

In discussing the budget estimates for 1959 many delegations, including the Canadian, expressed concern over the rising cost of the Organization's activities, though it was recognized that much of the increase related to measures taken in the interest of peace and security, and other factors only partially amenable to administrative control such as the cost of salaries and services. It was stressed that increased efficiency and economy should be sought through more flexible use of staff, establishment of priorities within the over-all budget and improved procedures for administrative and financial control.

During the thirteenth session the Secretary-General proposed a merger of the activities of the Department of Economic and Social Affairs with those of the Technical Assistance Administration. A number of delegations expressed misgivings that the merger would impair the effectiveness of the United Nations programme of technical assistance which, they considered, was working well and should not be disturbed except for very convincing reasons. Others, including the Canadian Delegation, shared the view of the Secretary-General that the merger was sound in principle and should enhance the value of the technical assistance programme and improve services to member governments. After a lengthy and controversial debate the Fifth Committee agreed by 33 (Canada) to none with 26 abstentions that the Secretary-General should proceed with the merger but requested him to make a progress report to the fourteenth session of the Assembly.

The General Assembly also considered a common system of salaries, allowances and benefits for employees of the United Nations. This question was first brought before the eleventh session, when a system recommended by the Salary Review Committee (SRC) to adjust salaries to take account of differing cost of living indices in cities where United Nations employees are stationed was considered. Decisions taken by the General Assembly since then have not followed the SRC's recommendations completely, and many delegations have felt that the hoped for equivalence in standards of living between posts has not been achieved. At this session, some attempt was made to remedy this in voting salary adjustments. In addition the Secretary-General announced that a committee had been appointed to study the post adjustment system, and would undertake as its first task a comprehensive enquiry into the comparative standards of living of New York and Geneva employees.

The Fifth Committee also considered the amount of the Working Capital Fund and the measures that should be taken to safeguard the Organization's cash position. The primary purpose of the Fund is to finance expenditures pending the receipt of contributions. At the thirteenth session the Secretary-General reported that a combination of mounting arrears, tardy payment of current contributions, growing budgets and increasingly heavy demands for unforeseen and extraordinary expenses threatened to exhaust the Organization's cash reserves by April 1, 1959. To meet the immediate problem he proposed that the Assembly grant him authority to draw on the Special Accounts in his custody (such as UNICEF and EPTA) in case of urgent need. As a longer term solution he recommended an increase in the level of the Working Capital from \$22.0 million to \$30.0 million.

During the debate in the Fifth Committee it was generally agreed that the Organization's cash difficulties were primarily caused by late payment of contributions and by arrears. While the Canadian Delegation recognized the need for a modest increase in the level of the Fund to finance growing expenditures, it was unable to support an increase of the magnitude suggested by the