

which state that the expenses of the Organization shall be apportioned by the General Assembly and financed collectively by member states.

Mr. Chairman, I think we should recognize that this current financial crisis has not come upon us suddenly. It has been building up for many years now.

In the years 1945 to 1956, the United Nations was plagued first by the failure of many member states to pay their assessment early in the year, and secondly by the tendency of many member states to be up to two years in arrears. It was therefore necessary to have substantial recourse to the working capital fund to cover the resulting shortfalls. With the establishment of UNEF in 1956, the situation grew worse - and this worsening situation was explained to a very great extent by the fact that although the treasuries and finance departments of member states had become accustomed to paying their assessments to the regular budget promptly; they tended to assign a lower priority to their payments to the UNEF Special Account. We have noted, for example, that there are forty member states which are in arrears in respect of the UNEF Special Account for 1959, compared to only ten states which are in arrears in respect of the regular budget for 1959.

My Delegation believes it is important to recall the action which the Assembly took in response to the worsening cash position in the years after 1956. Instead of taking steps to reverse the situation, the Assembly tended to take temporizing actions which served only to postpone the day of reckoning. For example, the Working Capital Fund was increased, and the Secretary-General was authorized to borrow from special accounts in his custody and to receive short term loans from governments. It was even suggested at the 14th Session that the Secretary-General be permitted to borrow from commercial sources.