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ASSEMBLY**

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**FIFTH COMMITTEE, 1301st  
MEETING**

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**Chairman:** Mr. David SILVEIRA DA MOTA  
(Brazil).

*In the absence of the Chairman, Mr. Gindeel (Sudan),  
Vice-Chairman, took the Chair.*

**AGENDA ITEM 74**

**Budget estimates for the financial year 1970 (*continued*)  
(A/7606, A/7608, A/C.5/1230, A/C.5/1231 and Corr.1,  
A/C.5/1233, A/C.5/1234)**

*General discussion (continued)*

1. Mr. SEISAY (Sierra Leone) noted with appreciation that in their statements at the 1299th meeting of the Committee the Secretary-General (A/C.5/1233) and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/1234) had expressed the view that the cuts that the Advisory Committee had proposed to make in the appropriations envisaged in the budget estimates for 1970 were not drastic enough to impede the execution of the work programmes of the Secretariat during that year. His delegation attached great importance to that view because it agreed with the Secretary-General that "there must be no slackening in the international commitment to co-operation in the field of economic and social development" (A/C.5/1233, para. 12). While the United Nations was frequently criticized for its ineffectiveness as an instrument of peace, even its severest critics conceded that it played a constructive role in helping the developing countries to cope with the problems of economic and social stagnation. He defended that role with some feeling as his country was at present the beneficiary of a feasibility study undertaken by the United Nations with a view to establishing a hydro-electric power network which would transform its whole economy.

2. He expressed gratification concerning the Secretary-General's proposal to establish a unit to plan the application of electronic data-processing methods. The Committee should heed the counsel of the Chairman of the Advisory Committee that it take action "to co-ordinate and wherever possible integrate computer facilities throughout the United Nations system" (A/C.5/1234, para. 31).

3. The Secretary-General in his statement had described the nature and relative magnitude of specific financial problems of the United Nations. Mr. Seisay wished to draw attention to one of those problems, namely, the payment by a number of Member States of their contributions to the regular programme of technical assistance under part V of the budget in non-convertible currencies totalling \$7.3 million. It was particularly regrettable, in view of the financial difficulties confronting the United Nations, that despite its best efforts, such a large sum should be lying idle. He urged that every effort should be made so that those amounts in non-convertible currencies ceased to appear in annual budgets as a deficit.

4. Mr. SERBANESCU (Romania) commended the Secretary-General and the Advisory Committee upon the excellent report they had submitted on the budget estimates for the financial year 1970 and said that he was fully aware of the increasing difficulties of preparing budget estimates as the United Nations expanded its activities and its machinery became more and more complicated. In the circumstances, it was heartening to see the improvement made in the presentation of the budget estimates.

5. Although the Secretary-General had said that his requests for 1970 were particularly modest, the Romanian delegation regretted that the Advisory Committee had not challenged more vigorously certain requests which appeared to be in conflict with that position of principle. The budget estimates for 1970 had all the earmarks of those which had been examined in the last few years; in particular, it called for a rather substantial increase in expenditure. His delegation would be quite willing to support that increase if it could be regarded as a natural phenomenon reflecting a sound and balanced expansion of United Nations activities. However, it was compelled to point out that, as usual, purely administrative costs showed the highest increase; indeed, for 1970 they represented more than 60 per cent of the budget. Notwithstanding the fact that the Advisory Committee had drawn attention at the previous session to the large increase in staff, which merely had the effect of making the machinery of the Secretariat unwieldy, and had urgently recommended a survey of the staff available to the Secretary-General, its deployment and utilization, the Secretary-General was now requesting 308 new posts in addition to the 150 authorized posts which had remained

unfilled in 1969. His delegation would find it difficult to agree to an increase of that magnitude. It also regretted that the survey of staff resources was being carried out unit by unit over a period of more than two years because ultimately the findings could well lose much of their value.

6. He wished to reaffirm the reservations of principle which his delegation had with respect to the requests made under section 12, chapters I and IV, and with respect to certain chapters of section 17. The elimination of those items of expenditure, which were incompatible with the provisions of the United Nations Charter, would directly contribute to placing the Organization on a sound financial basis.

7. In connexion with the strengthening of the efficiency of the United Nations and the specialized agencies, he pointed out that, in the hope of eliminating duplication and dispersal of effort, various bodies had been established in recent years—including the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, the Committee for Programme and Co-ordination, the Joint Inspection Unit and the Committee on Conferences, and that new tasks had been entrusted to the Board of Auditors, the Advisory Committee on Administrative and Budgetary Questions and the Administrative Committee on Co-ordination—and the Secretariat had undertaken a survey on the deployment and utilization of staff. Nevertheless, the concrete results of all those measures were slow in making themselves felt and the volume of documentation and number of meetings continued to increase, with the result that there was less return on the investment of funds and personnel.

8. He ventured to hope, however, that the various organs of control and co-ordination would help to find a solution to the problem. In particular, there should be a better distribution of meetings of the principal organs of the United Nations, their functions should be clearly delimited and defined, co-operation among them should be strengthened, particularly between the Joint Inspection Unit and the Advisory Committee, and the bulk of their efforts should be concentrated on economic and social development. Of course, it was easy to enumerate those tasks, but difficult to carry them out. Nevertheless, after twenty-five years, on the threshold of the Second United Nations Development Decade, the organization, with the assistance of all its Members, should be able to make progress along those lines.

9. Mr. MEYER PICON (Mexico), speaking in the exercise of his right of reply, said that his delegation reserved the right to revert later to a comparison made by a New York newspaper between the budget of the United Nations and the military budget of Mexico, a comparison which had been referred to at the preceding meeting by the representative of Brazil.

#### *First reading*

#### SECTION 6. PAYMENTS UNDER ANNEX I, PARAGRAPHS 2 AND 5, OF THE STAFF REGULATIONS; HOSPITALITY (A/7606, A/7608)

10. The CHAIRMAN said that in the budget estimates for the financial year 1970 (A/7606), the Secretary-General

had requested an appropriation of \$145,000 under section 6. In its report (A/7608, para. 186), the Advisory Committee on Administrative and Budgetary Questions recommended that the Secretary-General's estimate should be approved.

11. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that expenditure under section 6 in 1968 had been slightly less than that estimated for 1969; for 1969, the Secretary-General thought he would be able to maintain expenditure within the limits of the appropriation, or \$140,000. For the financial year 1970, the Secretary-General proposed an increase of \$5,000 over 1969 to cover the rising costs of hospitality and to increase the minimal allotments available to certain services. The Advisory Committee therefore recommended that the Secretary-General's estimate should be approved.

*The recommendation of the Advisory Committee (A/7608, para. 186) for an appropriation of \$145,000 under section 6 was approved on first reading by 73 votes to none.*

#### SECTION 7. BUILDING AND IMPROVEMENTS TO PREMISES (A/7606, A/7608)

12. The CHAIRMAN said that in the budget estimates (A/7606), the Secretary-General had requested an appropriation of \$5,088,800. In its report (A/7608, para. 203), the Advisory Committee recommended that the Secretary-General's estimate should be approved. He explained that the appropriations that might be requested in connexion with proposals submitted later concerning buildings and improvements to premises, at Headquarters or elsewhere, would be included in the revised budget estimates, which would be considered by the Committee during the session and which, subject to the decisions that it might take on those proposals, would be put to the vote during the second reading.

13. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee approved the appropriation requested by the Secretary-General under section 7. However, the Committee noted that, apart from the annual instalment of \$1 million for the extension of the Palais des Nations at Geneva, the appropriations requested under chapters II and III were intended to finance solely the current alterations and improvements being made in the premises and installations of Headquarters and the Palais des Nations, major maintenance work, and the expenditure necessary to solve the problems which had arisen since the United Nations building at Santiago, Chile, had been occupied in November 1966. No appropriation was being requested for new building programmes. However, at the current session the Secretary-General was to submit to the General Assembly an additional report concerning the possible construction of a new building at Headquarters, together with interim reports on the situation at Geneva and Santiago, which might reveal the need for additional expenditure. The Advisory Committee was convinced that in his report on the situation at Santiago, the Secretary-General would indicate clearly the current and projected space needs of the organizations concerned and the appropriate cost-sharing arrangements.

*The recommendation of the Advisory Committee (A/7608, para. 203) for an appropriation of \$5,088,800 under section 7 was approved on first reading by 84 votes to none.*

#### SECTION 8. PERMANENT EQUIPMENT (A/7606, A/7608)

14. The CHAIRMAN said that in the budget estimates (A/7606) the Secretary-General had requested an appropriation of \$800,000. In its report (A/7608, para. 214), the Advisory Committee had recommended an appropriation of \$780,000, a reduction of \$20,000.

15. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that the appropriation under that section varied relatively little from year to year. The section was intended to provide for the acquisition and replacement of furniture and equipment at all United Nations offices. The variable factors in the volume of expenditure were the unit costs of material and the number of units necessary, which usually was in direct proportion to the number of additional posts. The Advisory Committee noted that for two or three years deficits which were to a large extent unavoidable had been recorded at the end of the financial year. The Committee felt that the Secretary-General had determined as precisely as possible what the needs would be under that section for 1970 but it noted that the appropriations requested under chapter I, for furniture and fixtures, and chapter II, for office equipment, had been calculated on the basis of needs higher than those which the Advisory Committee had contemplated in the matter of additional posts. Taking into account the reductions it had recommended on the appropriations requested by the Secretary-General under other sections of the budget concerning new posts for 1970, the Advisory Committee recommended a slight reduction, or \$20,000, which would bring the estimate under section 8 down to \$780,000.

*The recommendation of the Advisory Committee (A/7608, para. 214) for an appropriation of \$780,000 under section 8 was approved on first reading by 87 votes to none.*

#### SECTION 9. MAINTENANCE, OPERATION AND RENTAL OF PREMISES (A/7606, A/7608)

16. The CHAIRMAN said that in the budget estimates (A/7606) the Secretary-General had requested an appropriation of \$5,303,600 under that section. In its report (A/7606, para. 221), the Advisory Committee had recommended that the Secretary-General's estimate should be approved.

17. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the cost of contractual services was affected in some cases by factors beyond the Secretary-General's control. This was also true of the cost of utilities, although the Secretary-General could in that case exercise some control over the amounts used. The Advisory Committee was not recommending any reduction in the proposed estimate, although it believed that some savings might be possible under chapters II and III. It trusted that the Secretary-General

would continue his efforts to achieve economies in items subject to administrative control.

18. Mr. FAURA (Peru) said that his delegation was intending during the general discussion to ask questions on a number of matters, including the renting of premises, and to express its views on the subject.

*The recommendation of the Advisory Committee (A/7608, para. 221) for an appropriation of \$5,303,600 under section 9 was approved on first reading by 84 votes to none, with 1 abstention.*

#### INCOME SECTION 2. FUNDS PROVIDED FROM EXTRA-BUDGETARY ACCOUNTS (A/7606, A/7608)

19. The CHAIRMAN said that in the budget estimates (A/7606) the Secretary-General had submitted an estimate of \$2,436,400 under income section 2. The Advisory Committee in its report (A/7608, para. 376) had recommended that the estimate proposed by the Secretary-General should be approved.

20. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the estimated income under income section 2 was below the estimate approved for 1969. That was attributable to a change in budget presentation affecting certain transactions between the Organization and the United Nations Joint Staff Pension Fund. In that connexion, he drew the Committee's attention to paragraph 374 of the Advisory Committee's report.

21. The CHAIRMAN thought that the Fifth Committee could approve on first reading the estimate of \$2,436,400 recommended by the Advisory Committee for income section 2.

*It was so decided.*

#### INCOME SECTION 3. GENERAL INCOME (A/7606, A/7608)

22. The CHAIRMAN said that in the budget estimates (A/7606) the Secretary-General had proposed an estimate of \$4,048,000 under income section 3. The Advisory Committee in its report (A/7608, para. 386) had recommended an estimate of \$4,073,500 for that section, an increase of \$25,500 over the estimate submitted by the Secretary-General.

23. He thought that the Fifth Committee could approve on first reading the estimate of \$4,073,500 recommended by the Advisory Committee for income section 3.

*It was so decided.*

#### INCOME SECTION 4. REVENUE-PRODUCING ACTIVITIES (A/7606, A/7608)

24. The CHAIRMAN said that in the budget estimates (A/7606) the Secretary-General had submitted an estimate of \$3,257,600 under income section 4. The Advisory Committee in its report (A/7608, para. 402) had recommended an estimate of \$3,267,600 for that section, an

increase of \$10,000 over the estimate proposed by the Secretary-General.

25. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that the Fifth Committee had decided<sup>1</sup>, at the twenty-third session, to request the Secretary-General to undertake a study to explore short-range and long-range practical possibilities of increasing the income from current activities and, especially, of starting additional revenue-producing activities. The Secretary-General had informed the Advisory Committee that the question was being kept under consideration but that, thus far, he was unable to put forward any firm proposals. The Advisory Committee trusted that the Secretary-General would be pursuing the study more actively during the coming months.

26. With regard to chapter I, relating to the sale of United Nations postage stamps he said that there had been a world-wide decline in interest in philately, which was likely to affect over-all revenue from the sale of United Nations postage stamps. According to the supplementary estimates for the financial year 1969 (A/7673), it appeared that income under income section 4 was likely to be lower than the estimate approved for 1969. In 1970, however, that unfavourable trend would be partly offset by the increase in sales of United Nations postage stamps at Geneva, where sales had commenced on 4 October 1969.

27. Mr. MEYER PICON (Mexico) asked whether the Secretariat could tell the Committee when it would be able to consider the Secretary-General's report on the possibilities of increasing the Organization's income.

<sup>1</sup> See *Official Records of the General Assembly, Twenty-third Session, Annexes*, agenda item 74, document A/7476, para. 144.

28. Mr. TURNER (Controller) said it was difficult to give an exact answer to that question. The Secretariat had been actively engaged on the study for six months but, at the current stage, it was not yet possible to formulate proposals which would be in keeping with the dignity of the Organization and would at the same time hold out some promise of producing an appreciable increase in income. He hoped that the Secretary-General would be able to submit an interim report to the Committee; but such a report would not deal comprehensively with the question, which would still have to be studied further.

29. Mr. S. K. SINGH (India) said he hoped that the report would list not only the ideas and suggestions which the Secretary-General considered to be consonant with the dignity of the Organization, but also any other proposals which might be made regarding the possibility of increasing the income. Such proposals could be listed in an annex or addendum to the report of the Secretary-General. If that course were adopted, the Committee would find it easier to undertake a thorough review of the question.

30. Mr. TURNER (Controller) took note of the Indian representative's request. There would be an annex to the report of the Secretary-General containing an account of everything which had been done on the question outside the United Nations itself.

31. The CHAIRMAN thought that the Committee could approve on first reading the estimate of \$3,267,600 recommended by the Advisory Committee for income section 4.

*It was so decided.*

*The meeting rose at 12 noon.*