



Monday, 18 December 1972,  
at 11.15 a.m.

Chairman: Mr. Motoo OGISO (Japan).

**AGENDA ITEM 83**

**United Nations salary system: report of the Special Committee for the Review of the United Nations Salary System (concluded)**

*Draft report of the Fifth Committee to the General Assembly (concluded) (A/C.5/XXVII/CRP.27/Rev.1)*

1. The CHAIRMAN invited the Committee to consider the revised text (A/C.5/XXVII/CRP.27/Rev.1) of the draft report of the Committee on the question of the United Nations salary system.

2. Mr. PASHKEVICH (Byelorussian Soviet Socialist Republic) (Rapporteur) said that the views expressed at the 1556th meeting had been taken into account in preparing the revised text. In particular, paragraph 10 had been reworded along the lines suggested by the Chairman of the Advisory Committee on Administrative and Budgetary Questions, and a new paragraph 28 had also been included to reflect the views expressed by the representative of the United Republic of Tanzania.

3. The CHAIRMAN said if there was no objection, he would take it that the Committee adopted the revised draft report.

*It was so decided.*

**ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF DRAFT RESOLUTIONS I AND VII SUBMITTED BY THE SECOND COMMITTEE IN DOCUMENT A/8824/ADD.1 CONCERNING AGENDA ITEM 43\* (A/8708/ADD.29, A/C.5/1485, A/C.5/1501)**

4. The CHAIRMAN invited the Committee to take up the question of the administrative and financial implications of draft resolutions I and VII submitted by the Second Committee in the second part of its report (A/8824/Add.1, para. 56).

5. In his statement (A/C.5/1485) on the financial implications of draft resolution I, the Secretary-General had estimated that the cost of implementing the provisions of that draft would amount to \$370,000

\* United Nations Conference on Trade and Development:  
(a) Report of the Conference on its third session;  
(b) Report of the Trade and Development Board;  
(c) Confirmation of the appointment of the Secretary-General of the United Nations Conference on Trade and Development.

under section 15 of the budget for 1973. In its report (A/8708/Add.29), the Advisory Committee on Administrative and Budgetary Questions recommended an amount of \$300,000, or a reduction by \$70,000 in the amount estimated by the Secretary-General. The Advisory Committee further recommended an increase of \$40,000 in the estimates for income section 1.

6. In his statement (A/C.5/1501) on the implications of draft resolution VII, the Secretary-General had estimated that the cost of implementation of the provisions of that draft would amount to \$314,800 under section 15 of the budget. The Advisory Committee concurred with that estimate and recommended an increase of \$48,000 in the estimates for income section 1.

7. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that draft resolution VII was concerned with additional amounts required to carry out the work programme consequent upon decisions taken at the third session of UNCTAD and at the first part of the twelfth session of the Trade and Development Board. The Secretary-General had requested \$314,800, of which \$170,000 would be used for additional temporary staff and the balance of \$144,800 to service the United Nations Sugar Conference. The Advisory Committee accepted the request for \$170,000 for additional temporary staff on the understanding that the credit would only be used if and when all existing vacancies in the regular UNCTAD establishment had been filled. In fact, the Advisory Committee had some doubts as to whether all those vacancies would be filled, but did not wish to impede the work programme of UNCTAD and accordingly had agreed to their request. However, if any vacant posts were not filled, the unused amount would be surrendered at the end of 1973. As regards the United Nations Sugar Conference, the Advisory Committee had originally suggested that the costs of servicing the Conference might be absorbed within existing appropriations, but it was now clear that its requirements would be more extensive and it would last longer than originally envisaged. The Advisory Committee had therefore accepted the view of the Secretary-General that absorption would not be possible, and it recommended that the Fifth Committee should accept the request for an additional \$144,800 for the Sugar Conference. Therefore, if the General Assembly adopted draft resolution VII, additional appropriations totalling \$314,800 would be needed under section 15.

8. With regard to draft resolution I, concerning the draft code of conduct for liner conferences, the Advi-

sory Committee anticipated that a substantial additional provision would be needed, but felt that some economies could be made through possible reduction of documentation, adjustment of timing and better deployment of regular conference staff. It would therefore recommend that if the General Assembly adopted the draft resolution, an additional appropriation of \$300,000 would be required.

9. On the basis of those considerations, the Advisory Committee concluded that if the General Assembly adopted draft resolutions I and VII of the Second Committee, an additional appropriation amounting to \$614,800 would be required. Moreover, there would be increases in income due to higher staff assessments of \$48,000 and \$40,000 respectively.

10. Mr. PEREZ-GUERRERO (Secretary-General of the United Nations Conference on Trade and Development) said that the appropriations recommended by the Advisory Committee in its revised estimates should, in prevailing circumstances, allow UNCTAD to carry out its commitments and work programme for 1973, as submitted to the Trade and Development Board at its twelfth session.

11. Since an unusually large number of posts had been left open as a result of the Secretariat freeze on recruitment earlier in the year, it was hoped that the staff recruited to fill the vacant posts, together with the additional staff which could be employed against the appropriation of \$170,000 as necessary, would enable the UNCTAD secretariat to implement in an effective manner the work programme referred to in paragraph 22 of draft resolution VII.

12. The UNCTAD secretariat would do its utmost to cover within the appropriation of \$300,000 recommended by the Advisory Committee the cost of convening a conference of plenipotentiaries to consider and adopt a convention or instrument on a code of conduct for liner conferences and the two sessions of the preparatory committee which were called for in draft resolution I and had been envisaged in resolution 66 (III) adopted at the third session of UNCTAD, on 19 May 1972.

13. It was understood that the 1974 estimates would include the necessary resources to pursue effectively the implementation of the decisions of the third session of UNCTAD.

14. Mr. CUBILLOS (Chile) said that his delegation wished to express its concern at the way the Advisory Committee had dealt with matters relating to UNCTAD. The Secretary-General of UNCTAD had undoubtedly accepted the appropriations and cuts recommended by the Advisory Committee because of the serious financial crisis of the United Nations, but his delegation wished to point out that such a procedure constituted a bad precedent. If cuts were made in the budget of the most important United Nations body dealing with trade and development, the effectiveness of the important decisions and recommendations made at the third session of UNCTAD would be seriously

undermined. In the view of his delegation, the cuts in expenditure imposed by the Advisory Committee would make it impossible for UNCTAD to fill its present vacancies, and such a situation was dangerous not only for UNCTAD, but for the United Nations as a whole. It was dangerous to leave posts, particularly senior posts, vacant, even if it was done to help the United Nations given its present financial difficulties. If that practice continued, the entire work programme of UNCTAD would suffer and the responsibility would lie with the Fifth Committee and the Advisory Committee. Moreover, if the series of decisions and recommendations made at the third session of UNCTAD were not implemented at the appropriate time, the cause of the developing countries would suffer. For example, the forthcoming commodity conference would call for very considerable resources and if an impractical limit was placed on the expenditure that the Secretary-General of UNCTAD might incur, the conference would be adversely affected. Furthermore, studies were needed on such specialized subjects as restrictive trade practices and called for the services of highly specialized staff, who had to be paid according to the level of their services. The Advisory Committee proposed to make a cut of \$70,000 in connexion with the conference on a code of conduct for liner conferences, an item of the greatest importance for the developing countries because those countries suffered greatly from the lack of such a code. His delegation did not agree to the cuts in expenditure which would seriously hamper the work of UNCTAD. It could not accept any budget on trade and development which did not take due account of the interests of the developing countries and the requests of the Trade and Development Board.

15. Mr. SAULS (United States of America) said that he wished to reiterate the reservations expressed by his delegation when explaining its vote in the Second Committee on draft resolution I. The first session of the preparatory committee for the conference on plenipotentiaries on a code of conduct for liner conferences was scheduled to meet from 8 to 26 January 1973. That was too early to allow adequate preparation for an extremely complex subject and a three-week meeting when Governments were ill-prepared was an unjustified expense. Accordingly, his delegation would prefer the first session of the preparatory committee to be convened at a later date.

16. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) requested a separate vote on each of the additional appropriations that would be required under section 15 if the General Assembly adopted draft resolution I.

*The recommendation of the Advisory Committee for additional appropriation of \$20,000 under section 15, chapter III, was approved by 69 votes to 7, with 3 abstentions.*

*The recommendation of the Advisory Committee for additional appropriation of \$10,000 under section 15, chapter IX, was approved by 71 votes to none, with 9 abstentions.*

*The recommendation of the Advisory Committee for additional appropriation of \$270,000 was approved under section 15, chapter X, by 71 votes to none, with 11 abstentions.*

17. The CHAIRMAN said that, if there was no objection, he would assume that the Committee approved an increased estimate of \$40,000 under income section 1.

*It was so decided.*

18. The CHAIRMAN suggested to the Committee that it should request the Rapporteur to inform the General Assembly directly that, should it adopt draft resolution I of the Second Committee, additional appropriations amounting to \$300,000 would be required under section 15 of the budget for 1973, and additional income from staff assessment estimated at \$40,000 would accrue under income section 1.

*It was so decided.*

19. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) requested a separate vote on both of the additional appropriations that would be required under section 15 if the General Assembly adopted draft resolution VII.

*The recommendation of the Advisory Committee for additional appropriation of \$170,000 under section 15, chapter III, was approved by 70 votes to 7, with 6 abstentions.*

*The recommendation of the Advisory Committee for additional appropriation of \$144,800 under section 15, chapter X, was approved by 76 votes to none, with 6 abstentions.*

20. The CHAIRMAN said that unless there was any objection he would assume that the Committee approved an increased estimate of \$48,000 under income section 1.

*It was so decided.*

21. The CHAIRMAN suggested that the Committee should request the Rapporteur to inform the General Assembly directly that, should it adopt draft resolution VII of the Second Committee, an additional appropriation in the amount of \$314,800 would be required under section 15 of the budget for 1973 and additional income from staff assessment estimated at \$48,000 would accrue under income section 1.

*It was so decided.*

22. Mr. CUBILLOS (Chile) said that his delegation had abstained in the vote on the additional appropriations required under draft resolutions I and VII, because it considered that the reductions recommended by the Advisory Committee in the appropriations requested for the conference of plenipotentiaries and for staff to carry out the work programme for 1973-1974 would prevent UNCTAD from discharging its functions properly.

23. Mr. DE PRAT GAY (Argentina) said that his delegation had abstained in the vote on section 15, chapter X, because of the size of the reduction recommended by the Advisory Committee and because it did not know which parts of the work for the conference would be affected by the reductions. It hoped that there would be sufficient funds to cover the cost of the consultant services referred to in paragraph 6 of document A/C.5/1485.

24. Mr. CLELAND (Ghana) said that his delegation had voted for the appropriations requested under section 15, chapter X, because the Secretary-General of UNCTAD had said that he would be able to absorb the reductions recommended by the Advisory Committee.

25. Mr. CHERPOOT (India) said that, in view of the heavy reductions recommended by the Advisory Committee, his delegation had been obliged to abstain in the votes on section 15, chapters III and X.

#### AGENDA ITEM 73

**Budget estimates for the financial year 1973 (continued)**  
(for the earlier documentation, see 1541st meeting; A/8708/Add.17, 22 and 30, A/C.5/1490 and Corr.1, A/C.5/XXVII/CRP.23)

**Revised estimates for various expenditure and income sections (A/8706, A/8708 and Corr.1 and Add.30, A/C.5/1490 and Corr.1)**

26. The CHAIRMAN said that in his report (A/C.5/1490 and Corr.1) the Secretary-General had proposed additional estimates of expenditure amounting to \$1,902,100 in the budget for 1973, as well as additional estimates of income amounting to \$58,500.

27. In its report (A/8708/Add.30), the Advisory Committee on Administrative and Budgetary Questions had recommended additional appropriations in the amount of \$1,204,500, or a reduction by \$697,600 in the amount proposed by the Secretary-General. The Advisory Committee had also recommended a decrease by \$75,000 in the Secretary-General's revised estimates of income.

28. At a later meeting the Committee would vote in second reading on the budget estimates for 1973 section by section and, after the vote on each section, delegations would be given an opportunity to explain their votes. He therefore proposed that, in considering the revised estimates, the Committee should first hear the Chairman of the Advisory Committee and then the comments of any delegation wishing to speak on any aspect, or all the aspects, of the revised estimates; he would then put to the vote the additional appropriation recommended by the Advisory Committee, namely, \$1,204,500 under the expenditure estimates and a reduction of \$16,500 in the income estimates.

*It was so decided.*

29. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions)

said that in paragraph 1 of its report (A/8708/Add.30), the Advisory Committee had drawn attention to the fact that although the net total of the revised estimates submitted by the Secretary-General was just over \$1.9 million, had it not been for savings achieved under section 7, additional requirements would have amounted to over \$3 million. As the Advisory Committee had stressed in paragraph 2 of its report, the revised estimates presented only part of the picture because they did not include revisions to initial estimates that would be necessary as a result of decisions of the various Committees. When account was taken of those decisions and of proposals submitted to the Fifth Committee, the cumulative total would be approximately \$227 million, or some \$7 million over and above the figure originally recommended by the Advisory Committee. In that connexion, it was pertinent to observe that of that \$7 million, decisions calling for expenditure in the region of \$6 million had only reached the Fifth Committee and the Advisory Committee in the course of the last two weeks of the session. Indeed, document A/C.5/1490 and Corr.1, relating to revised estimates of almost \$2 million net, had only reached the Advisory Committee in all languages six days previously. Some delays were inevitable, but there did not seem to be sufficient appreciation in the Committees of the processes to be completed before the financial implications of their recommendations could be put to the Fifth Committee. The late submission by the Secretary-General of the recommendations covered in document A/C.5/1490 and Corr.1 were a source of particular concern to the Advisory Committee which, in paragraph 4 of its report, had explained that, in its opinion, revised estimates should not be the vehicle for additional requests, but a means whereby the costs of programmes included in the initial estimates were brought up to date.

30. In paragraph 5 of its report, the Advisory Committee had attempted to analyse the requests in the Secretary-General's report by reference to the various types of expenditure. The amounts listed in columns I, II and III were attributable to inflationary and monetary factors while those in column IV were attributable to changes introduced late in the session. The increases attributable to inflationary or monetary factors had been dealt with in paragraph 6 of the Advisory Committee's report. Taking into account the fact that some of the projections must be conjectural and that no account seemed to have been taken of the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies or the Consultative Committee on Administrative Questions to the effect that increases due to rises in prices should so far as possible be absorbed by reassessment of priorities, redeployment of resources and adjustments within the budget, the Advisory Committee had recommended a reduction of \$300,000 in the provision for the impact on staff emoluments of inflationary and monetary factors. An indication of how the reduction might be apportioned between the various sections was given at the end of paragraph 6.

31. As to the changes listed in column IV of the table in paragraph 5, only those relating to section 3, details

of which were given in paragraph 8 of the Advisory Committee's report, seemed to call for explanation. The small reduction of \$25,000 referred to in paragraph 8 (a) was the net effect of proposals based on the outcome of surveys by the Administrative Management Service relating to the Office of the Under-Secretary-General for Special Political Affairs, the Office of the Under-Secretary-General for Administration and Management and the Office of General Services. The Advisory Committee had experienced considerable difficulty in assessing the Secretary-General's proposals, but having examined document A/C.5/1490 and Corr.1 and having noted that the proposed redeployments were expected to lead to a saving of \$25,000, it had decided that it could hardly object to them. Paragraph 8 (b) dealt with a request for 15 additional posts and for the upgrading of 1 post. Most of the money requested was for temporary assistance, but there were requests for some permanent posts as well. On the whole, the Advisory Committee had been unable to approve the creation of new posts or the provision of additional credits for temporary assistance. There was, however, one exception, namely, 2 posts requested for the planning, programming and evaluation unit within the Budget Division. Bearing in mind that the proposal to create the unit had been discussed in the Fifth Committee and that the Secretary-General had said that he would experience difficulty in filling 2 senior Professional posts by redeploying existing posts, the Advisory Committee had agreed, reluctantly, to the establishment of the 2 Professional posts requested on the understanding that the related costs in 1973 would be absorbed.

32. Reference to paragraph 12 of its report would show that the Advisory Committee had felt unable to recommend acceptance of the Secretary-General's proposal for the upgrading of a D-2 post in the Department of Political and Security Council Affairs to the Assistant Secretary-General level. A similar request had been made under section 16 relating to UNIDO and the Advisory Committee had dealt with both requests in general terms in paragraph 12. In reaching its decision, the Advisory Committee had been influenced by the fact that there had been a reorganization of the top echelon of the Secretariat in 1968, and that in 1972 the Secretary-General had made several changes in the top echelon to take account of more recent developments. After discussion with the Secretary-General in the summer of 1972, the Advisory Committee had agreed to the latter changes and they had been reflected in the initial estimates. It had felt, therefore, that before further changes were made, the question should be examined in its totality and comprehensive recommendations made, bearing in mind both organizational needs and possible repercussions throughout the United Nations system. In reaching its decision, the Advisory Committee had also taken account of the fact that the Secretary-General had not yet completed his consideration of the Administrative Management Service recommendations concerning the Department of Economic and Social Affairs and the Department of Political and Security Council Affairs.

33. The reduction of just over \$1.27 million under section 7, which was referred to in paragraph 18 of

the Advisory Committee's report, did no more than take account of the actual situation; it was not an artificial reduction aimed at putting a cash brake on the construction programme.

34. The Advisory Committee's recommended reductions in income section 1 were consequential upon the reductions recommended in paragraphs 15, 27, 28 and 38 of its report. The elimination of provisions for extra staff would result in a reduction of receipts from staff assessment.

35. Reference to the recapitulation of its recommendations would show that the Advisory Committee had recommended total reductions in the region of \$700,000. It had done the best it could in the few days at its disposal to consider the requests submitted in document A/C.5/1490 and Corr.1. It had necessarily had to take short cuts but felt that an over-all reduction of the amount recommended could be accommodated.

36. Mr. GARRIDO (Philippines) said that he agreed with the Advisory Committee that the revised estimates had been submitted too late. Many of the proposals, especially the revised estimates relating to the reclassification of posts and to temporary assistance, required in-depth consideration.

37. Under section 5, which dealt with travel of staff, the Secretary-General was requesting \$15,000 for the Office of the United Nations Disaster Relief Co-ordinator, in addition to the \$10,000 included in the initial estimates. While it was true that Mr. Ilić of the Joint Inspection Unit had recommended in his report on the use of travel funds in the United Nations (see A/8900) that the volume of staff travel on official business should be curtailed, his delegation was of the opinion that the Office of the Co-ordinator deserved special treatment and that any undue restriction on travel expenses might hamper the Office in its work. In that connexion it wished to commend the Office for the excellent co-ordination work which it had carried out in the Philippines on the occasion of the recent floods. He therefore disagreed with the statement of the Advisory Committee in paragraph 17 of its report that an additional appropriation under section 5 was not called for.

38. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendation regarding section 5 did not mean that if funds were needed by the Office of the Co-ordinator, they could not be found from within the total appropriation for staff travel. However, it had been felt that something should be done to give effect to the recommendations of the Joint Inspection Unit calling for a 30 per cent reduction in staff travel. The Advisory Committee's recommendation in paragraph 17 of its report was directed at section 5 as a whole and not at the Office

of the United Nations Disaster Relief Co-ordinator in particular.

39. Miss FORCIGNANÒ (Italy) said that her delegation associated itself with the comments of the Advisory Committee in paragraph 3 of its report. It was extremely disquieting to learn of such a large increase in the net level of the budget for 1973 at the last minute.

40. The CHAIRMAN requested the Committee to vote on an additional appropriation of \$1,204,500 for 1973, distributed under several sections of the budget as shown in the table at the end of the Advisory Committee's report (A/8708/Add.30).

*The recommendation of the Advisory Committee for an additional appropriation of \$1,204,500 was approved by 71 votes to 6, with 2 abstentions.*

41. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) explained that his delegation had voted against the Advisory Committee's recommendation. It very much regretted that the Secretary-General had seen fit to submit revised estimates involving large amounts at the very end of the session. In that connexion, he associated himself with the Advisory Committee's expression of concern in paragraph 3 of its report. He hoped that in future the revised estimates would be submitted in sufficient time for proper consideration of all the additional expenditure proposed. His delegation also regretted that additional costs were not being absorbed by reassessment of priorities, redeployment of resources and adjustments within the budget, as had been recommended by the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. Finally, his delegation had voted against the recommendation because it reflected considerably increased estimates of costs for staff and consultants, when in fact the work could be carried out by existing staff.

42. Mr. WOSCHNAGG (Austria) observed that the revised estimates had been submitted so late that the Committee could do little more than formally accept them instead of holding a substantive discussion.

43. Mr. STEENBERGER (Denmark) explained that his delegation had voted for the additional appropriation and believed that it was a minimum amount in the circumstances.

44. The CHAIRMAN said that if there was no objection he would assume that the Committee approved a reduction of \$16,500 in the estimates of income, to be distributed among the four income sections as shown at the end of the report of the Advisory Committee (A/8708/Add.30).

*It was so decided.*

*The meeting rose at 12.50 p.m.*