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Chairman: Mr. Hans ENGEN (Norway).

AGENDA ITEM 38

**Budget estimates for the financial year 1956
(A/2904 and Add.1, A/2921)**

General discussion

1. The SECRETARY-GENERAL submitted his draft budget for 1956 (A/2904 and Add.1) and commented upon the relevant report of the Advisory Committee on Administrative and Budgetary Questions (A/2921).¹

2. He regretted that his duties would prevent him from attending all of the Fifth Committee's meetings, but he would make every effort to be present if any representative wished to put questions to him.

3. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) made some observations on the questions raised by the Secretary-General.²

4. Mr. MERROW (United States of America), after mentioning the fundamental importance of the Fifth Committee, indicated that, as Chairman of the Subcommittee on International Organizations and Movements of the House Foreign Affairs Committee of the United States Congress, he had studied and followed with great interest the growth of the United Nations and its specialized agencies over the previous ten years. Apart from the United Nations proper, there were at present ten specialized agencies and five programmes managed by the United Nations and financed out of voluntary contributions. The activities of those bodies extended to nearly ninety States and territories. Their secretariats included a staff of more than 9,000 persons and in addition the programmes employed an international staff of 2,200, not to mention the thousands of locally recruited employees. The Committee was also witnessing an increasingly pronounced trend towards decentralization, which gave rise to numerous problems of organization and management. For two years the Secretary-General had been endeavouring to improve the management and control of the United Nations. His efforts were continuing and it would be helpful if the specialized agencies were to follow the example of the United Nations in that respect.

5. The cost of all those activities had obviously increased steadily. In 1955, the total gross budgets of the

United Nations and the specialized agencies (excluding the International Bank for Reconstruction and Development and the International Monetary Fund) had risen to \$85 million, to which should be added \$102,500,000 for the United Nations Children's Fund, the Expanded Programme of Technical Assistance, the Refugee Fund, the Relief and Works Agency for Palestine Refugees and the Korean Reconstruction Agency, which brought the total of the sums placed at the disposal of the various United Nations organs in 1955 to \$187,500,000, as compared with \$122,500,000 in 1947. The total expenditure for United Nations activities since 1946 could be estimated at nearly \$1,764 million.

6. In view of the accomplishments in the political, economic and social fields which those funds had made possible, the expenditure could be easily justified, provided that the Fifth Committee and the comparable bodies of the other agencies exercised vigilance to ensure that waste and inefficiency were eliminated. In that connexion, the fact that the United Nations budget seemed to have been stabilized should not lead the Committee to relax its control.

7. There was also a noticeable trend toward a more equitable sharing of costs among the Member States. At present, no Member State was contributing more than one-third of the budget. It appeared from the record that assessments were not exceeding the capacity and willingness of Governments to pay. The same comment could not be made on the programmes financed by voluntary contributions. The contributions received fell far short of the financial targets set for carrying out the programmes. The Committee should endeavour to find the reasons for that situation and decide whether it resulted from the fact that financial targets had been set too high or whether Members were ignoring their responsibilities.

8. The support of all Member States for the causes served by the United Nations agencies must be maintained and increased. Before embarking upon any new undertaking, however, the Committee should consider whether the facilities of an international agency offered the best way of achieving the desired goal, whether the members of the agency would be prepared to share in the financing of the programme — for if the brunt of the costs of the programme fell upon a few Member States, it would lose its international character — and lastly, whether the international programme would be supplemented by national undertakings.

9. Another question had been of concern to the Committee for several years: the question of personnel policies. Considerable progress had been made in developing attractive and uniform conditions of service among the agencies, but many personnel management problems remained unsolved. The Member States, the Secretariat staff and public opinion should be assured that the criteria governing personnel policy were compatible with the standards of efficiency, competence and

¹ The complete text of the Secretary-General's statement will be found in document A/C.5/630.

² The complete text of Mr. Aghnides' statement will be found in document A/C.5/631.

integrity laid down by the Charter and that to the extent that these standards were met, due regard was paid to recruitment on as wide a geographical basis as possible. The question might also be raised as to whether it would not be more in accordance with the interests of the Organization to interpret the latter criterion to mean a fair representation of the cultures of all the Member States rather than an enumeration of staff members by nationality. Another area requiring attention was to be found in the comments of the International Civil Service Advisory Board on the training of international staff.³

10. Considerable progress had also been made in co-ordinating the administrative practices of the United Nations and the specialized agencies. It should not be forgotten that each agency, regardless of its constitutional autonomy, was a vital part of the whole United Nations system. In the eyes of the world, the success or failure of a specialized agency was identified with the success or failure of the United Nations and *vice versa*.

11. Following upon its review of the principal budgetary and administrative problems facing the United Nations, his delegation wished to clarify its position on a number of issues.

12. First, his Government was prepared to support most of the recommendations of the Advisory Committee (A/2921) and the Committee on Contributions (A/2951) on the budget and the scale of contributions for 1956. As the Members knew, those two Committees had been authorized by the General Assembly to assist the specialized agencies upon the invitation of the agencies. The advantage of having one body of experts such as the Advisory Committee examine administrative and budgetary matters of all the agencies particularly from the standpoint of co-ordination was obvious. The Advisory Committee might, however, encounter some practical difficulties in serving both the United Nations and all of the specialized agencies. On that subject his delegation would have certain suggestions to make, but it wished first to hear the views of the Advisory Committee itself.

13. In addition, his Government would welcome further improvement of the personnel management of the Secretariat. Modern techniques should not be overlooked and in that connexion he called attention to the programme of the United States Government, instituting an incentive award system for staff members who submitted suggestions for improving the efficiency of the civil service and for saving public funds. The International Civil Service Advisory Board had also made useful proposals which should be taken into account.

14. It was also important to ensure that administrative and overhead expenses did not absorb an unduly large proportion of the budgets of international organizations. There were different ways of achieving economies in that respect. In particular, in the absence of exceptional circumstances, the principal organs should meet at Headquarters, meetings should begin and end promptly and should be scheduled appropriately to avoid peaks of activities followed by lulls in the workload, in the interest both of the secretariats and of the Member States. It would also be advisable to exercise strict control over publications and the volume of documentation. For example, the summary records of the

Fifth Committee could often be replaced by the Committee's report to the General Assembly.

15. Turning to non-recurring questions, his Government whole-heartedly supported the recommendations of the Special Committee on Judicial Review of Administrative Tribunal Judgements (A/2909). He had noted with satisfaction that the construction of Headquarters would be completed in 1956 and that it was proposed to erect a memorial plaque for those who had died in the service of the United Nations. His delegation hoped that the Fifth Committee would support the proposal to establish a cemetery for members of the United Nations forces who had died in Korea.

16. Mr. van ASCH van WIJCK (Netherlands) said that compared with previous years the nature of the Committee's discussions had somewhat changed, because it was no longer the examination of the budget itself that now occupied the greater part of its time. For several years the Committee had been rather concerned at the steady increase in the budget which, apart from making the Organization expensive, provided no guarantee of good achievements. But some stability had now been achieved, apparently as a result of the successful reorganization of the Secretariat which had in addition led to economies. His delegation did not oppose *a priori* any measures which would have the effect of increasing expenditure, but one should be neither too hasty nor too ambitious.

17. As the Secretary-General had said, the Secretariat would be able to accomplish the new tasks which might result from changes in work programmes by improving the allocation of duties and increasing the flexibility of the staff. In that connexion proper co-ordination between Headquarters and the other offices of the United Nations would be helpful, but the problem was delicate because excessive centralization should be avoided. The individual character and freedom of action of the overseas offices should be respected in so far as it did not hamper sound administration.

18. The reductions already made had fortunately not had any adverse effects on the status of staff members who had been employed by the United Nations for many years and whose work was fully satisfactory. If the United Nations wished to secure the services of highly qualified persons, suitable salaries had to be paid, but above all steps must be taken to ensure stability of employment by giving it a firm legal basis and avoiding any arbitrary discrimination between Secretariat staff members. That might contribute to maintaining a good spirit in the Secretariat, which was a matter of paramount importance for the staff as well as for the Organization.

19. With respect to the preparation of documents, the Secretary-General had pointed out that delays had sometimes been due to the fact that meetings had not been planned in time. That was clear proof that too much should not be undertaken in too short a time.

20. Lastly, the Secretariat was to be commended for placing an increasing number of printing orders with firms in soft currency countries; it should be easy to overcome the few difficulties which had arisen.

21. Mr. THERON (Union of South Africa) said that the budget estimates for 1956 indicated that stability rather than a real reduction in expenditure had been achieved. In fact the reduction in expenditure shown in the preliminary budget estimates was mainly due to the reorganization of the Secretariat, carried out in

³ See United Nations, International Civil Service Advisory Board, *Report on standards of conduct in the international civil service, 1954* (COORD/CIVIL SERVICE/5).

accordance with the General Assembly's instructions, and to the fact that some exceptional items of expenditure (\$275,940 in 1955) would amount to only \$13,250 in 1956.

22. The total reduction recommended by the Advisory Committee was lower than that of the previous year; however, that did not imply that the Advisory Committee was relaxing its efforts, but rather that the budget was being well prepared. It should also be noted that for the third consecutive year the General Assembly had before it budget estimates which were provisional, particularly with respect to United Nations Headquarters. Indeed, the Secretary-General had emphasized in paragraph 11 of the foreword to the budget estimates (A/2904) that "the reorganization proposed by the Survey Group report should not be regarded as unchangeable: it must be tested by experience and kept under review in the light of changing requirements of work programmes". Moreover, the final report of the Survey Group had not been received. It was to be hoped that the reorganization had reached the final stages of completion and that the Committee would not be required to consider more than a modest additional appropriation for that purpose.

23. According to the latest information, \$4 million still remained to be paid in respect of contributions for 1952, 1953 and 1954; arrears would reach a total of \$14 million or about a third of the budget at the end of August 1955, and therefore Member States should be urgently requested to pay their contributions without delay.

24. He referred also to the tendency to top-heaviness in certain Departments. He added that he would at a suitable time return to the question and in particular the establishment of two new professional posts in the Office of Under-Secretaries without Department, the proposed re-classification of several senior officer posts in the Department of Economic and Social Affairs and the retention of the post of Deputy Under-Secretary in the Department of Public Information and a similar post in the Department of Conference Services.

25. Mr. EL MESSIRI (Egypt) expressed satisfaction with the administrative and budgetary progress made. The fact that the Advisory Committee had recommended only a slight reduction in the credits requested by the Secretary-General was a sign of stability and sound administration and would help the Committee in its work.

26. Estimated expenditure for 1956 was \$686,000 lower than in 1955 and \$2 million lower than in 1954. The savings had been made possible by the reorganization of the Secretariat. It was to be hoped that the reorganization would be completed shortly, by the end of 1955 or the beginning of 1956, and that the savings

would in no way impair the quality of the services the Secretariat provided.

27. His delegation was concerned about the proposal further to reduce the staff of the Department of Economic and Social Affairs; the merger of the two former departments had already made it possible to abolish 32 posts. The under-developed countries, whose needs were steadily increasing, attached particular importance to the services that Department provided. It was true, as the Secretary-General had said, that the Secretariat should be regarded as an indivisible unit, but nevertheless the staff of the Department of Economic and Social Affairs should be composed of experts and specialists capable of carrying out the necessary technical studies and research. At the ninth session, the Secretary-General had stated in the Fifth Committee (443rd meeting) that it was impossible to make further savings without cutting down main programmes. His delegation had noted that important statement and hoped that the Department concerned could be reorganized without affecting the interests of the under-developed countries.

28. With regard to the Technical Assistance Administration, he noted with satisfaction that the Advisory Committee had realized that great efforts were being made to reduce administrative expenses. The Advisory Committee referred to a possible merger of TAA with the Department of Economic and Social Affairs (A/2921, para. 81). The question was of great interest to his delegation, which hoped that the Secretary-General and the Advisory Committee would submit detailed reports on the subject, thus enabling the Committee to reach a decision in full knowledge of the facts.

29. He also expressed concern at the proposal to abolish 14 supplementary posts in the Department of Trusteeship. In 1954 the representative of the Secretary-General had stated that the staff of that Department had already been reduced to the bare minimum, and therefore a substantial reduction in its budget might make it necessary to abandon some of its vital work, despite the fact that it should be given the means of accomplishing its task and promoting the advancement of the millions of human beings with whom it was concerned.

30. His delegation was glad to note that for a number of years expenditure on temporary staff had been steadily reduced by increasing internal flexibility to meet needs as they arose.

31. Mr. RISHTYA (Afghanistan) expressed satisfaction at the results achieved by the Secretariat in the administrative field. The Secretariat's task was difficult, but administrative expenses had to be reduced as far as possible and the savings used to provide the technical assistance so sorely needed by the under-developed countries. His delegation would vote for the appropriations requested.

The meeting rose at 12.40 p.m.