded Programme of Technical Assistance. He was therefore in a position to give practical expression to what other delegations had offered as opinions. It was clear, for instance, that the line between administrative and operational costs must be more carefully drawn. Costs which were labelled administrative because they were not confined to any one programme might more accurately be classified under costs of operation. Moreover, credit should be given to the Administration for a wise choice of projects and for money saved because not spent on wasteful or unproductive programmes. His delegation was opposed to the arbitrary fixing of ceilings for budgets in general and for the TAA budget in particular.

39. It approved the Advisory Committee's recommendations as sound and constructive, particularly those contained in paragraphs 110 and 111 of the report. He agreed that the function of a resident representative should be more than that of a correspondence unit; that was certainly the case in Israel, where the resident representative played an important part in facilitating the actual execution of the programme. An effective economy might be achieved by the modification of programmes in such a way as to extend the functions of resident representatives. Real economies would result, too, from the adoption of uniform methods and the standardization of practices among the agencies in the field as well as from centralization of certain administrative functions in a single agency. Furthermore, certain variations on points of detail which appeared to exist in the agreements between the United Nations and the countries concerned in the Expanded Programme of Technical Assistance might with advantage be eliminated.

40. Should any change be proposed in the Advisory Committee's recommendation on the Secretary-General's estimate, his delegation reserved the right to speak again at a later stage.

41. Mr. HSUEH (China) expressed satisfaction at the results already obtained by TAA in reorganizing and integrating its services and in effecting a substantial reduction in administrative expenses without detriment to the technical assistance programme. His delegation felt that the United Nations should make an adequate contribution to administrative costs, and endorsed the Advisory Committee's decision supporting the Secretary-General's estimate. It was particularly gratified by the Advisory Committee's recommendation for a further study of the organic structure of TAA and of its working methods with a view to increased savings. Particular attention should be given to the high cost of temporary assistance in the Secretary-General's estimate, which was equal to approximately 42 per cent of that of established posts. China welcomed the TAA Director-General's assurances that he would give careful consideration to the Advisory Committee's suggestions.

42. Mr. KADRY (Iraq) expressed the desire of his delegation to encourage the Director-General and the efficient staff of TAA in their efforts to carry out their difficult and complicated task. The Iraq delegation based its vote in favour of the cuts proposed by the Advisory Committee on a full confidence in the ability of the Secretary-General to streamline the organization in question whenever possible and feasible.

43. The Iraq delegation wished to draw attention to the fact, however, that government expenditure for technical advice was too high and government expenses for expert advice tended to be prohibitive. He expressed the hope that at least part of the government expenditure in that regard be borne by the technical assistance programme.

44. Mr. AHSON (Pakistan) stressed his country's concern that the quality of the technical assistance programme should not suffer as a result of reductions in administrative costs. He reserved its position on the United States proposal (A/C.5/L.239) and would welcome assurances from the Director-General of TAA that adoption of that proposal would not be detrimental either to the scope or to the nature of the programme. Despite retrenchment in many of its government departments, Pakistan was preparing to contribute to technical assistance to the same extent as the previous year.

45. Mr. FENAUX (Belgium) urged that the Fifth Committee should confine its consideration to the administrative and financial aspects of the technical assistance programme, leaving the Second Committee to deal with the substantive questions involved. Belgium had expressed its appreciation of the activities of TAA in the latter body. The problem before the Committee was to reduce the proportionately high administrative costs as much as possible without prejudice to the technical assistance programme. It was hampered by the absence of a clear definition of administrative expenses as distinguished from the operational costs of country projects.

46. The Belgian delegation reserved its position on the United States proposal: it would prefer a more flexible formula under which, instead of setting a ceiling figure below that proposed by the Advisory Committee, TAA would be asked to work towards such a target figure to the extent that any reductions it might make did not, in its view, prejudice the over-all assistance programme.

47. Mr. FAHMY (Egypt) pointed out that the Advisory Committee's approval of the Secretary-General's budget estimate for TAA was an implicit recognition that TAA was complying with its earlier recommendations and a response to appeals by under-developed countries that the TAA budget should not be dealt with too harshly. In view of the hardships under which TAA was labouring, Egypt was reluctant to support the United States proposal for a ceiling figure on administrative costs unless the Director-General of TAA endorsed it unreservedly. He was confident that TAA would make every effort to reduce those costs further, as Mr. Keenleyside had stated. He also welcomed the latter's explanation of the functions of resident representatives: the responsibilities of the resident representative in Egypt were far greater than those of a correspondent, and the Egyptian Government was grateful for his assistance.

48. Mr. FRIIS (Denmark) expressed appreciation of TAA's efforts to comply with previous recommenda-

tions and endorsed the Advisory Committee's suggestions for further improvements in the administration of the technical assistance programme. Referring specifically to paragraph 110 of the Advisory Committee's first report, he pointed out that the problem of the integration of services and the centralization of recruitment should be taken up first with the specialized agencies and with the representatives of the various governments in those agencies rather than in the Assembly. The Danish authorities which attached special importance to the question of centralized recruitment had recently raised the matter again at a meeting in Paris where national technical assistance committees and the specialized agencies were represented.

49. Mr. BRENNAN (Australia) said that the necessity for the agencies participating in the Expanded Programme of Technical Assistance to revise their programmes five times during the current year was attributable to faulty administrative and financial procedures. The procedures of other voluntarily financed programmes of the United Nations enabled them to meet fluctuations in income, and the expanded programme should be in a comparable position. The income of UNICEF had dropped from nearly \$30 million in 1949 to a little less than \$8 million in 1950 but it had not been necessary to revise its programme. In the current year pledges of governments to the expanded programme had not dropped; they had increased by 20 per cent.

50. The previous year, Mr. Keenleyside, the Director-General of TAA, had expressed (345th meeting) doubts as to his ability to reduce administrative and indirect operational costs by \$250,000 as recommended by the Advisory Committee (A/2157, paragraph 137). He had undertaken to do his best to bring those costs down to the level suggested by the Advisory Committee. Yet as early as April 1953 (the date of preparation of the budget) he had apparently concluded he could not reduce them by more than \$140,000. The Australian delegation had hoped they could be brought lower. The Advisory Committee was suggesting a further minimum reduction of \$48,500. Even if that further reduction materialized, the total cut would still be \$61,500 short of the reduction recommended by the Advisory Committee the previous year.

51. There was not a great difference between the Advisory Committee's recommended gross ceiling for administrative and indirect operational expenditure (A/2403, paragraph 113) and that proposed by the United States, and it should be recalled that many Member States, both in the Economic and Social Council and in the Second Committee, had expressed the hope that the participating agencies would cut those costs.

52. Referring to paragraph 104 he observed that while his delegation had no objection to substantive departments furnishing services to TAA, it should be determined whether the result, assuming that TAA made no reimbursement for those services, might not be to increase indirectly the administrative and indirect operational expenses of TAA. Mr. Keenleyside's clarification of that and other points would influence Aus-

tralia's reaction to the United States proposal (A/C.5/L.239).

53. He asked whether it would be possible to group together the three principal aspects of TAA's programming activities: experts, fellowships and scholarships, and public administration, and to amalgamate the Executive Office, which was responsible for the administration of TAA, with the Administrative Division which was responsible for the administration of technical assistance programmes. TAA would then comprise two units: one dealing with all aspects of programming and the other with all administrative problems.

54. The personnel costs (\$102,000) of the Public Administration Division seemed high if it was considered that the appropriation for the public administration programme (section 29) was only \$145,000, and that some aspects of the public administration programme were handled by the Fellowship Office. Even if allowance was made for the fact that some technical assistance in the field of public administration was rendered under the expanded programme, the cost of the Public Administration Division seemed high.

55. He did not wish his observations to be construed as criticism of TAA; they were intended to point out difficulties and give constructive advice. It should be recognized that administrative costs could not be low, when TAA was asked to cope with all the difficulties of inconvertibility and the need for consultation between participating agencies and TAB in administering a small programme in some fifty or sixty countries. Australia warmly supported its efforts and was confident its Director-General would do his best.

56. Mr. VANER (Turkey) said that an evaluation of TAA's work should be guided by the consideration that it was attempting to execute a long-term programme on the basis of short-term financing, thus requiring frequent programme adjustments. Moreover, its administrative structure differed from that of other undertakings such as the specialized agencies because it functioned in many and varied fields and had been geared to respond to government requests for assistance whenever they were made. TAA's technical capacity represented a great asset, and the quality of its work should be given primary consideration.

57. Furthermore, he reminded the Committee that TAA could not reduce administrative and technical capacity costs immediately without detriment to the technical assistance programme. They were fixed costs, as against operational costs which were variable. A scientific definition was needed of administrative costs, operational costs and joint costs. In the absence of such definitions, it would be arbitrary to impose the ceiling suggested by the United States.

58. Turkey endorsed the Advisory Committee's recommendations and proposed that the Director-General of TAA should be given time to study the entire internal costs structure.

The meeting rose at 5.55 p.m.