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Chairman: Mr. Omar LOUTFI (Egypt).

AGENDA ITEM 46

Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (A/3121 and Add.1; A/C.5/673; A/C.5/L.398, A/C.5/L.399, A/C.5/L.401, and A/C.5/L.405) (*continued*)*

1. Mr. BOTHA (Union of South Africa), associating himself with the representatives who had complimented the Committee on Contributions on the quality of its report (A/3121), said that his delegation was in full agreement with the recommendations of that body and would vote for their adoption. It recognized that the action of the Committee on Contributions had been limited to determining the rates of assessment of new Members and including such rates in the existing scale of assessments. The views of the South African Government on its own assessment were known to the Committee on Contributions and he felt sure that they would be taken into consideration when the new scale for the next three-year period was prepared in 1958.

2. His delegation agreed with the Committee on Contributions that a complete waiver of new Members' contributions for 1955 was not warranted, since it was not unfair to ask a new Member to make some contribution for the initial year of assessment on becoming a member of an organization on which approximately \$500,000 million had already been spent, even if circumstances had not permitted more than a very limited participation in United Nations activities. It was to be hoped that the new Members—especially Cambodia, which had submitted the proposal in document A/C.5/L.401—would reconsider their attitude on the matter and agree to accept the recommendation of the Committee on Contributions. He could not support the second part of the Cambodian proposal, namely that the Government of that country should be permitted to make its contribution in non-convertible local currency, since many Members of the United Nations had difficulty in securing dollars and a dangerous precedent would be established if the Cambodian request were granted.

3. The decision of the Committee on Contributions to include the percentage contributions of new Members in the existing scale and readjust it to 100 per cent had been correct and took into account the four basic principles of assessment laid down by the General Assembly, namely, to ensure that firstly, the allowance for low *per capita* income was maintained; secondly, the percentage assessment of the lowest contributors did not fall below .04, thirdly, the percentage assessment of the highest contributor did not exceed 33.33 and lastly, that full application was given to the *per capita* ceiling principle.

4. The effect of those four criteria was to freeze the percentages of the "floor" and "ceiling" countries, only the assessments of the middle-group States being subject to variation. The United States representative had expressed surprise at the fact that the countries whose assessments were .08 per cent or below did not support his view that the contributions of new Members should be treated as miscellaneous income. Admittedly, under such a procedure the assessments of the "floor" countries would also be reduced. But a reduction below .04 per cent would contravene one of the Assembly's basic directives. Every Member country should have a substantial financial stake in the United Nations in order to ensure responsible participation in its affairs; that was the thought underlying the "floor" principle, and he hoped that the countries whose contributions were pegged at .04 per cent would not support a position which would result in a reduction of that percentage.

5. The United States representative, in his statement at the 537th meeting, had asserted that the Committee on Contributions had changed the scale of assessment with retroactive effect. That was not the case: the action of the Committee had been limited to making mechanical adjustments in the percentages of countries whose assessment was variable and subject to automatic adjustment upon the admission of new Members. Moreover, the scale of assessments approved at the tenth session had been adopted two days after the admission of the new Members, when the General Assembly had been well aware that the scale it was adopting for the sixty Members was subject to mechanical adjustments to make provision for the sixteen additional Members.

6. The United States plea for a reduction of its contribution to 30 per cent was, as its representative had stated, not directly based on capacity to pay. It was for that very reason that the delegation of the Union of South Africa could not support the United States proposal. A matter involving political implications should not be referred to the Committee on Contributions, whose competence was solely technical. The proper course, as the United States representative had suggested, would be for the United States delegation to raise the question of the percentage of the highest contributor at the General Assembly's twelfth session.

* Resumed from 539th meeting.

As a result of the present debate, Governments would be aware of the issues involved and would be in a position to express themselves on the matter at that stage. The Secretariat could then be asked, if necessary, to prepare figures showing the actual effect of limiting the assessment of the highest contributor to 30 per cent.

7. As the United States proposal at present read, any reduction of the percentage of the highest contributor would automatically entail a further reduction for those countries benefiting from the *per capita* ceiling principle, because that principle was tied to the assessment of the highest contributor, regardless of the percentage. Further benefits from the application of the *per capita* ceiling principle could be withheld from the countries concerned only by the adoption of a specific resolution to that effect.

8. The South African delegation considered that an alteration of any one of the basic principles by which contributions were determined would upset the balance which had evolved over the years and might lead to counter-proposals to change one or more of the other principles. The allowance for low *per capita* income, originally 40 per cent of the difference between the *per capita* income of a given country and \$1,000 per annum, had later been increased to 50 per cent, a figure which the South African Government would like to see maintained. If the percentage of the highest contributor were reduced, a move might possibly be made to raise the allowance for low *per capita* still further, thus increasing the squeeze on the middle income countries. Similarly, although the South African Government accepted the full application of the *per capita* ceiling principle on the present basis, it would have to reserve its position on that issue if a further reduction of the percentage of the highest contributor were decided upon.

9. It was gratifying to note that the specialized agencies had at last reached a stage where their assessments were either based directly on the United Nations scale or linked with it. But any decision by the General Assembly to change any of the basic principles of assessment, such as a reduction in the percentage of the highest contributor to 30 per cent, would very probably have repercussions on the specialized agencies and perhaps have the undesirable consequence of individual scales being established for each of them.

10. Mr. PETROS (Ethiopia) welcomed the spirit of compromise shown by the United States delegation in withdrawing its original proposal (A/C.5/L.398), and paid a tribute to the generous contribution of the United States both to the United Nations and to its specialized agencies.

11. While the Ethiopian delegation agreed in principle with the recommendations of the Committee on Contributions, it nevertheless had certain observations to make. Rule 161 of the Assembly's rules of procedure, which stated that each Member State should contribute according to its capacity to pay, was a wise and logical provision fully in conformity with the principle of the sovereign equality of States. Other considerations had later restricted the application of that provision and had led to the establishment of a maximum and minimum assessment. For 1958, the United States of America was being asked to pay 33.33 per cent of the total amount, a percentage which was clearly not beyond its capacity to pay nor in excess of the ceiling fixed. In addition, the fact that the United States dele-

gation had not contested the Committee's statement that the revised scale now submitted gave full effect to the *per capita* ceiling principle (A/3121, para. 13), and the fact that there had been little attempt to dispute the assertion by several representatives that the real capacity of the United States to pay at present much exceeded 33.33 per cent, showed that the Committee on Contributions had committed no offence against justice and equity in excluding that country and other Member States from the benefits which certain States would enjoy as a result of the contributions of the sixteen new Members. He therefore hoped that the United States delegation would not press its request for revision.

12. The United States was fully entitled, however, to ask that its assessment be reviewed by the appropriate body, and the Ethiopian delegation would therefore vote in favour of paragraph 1 of the United States amendment (A/C.5/L.405) and of the new paragraphs 6 and 7 (b)(1) in paragraph 2 (b) of that document. It could not support paragraph 7 (b)(2), because it tied the Committee's hands by laying down a condition which *a priori* limited the assessment of the highest contributor to 30 per cent.

13. With regard to the 1955 assessment of the sixteen new Members, the Ethiopian delegation accepted the recommendation of the Committee on Contributions, although it recognized that for some of those States it would represent a heavy burden.

14. The French representative had suggested that the percentage contributions of Sudan, Tunisia and Morocco should be fixed by the Fifth Committee at the current session. Since the three new Members concerned had only just achieved their independence and would have serious economic problems to solve, he (Mr. Petros) suggested that their contribution for 1957 should be the minimum of 0.04 per cent in each case, and for 1956 one-third of that amount. He therefore proposed that paragraph 6 of the draft resolution in document A/C.5/L.399 should be amended as follows:

"6. That Sudan, Morocco and Tunisia, which were admitted to membership on 12 November 1956, shall contribute for the year of admission an amount equal to one-third of their 1957 contribution, which shall be fixed at the minimum of 0.04 per cent, and that such contributions shall be treated as miscellaneous income."

15. Mr. LODGE (United States of America) said that his delegation's opposition to the recommendations of the Committee on Contributions in accordance with which the Soviet Union and other nations would benefit by a reduction in their assessments while no such reduction would be applied to the United States of America and other nations, bore no relation to the amount of money involved, since it could pay all that was asked and more. Indeed, it was willing to pay very large sums to prevent the outbreak of a third world war; \$1 million a year was a small sum compared to the estimated \$1,000 million a day which such a war would cost, to say nothing of the loss of life. The recommendation was opposed on the grounds that it was unjust and discriminatory. The United States both as a small country and now as a large one had always had a deep sense of justice. Although the United States would continue to pay its dues, he predicted that Congress, if it felt that the United States

was being unjustly treated, would certainly look with a disillusioned eye upon other United Nations expenditure. That could have serious repercussions on the execution of future United Nations programmes for which those imposing the discriminatory system of payment, would have to bear the responsibility.

16. After four years of service with the United Nations, he felt he was entitled to speak as its friend. Speaking also as one who had had thirteen years' experience also as a United States Senator, he was convinced that it would be utterly impossible to persuade a single member of Congress to accept the recommendation in the report as just.

17. He proposed that further consideration of the matter should be adjourned by the Committee for at least ten days to allow time for reflection on various new proposals which were being submitted informally, such as one to the effect that the United States of America accepted the new scale for 1958 on condition that contributions of new Members for 1958 were applied to a reduction of the United States percentage towards 30 per cent. Further, he believed that final action on the scale of assessments should be postponed until after the anticipated consideration of the admission of another new Member during the current session in order to avoid the previous year's error of fixing the scale in advance of the admission of new Members.

18. Mr. ZARUBIN (Union of Soviet Socialist Republics) said he could see no reason for postponing the discussion yet again, as all delegations had surely had sufficient time for consultations. He requested that the motion for adjournment of the debate should be put to the vote.

The motion was adopted by 47 votes to 9, with 6 abstentions.

AGENDA ITEM 65

The over-all total of the United Nations annual budget expenditure (A/3202; A/C.5/678)

19. Lord LOTHIAN (United Kingdom) said that for some years doubts had been expressed in the General Assembly whether the various activities undertaken by the United Nations were all fully worthwhile and whether the Organization was giving the degree of attention required to the most urgent and important of the tasks it had taken on. Many resolutions had been adopted directing attention to that problem but they had unfortunately been largely ineffective. The collective resources of the United Nations were not being spent as well as they might be and it was clear that a fresh approach was needed. It was for that reason that his delegation had submitted the proposals set out in its memorandum (A/C.5/678).

20. His delegation's intention was primarily to suggest the adoption of a revised procedure for the consideration of the regular budget estimates. In the past, the Fifth Committee had examined and approved the detailed estimates item by item before taking any final decision on the over-all total of the appropriations to be voted. In those circumstances, there was a temptation to include every attractive item irrespective of its degree of urgency. He was aware that before the budget estimates were submitted to the Fifth Committee they were carefully scrutinized by the Controller and the Advisory Committee on Administrative and Budgetary Questions and he believed that at that stage

most luxuries were firmly eliminated. But he also believed that neither the Controller nor the Advisory Committee had sufficient incentive or an adequate criterion for examining the relative merits of the various items of proposed expenditure. The fixing of an over-all total of appropriations before the budget estimates were considered in detail would offer that much needed incentive.

21. The United Kingdom proposal was not an attempt to effect a major over-all cut in the budget. What his delegation had in mind was, by fixing a limit, to provide a reminder to the Committee of its responsibilities under the various General Assembly resolutions and to ensure that due provision was made for essentials before relative luxuries were included.

22. The over-all total to be fixed should apply only to those appropriations over which the Committee had a major, direct and immediate control. It would not include the appropriations requested in respect of supplementary estimates for the current year; the bulk of the expenditure involved had already been incurred and the most the Committee could do was to request the Secretary-General to be more precise in calculating his budget estimates in future. Furthermore, the suggested ceiling would not apply to appropriations which might subsequently become necessary in respect of unforeseen or emergency expenditure. The amount of such special expenditure must depend entirely on circumstances prevailing at the time and it would not be appropriate to make it subject to the selective process suggested for application to the regular normal budget estimates. Consequently, his delegation proposed that the over-all total should apply only to requests submitted during the current session for appropriations for the regular budget of the United Nations for the following year.

23. The appropriations approved at the tenth session of the General Assembly had amounted to a total of \$48,566,000. Many delegations had expressed grave misgivings at that very high figure. It had been argued in part justification that the amount included certain exceptional and non-recurring items such as the balance of the cost of the International Conference on the Peaceful Uses of Atomic Energy. The Secretary-General's initial estimates for 1957 already amounted to a total of \$48,250,000 or, including \$720,000 in respect of the operating costs of revenue-producing activities which had hitherto been included in the regular budget, nearly \$49 million. In addition, various supplementary appropriations had already been requested and it was understood that further requests were on the way. It was clear that the various estimates for the coming year, entirely excluding items of unforeseen and emergency expenditure, would amount to a total of approximately \$50.5 million. Even allowing for the Advisory Committee's reductions or deferments of proposed expenditure, which amounted to over \$500,000 the total estimates for the 1957 regular budget seemed likely to be at least \$2.5 million higher than the total, then considered as normally high, approved at the tenth session.

24. While it would be necessary to reduce the over-all total of the budget to a figure in the region of \$48 million, if the injunctions of previous General Assemblies were to be followed strictly, his delegation recognized that there was virtue in applying new controls with moderation. It would therefore propose that

the over-all limit for the 1957 regular budget should be \$50 million. Within that limit, it should be possible for the Committee to approve all reasonable requests for appropriations which were of real urgency and importance.

25. In his delegation's view, the new procedure represented a sound and business-like approach to the whole question of budget appropriations and was one which should be adopted regularly for the future. As a corollary, the General Assembly should also recommend an over-all total, which the Secretary-General should hold as the maximum in formulating his regular budget estimates for the next financial year. Such action would be an effective and useful means of achieving concentration of effort and resources. He recognized, however, that it would be very difficult to decide there and then what the budget total for 1958 should be. He therefore proposed that on the conclusion of its examination of the detailed estimates for 1957, the Committee should give the Secretary-General some guidance on the target figure within which he shall frame his budgetary estimates for 1958. By then, the Committee would be in a better position to forecast the probable requirements for the near future.

26. In conclusion, he commended to the Committee the draft resolution annexed to document A/C.5/678.

27. Mr. JONES (United States of America) supported the United Kingdom proposal that the Committee should consider establishing a ceiling on regular budget expenditure before undertaking a detailed examination of the 1957 estimates. That procedure would not introduce any undue rigidity and it would enable the Committee to form a better judgement on individual items by relating each to the whole.

28. A ceiling of \$50 million for 1957 was reasonable for the normal operations of the United Nations. The unusual expenses arising out of the situation in the Middle East would be excluded, but they should serve to remind the Committee of the special importance, at the current session, of confining the regular budget to absolute essentials. It was probable, moreover, that additional advances would have to be made to the Working Capital Fund. In those circumstances, the United Kingdom proposal deserved careful consideration.

29. He emphasized that the ceiling should not be considered as an attempt to freeze United Nations activities at any particular level. At the same time, however, Governments should exercise restraint in calling for additional activities and services. Committees and commissions too frequently tended to ask for studies and meetings which often had no other purpose than to indicate that a particular matter had not been forgotten. Governments should give serious thought to the manner in which they wished to use the international organizations to which they belonged and they should be fully aware of the implications of their decisions in terms of staff, extra travel and printing. The setting of a ceiling for over-all expenditure would help to make governments and United Nations bodies more realistic and force them to take clearer decisions and set priorities rather than shifting the burden of an embarrassing choice on to the Secretary-General.

30. In conclusion he believed that a \$50 million ceiling would make it possible to include in the budget for

1957 practically all the items before the Committee. If, at the end of the budget debate, the Committee found that it had exceeded the ceiling, it should re-examine the estimates to ascertain whether all the individual items were really justified.

31. Mr. LAVALLE (Argentina) said that his delegation had always insisted on the need for making the best use of the funds available to the United Nations and for giving thorough consideration to the appropriations in order to reduce expenses to a reasonable and adequate level. The Secretary-General was to be congratulated on his efforts to the same end.

32. A procedure such as that proposed by the United Kingdom representative would make a more rational distribution of expenditure possible and make it easier for the Secretary-General and the General Assembly to comply with the requirements of the Charter in that respect. He fully understood the difficulties inherent in preparing budget estimates and recognized that such difficulties were even greater in present circumstances. Nevertheless, the prior establishment of an over-all total would facilitate that task and would help to achieve the economies referred to in the United Kingdom proposal.

33. The adoption of the proposal would give added importance to the question of setting priorities for the appropriation of funds. He was sure that it would in no way affect the economic and social activities of the United Nations in the under-developed countries, since those activities helped to build a more stable economy and promote development in important areas of the world.

34. His delegation would support the United Kingdom proposal. The new procedure might be capable of improvement but such improvements could be introduced later in the light of experience. For the time being, the proposal should be adopted as it stood and, if necessary, reviewed at the twelfth or thirteenth session of the General Assembly.

35. Mr. GREZ (Chile) said that to a large extent he agreed with the statement just made by the Argentine representative. Before forming a final opinion on the United Kingdom proposal, however, he would like to hear the Controller's views.

36. Mr. DAVIN (New Zealand) was in sympathy with the objectives underlying the United Kingdom proposal and recognized that the item provided a useful opportunity for taking a broad look at the United Nations' budget as a whole. Nevertheless, he saw certain difficulties in the establishment of an over-all total before the detailed examination and approval of the separate budget sections.

37. The need to concentrate effort and establish priorities was recognized in principle, although it had not been fully implemented in practice. Quite substantial improvements had, however, been effected in some directions: the programming and organization of meetings was much improved; some subsidiary organs had been discontinued; there was better co-ordination; the Secretary-General had taken the initiative in pressing the Economic and Social Council to establish priorities. His delegation welcomed those steps. The problem was now mainly one for Member States and particularly for their representatives in the Economic and Social Council and its subsidiary organs. What the Fifth Committee could do was to draw the attention of the

principal organs to their responsibility for establishing priorities and to the serious financial consequences that would result from ignoring it. He was not convinced that an over-all budget limit would be the best instrument for securing the establishment of priorities. In his opinion, ceilings in particular fields of activity, such as public information and certain categories of social and economic activities, would prove more effective.

38. In the long run, any absolutely rigid procedure was unrealistic. The world was not static and if the United Nations budget remained fixed over a period of years it could mean only that the Organization was failing in the discharge of its essential responsibilities. Attention should be concentrated primarily on the extent and nature of the budget increase. If it was a controlled one, matched by increases in national income and related to projects which could be effectively implemented, there could be little objection to it. From the short-term point of view, it was impossible to speak of over-all stability. The current political issues before the United Nations would impose heavy expenses which could not have been foreseen a few months ago. The recent United Nations activities in respect of atomic energy presented similar budgetary problems. Experience had shown that the Organization was likely to be faced from time to time with emergency demands which had to be met. In other words, the concept of budgetary stability was realistic only if the budget were dissected and certain political expenditures put on one side.

39. It was easy to overstate the possibilities of reducing the budget. Fixed charges and standard expenditures limited the scope for reduction very considerably, unless there was to be a drastic revision of the concept of proper international action. Some reductions could undoubtedly be effected but only by a detailed study of individual budgetary items. It was also doubtful, to say the least, whether Members who sincerely supported international action could properly complain of the present burden of regular budgetary expenditures.

40. In conclusion, while he realized that it was not easy to object to the proposed procedure in principle, it seemed somewhat unrealistic, having regard to the circumstances of the United Nations. Moreover, it would apparently involve a change in the Assembly's procedure under which the estimates were studied in detail by the Advisory Committee and the Fifth Committee. If the United Kingdom approach was favoured, it could be better implemented if it were applied, as indeed it had been to some extent, to particular sections of the budget.

41. Mr. VAN ASCH VAN WIJCK (Netherlands) said that, having carefully read the United Kingdom memorandum (A/C.5/678) and listened to the United Kingdom representative's statement, the Netherlands delegation found itself in general agreement with the aims of the proposal.

42. United Nations resources were by no means unlimited and should not be wasted; constant care should be taken to use them as effectively as possible for purposes of the highest importance. They should not be diffused over a wide range of activities, some of which might have lost much of their original value. The Netherlands delegation had made the same point with regard to United Nations activities in general at the 599th plenary meeting.

43. Thus, the Netherlands delegation agreed with the United Kingdom representative that constant vigilance was necessary to ensure that expenditure was kept within limits. It did not, however, believe that the objectives that that representative had in mind would in fact be achieved by the unduly mechanical method he had proposed. The Netherlands delegation considered that those objectives could be achieved only by an organic approach.

44. The budget-ceiling method was intended to secure a concentration of effort and resources on activities of immediate importance, but it was to be feared that it would in fact lead to a freezing of existing programmes and would discourage new activities, since under a fixed budget, appropriations for new activities could be secured only by eliminating existing ones. The Netherlands delegation certainly agreed that activities which had lost much of their importance should be abandoned, but the difficult task of deciding which activities came within that category should be carried out with great care by the General Assembly, the Economic and Social Council and other organs, with the assistance of the Secretariat; it should not be achieved by shifting funds wholesale from one programme to another. Again, it was difficult to see which organ of the United Nations should be responsible for initiating such changes.

45. The work programmes of the United Nations represented the results of compromises among the divergent views and claims of Member States and United Nations bodies. Thus, opinions on the importance of particular activities varied greatly even before they had been initiated. It was easy to see how much more varied those opinions would be after the programmes had been in existence for a number of years. The point had been well illustrated by the remarks of the Argentine representative, who, although he had supported the United Kingdom proposals, had expressed confidence that economic activities on behalf of the under-developed countries would be unaffected by them. It was also necessary to decide whether only technical activities should be subject to review or whether political activities should be covered, too. Thus, the proposals appeared likely to lead to immense difficulties in the future.

46. The Netherlands delegation therefore believed that, however necessary it might be to maintain close supervision of programmes, some solution other than a budget ceiling should be found.

47. The Netherlands delegation also doubted whether the United Kingdom proposal would achieve its purpose from a purely financial point of view. It feared that the Fifth Committee would hold a long and perhaps acrimonious debate at the end of each session about the over-all total of the Secretary-General's next budget and that there would be a tendency to set the over-all ceiling higher than was strictly necessary in order to ensure that funds would be available for all essential work. Once such an unnecessarily high ceiling had been fixed, it would be extremely difficult to lower it again, and the proposed procedure would then have achieved a result directly opposite to that intended.

48. For all those reasons, the Netherlands delegation would be unable to vote in favour of the United Kingdom draft resolution.

49. Mr. BRAVO CARO (Mexico) believed, after careful study of the United Kingdom proposals in document A/C.5/678, that the United Kingdom delegation was right to draw attention to the various General Assembly resolutions calling for a concentration of effort on projects and programmes of primary importance. The main purpose of the proposals was not simply to set a ceiling to the budget, but to introduce a more rational procedure, under which more attention would be devoted to the relative priorities of different activities in order to guide the Secretary-General in formulating a satisfactory programme. In the Mexican delegation's view, the best way of achieving that would be to request the Secretary-General to bear those General Assembly resolutions fully in mind in preparing his budget.

50. The United Nations budget was designed to carry out the purposes and principles of the Charter, those purposes being mainly political in the case of the great Powers and economic and social in the case of countries with relatively low levels of living. It was to be feared that if the present trend towards setting "ceilings" and "floors" were applied to the budget, the activities of the United Nations in furtherance of those purposes and principles would become frozen and the Secretary-General would be deprived of the flexibility he needed. The precedent established by the draft resolution in document A/C.5/678 was not altogether desirable. The annual total of the budget had stood at about \$50 million for several years, during which there had been sixty Members. The services of the United Nations now had to be distributed equitably among nearly eighty countries, yet the proposed ceiling would remain at \$50 million. It was evident that United Nations resources would have to be spread more thinly and that countries with fewer resources of their own would be the first to suffer from a fixed budget. The Mexican delegation felt that the Committee should hear the views of the Secretary-General and of the Advisory Committee before it attempted to decide the matter.

51. Mr. EL-MESSIRI (Egypt) said that the United Kingdom proposal had considerable merit, but that some points aroused misgivings.

52. It was difficult to see what practical value a discussion of the different sections of the budget would have if the over-all budget total had already been set. The Egyptian delegation disagreed in particular with the suggestion in paragraph 3 of the United Kingdom memorandum (A/C.5/678) that projects might be modified or eliminated to make room for other activities and believed that each section of the budget should be discussed on its own merits without reference to the over-all total of the budget or in relation to other sections. It was also true that activities which were important for some countries would be regarded as less important by others.

53. There was a danger that the proposal would tend to encourage supplementary estimates and lead to budgets constructed on unsound foundations. It was also difficult to see what practical value the proposals in paragraph 7 (b) and (c) of the memorandum would have if it became necessary to exceed the target figure.

54. Adoption of the United Kingdom proposals would greatly complicate the Advisory Committee's task and the Egyptian delegation felt that that Committee should

be asked to give the Fifth Committee the benefit of its views.

55. Mr. CERULLI IRELLI (Italy) said that the Italian delegation fully approved the proposal to fix the over-all total of the budget at \$50 million. It also agreed with the United States delegation that the figure should be reviewed from time to time and that in some circumstances the effect of the review might be a reduction and not an increase in the ceiling.

56. Mr. LILIC (Yugoslavia) said that the United Kingdom delegation's proposal was, in short, that the over-all total of the budget should first be fixed and that the budget would then be discussed in detail section by section. The procedure proposed would not preclude extraordinary appropriations to cover supplementary estimates and emergency expenditure. It would make it possible to pay due regard to the priority which various activities should have and to modify some projects to make room for more urgent activities.

57. There would no doubt be many arguments for and against the United Kingdom's proposal, based perhaps on various national practices. The experience of the United Nations was, however, unique. The present procedure had not prevented the Committee from having a good over-all picture of the budget while it was considering the various sections on their merits. The Yugoslav delegation's opinion was that, with the exception of unnecessary expenditure arising out of over-staffing or poor administration, all the expenditure entailed in implementing the purposes for which the United Nations had been created had been justified. The same applied to the specialized agencies.

58. That being so, the Yugoslav delegation felt that adoption of the United Kingdom proposal might seriously impede the work of the United Nations. The principle of tampering with carefully elaborated programmes merely to make them fit into a preconceived framework was too Procrustean to be accepted. While it was certainly not the aim of the United Kingdom proposal to slow down the work of the United Nations by freezing the budget, it was to be feared that that would be its actual effect. The fact that the United Nations had to deal with the consequences of violations of the Charter by various countries and had incurred enormous expenditure in setting up the Emergency Force in the Middle East and in dealing with the Hungarian refugees, should not be invoked as a reason for adopting a procedure which might reduce technical assistance activities and the activities of the Economic and Social Council, which were of such value to all United Nations Members.

59. The Yugoslav delegation therefore considered that the United Kingdom proposal was not in accordance with the needs and aims of the Organization.

60. Mr. KEATING (Ireland) welcomed the United Kingdom proposal. The Irish delegation was seriously concerned about the prospect of a continually rising United Nations budget, especially as provision now had to be made for additional expenditure amounting to approximately 20 per cent of the total budget. While there was some basis for the argument that rigidity should be avoided, that danger would be obviated by the provisions in the proposal that emergency situations should be dealt with apart from the regular budget. The danger that activities might continue from

year to year, although their importance had declined, was greater than that of rigidity. Activities could always be justified on the ground that they had given good results in the past and a review of them in the light of existing circumstances could thus be avoided. The United Kingdom proposal would require a review of activities and the Irish delegation would therefore vote for it.

61. Mr. MARGAIN (Cambodia) felt that the principle of the United Kingdom proposal was unfamiliar and appeared at first sight to involve a reversal of the normal procedure. He therefore suggested that the views of the Advisory Committee and the Controller should be obtained at the next meeting.

It was so decided.

The meeting rose at 5 p.m.