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**GENERAL
ASSEMBLY**

TWENTY-SEVENTH SESSION

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**FIFTH COMMITTEE, 1505th
MEETING**

Tuesday, 17 October 1972,
at 10.45 a.m.

NEW YORK

Chairman: Mr. Motoo OGISO (Japan).

AGENDA ITEM 73

Budget estimates for the financial year 1973 (continued)
(for the documentation, see 1504th meeting)

General discussion (concluded)

1. Mr. FAYACHE (Tunisia) thanked the Secretary-General for his efforts to curb any further increase in the budget deficit and said that Tunisia supported the policy of budgetary restraint, provided always that there was no adverse effect on the programmes for developing countries. He was glad to note that although the gross estimates for 1973 amounted to the record total of \$224,150,100 there had been no protests from certain delegations which had earlier attempted to impose a much lower budget ceiling.
2. The proposed level reflected an increase of only some 5 per cent over 1972, or 3.03 per cent if the recommendations of the Advisory Committee on Administrative and Budgetary Questions were adopted. However, it was regrettable that the reductions it had recommended represented deferred expenditures, mainly for office construction, and not real economies. Nevertheless, Tunisia would support the estimates as revised by the Advisory Committee.
3. His delegation agreed with the Secretary-General's view that the budgetary restraint practised in 1972 and 1973 would not be an adequate solution in the years to come. Moreover, the increase in the 1973 estimates merely reflected the maintenance of existing activities at the 1972 level. To restrict the normal expansion of the budget at a time when Member States, and not only the developing countries, were asking the Organization to undertake additional work, would have a damaging effect on United Nations activities.
4. His delegation would support the Secretary-General's request for the suspension of the application of financial regulations 4.3 and 5.2, despite the fact that the end result would be to penalize countries such as Tunisia that had paid their contribution in full.
5. Tunisia shared the view of the Group of 77 that there was no causal relationship between the level of United Nations expenditure and the budget deficit. There was no longer talk of bankruptcy and disaster as there had been in 1971, but the problem of the United Nations deficit still had to be solved. It was regrettable that France's example, in making a voluntary contribution of \$4 million in 1971 without prejudice to its position of principle, had not been followed by other major contributors. There seemed no prospect for a final solution to the deficit problem at the current session.
6. As a developing country, Tunisia could not agree to the transfer of the technical assistance expenditure in the United Nations budget to the UNDP budget, particularly since there was no guarantee that those amounts would indeed be disbursed under the UNDP budget.
7. With regard to the United Nations premises in New York, the Tunisian delegation awaited with interest the report the Secretary-General was to submit under General Assembly resolutions 2618 (XXIV) and 2895 (XXVI).
8. His delegation was disturbed to hear that the United States of America would be asking for a reduction in its contribution with effect from 1974. Indeed, the present arrangements for the apportionment of United Nations expenditure seemed less fair to the developing countries than to any others. The report of the Secretary-General on the collection of contributions during the period 1 January to 19 September 1972¹ showed that it was the smaller contributors that found it most difficult to pay their contributions promptly, and there was therefore a danger of a chain reaction on their part, or even on the part of other developed countries, if one developed country reduced its contribution. The scale of contributions should be reviewed after the problem of the admission of new Member States had been settled, and after extensive consultations.
9. Turning to the report of the Special Committee for the Review of the United Nations Salary System (A/8728 and Corr.1), he said that his delegation shared the Secretary-General's misgivings and considered that the proposed freezing of salaries until they could be adjusted so as to represent a ratio of 115:100 in relation to United States government salary scales would be damaging to staff morale, and hence to productivity. Recruitment of the most competent staff was important because it resulted in higher productivity.
10. His delegation supported the New Zealand delegation's views (1499th meeting) on the general debate which, at least in its present form, meant that the same views were repeated in connexion with specific sections of the budget. The present slow pace of the Committee's work would have to be paid for later by weekend and night meetings, and it would be highly desirable for the Committee to set a goal

¹ Document A/INF/149, of 2 October 1972.

example by rationalizing its own work and thus reducing wasteful expenditure.

11. Mr. RODRÍGUEZ (Cuba) said that the Secretary-General's budget estimates for 1973 (A/8706) amounting to \$224,150,100, as against 1972 appropriations of \$213,124,410, represented an increase of 5.17 per cent. Net requirements for 1973 would be 6.3 per cent more than those for 1972. With the reduction of approximately \$4.5 million recommended by the Advisory Committee in its first report (A/8708 and Corr.1) on the budget estimates, the growth in the budget for 1973 would amount to 3.03 per cent as compared with an average growth rate of 10 per cent in previous years. Detailed examination of those figures would show that the over-all increase attributed by the Secretary-General to additional requirements amounted to \$17.2 million which was offset by reductions of \$6.2 million. The additional requirements included almost \$10 million for maintaining the level of staff resources approved for 1972. According to the Advisory Committee, the reduction was attributable to two factors: firstly, the change of presentation of UNDP contributions and expenditures on projects executed for UNDP by the United Nations had removed \$2.2 million from the budget; and, secondly, lower conference requirements would result in a reduction of almost \$3 million. Again according to the Advisory Committee, its recommended reduction of about \$4.5 million was not a real saving since nearly \$2 million derived from delays in the building programme. In other words, the budget estimates for 1973 amounted to approximately \$232 million, or an increase of almost 10 per cent over the 1972 appropriations. It should be noted in that connexion that his delegation appreciated the efforts made by the Secretary-General to make better use of the financial resources available to him. It was indeed satisfactory to note that for the first time in recent years the United Nations would not incur a deficit, since appropriations for 1972 had been reduced by \$6 million and funds had been earmarked to meet unforeseen requirements likely to arise during the year. Nevertheless, bearing in mind the comments he had just made on the budget estimates for 1973, it had to be recognized that the policy of budget austerity had not been wholly successful. What had happened was that certain specific circumstances had made it possible to submit figures which might lead delegations to consider, erroneously, that the machinery for financial administration was more efficient. The figures he had given indicated that the structural and conceptual framework for the financial administration of United Nations expenditure had not changed.

12. In their statements to the Committee, the Secretary-General and various delegations had sounded a note of optimism. His delegation could not share that optimism since, if artificial savings were discounted, the budget estimates would amount to approximately \$232 million, which represented an increase of 10 per cent over the previous year. In the opinion of his delegation, that growth was not indicative of a rigorous policy of budgetary austerity and discipline. The financial insolvency of the Organization was attributable to factors which had not been

thoroughly examined or analysed. There was an uncontrolled growth in the bureaucratic and administrative functions of the Organization and any new tasks entrusted to the Secretariat by the General Assembly invariably resulted in the establishment of new committees, expert groups and so forth. It was that type of administration that had led the Organization to submit estimates amounting to some \$123 million, or 60 per cent of the estimates for 1973, under sections 3 and 4, relating to staff costs. Moreover, it was clear from the first report of the Advisory Committee that an additional sum of almost \$10 million would be required in 1973 to maintain staff resources at the 1972 level.

13. The proliferation of new organs was illustrated by a recommendation from the Special Committee for the Review of the United Nations Salary System for the establishment of a new working group to regulate and co-ordinate the conditions of employment of all elements of the United Nations common system. Furthermore, although the request for new posts was modest, it should not have been made at all because the tasks assigned to such new staff could easily be absorbed by filling some of the 120 posts which would be vacant at the beginning of 1973.

14. Turning to personnel questions, he said that an investigation and analysis should be made of Secretariat departments with a view to exhausting all possibilities of rationalizing work and increasing productivity. Recruitment policy should be based on the results of that investigation. There was undoubtedly a need for a more equitable geographical distribution of senior posts which would lead to greater participation of the developing and socialist countries in the work of the Secretariat. If the restrictions on recruitment were lifted, vacant posts should be filled by candidates from under-represented countries irrespective of the geographical region to which they belonged.

15. The question of new construction and major alterations to existing premises at United Nations Headquarters had been raised by the Secretary-General in 1969 when he had said² that the critical situation which had arisen was emphasized by the fact that in 1965 UNDP and in 1966 UNICEF had been required to vacate their spaces in Headquarters and move to outside rented space. Accordingly, the General Assembly had adopted resolution 2618 (XXIV). At the twenty-sixth session, the Secretary-General had informed the General Assembly³ that it had not been possible to complete the financial package envisaged and that consequently, approval of the Advisory Committee had not been sought nor had preparatory work for construction been undertaken; he had added that in the circumstances he considered that the plan approved by the General Assembly was unlikely to be implemented. Despite that statement, the General Assembly had adopted resolution 2895 (XXVI) which deferred consideration of the question until the twenty-seventh session. Reference to the budget estimates for 1973 showed that higher credits had not been requested for

² *Official Records of the General Assembly, Twenty-fourth Session, Annexes, agenda item 74, document A/C.5/1246, para. 3.*

³ Document A/C.5/1381, of 11 October 1971.

section 7, chapter I, of the budget. The absence of such a request implied that the Secretary-General considered that the situation had not changed since 1971; in other words, the work would not be started in 1973. That meant that the General Assembly would have to recognize that the provisions of paragraph 2 of resolution 2618 (XXIV) could not be implemented and should be regarded as a dead letter. Furthermore, the Secretary-General had not submitted the study called for in paragraphs 3, 4 and 5 of that resolution.

16. The Secretary-General had told the Committee that the financial deficit of the Organization resulting mainly from the refusal of a number of Member States, for reasons of principle, to share in the financing of certain budget items had been expected to increase by almost \$4 million in 1972. While it was true that some countries, including his own, had refused to share in the financing of certain budget items, it was not clear that the Organization's deficit was attributable to their refusal. The United Nations bond issue, the United Nations Memorial Cemetery in Korea and the United Nations Commission for the Unification and Rehabilitation of Korea were shameful episodes in the history of the Organization and were the result of the colonialist and neo-colonialist policies adopted by the imperialist Government of the United States of America throughout the world. Using the United Nations flag, the imperialist Government of the United States had intervened in a country and attempts were now being made to meet the cost of that intervention by means of the United Nations bond issue. Using the United Nations, the same Government had intervened in the internal affairs of the Korean people, imposing neo-colonialist rule on one part of that people and instituting the so-called Commission for the Unification and Rehabilitation of Korea. The inclusion of those items in the regular budget of the United Nations was contrary to the provisions of the Charter and to contribute to them would be tantamount to becoming accomplices in the acts of aggression of the Government of the United States. Cuba would vote against the estimates requested under those chapters.

17. His delegation had noted that in the budget estimates for 1973 additional funds had not been requested for technical programmes for the developing countries. It wished to point out, in that connexion, that whereas the financial obligations of the developing countries to the Organization were constantly increasing, the increases did not result in a better utilization of resources for the promotion of development.

18. In principle, his delegation considered that the proposed form of presentation of the United Nations budget would provide delegations with a clearer idea of the manner in which the Secretariat used the resources of the Organization. Nevertheless, since the new form of presentation would not represent programme budgeting but budget programming by organizational unit, further studies should be undertaken with a view to discovering other ways of identifying the precise costs of United Nations programmes. As to the duration of the budget cycle, his delegation endorsed the Advisory Committee's recommendation

that as a first step the medium-term plan should be for four years.

19. The possible increase in documentation resulting from the proposed new form of budget presentation was a source of concern to his delegation. The Secretariat should submit a study on the financial implications of the changes in documentation resulting from the proposed new form of presentation and duration of the budget cycle.

20. Referring to the fact that the United States had expressed the wish to reduce its contribution to 25 per cent of the total budget, he said that, on the basis of gross national product and capacity to pay, the Committee on Contributions had established the United States contribution at 40 per cent of the total budget; yet, the United States paid only 31.5 per cent. That was because there was a ceiling on contributions, but the existence of that ceiling meant that, for many years, other Member States had been paying part of the contribution which, but for the existence of the ceiling, the United States should have paid. In any case, the United States was the only Member State which earned an average of \$600 million a year from the presence of the Headquarters in its country. In the circumstances, it was reasonable to ask whether it was the United States which contributed to the United Nations or vice versa. For those reasons, his delegation would oppose any attempt to reduce the contribution of the United States to the United Nations.

21. Mr. YASHPAL (India) said that a sound budgetary policy should be based on realistic, rational and objective considerations and governed not only by the need for economy and efficient management of limited financial resources, but also by the need to sustain and promote the expansion of United Nations activities in substantive areas. The budgetary policy of the United Nations should increase its capacity to enter new areas of activity in response to the needs of many Member States, particularly within the context of the implementation of the International Development Strategy for the Second United Nations Development Decade. Budgetary restraints and programme expansion were not mutually exclusive; they could, with effort and imagination, be harmonized. Although adequate financial resources were not available, the United Nations should take a bold approach and aim to increase resources rather than merely try to balance the budget. It should be borne in mind that the United Nations budget cost barely two cents per head per annum to the world community. Moreover, the percentage increase in the regular budget had been much lower than the percentage increase in the national budgets of Member States and much lower than the average percentage increase in the gross national product of many Member States.

22. The essence of the financial problem facing the United Nations was that it was a challenge to the political will of the developed States who had the capacity to pay. The regular budget had increased by more than 250 per cent since 1950, but, taking account of the increase in membership and the rise in the cost of living,

it meant that the United Nations had been able only to maintain a given level of activities without being able to expand those activities to meet adequately the emerging needs of more than two thirds of its Members or to face new challenges. In view of the fact that the percentage of national budgets spent on contributions to the United Nations was small, it should not be difficult for the developed countries to offset the present deficit in the budget and to provide additional resources. In 1970 the Fifth Committee had welcomed the trend among the developed countries to channel more assistance through multilateral institutions, which had resulted in an expansion of the activities of the United Nations and its specialized agencies. To sustain that development, additional resources were required. In that context any suggestion that Members who had the capacity to pay much more than they were paying should reduce their contribution would require very careful consideration.

23. His delegation was aware of the problems the Secretary-General faced in administering the United Nations with a deficit cash position arising from non-payment or late payment of contributions. That situation could not, however, be rectified exclusively by means of budgetary restraints that would force curtailment of activities in essential fields of development. Any ceiling on the level of the budget would be a negation of the letter and spirit of Article 55 of the Charter and would further aggravate the already serious situation with regard to the widening gap between rich and poor countries.

24. Turning to the budget estimates for 1973, he said that the increase of 5.17 per cent, the lowest in many years, would be more or less absorbed by currency realignment, by substantial expenditure on construction and by the all too familiar factors of the continued rise in salary levels and the rising cost of contractual services. There would, therefore, be little left in the budget to pay for any new substantive activities. Moreover, it would be unrealistic to imagine that that small increase could be maintained, particularly since the Secretariat had already provided for supplementary appropriations to implement decisions taken recently at various United Nations conferences, in particular, the third session of UNCTAD and the Conference on the Human Environment. Accordingly, he suggested that a more realistic and larger budget should be proposed in order to avoid a last-minute desperate search for resources to meet deficits towards the end of the year.

25. He commended the Secretary-General for saving \$4 million through economy measures and better management of limited resources, but expressed concern over the suggestion that that money should be used to offset the shortfall in the payment of assessed contributions. That would penalize Member States who had been paying their assessed contributions promptly and in full, and would mean an indirect increase in the assessments of those Members; it might even encourage other Member States to withhold payment of their assessed contributions for reasons of principle. The representatives of Sri Lanka and Brazil had rightly

questioned the wisdom of using payments made by other Member States, including developing countries, to subsidize the deficit resulting from non-payment of contributions. Although the solution proposed by the Secretary-General might help to tide the United Nations over the cash liquidity crisis, it would create more serious problems later. The key to the solution of the financial crisis lay in the political will of the Member States. He suggested that Member States which were in arrears should start paying their full contributions, while at the same time reserving their position of principle in order to avoid any recurrence of similar controversial situations in future. Member States should make voluntary contributions, as France, the United Kingdom and others had done, to cover the deficit and put the United Nations on a sound financial footing.

26. Every year the Secretary-General declared that the budget estimates represented the minimum resources required for the continuation of activities already approved by the General Assembly, the maintenance of staff resources and the effective implementation of new responsibilities imposed by decisions of Member States. Those statements had been received with scepticism by Member States, especially developing countries, even though the rate of growth of the budget had always been approximately 10 per cent. He therefore wondered how the Secretary-General would be able to carry out effectively the tasks assigned to him within the proposed reduced level of budgetary resources. Excessive emphasis on budgetary restraint would lead to negative results and financial deadlock. His delegation would therefore find it difficult to accept the present budget estimates unless efforts were made to assure and convince the developing countries that no development activities would suffer during 1973 or the following years.

27. Turning to the recommendations of the Special Committee on the Financial Situation of the United Nations, he recalled that developing countries were being urged to accept the transfer to UNDP of the technical programmes, provided for in part V of the budget, to be financed by increased voluntary contributions on the grounds that it was a controversial item and its removal from the regular budget would reduce budgetary deficits. However, the allocation for part V was not large enough to affect the budgetary situation materially. Moreover, the principle involved in retaining part V in the regular budget was important because it stressed the commitment of the United Nations to international economic co-operation and the obligations of Member States to contribute towards technical assistance programmes in developing countries. Contributions to the technical programmes in the regular budget were mandatory whereas contributions to UNDP were made on a voluntary basis. Even if that part was transferred to UNDP, the problem would not be solved; it would merely be transferred. Contributions would continue to be made in local currencies and there was no way of ensuring that the additional resources would in fact be made available to UNDP. It would certainly not be beneficial for the developing countries if the resources assured under part V of the

budget were exchanged for mere promises of contributions in order to alleviate the critical financial situation of the United Nations for which the developing countries were in no way responsible. In general, he felt that no system of international co-operation could be viable if it continued to be the first victim of the vicissitudes and changes in the national policies of Member States. The regular programme of technical assistance of the United Nations and the specialized agencies represented the ideal basis for assisting development and therefore, in the view of his delegation, any move—even as part of a package—towards placing international development assistance programmes on a voluntary basis was a retrogressive step.

28. With reference to the controversial bond issue, he explained that his delegation had always abstained in voting on that item because it believed that the expenditure involved in servicing the bonds should not be apportioned on the basis of the scale of assessments for the regular budget. It should, instead, be apportioned among Member States in such a way as to take into consideration the special economic problems and difficulties of the developing countries. It had been suggested that the cost of paying off the bonds should be met from the "miscellaneous income" of the United Nations in order to meet the objections of Member States which withheld payments for reasons of principle. His delegation might be able to accept that suggestion in a spirit of goodwill and co-operation, if it formed part of a package deal to erase the entire past deficit of the Organization. However, he had reservations on the need for a fair and equitable apportionment of the expenses of the bond issue.

29. He expressed appreciation for the detailed report submitted by the Special Committee for the Review of the United Nations Salary System. The Special Committee had obviously worked hard in analysing staff salaries and fringe benefits, a subject which raised many intricate and complex problems of economic necessity, financial propriety and administrative efficiency and which had political overtones. The report should be viewed in its proper perspective, bearing in mind in an objective manner the interests of the staff, the interests of Member States and the interests of the Organization and its efficiency.

30. Replying to the representative who had made unsubstantiated allegations against India in connexion with Tibetan refugees in India during the discussion on expenditure for the Office of the United Nations High Commissioner for Refugees in New Delhi and elsewhere, he said that India had never refused to receive refugees who had fled from neighbouring countries because they found conditions there so difficult. As long as circumstances in neighbouring countries were such that people left them to seek shelter in India, his Government would be ready to extend to them whatever help and comfort it could, and he hoped that his Government could depend on the co-operation and understanding of the international community in that respect.

31. Mr. PASHKEVICH (Byelorussian Soviet Socialist Republic) recalled that his delegation always approached the budget estimates from the point of view of how to ensure the normal and efficient functioning of the United Nations. The fact that the budget continued to rise at an unacceptable rate was due to a lack of rationalization and careful utilization of the financial resources of the Organization by the Secretariat. That criticism had been substantiated by the fact that as soon as the Secretary-General had taken the first economy measures in 1972, \$6 million had been economized. He congratulated the Secretary-General on that achievement and hoped that he would continue to enforce economy measures and that all members of the Secretariat would give him every assistance by increasing productivity and by care in spending. The economies made during 1972 confirmed the theory that his delegation had long held that the quality of United Nations activities did not depend directly on the rate of growth of its budget. He was not saying that the United Nations could carry out the important tasks entrusted to it with a very small budget, but was merely pointing out that the budget was now so large that it should be possible for the United Nations to be highly efficient without further increases. The Secretary-General himself had recognized that fact in paragraph 10 of his foreword to the budget estimates for the financial year 1973 (A/8706) when he stated that a certain minimum containment of expenditure, if applied evenly and fairly, was entirely feasible without serious detriment to any individual operation. His delegation could therefore not agree that a so-called inadequate increase in the budget could have a negative effect on the quality of activities and on economic and social progress in the developing countries; that claim was exaggerated and was not substantiated by the facts.

32. Turning to the budget estimates for the financial year, 1973, he pointed out that the percentage increase in the budget, 5.17 per cent, or, taking into account the recommendations of the Advisory Committee, 3.03 per cent, should in fact read 6.4 per cent if the additional expenditure required to implement the recommendations of the third session of UNCTAD, the United Nations Conference on the Human Environment and the decisions of the Economic and Social Council were taken into account. Moreover, since considerable resources had been spent in 1972 on the third session of UNCTAD and the Conference on the Human Environment, which would clearly not be required in 1973, the increase in the 1973 budget was quite considerable.

33. As in previous years, the greatest increase in appropriations was under the part concerning staff costs and related expenses. Over the previous three years the expenditure under sections 3 and 4 of the budget had risen by more than 16 per cent and now accounted for 65 per cent of the estimated expenditure for 1973. The Secretary-General had requested appropriations to establish 14 new posts although there were over 300 unfilled posts in the Secretariat because some programmes had been completed, others had been merged and measures had been taken to restrict recruit-

ment. Even though some of those posts would be filled by the end of 1972, it would still be inadvisable to establish new posts. His delegation agreed with previous speakers that staff costs could be cut by means of a rational and efficient utilization of existing staff, a stricter organization of work and increased productivity. That objective could be achieved by eliminating duplication and overlapping by implementing the recommendations of the Joint Inspection Unit, the Administrative Management Service, the Special Committee for the Review of the United Nations Salary System, the Committee for Programme and Coordination and the proposals of the Fifth Committee.

34. In connexion with staff matters, he suggested that the Committee should invite the Secretary-General to report to the General Assembly at its twenty-eighth session on the status of implementation of the principles governing the recruitment of staff contained in General Assembly resolution 2736 (XXV), in particular the principle that preference should be given to qualified candidates of under-represented countries.

35. His delegation felt that further reductions could be made in various other sections of the estimates for 1973, particularly in the sections covering construction and maintenance of premises, travel of staff, the use of experts and consultants, overtime and so forth. For example, in paragraph 3.30 of the budget estimates, for individual experts and consultants amounted to \$1,216,000; that figure could be substantially reduced if wider use was made of existing highly qualified staff. Overtime costs could also be reduced if committees and other United Nations bodies organized their work more efficiently; the Secretariat could also help to reduce that expenditure. The volume of documentation could also be reduced; in that connexion he requested information on the status of implementation of paragraph 12 of General Assembly resolution 2836 (XXVI) which, he believed, the Secretariat was responsible for implementing. Limiting documentation and improving its quality would also help intergovernmental bodies in their work. He was glad to see that his delegation's proposal to the General Assembly at its twenty-sixth session (1437th meeting) concerning economies in the use of electricity was being implemented and that United Nations consumption of electricity in 1972 had fallen by 6.1 per cent, although, unfortunately, with inflation, the cost of electricity had risen.

36. He realized that the financial situation of the United Nations was affected by the international monetary crisis of the capitalist world, but felt that it was unjust for countries which were not involved in that crisis and did not suffer from inflation to be required to contribute more to the increased expenditure of the United Nations. In 1971 he had drawn the Committee's attention to the fact that the revaluation of the Swiss franc and the Austrian schilling had increased the United Nations budget for 1971 and 1972 by \$4 million, and he had proposed that the Advisory Committee should submit a report on that subject to the Fifth Committee. The deficit in the budget arising from fluctuations in the exchange rate should not be paid for by increasing the contributions of Member

States. When adopting resolution 2150 (XXI) of 4 November 1966, the General Assembly had decided that any unavoidable increases in expenditure should be covered by reassessment of programme priorities, redeployment of resources and, where necessary, by adjustments within the budget.⁴

37. An improvement in the financial situation would help the Fifth Committee to resolve the question of how to pay for expenditure that was unlawful and violated the Charter. His delegation would once again vote against any appropriations to amortize the United Nations bond issue, to finance the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Memorial Cemetery in Korea. In that connexion, he referred to the paradoxical situation in which certain Powers had prevented the General Assembly from considering the Korean question for the second year running, thus making it impossible to create conditions favourable to an independent and peaceful reunification of Korea and maintaining unnecessary expenditure for the United Nations Commission for the Unification and Rehabilitation of Korea.

38. Regarding the question of technical assistance programmes for developing countries, his delegation felt that the item should be removed from the regular budget because it did not accord with the spirit of Article 17 of the Charter. The item should be transferred to UNDP, without detriment to the amount of the voluntary contributions.

39. The financial crisis of the United Nations was political in origin. Decisions to carry out operations in violation of the Charter had been taken and the countries responsible for those operations should pay for them. In that connexion, he supported the reasonable suggestion made by the representative of the Union of Soviet Socialist Republics, at the 1504th meeting, to the effect that expenditure to amortize the United Nations bond issue should be excluded from the regular budget and that the Western Powers which had bought bonds should not require repayment, while bonds bought by developing countries should be repaid out of voluntary contributions from other countries.

40. With regard to the question of the scale of assessments, he agreed with other representatives who upheld the principle stating that the scale of assessments should be determined on the basis of ability to pay. If the United States of America reduced its contribution to 25 per cent of the budget, any financial gain from the admission of new Members to the United Nations would benefit only one country, which, moreover, enjoyed the economic advantages of having the Headquarters of the United Nations in its territory. In that connexion he quoted an article from *The New York Times* of 22 November 1971 to the effect that the financial profits of having the United Nations Headquarters in New York offset whatever contribution the United States paid to the United Nations.

⁴ *Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343, para. 40.*

41. Mr. BOUCHOUAREB (Algeria) said it was high time that the problem of the budget deficit was solved. But to freeze expenditure at its present level, which would be damaging to all the developing countries, was not the solution, since the deficit had not been caused by budgetary expansion. Nevertheless, the Algerian delegation supported the Secretary-General's policy of budgetary restraint, which had led to a saving of \$6 million, and agreed that the savings should be used to offset unpaid contributions. Algeria had some reservations about earmarking \$2 million for unforeseen requirements.

42. It was regrettable that the budget included estimates covering the activities of the United Nations Commission for the Unification and Rehabilitation of Korea, and Algeria was opposed, as it had always been, to the inclusion of such items in the budget.

43. It was to be hoped that the freezing of recruitment decided on by the Secretary-General would not harm the functioning of the Organization and, above all, that it would not be detrimental to the principle of geographical distribution.

44. The Algerian delegation was strongly opposed to the removal of technical assistance programmes from the regular budget of the United Nations and their incorporation in the UNDP programmes and would resist any attempt to curtail such programmes. The developing countries needed the aid of the United Nations, as well as that of the specialized agencies.

45. Turning to the form of presentation of the budget and the duration of the budget cycle, he congratulated the Secretary-General and the Advisory Committee on their respective reports and said that Algeria supported the Secretary-General's proposals as revised by the Advisory Committee. The new presentation would make possible a correct evaluation of the resources used in executing the programmes and an analysis of the execution of the programmes at any stage. It should also eliminate requests for supplementary funds. Algeria supported the new approach in principle, provided that the financial implications were reasonable and that there was no adverse effect on either the deliberative or executive organs of the United Nations, and had noted with satisfaction the recommendations in paragraphs 8 and 9 of the Advisory Committee's report (A/8739). However, his delegation had misgivings about the lack of flexibility in the proposed arrangements, particularly in relation to the transfer of allocations from one section to another. At the 1498th meeting Brazil had made some useful suggestions concerning the competence of the organs responsible for examining the budget and the Fifth Committee should act on those suggestions.

46. Subject to the reservations he had expressed, Algeria would support the proposals for a medium-term plan for four years and a biennial cycle.

47. His delegation did not support any proposal to abolish the general discussion in the Fifth Committee because it would encroach on the sovereign right of

each Member State to express its political views on points of importance and he referred to section VI, B, 4 of annex V to the rules of procedure of the General Assembly, which emphasized the importance of the general debate in the Main Committees.

48. Mr. CLELAND (Ghana) said he wished to reply, on behalf of several African countries, to the allegations made at the 1504th meeting by the representative of Portugal. The latter had referred to a so-called violation of his country's sovereignty in one of its overseas provinces by members of what he called a "Mission Invisible". If he had had in mind the legitimate mission of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples he must be told that the Special Committee represented the United Nations in the task of ensuring the rapid attainment of independence by the dependent Territories. In General Assembly resolution 1514 (XV) of 14 December 1960, it was quite rightly stated that inadequacy of economic, social or even educational preparedness should never serve as a pretext for delaying independence. It was universally recognized that colonialism and all forms of racial discrimination were obstacles to economic and social development and violations of the Universal Declaration of Human Rights. In fact colonialism posed a threat to world peace. That was why the international community had undertaken the task, through the Special Committee and other such bodies, of ensuring respect for the purposes and principles of the Charter.

49. Portugal had expressed concern that United Nations programmes were not being extended to it, thus revealing its position as a poor European country that could not continue its senseless war in Africa but for the support of its allies in the North Atlantic Treaty Organization. The obnoxious colonialist policies of Portugal represented not a "civilizing mission", but the desire to wax fat on the enslaved labour of the Africans.

50. The new international morality required that the evil of colonialism should be eliminated so as to restore human dignity to all peoples and enable them to enjoy the larger freedom that went with material advantages created by the combined efforts of all races in the African countries. Since it was the declared policy of Ghana and other African countries to offer material and moral support to all heroic peoples fighting for their independence, any delaying action would only put off the day of reckoning for the colonial Powers. The blocking of all constitutional remedies could only increase the likelihood of violence and jeopardize hopes for a peaceful existence in the future. Time was on the side of the liberation struggle and, despite the stubbornness of the colonial Powers, Africa would be free.

Form of presentation of the United Nations budget and the duration of the budget cycle (continued) (for the documentation, see 1500th meeting)*

51. Mr. SANDALA (Zambia) said his delegation welcomed the Secretary-General's recommendations for

* Resumed from the 1503rd meeting.

rationalizing the budget and the programming of United Nations activities. It was logical that the machinery for programming and budgeting should be reorganized in view of the growth in both the membership and the responsibilities of the Organization. Zambia had been using a system similar to that proposed by the Secretary-General since it had attained independence in 1964. The new system would provide a clear picture of the activities of the United Nations and its agencies and of the costs involved, and would identify activities deserving priority.

52. New machinery would be needed and budgetary authority should be concentrated in only a few inter-governmental organs, ideally in a single body. He agreed with the Advisory Committee on Administrative and Budgetary questions that an effort should first be made to use and adapt existing machinery. The Secretary-General had referred to the consequential reorganization of the Secretariat. It was to be hoped that that reorganization was being taken into account in the manpower utilization survey being carried out by the Administrative Management Service which was to be completed by early 1973. The new approach to the budget should be given a trial period to prove its worth.

53. With respect to the supplementary estimates, he said that United Nations activities in the political field could not be planned or programmed. To provide for contingent obligations, a reasonable sum should be set aside to cover unexpected cost increases, currency fluctuations or expenses resulting from General Assembly decisions, but not including projects that in the

past had been illegally financed from the Organization's trust accounts.

54. Zambia would agree to the Secretary-General's proposal that a small group of staff should deal with preliminary programming and evaluation of projects and that it should be responsible to a high-level committee. He proposed that the Chairman of the small planning, programming and evaluation unit, plus one or two of its members, should form part of the proposed high-level committee of senior Headquarters officials.

55. The Secretary-General had indicated that transfers of funds between budget chapters under the new system would require prior concurrence by the Assistant Secretary-General, Financial Services, while transfers within chapters, between programmes, would be authorized by the head of an organizational unit, subject to the Assistant Secretary-General being informed. His delegation believed that all transfers should be authorized by the Assistant Secretary-General, Financial Services, to avoid mismanagement of funds and arbitrary decisions by heads of organizational units. He welcomed the introduction of a system of monthly reporting of expenditures and obligations. Heads of organizational units should be instructed not to incur expenses beyond their allotments within a given period.

56. The Secretary-General had put forward a challenging proposal and the Fifth Committee's task was to examine how far that proposal was workable.

The meeting rose at 1 p.m.