

**ECONOMIC  
AND  
SOCIAL COUNCIL**

**CONSEIL  
ECONOMIQUE  
ET SOCIAL**

LONDON  
E/REF.FIN/21  
12 July 1946  
ORIGINAL: ENGLISH

COMMITTEE ON THE FINANCES OF THE IRO

SUMMARY RECORD OF THE EIGHTH MEETING

Hold at Church House, Westminster, on the  
11 July 1946 at 3 p.m.

PRESIDENT: MR. P. PERIER  
MR. J.G. TURGEON

Present: MR. SOUZA (Brazil)  
MR. D.Y. DAO (China)  
MR. HAVEMAN  
MR. DAVIDSON (U.K.)  
MR. YERZIN (USSR)  
MR. G. WARREN (U.S.)  
  
MR. M. COHEN (UNRRA)  
SIR HERBERT EMERSON (IGC)

Secretariat: MR. B. PICKARD  
MISS J. HENDERSON  
MR. F. MORRISSEY

Continuation of the discussion on items to be included in the  
operational budget

Group or Large Scale Re-Settlement

The Committee had before it a motion submitted by the Chinese Delegate (E/REF.FIN/15). Based on the thesis that the Committee's terms of reference did not provide for the preparation of a budget for large scale re-settlement expenditures, this paper proposed that the Committee draw up a supplementary budget for these estimates.

In the debate on this motion, attention was drawn to the fact that when the question of the legality of including estimates for large scale re-settlement within the operational budget had first come up at the Sixth Meeting, the main argument had been that the provisional budget for the first year as prescribed in paragraph 5 of Article IX and set forth in Annex II provided for only administrative

and operational expenses whereas the annual budgets would, according to paragraph 1 of this Article, be drawn up under three headings, administrative, operational and large scale settlement expenditures. In the opinion of some members of the Committee, the validity of this argument was doubtful in view of the clear distinction made in the Draft Constitution between the normal budgetary procedure of the IRO and the exceptional arrangements intended for the first financial year. It was quite evident, in their view, that neither the Economic and Social Council nor the United States Delegation which was primarily responsible for the drafting of Article IX and Annex II, had intended to exclude group or large scale re-settlement projects from the first year's operations. Additional evidence could be found in the telegram of 26 June addressed to members of the Committee by the Secretary-General of the United Nations which stated that the budget for the first year should include administrative, operational and large scale settlement expenditures. Although the Committee could not interpret the Council's intentions, or alter the terms of reference, close examination of the Council's Resolution (E/81) and the Draft Constitution annexed to it indicated that the Committee's task was to budget for all the activities of the IRO described in the Constitution. Although the Constitution undoubtedly contained ambiguities and contradictions, there was no doubt as to the importance which was attached to large scale re-settlement projects. If the Committee were to decide against including estimates for this purpose, it would be ruling out one of the most necessary functions of the IRO. If the legal argument prevailed, it was more than likely that the IRO would have to defer any plans for this type of operation until 1948 or later. Such a limitation would severely handicap the rendering of any assistance to re-settlement projects which were already being planned by such countries as Brazil.

From the humanitarian point of view it would mean prolonging the unhappy situation of hundreds of thousands of refugees and displaced persons anxious to begin new lives.

Other delegates, however, upheld the view that the Committee must adhere strictly to its terms of reference. It must not constitute itself a policy-making body, nor seek to interpret nor anticipate the Economic and Social Council's plans. Lacking specific instructions in the matter of large scale re-settlement, it would be out of order to insert any provision for it in the budget. It was quite possible that the IRO might, during its first year, have to defer plans for this type of operation in favour of other more immediate activities. In any case re-settlement was already provided for under the section for "Emigration and Re-Establishment of Family Units and Individuals" and assistance to any large scale re-settlement plans already in progress could be made from this section.

The Chinese proposal met with considerable support on the grounds that the wording of paragraph 5 of Article IX had been specifically drafted to permit supplementary budgets, but some doubt was expressed as to whether this procedure might not meet the same legal objections as those raised against including large scale re-settlement under the operational budget. MR. WARREN (United States), seconded by MR. DAVIDSON (United Kingdom), proposed the following amendment to the Chinese motion:

"That the Committee considers that group or large scale re-settlement is within its province."

Decision: The CHAIRMAN having ruled that according to the Rules of Procedure this amendment would have priority over the Chinese motion, the United States proposal was put to the vote and adopted by four votes to two, with two abstentions.

Some discussion then arose as to whether it might not be preferable to handle the estimates for group or large scale re-settlement in a different way than the other items already approved for the operational budget. It was pointed out that this type of operation was rather different from the other activities coming within the operational budget, and that it might be wise to have a third scale of contributions, since some governments might be prepared to contribute to the administrative and operational budgets, but not to this particular kind of work.

Decision: MR. WARREN (United States), supported by MR. PERIER (France) and MR. YERLIN (USSR) moved that:

"the operational budget be divided into two parts. Part I would include the following items: Personnel and Establishment Costs, Care and Maintenance, Repatriation, Emigration and Re-Establishment of Family Units and Individuals, Local Re-Establishment, and Reserve for Contingencies. Part II would include: Group or Large Scale Re-Settlement and Reserve for Contingencies, and would require a separate scale of contributions."

This motion was put to the vote and adopted unanimously.

The meeting rose at 6.40 p.m.

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