

External Affairs
Supplementary Paper

No. 53/68 UNITED NATIONS BUDGET ESTIMATES

The following are the text of three statements made by Mr. S.D. Hemsley, of the Canadian Delegation in the Fifth Committee of the eighth session of the United Nations General Assembly, dealing with agenda item 39 - Budget Estimates for 1954.

NOTE: Information about the United Nations budget as adopted by the Assembly is given at the end of this paper.

October 2, 1953 - General Statement

We are meeting this year to consider the Budget Estimates in an atmosphere somewhat different from that which has prevailed in previous years. The Secretary-General has indicated that he will not contest the reductions proposed by the Advisory Committee. This, I am sure you will agree, makes the work of the Fifth Committee somewhat easier, and my delegation would express our appreciation to the Secretary-General for the co-operative spirit in which he has approached this problem.

This, however, does not relieve us from the obligation of examining critically the Budget Estimates to satisfy ourselves that all possible economies have been effected. But it does seem to my delegation that if the Advisory Committee, whose painstaking work is deeply appreciated, and whose judgment we respect, has recommended reductions in many particular items of proposed expenditure, and the Secretary-General has expressed - as indeed he has expressed - his willingness to operate the essential business of the United Nations within the bounds of the economies suggested, then it might be wise at this time not to quarrel too much with this position.

In our view, a good attempt has been made to stabilize the United Nations Budget. Possibly, major economies may appear after the Secretary-General has prepared and given his assessment of the promised re-organization both of the administrative techniques and the organization that goes with it, and of the programmes themselves undertaken by the United Nations. In this we agree with the distinguished representative of Egypt, who yesterday suggested that the Secretary-General be given adequate time to complete a thorough study.

I need hardly point out that my delegation in the past has frequently spoken of the need of making our main objective the utilization of limited resources for the most useful purposes. Some delegations have referred to that almost hardy perennial - documentation. In fact, we have had a practical illustration of a truckload of it. But at the very time that I was looking at the load of documentation, I found myself in the unfortunate position of, on the one hand, agreeing that we had too much paper to read and yet, on the other hand, wanting just one piece of paper more! Most of the members here will have had

experience in preparing, or in critically examining, Budget Estimates; and I think you will agree that the comparison of Estimates of one year with Estimates of another year, though in some respects a useful exercise, is not half such a useful exercise as the comparison of past Expenditures with proposed Estimates. I recognize, of course, in this that a time factor militates against the presentation at this time of expenditure patterns for the current year which would be so useful in our consideration of the Estimates proposed for next year.

I am informed that a document giving eight or nine months expenditures - and by expenditures I would hope that the word includes in addition to true expenditures, firm commitments that have been undertaken - will be available in possibly a couple of weeks. Unfortunately, we will have progressed by that time to a point where I would hope that our first reading of the estimates will have been completed. It is true that with this document in our hands we will be able to take a final, critical look at the Budget Estimates before the resolutions go forward. Nevertheless, I would like to commend to the consideration of the Secretariat the study of this problem, in order that we might have before us, at the time the details of the budget estimates come before us for consideration, some statement of actual and anticipated expenditures for the current fiscal year.

My delegation believes that the \$200,000 reduction proposed by the Advisory Committee under the heading of "Documentation" is a substantial indication of their awareness of the possibilities of economy in this particular section; and we will vote for it because of our understanding that the essential services can be conducted within the modified estimates. But here again I would like to associate myself with the representative of Egypt, who appealed for caution and moderation for reductions in this section. If we reduce documentation beyond a certain point we will not be briefed properly for our deliberations, and delegations (already over-burdened with work) will be faced with the need of doing far more of their own reporting back to governments than they would if they are able to rely in large measure on the reports of the Rapporteurs.

In short, Mr. Chairman, my delegation will vote for any reductions in the Budget Estimates, which, upon the evidence presented here, seem sensible to us. But, as we said last year, sympathetic as we are to reductions in expenditures, we will not support reductions which seem to us to be arbitrary.

But there is another side, too. It would appear that proposals may come forward for a restoration of certain cuts or for an increase in certain appropriations. If the proposals come forward in an orderly and judicious manner in keeping with the usual procedures of this Committee, we will of course, give careful consideration to the suggestions. We would hope, however, that the spirit of co-operation evident on the part of the Secretary-General will not be his alone. And that when increases are proposed, due consideration will be given to the considered opinion of our Advisory Committee, and to the statement of the distinguished chairman of that Committee, who said in presenting the report of the Advisory Committee, and I quote, "If in the effort to move with ease within

budget estimates as recommended by the Advisory Committee, the Secretary-General is confronted with real hardship in the maintenance of the essential activities of the United Nations, the Advisory Committee will assist him."

October 29, 1953 - Budget Estimates for Regional Economic Commissions

Let me at the outset say that my delegation will support the recommendations of the Advisory Committee in these items of the budget.

I am sure that the distinguished representatives of Chile, the Argentine and Indonesia and all other countries who have spoken for the cuts proposed by the Advisory Committee to be reinstated, either in whole or in part, will not interpret what I have to say in any sense as demonstrating a lack of sympathetic interest on the part of the Government of Canada in the important work of the Economic Commissions.

I appreciate the gesture made by Argentina in withdrawing their original proposal. But my comments will apply equally to the compromise proposed by the distinguished delegate of France which the Argentine representative has indicated he will accept.

Delegates may recall that in my general statement made at the beginning of the work of this Committee I said:

"It would appear that proposals may come forward for a restoration of certain cuts or for an increase in certain appropriations. If the proposals come forward in an orderly and judicious manner in keeping with the usual procedures of this committee, we will, of course, give careful consideration to the suggestions. We would hope, however, that the spirit of co-operation evident on the part of the Secretary-General will not be his alone."

Now surely the "orderly manner in keeping with the traditions of the Committee" to which I referred would suggest that in matters of the kind we are talking about the Secretary-General should first be asked whether or not he can get along within the limitations proposed by the cuts. For nothing could be more certain than that if the Secretary-General does not want money, this Committee would be the last body to thrust it upon him.

Now the Assistant Secretary-General has mentioned that he does not need a large part of the reduction proposed. The rest he will leave to the good judgment of this Committee. Now we have met reductions in other parts of the budget. We have been voting on them all along, so far consistently. And I think we have done this because we all appreciate the co-operation shown by the Secretary-General in this time of reorganization in having agreed not to challenge the findings of the Advisory Committee.

I would plead that this spirit, so admirably continued by the distinguished representative of Burma, might still prevail.

If the proposals of Indonesia and France are pressed to a vote, I am afraid I will have to vote against them; but I would be happier if I did not have to vote on them at all.

I would, therefore, add my plea to those already made in this Committee that the recommendations of the Advisory Committee will be sustained.

(Note: After the Argentine and Indonesia had asked for a restoration of the small cuts which the Advisory Committee had recommended in the 1954 Budget Estimates for ECLA and ECAFE, the representative of France had proposed a taken restoration of \$10,000 in each of these sections of the budget. The French proposals were carried by 31 to 19 (including Canada) with 2 abstentions and 30 to 17 (including Canada) with 2 abstentions.)

December 5, 1953 - Comparison of Current Expenditures with Estimates

Before we leave the Budget Estimates, might I take a few minutes of the Committee's time to return to a suggestion which I made earlier in the discussion. Delegates may recall that in my opening statement in the Budget debate I mentioned that in considering the budget estimates, a comparison of estimates of one year with estimates of another, while undoubtedly a useful exercise, was not nearly so useful as a comparison of a useful exercise, was current year with estimates of expenditures of the following year.

During the course of our discussions in this Committee, we have had examples of how estimates of the current year's expenditures can be used to advantage in the consideration of next year's estimates. It should be remembered that the factual basis of most of our deliberations was about six months old. Expenditure patterns in the interval, had they been known, might conceivably have lead the Advisory Committee to come to conclusions somewhat different from those they reached on the basis of information available to them some months ago.

It therefore seems to me that if the statement of budget expenditures for the first three quarters of the current year, as given by the Secretary-General in Document A/C.5/547, were in future changed in two ways we should have a very valuable document indeed. I should like to suggest the following changes:

First, in order that such figures be available to us when we start considering the budget estimates, they might be prepared on an eight-month expenditure basis, that is with expenditures to the end of August.

Second, because it is obviously dangerous to assume, without knowledge of expenditure trends, that because \$10,000 was expended in a particular section during the first eight months of the year, a further \$5,000 will be spent in the remaining four, I would suggest that such documents in future include one extra column, that is a column showing anticipated expenditures for the remainder of the fiscal year.

I wonder, then, whether the Secretary-General would have any objection to this. If not, and if this suggestion commends itself to other members of the Committee, I would suggest that a note to this effect be included in the Rapporteur's report.

NOTE ON BUDGET OF THE UNITED NATIONS

The General Assembly approved appropriations totalling \$47,827,110 for United Nations 1954 administrative expenditures. Supplementary estimates for 1953 of \$1,541,750 raised this figure to a total of \$49,368,860. To arrive at the net budget to be met by assessments on member states we deduct \$6,760,000, the estimated miscellaneous income in 1954, \$300,000 for estimated increase in miscellaneous income for 1953, and \$1,008,860 for 1952 appropriations not expended and now surrendered under items 4.3 and 4.4 of the financial regulations. Thus, a total of \$41,300,000 represents the budget to be met from assessments on member states.

The budget for the calendar year 1954 is \$900,000 less than the budget for 1953 and the Secretary-General has estimated that further reductions to a possible total of \$1,000,000 may be achieved during the course of the year through reduction of staff and re-organization of the Secretariat.

Canada's share of the United Nations budget for 1954 remains at 3.30 per cent, the same rate as applied to our contribution for 1953. Our provision of \$1,350,000 for Canada's contribution is arrived at as follows:-

3.3% of \$41,300,000	\$1,362,900 U.S.
Less 1 1/2% discount on U.S. funds	20,444
Canadian Net	\$1,342,456 Canadian
Plus allowance for adjustment in Working Capital Fund	7,544
Canadian Gross	\$1,350,000 Canadian

This year the Committee on Contributions once again analysed the assessments of member states, having regard to such factors as comparative estimates of national income, temporary dislocation of national economies arising out of the second world war, and the ability of members to secure foreign currency. In accordance with a General Assembly resolution during the seventh session - that no member state contribute more than one-third of the budget - the United States assessment has been reduced from 35.12 per cent to 33.33 per cent of the total budget. The contribution of the Soviet Union, on the other hand, has been increased from 12.28 per cent to 14.15 per cent. The Committee made several other minor changes.

In 1948 the Assembly, on the initiative of the Canadian Delegation, approved the so-called 'per capita' principle that, in normal times, no member state could be called upon to contribute more 'per capita' than the largest contributing member. Only a few countries with a high standard of living and comparatively low population, among them Canada, New Zealand and Sweden, have been affected by the 'per capita' principle. Partly because of the economic hardships which countries with very low 'per capita' incomes were suffering, the Assembly also

decided during its seventh session that until the economic capacity of member states shows substantial improvement, until new members have been admitted to the organization, further action on the 'per capita' principle should be deferred. The Committee on Contributions therefore recommended that the contributions of the countries affected by the 'per capita' ceiling should not be changed. As this principle was not changed at the eighth session the Canadian assessment remains slightly higher than the United States assessment on a 'per capita' basis.

Under-developed countries are also protected in the assessments on the United Nations budget since the Committee on Contributions makes allowances for member states with extremely low 'per capita' incomes.

Other Canadian statements made in the Fifth Committee are available as follows; Technical Assistance, Supplementary Paper 53/66; United Nations High Commissioner for Refugees, Supplementary Paper 53/67; Scale of Assessments, Supplementary Paper 53/70; and change in the opening date of the General Assembly, Supplementary Paper 53/69.

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