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Chairman: Mr. Najib BOUZIRI (Tunisia).

AGENDA ITEM 76

'Budget estimates for the financial years 1965 and 1966 (*continued*) (A/5799 and Corr.1; A/5805, A/5807 and Corr.1; A/5940 and Corr.1; A/5969, A/5995, A/5996, A/6005, A/6007 and Corr.1; A/6050; A/C.5/1009 and Corr.1; A/C.5/1011, 1014, 1025 and Corr.1; A/C.5/1027, 1035-1038; A/C.5/L.833, L.836)

Budget estimates for the financial year 1966 (*continued*) (A/5799 and Corr.1; A/5805, A/5807 and Corr.1; A/5940 and Corr.1; A/5996, A/6005, A/6007 and Corr.1; A/6050; A/C.5/1009 and Corr.1; A/C.5/1025 and Corr.1; A/C.5/1027, 1035-1038; A/C.5/L.833, L.836)

General discussion (*continued*)

1. Mr. PARTHASARATHI (India), commenting on the financial deficit of the United Nations resulting from the difficulties connected with the financing of peace-keeping operations, recalled the statements made by the Indian representative at the 27th meeting of the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations on 6 October 1964 (A/AC.113/45) and in the Special Committee on Peace-keeping Operations on 27 April 1965<sup>1/</sup> regarding the capacity of the Secretary-General to incur expenses related to peace-keeping. His delegation's letter to the Secretary-General, dated 5 October 1965 (A/6045), should be viewed in the context of those statements.

2. The Minister for Foreign Affairs of France had put forward in the General Assembly (1341st plenary

<sup>1/</sup> See Official Records of the General Assembly, Nineteenth Session, Annexes, annex No. 21, documents A/5915 and Add.1, annex I, 4th meeting.

meeting) certain interesting although tentative ideas on the need for a review of the financial and administrative policies of the United Nations and the specialized agencies. His delegation would study carefully any definite proposal put forward by the French delegation in the form of a draft resolution. At present, it merely expressed the hope that those proposals would not result in upsetting any part of the machinery for co-ordination and review already in existence.

3. He endorsed the view of the Advisory Committee on Administrative and Budgetary Questions (A/6007 and Corr.1, para. 45) that there was no conflict between a policy of maximum economy and the desires of Member States for increased emphasis on current activities and the addition of new activities. While it was true that the membership of the United Nations had more than doubled since 1946, it had to be remembered that the majority of Members were small and developing countries, assessable only at a floor level of 0.04 per cent. Even so, the increased obligations of Member States resulting from the constant increase in the expenditure of the United Nations placed a heavier burden on those States whose economy had not obtained a rate of growth in keeping with rising costs. For those States, the marginal value of each extra dollar they were called upon to pay was greater than for the developed countries. The dilemma appeared to be that, whereas the Organization was designed to protect the interests of the smaller nations, the very expansion of its activities in favour of those nations laid too heavy a burden upon them. The maintenance of missions in New York, added to multiplying assessments even at the floor rate, was a heavy drain on their resources. The estimates for 1966 amounted to approximately \$12 million above the comparable figure for 1965, an increase of roughly 10 per cent. Such a rate of increase was extremely high, except in special circumstances.

4. There seemed to be three main factors responsible for that unusual rise: the expansion of the Organization's activities, resulting in a heavier programme of meetings; the expansion of authorized posts in the Secretariat, as well as an increase in the base salaries; and the new trade and development machinery. It was hardly surprising that the general expansion of activities had led to a certain amount of avoidable increase in the number of meetings and conferences, as well as a certain degree of avoidable documentation, and his delegation supported the Secretary-General's appeal to limit the number of meetings and conferences. Economies effected in that regard should not, however, hamper in any way the welcome expansion of social,

economic, humanitarian, trade, developmental and other activities of the United Nations.

5. His delegation had always warmly supported the idea that a token share of the total United Nations technical assistance expenditure should be financed out of the regular budget. Since 1964, expenditure under part V (Technical programmes) of the budget estimates had remained steady and now represented 5 per cent of the total budget as against 7 per cent in 1964. His delegation considered that contributions to that part of the budget should, if possible, be in acceptable currencies other than United States dollars, if such a step could lead to an expansion of activity.

6. The Advisory Committee had recommended a reduction in the Secretary-General's request for additional posts in the Secretariat for 1965 and 1966 from 762 to 477 posts. Taking into account the 73 authorized posts still vacant on 31 August 1965, that meant that the Secretariat would be faced with the task of filling 550 posts. The difficulties of recruiting such a large number of qualified personnel were enormous and his delegation agreed entirely with the doubts and hesitations of the Advisory Committee as set out in paragraphs 167 and 174 of its main report (A/6007 and Corr.1). He therefore suggested that the Fifth Committee should consider making a wider and more comprehensive survey of organization and methods, taking particular account of the remarks of the Advisory Committee in paragraphs 72-78 of its report (A/5807 and Corr.1) to the nineteenth session of the General Assembly.

7. His delegation agreed with the policy followed in the 1966 estimates of stabilizing the expenditure levels for the Office of Public Information. It was gratified to note the improvement in the performance and output of the OPI, but suggested that the OPI should plan its releases to suit the convenience not only of the local information media but also of the members of the press corps at Headquarters, who had to supply information on United Nations activities to their respective countries and regions.

8. Some interesting ideas were contained in the Advisory Committee's comments on the advisability of using a uniform lay-out for the preparation and presentation of the budgets of the United Nations and all the specialized agencies (see A/6007 and Corr.1 paras. 116-120). Inter-agency co-ordination and continuous review and reconsideration of budgetary processes were necessary in a dynamic and growing organization, but care should be taken not to damage in the process the framework which had been built up at such cost and with such care.

9. In addition to coping with the problems caused by the expansion of United Nations activities, the Fifth Committee would also have to study ways and means for improving the actual cash situation of the United Nations and for financing past, present and future peace-keeping operations. His delegation was ready to consider any practical solutions which were in the best interests of the United Nations and hoped that the Committee was ready to face up to its responsibilities.

10. Mr. SALEEM (Iraq) expressed general agreement with the Advisory Committee's recommendations and supported the suggestion made by several delegations

that a list of priorities should be established for the United Nations programme of meetings and conferences.

11. He also endorsed the suggestion that efforts should be made to ensure a more equitable geographical distribution in filling vacancies in the various United Nations organs and agencies.

12. His delegation associated itself with those who supported the inclusion of the sections dealing with technical assistance in the regular budget; in its view, those sections should continue to be included even after the proposed merger had taken place.

13. Although escalating budgets were to be expected as a result of the growing membership and the multiplying obligations of the United Nations, his delegation shared the general concern at the constant increase in the annual budget, which, if uncontrolled, would lead to some Member States being unable to meet their financial responsibilities.

14. Mr. GOTZEV (Bulgaria) agreed with many previous speakers that the budget estimates for 1966 were excessively high. It was not surprising that those who had displayed most concern at that fact were, like himself, representatives of small countries. The increase over the previous year's figures was too great to be passed over in silence. Moreover, the estimates were subject to subsequent upward revision to take care of additional items of expenditure, and the Secretary-General had indicated that the final figure might be as high as \$120 million. The budgets of the other international organizations in the United Nations system were undergoing similar inflation, and according to the Advisory Committee the 1966 budgets showed an average increase of 8.33 per cent over the 1965 budgets throughout the system.

15. The prerequisite for a reduction of the Organization's costs, and hence of the burden on Member States, was a responsible attitude on the part of both Member States and the Secretariat. All decisions had financial implications, and the over-all situation must be borne in mind at all levels of activity. His delegation endorsed the Advisory Committee's view (A/6007 and Corr.1, para. 45) that only by long-term planning and the establishment of priorities could the most effective use be made of available resources. Every effort must be made to give practical effect to that principle. Moreover, the Fifth Committee must respond to the Secretary-General's appeal for restraint in regard to the programme of meetings and conferences, an appeal which had hitherto gone unheeded. It was imperative that the General Assembly should take action on the matter at the present session.

16. As in the past, provision continued to be made in the budget for illegal expenditures. His Government would not contribute to the financing of expenses arising out of the United Nations bond issue, the United Nations Memorial Cemetery in Korea, the United Nations Commission for the Reunification and Rehabilitation of Korea, the United Nations Truce Supervision Organization in Palestine, and the United Nations Field Service. The sooner those items were

removed from the regular budget, the better it would be for the whole financial situation.

17. Turning to section 3 (Salaries and wages), he endorsed the Advisory Committee's view that the growth of the Organization's activities need not lead to an automatic increase in the number of staff. The solution was to be sought rather in increased efficiency, and he agreed with the representatives who had called for reorganization of the Secretariat. The science of administrative management had made great strides, and might profitably be applied to the problem. The French delegation had advanced some interesting ideas in that connexion.

18. Mr. AL-RIFAE (Kuwait) said that his Government favoured meeting the deficit for peace-keeping operations by means of voluntary contributions and therefore welcomed the contributions already made and hoped that others would soon be forthcoming. It also believed that a fund, based on voluntary contributions, should be established to support peace-keeping operations until such time as a more permanent solution was found. The United Nations was man's best hope for preserving international peace and security and it should be given the financial resources it needed.

19. Much concern had been expressed at the growing budget of the United Nations, whose rate of increase had been about 5 per cent for the past two years. His delegation, however, believed that such a rate of increase was justified. Perhaps the most significant single factor responsible for the increase in 1966 was the establishment of the United Nations Conference on Trade and Development, which was to play a vital role in helping countries to develop their economies. An increase in expenditure was only to be expected, but it would be more than worth while if UNCTAD could contribute meaningfully to the betterment of the developing world. Another significant factor was the increase in the number of staff. Once again, if Member States expected more from the Organization, they should be willing to pay for it.

20. He reminded those delegations which had pleaded inability to pay the budget increases that their contributions to the United Nations were only a very small fraction of their total budgets. Surely an increase of 5 per cent in that fraction could be met without difficulty. That did not mean that economies should not be effected wherever possible. His delegation would support every legitimate and practical proposal aimed at improving the efficiency of the United Nations.

21. Mr. OMRAN (Syria) said that, while he agreed with the Secretary-General that the Committee was faced at the present session with a more difficult task than usual, the Committee should not discuss the causes of the situation but seek a solution to the financial problem regardless of the "special circumstances".

22. His delegation could not agree with the many speakers who had advocated placing a ceiling on the budget, since it regarded a limitation of the Organization's activities as unacceptable. However, it was ready to examine any proposal which would make for a stronger United Nations, and it looked forward to hearing from the French delegation concerning its

proposal for a fresh look at the situation of the United Nations as a whole.

23. Representing a developing country, his delegation believed that the Organization should play a larger role in the field of economic development. He therefore regretted that the percentage increase in the budget as a whole was greater than that under section 13 (Economic development, social activities and public administration). He shared the views of the representative of the United Republic of Tanzania (1068th meeting) in that connexion as well as those just expressed by the Indian representative.

24. While the Secretary-General had pointed to the heavy conference programme as one of the major obstacles in the way of keeping expenses within the limit prescribed by the General Assembly, his delegation felt that the increase in meetings was a sign of the Organization's vitality. He could not support the idea of limiting the conference programme, for that would mean curtailing activities undertaken in pursuance of the purposes and principles of the United Nations.

25. His delegation considered that the staff increases proposed for 1966 were unjustified in many cases, since it should be possible to utilize the redundant staff in certain departments and since there were 157 vacant posts which had not yet been filled and, according to the Advisory Committee, probably would not be filled during the coming year. He agreed with the representatives of the USSR (1073rd meeting) and China (1068th meeting) that steps to promote administrative efficiency within the Secretariat should have priority over the creation of new posts. Efficiency was an economic factor, and there should be no place in the Secretariat for incompetent staff.

26. His delegation believed that consideration of ICSAB's proposals concerning the review of salary scales should be deferred until the results of the new studies recommended by ICSAB were available. It did not oppose the adjustment of salaries to match the rise in cost of living. On the other hand, it did not believe that the increase was justifiable in many posts away from Headquarters, for officials holding such posts were often better paid than senior officials in the countries in which they served. Furthermore, his delegation felt that, if an increase was to be effected, it should not vary with the level, as was proposed by ICSAB (see A/5918/Add.1, para. 86); it would be more adequate and just if the same 4 1/2 per cent increase were applied to all levels.

27. While the Secretary-General had indicated that progress had been made towards improving the geographical distribution of posts, there was still urgent need to make the Secretariat a truly international organ. It was very apparent that the senior posts were increasingly being reserved for specific areas. The Secretary-General could rectify the situation by applying the Polish representative's suggestion (see 1067th meeting) that permanent contracts should be replaced by fixed-term contracts, of three or five years. Such a step would leave the Secretary-General a free hand, thus ensuring application of General Assembly resolution 1852 (XVII) on the geographical distribution of the staff of the Secretariat.

28. The system of promotion also needed to be revised. A staff member could be promoted from P-4 to D-1 in four years or less if he had influential contacts. That system of favouritism was very dangerous, bringing unqualified elements to the senior posts. Clearly, a complete change was needed.

29. U SAW BURGESS (Burma) remarked that the rapid growth in the size of the budget over the past few years was a source of concern and apprehension to developing countries such as Burma. His delegation was glad to note, however, that the Secretary-General and the Advisory Committee had made every effort to keep the budget estimates for 1966 to the minimum consistent with efficiency. In his statement to the Committee at the 1066th meeting (A/C.5/1037, para. 45), the Secretary-General had described the estimates as a reasonable forecast of requirements which were not only desirable but also inescapable if the Organization was to fulfil the responsibilities which the membership had placed upon it for the coming year and beyond. Accordingly, while the Burmese delegation was prepared to support any measure which would help to achieve additional savings in the budget without impairing efficiency, it would in general support the recommendations made by the Advisory Committee.

#### AGENDA ITEM 77

Review of salary scales of the professional and higher categories of the international civil service (continued) (A/6056):

- (a) Report of the International Civil Service Advisory Board (continued) (A/5918/Add.1);
- (b) Report of the Secretary-General (continued) (A/5918)

30. Mr. POLIT ORTIZ (Ecuador) recalled that during the general debate on the budget estimates, his delegation had argued (1070th meeting) that it would be preferable to raise salaries before starting to recruit new personnel. International civil servants should receive remuneration which was appropriate to their responsibilities and talents and which took into account the cost of living and the dependants they had to support. That was an elementary principle of justice. On the other hand, the cost of the proposed increases in salaries was estimated at \$2.2 million for the United Nations alone, and for the whole family of organizations it might amount to \$7 million. In addition, it was being suggested that a considerable number of posts in the Secretariat should be reclassified, a step which would mean a further increase in pay for the staff in question. Yet on all sides there was talk of the need to make economies and check budget growth, particularly since the Governments of many countries were obliged to follow a policy of austerity because of the decline in their exports and the outflow of capital. Some way had to be found out of that impasse.

31. A first step might be to standardize salary levels in all the organizations making up the United Nations family. Officials with the same grade should receive the same salary. If salaries were then increased in accordance with the Advisory Committee's recommendations (see A/6056), which his delegation supported, there should be no further increase as a

result of post reclassification. Staff should not receive two increases at the same time. If those proposals were accepted, various compromise procedures might be adopted to soften the impact of the salary increase on the budget. One formula might be to make the increase a flat 5 per cent instead of adopting different percentages for different grades. Another might be to approve half the proposed increase for 1966 and leave the remainder until 1967.

32. The Committee would not be fulfilling the functions for which it had been established if it merely approved all the estimates submitted to it without laying down principles to govern United Nations budget policy. It must express its concern over decisions taken by other Committees of the General Assembly which had the effect of increasing expenditure. The United Nations was not in a position to solve all the problems of the developing countries. Its experts could do little in those countries if national staff were not available to carry out the projects they prepared and the recommendations they made. Merely to increase the number of United Nations experts and officials was not to guarantee the success of the various programmes. Rather than maintain a growing bureaucracy to prepare documentation that was requested but often not used, it would be better to use the available resources to train national officials and send young people abroad for training they could not have at home. His delegation would therefore submit certain proposals when the Committee discussed part II (Staff costs and related expenses) of the 1966 budget estimates.

33. Mr. S. K. SINGH (India) observed that countries such as his own, which had one of the lowest per capita incomes in the world, might be expected to be unenthusiastic about the Noblemaire principle that an international civil service should be paid more than the highest-paid national civil service. For practical reasons, however, his delegation was prepared to accept that principle, with certain modifications to take into account the post-adjustment system and the changes in the world since the principle was first enunciated. ICSAB had gone into the question of salary scales very thoroughly and its recommendations (see A/5918/Add.1) should be treated with respect. While all delegations were anxious to economize, there were two considerations which offset that desire, namely, the need to meet the requirements of Article 101 (3) of the Charter concerning the qualifications of staff and the importance of ensuring equality of remuneration and opportunity in the United Nations family. His Government would have preferred ICSAB to have made all its recommendations together, but it was apparent that the proposed review of the principles by which salary scales were governed would take a long time to complete. If the Committee waited until the results of the review were available, in 1967 or 1968, the gross increase it would have to recommend would be much larger, and that would have a bad psychological effect. His delegation therefore supported the Advisory Committee's recommendations (see A/6056) in their present form and considered that any attempt to modify them might be the start of a dangerous trend.

34. Mr. SANU (Nigeria) said that his delegation would support the Advisory Committee's recommendations

on the ICSAB proposals. The Board had obviously gone into the whole matter with great thoroughness, and to challenge its conclusions now would be tantamount to repudiation of the General Assembly's own decision, in its resolution 1981 B (XVIII), to extend the functions of the Board "to serve as a strongly constituted, independent, inter-organizational body to deal with pay and personnel problems which arise in the administration of the United Nations common system". Moreover, ICSAB's recommendations had already been accepted by some of the specialized agencies, and their rejection by the United Nations could only endanger the integrity of the common system. He agreed with the Indian representative that it would be unwise to wait until ICSAB had completed its study of basic principles, for by 1968 the cost-of-living index would have risen and the financial implications of ICSAB's proposals would be far more serious than they were now.

35. At the same time, his delegation had certain reservations. As it had not made a thorough re-examination of the Noblemaire principle it was hard

to see how ICSAB had arrived at its proposals. Moreover, as the French representative had pointed out (1080th meeting), it was hardly appropriate for United Nations salary scales to be permanently based on those of the highest-paid civil service in the world. The consequence was that a disproportionate part of the budget would invariably be devoted to constantly rising salaries. There were other anomalies too, which made a radical review of the Noblemaire principle an urgent necessity.

36. In its report (A/5918/Add.1, para. 68), ICSAB referred to the seven-year contract system used by the League of Nations, and stated that it would look into the matter. His delegation would welcome a study of the tenure system in the light of the widespread concern at the unsatisfactory geographical distribution of posts, especially at the D-1 level and above. He hoped that, as part of its over-all review, ICSAB would consider the possibility of applying fixed-term five or seven-year contracts at those levels.

The meeting rose at 12.30 p.m.