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Chairman: Mr. W. H. J. VAN ASCH VAN WIJCK
 (Netherlands).

AGENDA ITEM 41

**Budget estimates for the financial year 1958 (A/3600
 and Add.1, A/3624) (continued)**

General discussion (continued)

1. Mr. AITKEN (United Kingdom) said that his delegation welcomed the progressive increase in the number of Member States and took special pride and pleasure in the attainment of independence by two of the newest Members, which had sought and obtained membership in the Commonwealth. While the admission of new Members was a source of additional income, rising costs and the continuous expansion of United Nations activities made the Fifth Committee's work more important than ever before. The Committee was the only United Nations body in which representatives could examine the detailed administrative and financial machinery of the United Nations and appraise its efficiency. It could discharge its task effectively only by concentrating on really vital matters, by doing all it could to help the machinery to run efficiently, and by taking the fullest advantage of the combined experience of representatives.

2. Taking into account certain additional items recommended by the Economic and Social Council, the Secretary-General's budget estimates for 1958 amounted to over \$55 million, or nearly \$4 million more than in 1957. When the budgets of the specialized agencies were added, the total expenditure proposed for 1958 was approximately \$104 million, or nearly \$8 million more than in 1957. In view of the serious burden which those increases imposed on Member States, the Committee must satisfy itself that every item in the budget was fully justified.

3. The Advisory Committee on Administrative and Budgetary questions had established a fine reputation for independent and wise counsel, which was enhanced by its report on the budget estimates (A/3624). The United Kingdom agreed with most of the Advisory Committee's comments and recommendations, especially those contained in chapter I of its report, and agreed with the Chairman that the Committee should discuss them before proceeding to a detailed examination of the budget estimates.

4. The Secretariat staff accounted for a high proportion of the budget expenditure. The Secretary-General's foreword to the estimates (A/3600) and the statement he had made at the 606th meeting (A/C.5/720) provided evidence of his constant concern to

improve the staff's efficiency. It was satisfactory to note from paragraph 47 of the Advisory Committee's report that during the recent emergency the staff had been able to undertake a variety of new tasks. It was to be hoped that, now that working conditions had returned to normal, flexibility in the use of staff would continue, and, for that reason among others, the United Kingdom welcomed the new form of the budget. The Secretary-General should make full use of the increased powers which the new form conferred on him with regard to the application of priorities and the most flexible use of staff.

5. However, the form of the budget could be further simplified by including in part III of the budget those branches of the Secretariat which were now shown separately, for example in sections 10, 11, 12 and 16; that change should involve no insuperable technical difficulties.

6. Little progress had been made at recent sessions of the General Assembly towards the rationalization and more effective scrutiny of expenditure on public information services. The United Kingdom still felt that too large a proportion of the budget was spent on those services, the detailed organization of which was left almost entirely to the Secretary-General's discretion. His Government, which had supported the Advisory Committee's recommendation at the eleventh session that the annual cost of information services should be limited to \$4.5 million (A/3160, para. 121), regretted that the Secretary-General should find it difficult to give effect to that recommendation. While information centres were unquestionably useful, especially in many new Member States, centres in capitals such as London, Paris and Washington might well be duplicating the facilities provided by Governments and voluntary organizations. The Secretary-General and the Advisory Committee clearly disagreed on the subject; but there could be no disagreement on the need to ensure that appropriations for information services were well spent, or on the availability of many methods for appraising the value of such expenditure. He was glad the Secretary-General had stated that he had no objection to such an appraisal.

7. He therefore proposed, in line with the suggestion made by the Advisory Committee in paragraphs 36-38 of its report, that a small, independent commission should be appointed by the Governments of countries where experts were available to investigate the efficiency of the public information services. The commission would not be required to form policy, and the smaller it was the more efficient and expeditious its work would be. His delegation would make practical suggestions with regard to the proposed investigation at a later stage. It also wished to discuss the possibility of a review of the basic principles of United Nations information policy, which had hitherto been formulated - perhaps necessarily - in vague terms.

8. The pattern of conferences instituted by General Assembly resolution 694 (VII) had worked well. Owing to changing conditions, however, there was now room for improvement, especially in arrangements for sessions of *ad hoc* bodies and such subsidiary bodies as commodity conferences. His delegation looked forward with interest to the Secretary-General's report on the subject, and supported the Advisory Committee's recommendation (A/3624, para. 40) for the establishment of a sub-committee to consider the question and to make recommendations before the end of the present session.

9. The United Kingdom also firmly supported the Advisory Committee's recommendation (A/3624, para. 42) that no meetings of United Nations bodies should be held away from Headquarters unless any extra costs were met by the host Government concerned, and it was prepared to sponsor a resolution to that effect.

10. His delegation supported the recommendation made by the Advisory Committee at the eleventh session (A/3160, para. 24) that the Secretary-General should appoint a deputy to relieve him of financial and administrative work. It hoped that the Secretary-General would find it possible to reduce the number of Under-Secretaries and officials of equivalent rank, which was excessive. It endorsed the Advisory Committee's recommendation, in which the Secretary-General had concurred, that a small staff should be established in the Office of the Controller to keep the management of overseas offices and missions under continuing review.

11. The United Kingdom Government was greatly concerned at the fact that the United Nations was still issuing documents in such numbers that it was a physical impossibility for delegations or government departments to deal with them adequately. The numerous remedies suggested had proved of no avail. The responsibility lay not with the Secretary-General, but with Member States. His delegation was prepared to present a draft resolution instructing the Secretary-General to make an average cut of 25 per cent in the length of documents produced by the Secretariat in 1958 as compared with 1957, if that proposal had the Committee's support.

12. The post classification for staff at Geneva, which was another matter that would have to be considered, offered a good illustration of the repercussions which the Committee's decisions produced throughout the network of international organizations. The expenditure involved would be additional to the Secretary-General's original budget estimates. The United Kingdom had deplored the decision taken by the Committee at the eleventh session (596th meeting) to place staff based in New York in post classification 5 rather than 4; the decision had run counter to the recommendations of the Salary Review Committee (A/3209) - a responsible governmental committee - and departed from the carefully prepared common scheme of remuneration accepted by the specialized agencies, in direct contradiction to the established principle of administrative and budgetary co-ordination between those agencies and the United Nations.

13. In conclusion, he formally proposed that, before the Committee examined the budget in detail, it should consider in turn his various proposals and such proposals as other delegations might present. His delegation was prepared to join with others in presenting appropriate draft resolutions as a basis for discussion.

14. Mr. HEYDON (Australia) said that, having regard to the admission of twenty-two new Member States in the past two years and the assumption by the United Nations of such additional responsibilities as the United Nations Emergency Force, clearance of the Suez Canal and the question of Hungary, his delegation noted and respected the Secretary-General's view that the fullest measure of budgetary stability consistent with prudence had been achieved. In addition, the Secretary-General had earned the Committee's thanks for the major administrative economies he had introduced in recent years.

15. However, the constantly mounting total cost of the United Nations, the specialized agencies and other international programmes gave Member States cause for concern. According to the Advisory Committee, those costs would be of the order of \$176 million in 1958, assuming that the level of contributions to United Nations voluntary programmes remained the same. All Member States belonged to many international bodies, and some also had regional responsibilities; for example, Australia's contribution to the South Pacific Commission exceeded its contribution to the budget of any specialized agency. The Secretary-General's report on the United Nations Emergency Force (A/3694) made it clear that all Member States would have to bear a heavy additional burden, if the Force was to function successfully.

16. Hence, although the increases proposed in the 1958 budget estimates were largely unavoidable, serious consideration must be given to the reductions recommended by the Advisory Committee. The Secretary-General's reactions to those recommendations, of course, deserved due attention, but his delegation's first impression was that most of them could be implemented without dislocating essential activities. Like Governments, which every year had to solve their financial problems by adopting a system of priorities, the United Nations urgently needed to assign priorities among its different activities, and to improve co-ordination with the specialized agencies.

17. The estimate of almost \$5 million for public information activities left little room for hope that the target of \$4.5 million adopted by the General Assembly would be reached by 1959. It was a little surprising that, as the Advisory Committee had noted, the Secretary-General had not dealt in his estimates with the possibility of a reduction in the level of public information activities in order to keep expenditures within the recommended limit. His delegation therefore welcomed the Advisory Committee's recommendation that a small outside group should be established to study those activities and submit a report during 1958.

18. The four-year pattern of conferences adopted by the General Assembly at its seventh session had proved useful, and a similar pattern should be established at the present session. The aim should be to strike the right balance between the demand for decentralization of meeting-places and the need for administrative efficiency and economy. However, it should again be stipulated that Headquarters-based bodies should meet in New York and Geneva-based bodies at Geneva, rare exceptions being authorized by the General Assembly in very special cases. The holding of the International Conference on the Law of the Sea and the second International Scientific Conference on the Peaceful Uses of Atomic Energy at Geneva in 1958 would place a heavy

additional strain on the conference resources of the United Nations; it was to be hoped that major United Nations organs which might be affected would be consulted with regard to any ad hoc arrangements necessitated by those conferences. The Committee might well act on the Advisory Committee's recommendation for the appointment of a small sub-committee to examine a draft pattern of conferences prepared by the Secretariat.

19. The future of the secretariat of the Military Staff Committee, the question of honoraria and special allowances for members of commissions, committees and other subsidiary bodies, and possible changes in the administrative structure of the Secretariat also called for decision.

20. Australia felt strongly that, in its debate on the budget, the Committee should concentrate on the main administrative and financial issues and avoid time-consuming discussions of points of detail.

21. Mr. BLANCO (Cuba) said that it was obvious from the statements the Committee had heard at the previous meeting that there was a deep cleavage of opinion between the Secretary-General and the Advisory Committee with regard to the budget estimates for 1958 and possible reductions in them. In those circumstances, the Fifth Committee's work was more difficult than in previous years when agreement existed between the Secretary-General and the Advisory Committee.

22. In his view, the new form of the budget estimates represented an advance in budgetary technique. It would be premature at that juncture to pass final judgement on the new form, but he trusted that experience would prove that it gave the Secretary-General wide scope for improvement in the application of priorities, the flexible utilization of staff resources and the introduction of better procedures for administrative management and control.

23. The budget estimates for 1958 were approximately \$3,967,000 higher than the 1957 appropriations. In addition, the Secretary-General had indicated that revised estimates would be submitted in respect of expenditure arising out of resolutions adopted by the Economic and Social Council at its twenty-fourth session and by the General Assembly at its current session. The budget for 1958 would, therefore, exceed \$55 million.

24. His delegation was deeply concerned at the continuing increase in the international financial burdens that had to be borne by Governments. A budget of \$55 million for the United Nations might be reasonable if it covered the full cost of the Organization's most important activities, namely, the maintenance of peace and security and the economic development of under-developed countries. In fact, however, the bulk of the expenditure on those activities was met from two special accounts: the United Nations Emergency Force Special Account amounting to over \$25 million and the Special Account for the Expanded Programme of Technical Assistance amounting to over \$30 million. Except for the appropriation of \$10 million which the General Assembly had made for the United Nations Emergency Force in 1956, both those accounts were maintained by voluntary contributions. Together, they brought the total budget to \$110 million. To that figure must be added the budgets of the eight specialized agencies, which were also rising steadily, and the

voluntary contributions made by Member States to the various refugee programmes and the United Nations Children's Fund. His Government was unfortunately unable to contribute to most of the voluntary programmes, with the exception of the Expanded Programme of Technical Assistance and the Hungarian refugee programme, precisely because of its heavy commitments in respect of regular international programmes. It also had regional financial commitments connected with the Organization of American States, and would, in addition, have to contribute to the maintenance of the new International Atomic Energy Agency.

25. The situation grew more serious each year and it was a matter of urgency that all Member States should make a resolute effort to avoid increased expenditure by collaborating with the Secretary-General to that end. In that connexion, he agreed with the views expressed by the Secretary-General in the first part of paragraph 22 of the foreword to the budget estimates. In particular, his delegation believed that summary records might well be replaced by Rapporteurs' reports. The Secretary-General implied in that paragraph that it was Member States who did not wish to make savings. It was true that, when the Secretary-General requested the General Assembly for an increase over the appropriations recommended by the Advisory Committee, he generally received it, but it should be borne in mind that it was he who was responsible for making the request in the first place.

26. It was quite obvious that, if savings were to be made, a system of priorities must be introduced. When work on one programme was accelerated, work on others should be correspondingly slowed down so as to keep expenditure at a stable level and within the limits of available resources. The maintenance of peace and the economic development of the under-developed countries represented the core of the United Nations activities. As long as the United Nations Emergency Force, for example, had to be maintained savings should be made elsewhere by eliminating or postponing other activities.

27. In accordance with the spirit of General Assembly resolution 1089 (XI), expenditure on the United Nations Emergency Force, even though met from a Special Account, was United Nations expenditure and, consequently, Article 19 of the Charter should be fully applied, if and when appropriate.

28. The main increases in the budget estimates related to special conferences and the Secretariat. In that connexion he shared the fears expressed by the Secretary-General in paragraphs 35 and 36 of the foreword to the budget estimates. It was imperative that the General Assembly should adopt a new programme of conferences for 1958 and subsequent years and he was glad to see that the Advisory Committee was of the same opinion. There were two aspects to the problem: firstly, the immediate conference pattern for 1958; and, secondly, the long-term conference pattern for the next four or five years. He agreed with the Advisory Committee's recommendation that a sub-committee should be set up to study the question. It should report to the current session at least on the conference pattern for 1958. A decision on the pattern for subsequent years could, if necessary, be deferred until the thirteenth session. As a provisional measure and in view of the heavy programme of conferences at Geneva, the summer session of the Economic and

Social Council should be held in New York and the length of the International Law Commission's session should be reduced in view of the International Conference on the Law of the Sea.

29. A number of points would have to be taken into consideration in determining the long-range pattern of conferences. In addition to the frequency and venue of meetings, the proposed sub-committee should also consider whether the conference machinery could not be simplified in order to ensure savings without impairing efficiency. His delegation had always had misgivings, for instance, about the need to transfer thirty staff members to Geneva for the summer session of the Economic and Social Council. Consideration should be given to the possibility of the functional commissions of the Economic and Social Council meeting at intervals of two or three years only and the regional economic commissions every two years. He wholeheartedly endorsed the recommendation on the venue of meetings made by the Advisory Committee in paragraph 42 of its report. In special circumstances bodies could recommend meetings away from their normal headquarters locations, but such recommendations should be subject to financial scrutiny by the Secretary-General in consultation with the Advisory Committee.

30. In conclusion, he said that he was in general agreement with the Advisory Committee's observations and recommendations on part III, section 6 of the budget estimates (Secretariat: salaries and wages). He would give his detailed comments on expenditure on public information activities at a later stage.

31. Mr. ZARUBIN (Union of Soviet Socialist Republics) said that the budget estimates had to meet two requirements; firstly, they must be adequate to enable the United Nations to fulfil its obligations under the Charter, and, secondly, they must provide for an economical and rational utilization of funds in order to avoid placing any unnecessary financial burden on Member States. In his view, the second consideration had not been given enough weight in the preparation of the estimates, which therefore needed considerable amendment.

32. The estimates totalled \$55 million, which was \$4 million above the appropriations for 1957 and \$4.5 million above actual expenditure for 1956. In addition, the Secretary-General intended to submit supplementary estimates for 1957 in the amount of \$1.5 million. If the estimates were approved, contributions from Member States for 1958 would total \$53 million, which would be almost \$3.5 million more than the estimated contributions for 1957 and \$4.5 million more than the actual contributions for 1956. Nor would that constitute the total financial burden on Member States. According to the Advisory Committee, the 1958 budgets of eight specialized agencies, to which almost all Member States belonged, would total \$49 million. The aggregate expenditure of the United Nations and its specialized agencies in 1958 would thus amount to \$104 million, which would be \$8 million more than the appropriations for 1957 and \$12.5 million more than the actual expenditure for 1956. In addition, Members would have to contribute in 1958 to extra-budgetary programmes such as the Expanded Programme of Technical Assistance. If such programmes were maintained at the 1957 level, those contributions would amount to approximately \$74 million. Thus, the total expenditure to be borne by Member States would be in the region of \$175 to 200 million.

33. The steady rise in expenditure from one year to the next inevitably caused serious concern to Member States, and it was essential that the Fifth Committee should take action to check that trend. At the tenth and eleventh sessions of the General Assembly, Members had emphasized the need for the maximum economy in the utilization of the funds made available to the Organization, but the Secretary-General's estimates showed that the situation had not improved in that respect.

34. In paragraphs 10 to 12 of his foreword to the estimates (A/3600), the Secretary-General had enumerated the advantages of the new form of the budget approved by the General Assembly at the eleventh session. The Soviet delegation, however, agreed with the Advisory Committee's comment in paragraph 92 of its report (A/3624) that the greater possibilities of applying priorities in programming, increasing flexibility in the use of staff resources and improving administrative management procedures should be reflected to a greater degree in the 1958 estimates.

35. So far as priorities were concerned, the absence of a system for ensuring the concentration of effort on priority programmes was a costly matter for the Organization. Many of the new projects evolved each year by the various organs of the United Nations were of purely academic interest, while others could be eliminated or delayed. The General Assembly was asked each year to approve substantial supplementary estimates in respect of such projects. At the present session, for example, it would have to consider supplementary estimates of \$1.5 million. Such a situation could not be allowed to continue. The Soviet delegation shared the Advisory Committee's view (A/3624, para. 19) that appropriations should "be used first and foremost in areas of immediate necessity, and according to the order of priority which the Assembly and the Councils have fixed". The application of that principle would make it possible to reduce or eliminate requests for appropriations under supplementary or revised estimates in 1958. He hoped that the Secretary-General and the Advisory Committee would soon be able to submit the report they had been requested to prepare at the eleventh session on possible methods of giving effect through the budget to the various Assembly resolutions concerning the establishment of a system of priorities.

36. The Soviet delegation considered that the advantage of greater flexibility in the use of staff was also insufficiently reflected in the estimates. Instead of attempting to carry out new tasks by means of transfers of staff within the Secretariat, the Secretary-General had requested increased appropriations. The largest item in the 1958 estimates was for the maintenance of the Secretariat, a sum of \$35 million or two-thirds of the total budget being requested for that purpose. That amount was \$1.6 million more than the 1957 appropriation. The number of established posts proposed for 1958 was 4,399, an increase of 84 over 1957 and of 308 over 1956. In addition, an appropriation of \$1 million was requested for temporary assistance. Three years previously, the Secretary-General had put forward a plan for the reorganization of the Secretariat, which, he had stated, would result in a year-by-year decrease in staff costs. That had not been the case. In the opinion of the Soviet delegation, the Secretariat staff was sufficiently qualified and experienced after twelve years to be able to undertake an increased volume of

work without any addition to the number of established posts. It could not acquiesce in the continued use of temporary assistance and consultants. It agreed with the Advisory Committee's recommendation that the Secretary-General should undertake a study of the related problems of turnover, temporary assistance, consultants and manpower utilization, with a view to a more effective use of those resources (A/3624, para. 113).

37. In that connexion, it thought it would be useful for the Secretary-General to review the present ratio of top-level posts to the professional category as a whole. It thought that the number of Under-Secretaries and officials of equivalent rank could be reduced, as could that of Directors and Principal Officers. The number of Under-Secretaries could be reduced by combining functions; the office of the Controller might, for instance, be amalgamated with the Office of Personnel. The duties of Under-Secretaries without department should also be more specifically defined.

38. He would draw the Committee's attention to two instances of the uneconomic use of the Organization's resources. Despite the recent reorganization, the Department of Economic and Social Affairs was still somewhat top-heavy, and might with advantage be merged with the Technical Assistance Administration. Such a merger would make possible a substantial increase in the staffs of the regional economic commissions, whose activities were fully justified, since through them the United Nations was giving the assistance with economic and social problems which was one of its primary functions.

39. The second instance of uneconomical expenditure was on public information activities, for which the appropriation requested for 1958 was \$5 million. That request conflicted with the recommendation made by the Committee at the eleventh session that the overall expenditure on public information services should be reduced to a maximum annual figure of \$4.5 million by 1959. The Soviet delegation was confident that the Committee would reduce the 1958 appropriation to the figure it had previously recommended.

40. The third advantage offered by the new form of the budget - the more rational methods of administration -

had not been fully utilized. A large appropriation had been requested for conferences and meetings, the number of which increased every year, and was at present over 3,000. He agreed with the Advisory Committee that planning could be improved and better use made of staff and facilities. The tendency to hold meetings away from Headquarters increased expenditures and he agreed that no meetings of United Nations bodies should be held away from their normal headquarters location unless any extra costs were met by the host country concerned.

41. His delegation again wished to draw attention to the fact that the 1958 estimates included the sum of over \$3 million for bodies such as the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Field Service, which had been set up in violation of the Charter. Those items should be eliminated from the budget, and the funds involved should be devoted to one of the major functions of the United Nations - technical assistance to under-developed countries.

42. The Soviet delegation supported the recommendations of the Advisory Committee on the budget estimates for 1958, because they were designed to improve the functioning of the Secretariat and reduce expenditure for 1958, and had not been convinced by the arguments put forward at the 606th meeting by the Secretary-General. It felt, however, that the Advisory Committee had not exhausted the possibilities of increasing the efficiency of the Secretariat and of reducing expenditure. His delegation held that expenditure for 1958 should be based on expenditure for 1957 less revenue, so that the total contributions levied on Member States for 1958 did not exceed the corresponding figure for 1956, namely \$48.3 million.

43. He would give his views on the budget items in detail at a later stage. He supported the proposals made by the representative of the United Kingdom, but reserved the right to comment on them more fully at a subsequent meeting.

The meeting rose at 12.10 p.m.