



Chairman: Mr. Max H. WERSHOF (Canada).

**AGENDA ITEM 79**

**Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency: reports of the Advisory Committee on Administrative and Budgetary Questions (concluded)\***

*Draft report of the Fifth Committee to the General Assembly (A/C.5/L.1057)*

1. Mr. EL BARADEI (United Arab Republic), Rapporteur, introducing the draft report on the item (A/C.5/L.1057), said that it was largely a factual and chronological account; it did not summarize the debates in detail since the relevant summary records had not yet been issued. He drew attention to the texts which the Fifth Committee had adopted for inclusion in its report and to the third part, the title of which should be corrected to read "The role of the Chairman of the Advisory Committee on Administrative and Budgetary Questions". The sentence "One delegation expressed reservations concerning the statement of the Chairman of the Advisory Committee in so far as the role of the Chairman as concerned" should be added at the end of paragraph 12; and operative paragraph 4 of the draft resolution recommended by the Fifth Committee, which had inadvertently been omitted in the draft report, would be included in the final text.

2. Mr. BENDER (United States of America) recalled that during the debate (1408th meeting) his delegation had urged the Advisory Committee to consider extending its programme of work by several weeks in order to take up the budgets of the specialized agencies. He asked the Rapporteur to include a sentence to that effect in the report.

3. The CHAIRMAN invited the Committee to adopt the draft report (A/C.5/L.1057), subject to the corrections read out by the Rapporteur and to the addition of the sentence or sentences requested by the United States delegation.

*It was so decided.*

**AGENDA ITEM 73**

**Budget estimates for the financial year 1971 (continued) (A/7822, A/7937, A/7968, A/7987 and Add.1, A/8006, A/8008 and Add.1 to 5, 8 and**

\* Resumed from the 1417th meeting.

Corr.1, 9, 10 and 12 to 15, A/8032, A/8033, A/8072, A/8122, A/8133, A/8209, A/8210, A/C.5/1296, A/C.5/1298, A/C.5/1302 and Corr.1 and Add.1, A/C.5/1303 and Add.1, A/C.5/1305, A/C.5/1307, A/C.5/1309, A/C.5/1310, A/C.5/1315 and Corr.1, A/C.5/1317, A/C.5/1319, A/C.5/1320 and Corr.1, A/C.5/1322 and Corr.1, A/C.5/1325 and Add.1, A/C.5/1328 and Add.1, A/C.5/1329, A/C.5/1331, A/C.5/1332, A/C.5/1333, A/C.5/1349, A/C.5/1358, A/C.5/L.1047/Rev.1, A/C.5/L.1056/Add.1, A/C.5/L.1058)

*Second reading (A/C.5/L.1058)*

4. The CHAIRMAN drew the Committee's attention to the note by the Secretary-General (A/C.5/L.1058) on the second reading of the budget estimates for the financial year 1971, as well as to the relevant report of the Advisory Committee on Administrative and Budgetary Questions (A/8008/Add.15). The Secretary-General's note took account of the decisions taken by the Fifth Committee, under rule 154 of the rules of procedure of the General Assembly, on the financial implications of certain draft resolutions recommended by other Main Committees. He proposed that the Committee should proceed on the assumption that the General Assembly would adopt those draft resolutions; should any draft resolution be rejected by the Assembly, an adjustment accordingly would be made in the appropriations figure given in the final resolution. Since delegations had made their positions clear on the various sections during the first reading, he hoped that statements in explanation of vote would be as brief as possible.

**EXPENDITURE SECTIONS**

**SECTION 1. TRAVEL AND OTHER EXPENSES OF REPRESENTATIVES AND MEMBERS OF COMMISSIONS, COMMITTEES AND OTHER SUBSIDIARY BODIES**

*An appropriation of \$1,387,100 under section 1 was approved in second reading by 68 votes to none.*

**SECTION 2. SPECIAL MEETINGS AND CONFERENCES**

5. Mr. TARASOV (Union of Soviet Socialist Republics), referring to the Secretary-General's report on the pattern of conferences (A/8138/Add.1),<sup>1</sup> inquired on

<sup>1</sup> Document pertaining to agenda item 75, issued separately (offset).

what basis appropriations were being requested for the Advisory Committee for the Conference on the Participation of Youth in the Second United Nations Development Decade, scheduled to be held in January 1971 at Geneva, and the Conference itself, scheduled to be held in September and October at Geneva. Although he had carefully studied the relevant documents, he had found no decision by any legislative organ authorizing meetings by either body.

6. Mr. TURNER (Controller) said that the meetings of the two bodies had been proposed by the Commission for Social Development as one of the projects in the work programme it had included in its report to the Economic and Social Council, and the Council had taken note of that report in its resolution 1496 (XLVIII) of 26 May 1970. That had been the basis for the inclusion of the amounts requested in the budget estimates. The Secretary-General had originally requested an amount of \$46,100, which the Advisory Committee had reduced by \$6,900 to \$39,200.

7. Mr. TARASOV (Union of Soviet Socialist Republics) acknowledged that the Commission for Social Development had decided to hold the Conference, but a decision by a functional commission was not sufficient to justify an appropriation. The fact that the Economic and Social Council had taken note of the report of the Commission for Social Development was not tantamount to a decision.

8. Mr. TURNER (Controller) observed that the point raised by the USSR representative—whether taking note implied endorsement—had also given the Advisory Committee cause for concern.

9. Mr. STOBY (Guyana) said that, although nothing practical could be done at the present stage, he agreed with the USSR representative that it was bad budgetary practice to include financing for projects of which the Economic and Social Council had merely taken note. The Secretariat could not, of course, be blamed for having followed a bad though established practice.

10. Mr. TARASOV (Union of Soviet Socialist Republics) said that appropriations should not be granted for either the Conference or its Advisory Committee until the matter had been thoroughly discussed by the Committee for Programme and Co-ordination and the Economic and Social Council and an unequivocal decision taken by the latter. He therefore requested the Committee to take a separate vote on the appropriation requested for the holding of the Conference and the meetings of its Advisory Committee.

11. The CHAIRMAN put to the vote an appropriation of \$39,200 under section 2 for the Conference on the Participation of Youth in the Second United Nations Development Decade and its Advisory Committee.

*An appropriation of \$39,200 for that purpose under section 2 was approved in second reading by 56 votes to 8, with 6 abstentions.*

*An appropriation of \$3,317,800 under section 2 was approved in second reading by 70 votes to none, with 1 abstention.*

### SECTION 3. SALARIES AND WAGES

*An appropriation of \$86,158,700 under section 3 was approved in second reading by 57 votes to 10, with 4 abstentions.*

### SECTION 4. COMMON STAFF COSTS

*An appropriation of \$19,585,300 under section 4 was approved in second reading by 60 votes to 11, with 3 abstentions.*

### SECTION 5. TRAVEL OF STAFF

*An appropriation of \$2,598,300 under section 5 was approved in second reading by 64 votes to none, with 11 abstentions.*

### SECTION 6. PAYMENTS UNDER ANNEX I, PARAGRAPHS 2 AND 5, OF THE STAFF REGULATIONS; HOSPITALITY

*An appropriation of \$159,000 under section 6 was approved in second reading by 74 votes to none.*

### SECTION 7. BUILDINGS AND IMPROVEMENTS TO PREMISES

*An appropriation of \$9,040,900 under section 7 was approved in second reading by 60 votes to 10, with 4 abstentions.*

### SECTION 8. PERMANENT EQUIPMENT

*An appropriation of \$962,700 under section 8 was approved in second reading by 75 votes to none, with 1 abstention.*

### SECTION 9. MAINTENANCE, OPERATION AND RENTAL OF PREMISES

*An appropriation of \$6,318,000 under section 9 was approved in second reading by 63 votes to none, with 12 abstentions.*

### SECTION 10. GENERAL EXPENSES

*An appropriation of \$5,349,900 under section 10 was approved in second reading by 63 votes to none, with 13 abstentions.*

### SECTION 11. PRINTING

*An appropriation of \$3,112,300 under section 11 was approved in second reading by 77 votes to none.*

### SECTION 12. SPECIAL EXPENSES

*An appropriation of \$10,647,500 under section 12 was approved in second reading by 54 votes to 15, with 6 abstentions.*

### SECTION 13. ECONOMIC DEVELOPMENT, SOCIAL DEVELOPMENT, PUBLIC ADMINISTRATION, HUMAN RIGHTS ADVISORY SERVICES AND NARCOTIC DRUGS CONTROL

*An appropriation of \$5,408,000 under section 13 was approved in second reading by 67 votes to 7, with 4 abstentions.*

### SECTION 14. INDUSTRIAL DEVELOPMENT

*An appropriation of \$1,500,000 under section 14 was approved in second reading by 66 votes to 6, with 6 abstentions.*

### SECTION 15. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

*An appropriation of \$10,072,300 under section 15 was approved in second reading by 78 votes to none.*

### SECTION 16. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

*An appropriation of \$12,222,500 under section 16 was approved in second reading by 77 votes to none.*

### SECTION 17. SPECIAL MISSIONS

*An appropriation of \$8,133,100 under section 17 was approved in second reading by 56 votes to 11, with 9 abstentions.*

### SECTION 18. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

*An appropriation of \$4,722,000 under section 18 was approved in second reading by 67 votes to none, with 11 abstentions.*

### SECTION 19. INTERNATIONAL COURT OF JUSTICE

*An appropriation of \$1,453,900 under section 19 was approved in second reading by 77 votes to none.*

### TOTAL ESTIMATES OF EXPENDITURE

*A total appropriation of \$192,149,300 for the financial year 1971 was approved in second reading by 64 votes to 9, with 6 abstentions.*

### ESTIMATES OF INCOME

#### INCOME SECTION 1. INCOME FROM STAFF ASSESSMENT

*The estimate of \$21,663,000 under income section 1 was approved in second reading by 78 votes to none.*

#### INCOME SECTION 2. FUNDS PROVIDED FROM EXTRA-BUDGETARY ACCOUNTS

*The estimate of \$2,436,400 under income section 2 was approved in second reading by 78 votes to none.*

#### INCOME SECTION 3. GENERAL INCOME

*The estimate of \$4,755,400 under income section 3 was approved in second reading by 78 votes to none.*

#### INCOME SECTION 4. REVENUE-PRODUCING ACTIVITIES

12. Mr. GUPTA (India), referring to chapter IV of that section, concerning the Souvenir Shop, Gift Centre and Catering Services, said that the United Nations could not function without the support and goodwill of the general public. That support and goodwill was, to a large extent, developed by the press corps which functioned from Headquarters. It appeared, however, that members of the press corps were experiencing difficulties because of a financial deficit incurred by the United Nations Correspondents Association (UNCA) eating facility. That was apparently due to an exaggerated debit against them for overhead charges. He and other delegations had examined the matter and had come to the conclusion that the UNCA case in that regard was a good one. Therefore, his delegation had considered the possibility of requesting the General Assembly to approve an appropriation to cover the deficit, but other ways and means of meeting it apparently could be found. It would be interesting to hear the views of the Assistant Secretary-General for General Services on the matter.

13. Mr. VAUGHAN (Assistant Secretary-General for General Services) said that it had always been the Organization's policy that all catering operations should be self-supporting. Under the accounting system established by the auditors, accounts covering each catering operation had to be maintained in a certain manner. Two years previously the auditors had drawn attention to the fact that the deficit experienced by the catering operations was largely attributable to the UNCA eating facility, and in 1970 it had again been noted that the UNCA cafeteria was operating at a considerable deficit. The Secretary-General had suggested, as one way of remedying the situation, that the UNCA eating facility might be used by everyone at Headquarters rather than just by members of the press. In that way, it would be brought into the general feeding operation procedure and any deficit it incurred could be covered by the general accounting system. The auditors were of the opinion that if the UNCA cafeteria was to be available to members of UNCA only, its deficit could only be met by increasing members' dues or by charging excessively high prices for food. For 1970, however, it would be possible to cover the deficit through a general application of the accounting system covering the other eating facilities at Headquarters.

14. Mr. WOSCHNAGG (Austria) said that he hoped that it would be possible in 1971 to do something to help the members of UNCA.

15. Mr. REFSHAL (Norway) said that UNCA members had apparently been told that the premises would be closed at the beginning of 1971 unless they could guarantee that the deficit would be covered in future.

While the correspondents might be able to live without the United Nations, the reverse was not true. Unless suitable arrangements to meet the situation could be made, it might be necessary for the General Assembly, at its twenty-sixth session, to consider making an appropriation in the budget.

16. Mr. GUPTA (India) endorsed those comments. The General Assembly might have suggestions to make about the accounting system. To open the UNCA cafeteria to non-members would destroy the special character of UNCA, which should be retained.

17. Mr. FAROOQ (Pakistan) said that in principle his delegation agreed with the statements made by the representatives of India and Norway. It would be interesting to know approximately how much would have to be appropriated.

18. Mr. VAUGHAN (Assistant Secretary-General for General Services) said that the deficit ran at approximately \$4,400 to \$5,400 a year. It could be covered either by raising prices in other eating facilities, mainly the Cafeteria, or by means of a specific appropriation to cover UNCA only.

19. Mr. TAITT (Barbados) asked whether the UNCA premises would be closed.

20. Mr. VAUGHAN (Assistant Secretary-General for General Services) replied in the negative. It was the eating facility attached to UNCA which operated at a deficit. If, in January 1971, no suitable arrangement for remedying the situation could be found, the eating facility would be closed in accordance with a recommendation of the auditors that the deficit be met either by the general membership or by the UNCA members.

21. Mr. TAITT (Barbados), speaking also on behalf of the delegations of Argentina and Austria, said that the amount required by UNCA was so small—some \$5,000 or \$6,000—that he felt sure that the Fifth Committee would, if need be, agree that it should be borne by Member States. He would therefore be grateful for an assurance that at least the eating facility of UNCA would not be closed without a formal decision.

22. Mr. VAUGHAN (Assistant Secretary-General for General Services), replying to the representative of Barbados, said that in the absence of a consensus that any deficit in the area in question should be covered by accounting procedures, the Secretary-General would have to take the necessary action.

*The estimate of \$2,922,200 under income section 4 was approved in second reading by 74 votes to none.*

#### TOTAL ESTIMATES OF INCOME

23. The CHAIRMAN proposed that the Committee approve the total income estimate of \$31,777,000 for 1971.

*It was so decided.*

#### *Draft resolution on the budget for the financial year 1971 (A/8008/Add.15, annex).*

24. The CHAIRMAN invited the Committee to vote on the draft resolution on the budget for the financial year 1971 recommended by the Advisory Committee on Administrative and Budgetary Questions (A/8008/Add.15, annex).

*Part A of the draft resolution, on budget appropriations for the financial year 1971, was adopted by 61 votes to 9, with 6 abstentions.*

*Part B of the draft resolution, on income estimates for the financial year 1971, was adopted by 78 votes to none.*

*Part C of the draft resolution, on financing of appropriations for the financial year 1971, was adopted by 66 votes to none, with 12 abstentions.*

25. Mr. FAROOQ (Pakistan), explaining his votes, said that he had voted for section 12 as a whole and for section 17 as a whole. If there had been separate votes on chapter I of section 12 and chapter III of section 17, he would have abstained on those chapters.

26. Mr. BENDER (United States of America) said that his delegation had abstained in the vote on the budget as a whole and in the votes on sections 3 and 4 and parts A and C of the draft resolution which had just been put to the vote.

27. His delegation had made it perfectly clear in the Committee that it did not believe that the magnitude of the Professional salary increase which had been approved was justified. That salary increase was reflected in certain budget sections other than sections 3 and 4 and his delegation's vote in favour of those sections should not be interpreted as a vote for that element of those other sections.

28. His delegation had been concerned for some time about the increase in the expenditures of the Organization when those expenditures were not accompanied by an assurance that there existed the necessary administrative and budgetary procedures and the necessary machinery to ensure that budgetary appropriations were well planned and well spent. It had hoped that the reactivation of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies would help provide those assurances in the coming year. The Committee's decision to postpone consideration of the proposal to reactivate the *Ad Hoc* Committee for another year was therefore a matter of real concern to it.

29. His delegation had been unable to approve the magnitude of the over-all budgetary increase for 1971 over 1970. It recognized that the Secretary-General believed that those budgetary increases were necessary in order to meet certain priority needs and unavoidable expenses. Given the current precarious financial situation, however, international organizations, like Governments, should shelve lower priority needs and

less essential expenditures and meet new demands by using existing resources.

30. For the reasons stated, his delegation might well have voted against the budget as a whole. It did recognize, however, that the Secretary-General had made a very serious effort to reduce the budget estimates and congratulated him on his initiative in re-examining total potential requirements for 1971 and on his courage and realism in proposing a substantial reduction. It was for that reason that his delegation had decided not to vote against the budget, but to abstain.

31. Mr. OSMAN (Sudan) said that his delegation had voted against section 12 because, for the reasons stated in the general discussion (1408th meeting), it could not support chapter I of that section. It had abstained in the vote on section 17 because it could not support chapter III: the United Nations Commission for the Unification and Rehabilitation of Korea was doing nothing for the peoples of North or South Korea. The question of the unification of Korea was one to be determined by the Koreans themselves.

32. Mr. KABORE (Upper Volta) said that his delegation had abstained in the votes on sections 7, 8 and 9, because it felt that so long as the Organization remained in New York, it would encounter economic fluctuations which increased the cost of premises and related services and because it felt that more effective measures should be taken to safeguard the members and property of national missions to the Organization.

33. Mr. NARKHUU (Mongolia) said that the Mongolian People's Republic had always regarded the budget as an important instrument for implementing the basic purposes of the Organization. Despite the efforts of the Secretary-General, the budget was continually growing; indeed its growth rate was three times higher than that of the budgets of Member States. His delegation was not automatically opposed to an increase in the budget. It was understandable and natural that an expansion of the Organization's activities and its increased effectiveness should be accompanied by a corresponding increase in the budget. His delegation was not convinced, however, that the current high rate of growth of the budget was wholly attributable to increased effectiveness of the Organization's work. As a result of increases in the budget many States encountered financial difficulties, as was proved by the fact that on 30 June 1970, Member States' unpaid contributions had amounted to \$105.2 million. An absolute increase in budgetary expenditures and in Member States' contributions would not solve the Organization's financial problems; they could be solved only if optimum use was made of resources, if duplication was eliminated and the structure of the Secretariat strengthened. Considerable resources could also be saved by improving programming and co-ordination of the activities of the various organizations of the United Nations system. There was a real need to establish priorities in the work of the Organization.

34. The structure of the 1971 budget which the Committee had recommended the General Assembly to

adopt showed certain anomalies. The major share of the expenditure was devoted to the staff, which was growing each year, and the recommendation for an 8 per cent increase in Professional salaries would further inflate that expenditure. His delegation was not convinced that the present staff policy and the measures envisaged to implement it were justified. It opposed the unnecessary expansion of the staff and the corresponding increase in appropriations, and its position would remain unchanged until the manpower survey and the review of the salary system had been completed. Member States should not have to bear the consequences of inflation in the host country; it would be normal for the host country to meet the costs due to the rise in the cost of living. The problem should be studied and solutions found which would respect the interests of Member States. His delegation opposed the appropriation for new construction at Headquarters and would point out that it conflicted with the wishes expressed by a majority of Member States that an increasing number of activities should be transferred to Europe.

35. The increase in the number of meetings had led to increased expenditure on documentation and many delegations had rightly pointed out that considerable economies could be made by reductions in the corresponding sections of the budget. His delegation could not but regret the inclusion in the budget year after year of appropriations for illegal activities which were in direct violation of the Charter, namely, expenditure related to the United Nations Memorial Cemetery in Korea and the so-called United Nations Commission for the Unification and Rehabilitation of Korea and the redemption of United Nations bonds. The activities involved conflicted with the interests of the Korean people. The expenditure should be removed from the United Nations budget.

36. His delegation had been unable to vote in favour of the budget estimates for the financial year 1971 for the reasons which he had stated.

37. Mr. GUPTA (India) said that his delegation had abstained in the vote on sections 3 and 4 for the reasons stated during the general discussion and in explanation of vote on those sections in first reading. It had voted in favour of sections 12 and 17 as a whole but, for reasons stated in first reading, it would have abstained on chapters I and III of section 12 and on chapter II of section 17 had there been separate votes on the various chapters.

38. Mr. MOJA (Albania) said that, as in the past, his delegation's position was that it could not support the continuing increase in the level of the budget, the increase in the staff of the Secretariat and the unlawful allocation of funds for operations which were contrary to the interests of progressive Member States. It opposed expenditure such as that for special missions and special expenses, which constituted an open violation of the principles of the Charter. The present level of the Organization's budget and the policy followed in financing a number of operations which served only the interests of the two major imperialist Powers made

it impossible for his delegation to support the budget estimates for 1971.

39. Mr. RHODES (United Kingdom) said that his delegation had voted in favour of the budget estimates for 1971 but did share some misgivings expressed by other delegations with regard to the rate of growth of the budget. An increase of 14 per cent could not be viewed with equanimity. None the less, his delegation had taken into account that there were special considerations which applied to the 1971 budget and that the Secretary-General had endeavoured to contain the increase.

40. Mr. DAO (Mali) said that his delegation had abstained in the vote on section 12 because some of the expenditure under that section related to certain

military operations which might not be entirely justified. It had abstained on section 9 because it appeared to be only the developing countries, which stood in the greatest need of resources, that made buildings available to the United Nations free of charge in areas where the Organization wished to expand its activities. It had also abstained on section 7 and would not change its position until the statement of good intentions by the host country regarding the protection of diplomatic staff and premises led to practical results.

41. Mr. MAROOFI (Afghanistan) said that if chapter I of section 12 and chapter III of section 17 had been the subject of a separate vote, his delegation would have abstained on those chapters.

*The meeting rose at 5.25 p.m.*