



Thursday, 6 December 1951, at 10.30 a.m.

Palais de Chaillot, Paris

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Chairman: Mr. T. A. STONE (Canada).

Budget estimates for the financial year 1952: (a) Budget estimates submitted by the Secretary-General (A/1812 and Add. 1, A/C.5/448, A/C.5/451); (b) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/1853, A/1981)

[Item 41]*

First reading (continued)

PART IV, SECTION 20 (CHAPTER IV). ECONOMIC COMMISSION FOR EUROPE; PART VI, SECTION 22. ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST; SECTION 23. ECONOMIC COMMISSION FOR LATIN AMERICA (*concluded*)

1. Mr. KYIN (Burma) wondered whether it would not be advisable to cancel the meeting and to postpone consideration of the budget of the regional economic commissions, since several delegations, and particularly those of under-developed countries, were unable to be represented in the Fifth Committee owing to the plenary meeting of the General Assembly.

2. The CHAIRMAN proposed that the Commission should adhere to the agenda it had adopted at the preceding meeting.

It was so agreed.

3. Mr. MYRDAL (Executive Secretary on the Economic Commission for Europe) said that the regional economic commissions greatly appreciated the undivided support they had received from the Economic and Social Council and the Fifth Committee, despite the slight difference of opinion between certain members of the Committee and the Secretary-General as to the amount of the appropriations to be made available to those commissions.

* Indicates the item number on the General Assembly agenda.

4. He recalled that the secretariat establishment of the Economic Commission for Europe had been reduced by fifteen posts, or 10 per cent, between 1950 and 1951 and that in his estimates for 1952 the Secretary-General proposed the suppression of yet another permanent post and a reduction of the total appropriations, despite the inevitable increase of expenditure due to automatic salary increases.

5. Replying to a point made by the Chairman of the Advisory Committee on Administrative and Budgetary Questions, he stated that ECE had drawn up its current work programme in 1950, in anticipation of the decision of the Economic and Social Council and before the latter had decided at its thirteenth session to continue the Commission in being. Hence the suppression by the Commission of the fifteen posts already mentioned.

6. After carefully considering the reduction of \$ 42,700 recommended by the Advisory Committee, the Secretary-General had found that that would mean a further reduction in the staff of the Secretariat where there was not a single vacancy; consequently, the Commission would be constrained to abandon part of its work programme. The economic situation in Europe made the work of the Commission no less necessary in 1952 than it had been in previous years.

7. Replying to the CHAIRMAN, Mr. DONOSO (Chile) explained that the oral proposal made by his delegation during the general discussion of the budget of the regional economic commissions at the previous meeting should be regarded as a group of three separate proposals, applicable to each of the three commissions severally.

8. Mr. KYIN (Burma) said that his proposal was to be considered in exactly the same way.

9. Mr. HALL (United States of America) recognized the value of the statistical and economic reports prepared by ECE. The Governments concerned should

participate more closely in its work. He stated, however, that the competence and present capacity of ECE should permit it to absorb additional work without an increase in staff.

10. He agreed with the Advisory Committee that the Liaison Office to the Allied High Commission in Germany might be closed.

11. His delegation was in favour of the appropriations proposed by the Advisory Committee for ECE.

12. Miss WITTEVEEN (Netherlands) wished to comment in detail on the question of regional economic commissions as a whole. Previous statements showed that the differences were more apparent than real and related more to the use which the commissions should make of the appropriations than to their actual amount.

13. Members of the Fifth Committee who supported the Secretary-General's budget estimates had said that the reduction recommended by the Advisory Committee would affect the work of the three commissions adversely. To adopt those reductions would, they believed, be tantamount to declaring that the United Nations considered the under-developed countries to have made sufficient progress already, so that the assistance given them could now be reduced; it would, they argued, mean a vote of non-confidence in the commissions and in the Economic and Social Council and would prevent the Secretariat from discharging its responsibilities.

14. If the Netherlands delegation shared these apprehensions it would not hesitate to vote against the reductions recommended by the Advisory Committee. However, analysis of the differences between the two sets of figures showed that adoption of the Advisory Committee's recommendations would have no adverse effects on the highly important work of the three commissions. When examining the figures it was necessary to take into consideration the total amount of the funds appropriated for economic and social purposes by the United Nations and the specialized agencies out of their regular budgets, and in the form of voluntary contributions. Needless to say, everyone wished that still more could be done; but it could not be denied that the human, financial and other resources available had limits, while the necessity for concentrating efforts and resources could not be disregarded. The recipient countries themselves would suffer by any waste in these matters.

15. It should be noted that the reductions proposed by the Advisory Committee were not the largest recommended. To appreciate their real extent they should be compared with the increases requested in the budget estimates.

16. In the case of the Economic Commission for Europe, the recommended reduction was \$42,700. Even if that reduction would, as the Secretary-General had claimed, compel the Commission to curtail its activities, it did not necessarily follow that its work would be any the less useful provided it concentrated actively on essential tasks. Savings might be effected by an administrative simplification, and might be further increased if the Liaison Office were discontinued in 1952. It should also be possible to reduce the publications list, for which much larger funds had been asked than in 1951. Provided, therefore, the

Secretary-General was authorized to spread the reduction at his discretion, the figure of \$980,000 recommended by the Advisory Committee was acceptable, particularly as it would probably be very near the amount of the actual expenses in 1951.

17. In the case of the Economic Commission for Asia and the Far East, the difference between the Secretary-General's estimate and the Advisory Committee's recommendation had been reduced to \$43,900. With regard to staff, the sole point of disagreement was one post of information officer and one post of secretary. Here, as in the case of the Economic Commission for Latin America, a question of principle arose. To attach an information officer to a regional economic commission amounted to adding a new centre to the information services. The report of the Sub-Committee to review the principles governing the work of the Department of Public Information would enable the Committee to decide on the need for such additional information centres in Asia and Latin America. The necessary staffs should, if voted, come under the information services, and not absorb funds appropriated for economic purposes, but the drafting of press releases on meetings could surely be left to the competent members of the Commission's staff. Approval should accordingly be withheld from these posts under section 22.

18. The reductions recommended for temporary personnel, consultants and travel costs of mission staffs were in line with the reductions recommended for other sections of the budget. The Advisory Committee might however give an assurance that it would look with a favourable eye on any requests for transfers submitted by the Secretary-General, should difficulties arise in that connexion. The increased credits requested for office equipment and transport maintenance did not appear to be justified.

19. She did not think that the Advisory Committee's recommendations, if adopted with the reservation she had just made, would hamper ECAFE in its work, since the only cut proposed affected the information services. She would therefore vote for the Advisory Committee's recommendations.

20. With regard to the budget of the Economic Commission for Latin America, she pointed out that the increase requested by the Secretary-General was proportionately extremely high, and that difficulties were liable to arise from the assimilation of so large a number of new staff members. She did not wish, at that stage, to express an opinion on the suggestion to replace consultants by regular staff members for certain functions; she would be inclined to accept the opinion of the Executive Secretary, which was based on the experience of previous years, but then a smaller amount should be provided for consultants.

21. The difference between the Advisory Committee's recommendations and the Secretary-General's budget estimates was only \$49,700, to be distributed by the Secretary-General at his discretion. Part of that reduction was due to the differential to be applied to salaries for posts in the general services of the Mexico unit. The increase in the Commission's budget would still be \$122,500, or 20 per cent.

22. She feared that the setting up of the Mexico Unit might be used as a precedent. The regional economic commissions were already largely decentralized, and

further dispersion might reduce their effectiveness. Although she understood that the object of setting up the Mexico Unit was to enhance the Commission's services, she urged the utmost caution in the matter.

23. The reduction of \$49,700 included also the sum requested for the information officer already mentioned.

24. For travel on official business the budget estimates gave the same figure as for the financial year 1951, although it was stated on page 226 of the budget estimates (A/1812) that the setting up of the Mexico Unit would lead to considerable savings in travel costs.

25. She thought it reasonable to accept the Advisory Committee's recommendations on ECLA with the same reservation as in the case of ECAFE. She hoped she had convinced the members of the Committee that adoption of the Advisory Committee's recommendations would have no adverse effects on the work of the regional economic commissions, which was of such great value to so many people throughout the world.

26. Mr. MACHADO (Brazil) said that he had been instructed by his Government to vote in favour of the Secretary-General's original estimates. Dealing with Mr. Myrdal's statement that ECE's work for 1952 was as urgent and important as it had been at the time of the Commission's establishment, he recognized that ECE had been set up at a time of exceptional gravity in the European economic position, but pointed out that, thanks to the exertions that had been put forth and the Marshall Plan, Europe had made considerable economic progress since then. The task of ECE therefore presented itself in a different light and he felt that it might be possible to postpone carrying out certain parts of the ECE secretariat's programme of work.

27. The position of the two other regional economic commissions was completely different, because their work was carried out among the under-developed countries, whose economic situation had made little progress since the end of the war. The work of those two commissions was therefore as urgent as ever.

28. In the circumstances, he felt that there was no need to decide finally on the composition of the ECE secretariat: it would of course be advisable to maintain a nucleus of experts, but certain parts of the ECE work programme should only be initiated as and when credits could be voted for them.

29. Mr. ROSHCHIN (Union of Soviet Socialist Republics) said that his delegation sought constantly to avoid useless expenditure and always supported proposals for economy. Nevertheless, the USSR delegation considered that the regional economic commissions played a positive and very useful part and that it would therefore be inexpedient to limit their activities by reducing the funds at their disposal, which might impair the value of their contribution to the economic development of many countries. For example, it was necessary to make an exhaustive study of all aspects of the economic situation in Europe and to take steps to promote the development of economic relations among the various countries in that region. The European economy had been violently dislocated during and after the first and second world wars. Nothing that might contribute to the re-establishment of equilibrium should be neglected.

30. In the circumstances, the USSR delegation regarded the Advisory Committee's recommendations to reduce the Secretary-General's original estimates as inopportune, and would vote in favour of appropriations to cover those estimates.

31. It was, however, opposed to maintaining the ECE Liaison Office at Frankfurt, since it felt that there was no authority for the Office in the Commission's terms of reference. However, in its desire not to impede the Commission's activities in any way, it would be willing to vote in favour of the full amount of the Secretary-General's original estimates, while reserving the right to propose at the second reading that the appropriations for the Liaison Office at Frankfurt should be discontinued. If the Fifth Committee rejected the Secretary-General's original estimates, his delegation would ask for a separate vote on the estimate for the Liaison Office.

32. The USSR delegation felt that the activities of the two other regional economic commissions should be in harmony with the purposes of the United Nations and that their action in the economic field should strengthen international peace and security. It would therefore vote against the Advisory Committee's recommendations reducing the Secretary-General's original estimates.

33. Mr. VOUGT (Sweden) agreed with those speakers who had already emphasized the value and importance of the work done by the regional economic commissions. His delegation had followed closely the work of ECE and felt, like many others, that it would be wiser not to adopt the Advisory Committee's recommendations to reduce the Secretary-General's original estimates. It should be remembered in that connexion that the ECE secretariat had already been reduced by sixteen posts between 1950 and 1952. The Swedish delegation had the impression that the Secretary-General had done all that he could to limit the expenses of the ECE secretariat and would therefore vote in favour of the Secretary-General's original estimates.

34. Mr. NOSEK (Czechoslovakia) said that his delegation had supported all the Advisory Committee's recommendations so far. It would however make an exception in the case of the ECE budget and would vote in favour of the Secretary-General's original estimates because it felt that the amount requested by the Secretary-General was in accordance with the importance of that Commission's activities.

35. At the thirteenth session of the Economic and Social Council, his delegation had approved the action taken by ECE to bring about closer economic co-operation among the various European countries. The Czechoslovak delegation would therefore vote in favour of the Secretary-General's original estimates for ECE and for the two other regional economic commissions.

36. The CHAIRMAN put to the vote the amendment of Burma and Chile increasing by \$42,700 the appropriations recommended by the Advisory Committee for section 20, chapter IV, thus raising the total amount to \$1,022,700.

The amendment of Burma and Chile was adopted by 25 votes to 14, with 7 abstentions.

37. Mr. HALL (United States of America) observed that certain elements in the programme of work of the Economic Commission for Asia and the Far East seemed to belong more to the sphere of the Technical

Assistance Administration. He asked the Secretary-General to consider that point and determine whether it would be possible to make the appropriate adjustments when the budget estimates for 1953 were prepared.

38. His delegation thought there was little to be said in favour of the Secretary-General's proposal for a post of information officer in the ECAFE secretariat. The nearest information centres could be called upon for assistance and in the circumstances he proposed that the budget estimates should be correspondingly reduced.

39. His delegation attached the greatest importance to the regional economic commissions' work but urged that the secretariats of those commissions should never forget the need for strict economy. He was particularly disturbed by the estimates for travel on official business and for stationery and office supplies.

40. Mr. HSIA (China) was also ready to vote in favour of the Secretary-General's original estimates but agreed with the representatives of the Netherlands and the United States with regard to the post of information officer and hoped that the Secretary-General would give further consideration to that matter.

41. Mr. ADARKAR (India) thought that it would undoubtedly be useful to establish the post of information officer. Many members of the Committee had spoken in favour of more extensive information activities in the under-developed countries. It should not be forgotten that the Committee's decisions were intended to provide funds which the Secretary-General was not necessarily bound to spend. If, therefore, the Sub-Committee set up to review the principles governing the work of the Department of Public Information recommended the adoption of a policy in regard to information which would make the establishment of the post in question unnecessary, the Indian delegation would not oppose a corresponding reduction in the budget estimates. He thought, however, that for the time being there was no special reason for refusing to grant the appropriations requested by the Secretary-General.

42. With reference to the United States representative's remarks concerning the items of the ECAFE secretariat's programme of work which he had suggested should be transferred to the Technical Assistance Administration, it should be pointed out that the Co-ordination Committee of the Economic and Social Council had carefully studied the question and that in the circumstances there was no reason to challenge the propriety of its conclusions.

43. Mr. ANDERSON (Secretariat) observed that the functions which it was proposed to assign to an information officer could not be performed by any other member of the ECAFE secretariat.

44. Mr. HALL (United States of America) withdrew his proposal for elimination of the information officer post, although he was still not entirely convinced of the need for the proposed post. He hoped that the Sub-Committee to review the principles governing the work of the Department of Public Information would consider the question.

45. In reply to the observations of the Indian representative, he reminded the Committee that he was not proposing a reduction in the estimates because of any

overlapping with TAA functions. All that he wished to do was to ensure that there was no duplication of functions as between ECAFE on the one hand and the Technical Assistance Administration on the other.

46. The CHAIRMAN put to the vote the amendment submitted by Burma and Chile to increase by \$ 51,400 the appropriations recommended by the Advisory Committee for section 22, thus raising the total for the section to \$ 926,400.

The amendment was adopted by 37 votes to 7, with 3 abstentions.

47. Mr. DONOSO (Chile) recalled that his delegation had already stated its attitude on the three regional economic commissions. He had said at the previous meeting that he would vote for the Secretary-General's original estimates with the reduction of \$ 35,000 recommended by the Advisory Committee and accepted by the Secretary-General. He then referred to paragraph 327 of the Advisory Committee's report and paragraph 33 of the statement by the Secretary-General (A/C.5/448). His delegation was prepared to agree to the rate of 90 Chilean pesos to the dollar recommended by the Advisory Committee, but he pointed out that the question might be re-opened if the value of the Chilean peso increased in relation to the United States dollar. He asked for the opinion of the Chairman of the Advisory Committee on that point.

48. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Committee would give sympathetic consideration to the Secretary-General's proposals for a solution of the problem should it arise in the course of the financial year. When a case of the kind had occurred on a previous occasion, the Advisory Committee had authorized a transfer.

49. Mr. MACHADO (Brazil) said that he too would vote for the Secretary-General's revised estimates. The Netherlands representative had raised the question of the Mexico Unit. In that connexion he recalled that although Europe was much smaller than South America, the Committee had decided to maintain the ECE Liaison Office at Frankfurt. Distances were much greater in Latin America and the establishment of the Mexico Unit would be a natural development of ECLA'S activities. It would not create a precedent but was entirely justifiable.

50. Mr. ADARKAR (India) recalled that at the previous meeting he had urged that ECLA needed all the credits proposed by the Secretary-General. He pointed out that besides the Chilean peso, the exchange rates of a number of other currencies, in which certain United Nations expenses were met, varied in relation to the dollar, which naturally affected the implementation of the budget. He wondered, therefore, whether it would not be well to establish a special fund to counterbalance fluctuations in exchange rates. The General Assembly would adopt a budget drawn up in dollars, as usual, and the Secretary-General could make use of the fund to compensate, as far as possible, any fluctuations in exchange rates in different parts of the world.

51. The CHAIRMAN said that the Secretariat would take note of the Indian representative's suggestion.

52. Miss WITTEVEEN (Netherlands) observed that the ECE Liaison Office to the Allied High Commission in Germany at Frankfurt had not been established for

any geographical reasons. She added that the distances on the continent of Asia were much greater than those in Latin America.

53. Mr. BUSTAMANTE (Mexico) emphasized that the establishment of the Mexico Unit would not create a precedent. It had not been decided to set it up for geographical reasons only; its sphere of action would lie more especially among the countries in the Caribbean, which shared economic problems sometimes quite unlike those of the other Latin American countries. The Unit would therefore serve the same purpose, on a smaller scale, as that served by the regional economic commissions, and his delegation would consequently vote in favour of it.

54. Mr. HALL (United States of America) stated that in view of what the Mexican representative had said, he would vote for the establishment of the Mexico Unit. There was, however, no more justification for a post of information officer in ECLA than for a similar post in ECAFE and, while not insisting on its deletion, he requested that the situation be kept under review.

55. The CHAIRMAN put to the vote the amendment proposed by Burma and Chile increasing by \$ 49,700 the appropriations recommended by the Advisory Committee for section 23, bringing the total for the section up to \$ 674,700.

The amendment of Burma and Chile was adopted by 37 votes to 8, with 2 abstentions.

United Nations telecommunications system: report of the Secretary-General (A/1919)

[Item 47]*

56. The CHAIRMAN opened the debate on the Secretary-General's report on the United Nations telecommunications system (A/1919).

57. Mr. BRENNAN (Australia), observing that the members of the Committee had only very recently received the Secretary-General's report, asked for its consideration by the Committee to be postponed to give his delegation time to obtain instructions from its Government.

58. Mr. FOURIE (South Africa) supported the Australian representative's request.

59. The CHAIRMAN said that consideration of the Secretary-General's report would be postponed.

60. Mr. MACHADO (Brazil) pointed out that the Secretary-General's report raised questions of administrative and financial policy and proposed that it should be referred to the Sub-Committee to review the principles governing the work of the Department of Public Information.

61. The CHAIRMAN stated that the Secretariat would take note of the Brazilian representative's proposal.

The meeting rose at 12.30 p.m.