

Working Capital Fund

In adopting its report on budgetary and financial arrangements the General Assembly took, among others, the following decisions :—

It established a Working Capital Fund of \$25,000,000 with the object—in the words of the report—

“(a) Initially in order to meet the expenditures of the provisional budget ; and

“(b) After the permanent amount of the Fund has been established by the General Assembly at its September, 1946, Session, to provide moneys to meet expenditures voted by the General Assembly, and to provide adequate cash reserves against the receipt of the contributions of members who may be unable to remit their contribution when requested, due to legislative delays or other financial problems.”

Advances to the Fund were to be called for immediately from members in accordance with the provisional scale, “which is merely a matter of convenience and is in no sense a precedent for the assessment of contributions.” The provisional scale, which is a compromise between the first and second years’ scales of assessment for the Food and Agriculture Organization, shows New Zealand’s share as 0.994 per cent. (United States \$248,500). The figure at which the Fund is to be maintained permanently is to be decided later.

Provisional Budget for 1946

Though it is from the Working Capital Fund that the initial expenses of the Organization are to be drawn, the advances to it are not offset against members’ contributions to the first annual budget. Therefore, in addition to the Fund, the Assembly voted a provisional budget for the year 1946. This budget will be converted into a definitive first annual budget at the September meeting of the Assembly and the contributions of members will thereupon be asked for. (At the same meeting the Assembly will vote the second annual budget—for 1947—and thus institute the regular series of annual budgets.)

The estimates for the provisional budget brought before the Committee were United States \$24,978,000, and it did not escape the notice of delegates that the first annual budget of the United Nations amounted to rather more, in United States dollars, than the early League of Nations budgets had amounted in Swiss francs, and was therefore over five times as heavy. There are obvious reasons for some increase : first, the general rise in prices ; secondly, the more ambitious programme of the United Nations, especially in economic and social fields ; thirdly, the consequences of the decision to locate the headquarters of the Organization in the United States of America. Also, in the case of the League, there was probably too much financial cheese-paring. However, even making allowance for all these factors, the New Zealand delegation was among those which thought the budget estimates too high. Its representative on the Committee said :—