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Agenda item 61:		2. Mr. ROSHCIN (Union of Soviet Socialist Republics) considered the matter important, as it might involve considerable expenditure; it should therefore be dealt with as a separate agenda item and not considered under the regular budget. Since the matter would be referred to the General Assembly at the time during the nineteenth session when the Advisory Committee would submit the conclusions of its study, the Fifth Committee should merely take note of the report pending the in- clusion of the question in the agenda as a separate item and its study by Governments. His delegation reserved its position in the matter and would in no way commit itself to approving the plan of works.
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when preparing the provisional agenda of the nineteenth session.

4. The CHAIRMAN called on the Committee to come to a decision on the two suggestions of the Secretary-General contained in paragraphs 11 and 12 of his report (A/C.5/993).

*The two suggestions of the Secretary-General were approved.*

Revised estimates for an extra session of the Advisory Committee on Administrative and Budgetary Questions in Geneva (A/5623, A/C.5/998)

5. The CHAIRMAN invited the Committee to reach a decision on the Advisory Committee's recommendation (A/5623, para. 4) that the General Assembly should approve an additional appropriation in the amount of \$15,850 under chapter I, item (ii)—Travel and other expenses of members of Commissions, Committees and other General Assembly bodies, of section 1—Travel and other expenses of representatives, members of Commissions, Committees and other subsidiary bodies, of the budget estimates for 1964 and an additional appropriation in the amount of \$1,900 under chapter I—Travel of staff to meetings, of section 5—Travel of staff.

*The Advisory Committee's recommendation (A/5623, para. 4) was approved unanimously.*

FINANCIAL IMPLICATIONS RELATING TO THE REPORT OF THE SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (A/5446 AND ADD.1-4) ON AGENDA ITEM 23\* (A/5628, A/C.5/999)

6. The CHAIRMAN recalled that the Secretary-General in his report (A/C.5/999) tentatively estimated the total requirements for carrying out the activities of the Special Committee at \$67,500 and proposed that the General Assembly should approve an additional appropriation of \$60,000 under chapter VIII of section 18—Special missions. The Advisory Committee, for its part (A/5628, paras. 7 and 8), believed that a figure of the order of the actual expenditure in 1963, namely some \$30,000, would prove reasonable, on the understanding that the Secretary-General should be authorized, to the extent that actual requirements might exceed that sum, to meet such additional requirements under the terms of paragraph 1 of the General Assembly resolution relating to unforeseen and extraordinary expenses for 1964.

7. Mr. S. K. SINGH (India) noted that the Advisory Committee was recommending that additional requirements should be met under the terms of the resolution relating to unforeseen and extraordinary expenses. In that connexion he would welcome an assurance from the representative of the Secretary-General that every effort would be made to avoid any risk of interruption in the work of the Special Committee.

8. Mr. TURNER (Controller) reassured the Indian representative that the Special Committee's work would not be delayed or hindered in any way. In the Secretary-General's view, the arrangements proposed

by the Advisory Committee would not give rise to any difficulty.

9. Mr. LOURENÇO (Portugal) recalled that for reasons of principle the Portuguese delegation had not participated in any vote concerning the Special Committee since its establishment. For the same reasons it would not take part in the vote on the proposal before the Committee.

10. The CHAIRMAN put to the vote the Advisory Committee's recommendation (A/5628, para. 8) that the General Assembly be informed that, should it approve the recommendations contained in paragraphs 57, 58 and 59 of chapter I of the report of the Special Committee, an additional appropriation of \$30,000 would be made under section 18, chapter VIII, of the 1964 budget to cover expenses of the Special Committee. Furthermore, the Secretary-General would be authorized, to the extent that actual requirements might exceed \$30,000, to meet such additional requirements under the terms of paragraph 1 of the General Assembly resolution relating to unforeseen and extraordinary expenses for 1964.

*The Advisory Committee's recommendation (A/5628, para. 8) was approved unanimously.*

#### AGENDA ITEM 65

Administrative and budgetary procedures of the United Nations:

- (a) Report of the Secretary-General on administrative and financial procedures to be followed by the General Assembly at the time peace-keeping operations are authorized;
- (b) Report of the Secretary-General on his consultations concerning the desirability and feasibility of establishing a peace fund (A/5490 and Add.1-4)

11. The CHAIRMAN said that the Committee would recall that under paragraph 3 of its resolution 1874 (S-IV) adopted at the fourth special session, the General Assembly had requested the Secretary-General to report to it on the administrative and financial procedures to be followed by the Assembly at the time peace-keeping operations were authorized. The representative of the Secretary-General would shortly inform the Committee of the action taken on that paragraph.

12. The Committee also had before it the report (A/5490 and Add.1-4) which the Secretary-General had submitted pursuant to paragraph 2 of resolution 1879 (S-IV), also adopted at the fourth special session of the General Assembly.

13. Mr. TURNER (Controller) said that the Secretary-General had felt that even if it had been possible for him, before the opening of the eighteenth session, to respond adequately to the General Assembly's request in paragraph 3 of its resolution 1874 (S-IV), it would have been inappropriate for him to attempt to do so in view of the Assembly's further decision taken at the conclusion of the fourth special session by its resolution 1880 (S-IV) to continue the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations.

14. The Secretary-General, therefore, hoped the Fifth Committee would agree that any suggestions he might wish to make for improving the financial procedures to be followed by the General Assembly at the time peace-keeping operations were authorized, as

\*Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

well as any observations thereon from the Advisory Committee, could more usefully be presented for consideration in conjunction with the report which the Working Group had been asked to prepare as soon as possible, but not later than at the nineteenth session of the General Assembly. Meanwhile, the Secretary-General would co-operate fully with the Working Group to the extent that he might be called upon to do so.

15. Mr. YOKOTA (Japan) said that pursuant to the note verbale of 17 July 1963 which the Secretary-General had addressed to Member States regarding the desirability and feasibility of establishing a peace fund, a number of countries had indicated that it would be preferable to entrust the question to the Working Group for study. The Japanese Government, too, considered that the best course would be to examine the question after the Working Group had submitted its report. A study of that kind did, indeed, come within the Working Group's terms of reference as established in resolution 1880 (S-IV). His delegation accordingly suggested that the relevant report of the Secretary-General should be submitted to the Working Group for consideration at its next session.

16. Mr. ROSHCHIN (Union of Soviet Socialist Republics) recalled the position of his Government, which was to be found in the annex of the report of the Secretary-General (A/5490), and said that the USSR could not accept the establishment of a peace fund. A fund of that kind could be used to bypass the decisions of the Security Council regarding the maintenance of peace and security; furthermore, its establishment would be contrary to the Charter, under which the Security Council alone was competent to deal with such matters: indeed, although Article 11, paragraph 2, provided that the General Assembly might discuss any questions relating to the maintenance of international peace and security, it also stated specifically that when action was necessary, any such question should be referred to the Security Council, either before or after discussion. Thus it was the Security Council alone which was empowered to reach decisions on such questions and on the financing of any operations that might be required.

17. A fund of that kind would also be contrary to Chapter VII of the Charter, which defined the role of the Security Council in such matters. According to Article 42, it was for the Security Council to decide what action should be taken in cases of emergency, and under Article 48, it was for the Security Council to determine what part different Member States should play in peace-keeping operations. The proposed fund would strengthen the hands of those seeking to bypass the Security Council; in addition, it would duplicate the Working Capital Fund, which had been established specially to finance unforeseen and extraordinary expenditures.

18. The experience provided by the United Nations operations in the Congo clearly showed the danger of trying to evade the provisions of the Charter, which was exactly what the partisans of the peace fund were trying to do. The fact that the Security Council was not so much as mentioned in resolution 1879 (S-IV) was very revealing, and it was the Soviet delegation's view that the Committee should give no further consideration to the establishment of a peace fund.

19. Mr. MATHEW (United Kingdom) said that his delegation was reserving its position, as it wished to be sure that its comments would be transmitted to the Working Group.

20. The CHAIRMAN said that if the Committee decided that the question should be referred to the Working Group, the Secretary-General's report and the summary records of the discussion would be transmitted to the Group. He drew the USSR representative's attention to the fact that, as the question was on its agenda, the Committee would have to take a decision on it. He therefore suggested that the Committee should decide that the relevant reports of the Secretary-General and the summary records of discussion in the Fifth Committee should be referred to the Working Group to be taken into account in the preparation of the report which that Working Group had been requested to make to the General Assembly in terms of General Assembly resolution 1880 (S-IV) adopted on 27 June 1963.

*It was so decided.*

#### AGENDA ITEM 61

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (continued):\*

(f) Investments Committee: confirmation of the appointment made by the Secretary-General (A/5620)

21. The CHAIRMAN called the attention of the Committee to the note by the Secretary-General (A/5620) and suggested that the Committee should recommend to the General Assembly that it confirm the appointment by the Secretary-General of Mr. George A. Murphy as a member of the Investments Committee for a period ending on 31 December 1964.

*It was so decided.*

#### AGENDA ITEM 64

Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency (A/C.5/977) (continued):\*\*

(g) Report of the Advisory Committee on Administrative and Budgetary Questions (A/5599 and Corr.1, A/C.5/L.812)

22. The CHAIRMAN invited the Committee to take up the above item, on which it had before it the report of the Advisory Committee (A/5599 and Corr.1); in addition, in response to the request made by the Netherlands representative at the 1036th meeting, the Secretariat had prepared a note (A/C.5/L.812) on the co-ordinating bodies concerned with programmes and other activities.

23. Mr. SCHAAPVELD (Netherlands) stressed the importance of administrative and budgetary co-ordination between the different United Nations organizations and within each individual organization. The role of the Administrative Committee on Co-ordination (ACC), which was already important, might well become still more so for standardizing methods and work in the economic and social field and in the field of human rights, particularly in the programming of operational activities.

24. The Netherlands delegation was grateful to the Secretariat for the promptness with which it had prepared the note (A/C.5/L.812) which his delegation had

\*Resumed from the 1046th meeting.

\*\*Resumed from the 1038th meeting.

requested at the 1036th meeting. The Advisory Committee had submitted an excellent report, which was more searching, more analytical, and more helpful than any of the reports submitted to the General Assembly on the question in the previous years. The Netherlands delegation therefore readily supported the suggestion made by the Advisory Committee in paragraph 7 of its report that the General Assembly might request the Secretary-General to refer to the executive heads, through the consultative machinery of the ACC, any matters in that report which called for its attention, as well as the records of the related discussion in the Fifth Committee. He expressed the hope that the Fifth Committee would give increasing attention to the problems of co-operation and co-ordination, not only from the budgetary point of view, but also with the duties and tasks of all the organizations of the United Nations family in mind.

25. In paragraph 10 of its report, the Advisory Committee pointed out a great difference in the rates of expansion of different specialized agencies and doubted whether those widely differing trends could be explained on the basis of relative priorities for international action. Although the Netherlands delegation understood that each agency was faced with different necessities, it shared the Advisory Committee's doubts and was alarmed by the unequal and disorderly growth of the work programmes and of their budgetary implications. Referring to General Assembly resolution 1797 (XVII) and Economic and Social Council resolutions 984 (XXXVI) and 990 (XXXVI), he said that it would be useful if the Secretary-General, in reporting on the debate in the Fifth Committee on the present item, would draw the attention of ACC, the specialized agencies and the Economic and Social Council once again to General Assembly resolution 1797 (XVII) and to the necessity of gradually establishing a balanced system of priority fields of activity. Real progress in that respect could, of course, be made only in so far as the national policies of the different Member States were themselves co-ordinated.

26. The Netherlands delegation wished to emphasize once again that it was well-nigh impossible to separate the control and co-ordination of the administrative and budgetary processes from the substantive activities and programmes of the organizations; the Fifth Committee should therefore consider both aspects of the question.

27. In view of the very real recruitment difficulties mentioned by the Advisory Committee in paragraph 11 of its report and in report and in view of the fact that those difficulties arose more particularly in connexion with the recruitment of highly specialized technical and professional staff, he felt that, in order to make the optimum use of the qualifications of all such staff, it would be worth while to organize a system of personnel interchange between organizations active in technically adjacent fields, which would apply both to staff at Headquarters and to experts serving the development programmes in the field.

28. One of the most persistent and important problems connected with budgetary co-ordination was that of the partial reimbursement of the costs incurred by the specialized agencies as executing organizations servicing field programmes. The increasing importance of the operational activities charged to the voluntary programmes and the impact of those activities on the regular budgets of the different organizations called for a complete reappraisal of the situation. The

Netherlands delegation was awaiting with an open mind the outcome of the study of the problem which was now under way. However, it expressed the hope that any new arrangement would fully recognize the basic responsibilities of all the parties concerned and that it would be characterized by uniformity and continuity. The field programmes for development were of such significance that their effectiveness should never be impaired by administrative frictions.

29. As to co-ordination in the field, and particularly relations between the Resident Representatives, the representatives of the specialized agencies and the secretariats of the regional economic commissions, the Netherlands delegation associated itself with the Advisory Committee's praise of the efforts of ACC. Further progress along those lines was undoubtedly possible. Co-ordination did not necessarily mean the centralization of all responsibility in one person; it meant unity of purpose, the greatest possible unity of methods and unswerving co-operation. The Advisory Committee mentioned a point of the utmost importance in paragraph 23 of its report, which was that co-ordination would be effective only if the ACC machinery operated at the planning stage. That might be difficult to achieve in every case, but the Netherlands delegation was confident that ACC would take the Advisory Committee's observation to heart. It was mainly at the conceptional stage that real inter-organizational planning of programmes was possible. The United Nations itself should always bear that point in mind, and the Advisory Committee had very justly inquired into the impact on the specialized agencies of decisions taken by United Nations bodies without prior consultation with the agencies. However, better co-ordination did not depend only on bodies like ACC; it was primarily the countries taking the initiative in proposing new decisions and the Secretariat officials who carried them out that bore the responsibility for seeing that the specialized agencies concerned were not inconvenienced by a lack of co-ordination.

30. The report of the Advisory Committee demonstrated that there was gradual progress in the application of the common system of salaries, allowances and related benefits. However desirable it was that travel standards should be made uniform, the importance of that topic should not be exaggerated; travel standards were not a subject of inter-agency competition and, moreover, the difference in cost between first-class and economy or tourist-class travel was so great that there must inevitably be a normalization by the carriers themselves in the foreseeable future.

31. His delegation considered that issues such as the classification of posts and promotion were of more direct relevance for it was in that field particularly that there was a real danger of competition among the different organizations. Those were complicated problems of an essentially technical nature, and they should be looked into by experts; as the Advisory Committee had rightly stated in paragraph 53 of its report, the adoption of common grading standards was an essential element of the over-all common system. His delegation hoped that the Standing Committee of the Consultative Committee on Administrative Questions (CCAQ), and thereafter the International Civil Service Advisory Board (ICSAB) itself, would study such matters as promotion policy and the danger of arbitrary reclassification of posts as a substitute for promotion. There was no need to set up an entirely inflexible system; what was required was optimum uniformity and adherence to established common rules.

32. The Advisory Committee had also pointed out the necessity of co-ordinating conference and meeting schedules, particularly in Geneva. He noted with appreciation that ACC was keeping the possibilities of further streamlining in that regard under constant review and, while agreeing that the matter was primarily in the hands of the inter-governmental bodies, wondered whether those bodies would not be prepared to abrogate some small measure of independence by undertaking not to decide the timing of their conferences and meetings before having submitted their plans to an inter-agency unit familiar with all the relevant plans of the Geneva organizations; perhaps a permanent unit might be set up for that purpose within the ACC secretariat.

33. The Advisory Committee had provided particularly detailed comments in its report, on the 1964 budgets of the specialized agencies; his delegation valued that approach and hoped that the Committee would carry it further in the next financial year. Until that time, it seemed clear that the members of the Committee were less well informed on that subject than the Advisory Committee itself; for that reason he would refrain from detailed comment on part IV of the report and confine himself to congratulating the executive heads of the specialized agencies on the way in which they appeared to have co-operated with the Advisory Committee.

34. Returning to one of the broader aspects of co-ordination, he recalled that as early as 1951 and even before the possibility of a consolidated budget for all the United Nations organizations had frequently been raised. At that time, the Advisory Committee had considered<sup>1/</sup> that such a step would be premature. In 1959<sup>2/</sup> and 1960,<sup>3/</sup> his delegation had expressed the hope that ACC and the Advisory Committee might take up that question again in the not too distant future. In more recent years, however, the methods of co-ordination in the matter of administration and programming had so far improved that it would now appear opportune to leave aside for a time the ultimate objective of a consolidated budget and to concentrate on the more limited objectives for which there was now a prospect of success.

35. In conclusion, he wished once again to thank the Advisory Committee for the help it had given the Fifth Committee in a field which might appear minor but was in essence highly important. His delegation would not formally propose the adoption of a draft resolution on that agenda item, but suggested that, in conformity with paragraph 7 of the Advisory Committee's report, the Committee should recommend the General Assembly to take note with satisfaction of the Advisory Committee's report and to request the Secretary-General to refer to the executive heads of the specialized agencies and the IAEA, through the ACC, any matters arising in part II of that report which called for its attention, as well as the records of the related discussion in the Fifth Committee, and further to refer to the executive heads of the specialized agencies and the IAEA the observations of the Advisory Committee in parts III and IV of its report.

36. Mr. MERON (Israel) wished to thank the Secretariat for the prompt preparation of the note (A/C.5/

<sup>1/</sup> Official Records of the General Assembly, Seventh Session, Annexes, agenda item 26, document A/2287, para. 47.

<sup>2/</sup> *Ibid.*, Fourteenth Session, Fifth Committee, 744th meeting, para. 15.

<sup>3/</sup> *Ibid.*, Fifteenth Session, Fifth Committee, 810th meeting, para. 10.

L.804) on co-ordinating bodies in the field of personnel administration, as requested by his delegation at the 1036th meeting.

37. Mr. ROSCHIN (Union of Soviet Socialist Republics) agreed with the Netherlands representative that the report of the Advisory Committee set forth all the relevant problems in a remarkably comprehensive and thorough manner. The Netherlands representative had been justified in taking the view that the Fifth Committee was not sufficiently qualified to discuss the recommendations regarding the specialized agencies, and that the Advisory Committee's observations on that topic should be referred to experts.

38. He emphasized that the United Nations family of organizations represented a very great financial burden on Member States. In 1964, the Governments of Member States would be asked to pay about \$206 million for the regular activities of the United Nations organizations, to which would be added contributions amounting to some \$200 million for the voluntary programmes. The appropriations authorized or requested for 1964 for the United Nations family as a whole amounted to \$207.4 million, whereas in 1957 the total had been no more than \$96.9 million; in other words, the 1964 figure represented 200 per cent of the figure for 1957. By comparison with 1962, the increase was in the region of \$36.2 million. The greater part of that increase was intended to finance the administrative machinery of the various organizations, which could be readily accounted for by the fact that, not counting the United Nations, the number of permanent posts in the specialized agencies and IAEA had risen by 1,105 between 1962 and 1964. Over two-thirds of the total expenditure, and in certain cases over 90 per cent, was devoted to administrative costs. Thus, out of a total budget of \$16.9 million the ILO spent \$13.7 million, or 78 per cent, on administrative costs. FAO spent \$17.7 million, out of a total budget of \$19.4 million, or 91 per cent, on administrative costs. WHO spent \$22.1 million, out of a total budget of \$30.3 million, or 73 per cent, on administrative costs. For ITU, the proportion was 90 per cent. It was clear that those percentages were abnormally high, and that measures must be taken to rationalize and reduce the administrative machinery of the various organizations.

39. Particular attention must also be paid to that part of the Advisory Committee's report which dealt with the common system and the machinery for inter-organization co-ordination. It would be incompatible with the Charter to create an independent body answerable neither to the Secretary-General nor to the United Nations which could take decisions on questions as important as salaries and recruitment, for instance.

40. His delegation was in favour of any proposal to introduce uniform travel standards by making the tourist or economy-class universally applicable.

41. Lastly, his delegation reserved the right to return to the question of the United Nations Working Capital Fund, for it could not agree that the Fund should be maintained at a level of \$40 million. In conclusion, he proposed that the Committee take note of the observations made by the Advisory Committee in its report.

42. The CHAIRMAN proposed that the Committee recommend that the General Assembly should adopt the following draft resolution:

"The General Assembly

"1. Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions on the administrative budgets for 1964 of the specialized agencies and the International Atomic Energy Agency (A/5599 and Corr.1);

"2. Requests the Secretary-General to refer to the executive heads of the specialized agencies and the International Atomic Energy Agency, through the consultative machinery of the Administrative Committee on Co-ordination, any matters arising in part II of that report which call for its attention, as well as the records of the related discussion in the Fifth Committee;

"3. Further requests the Secretary-General to refer to the executive heads of the specialized agencies and the International Atomic Energy Agency the observations of the Advisory Committee in parts III and IV of its report on their administrative budgets for 1964."

43. Mr. REYMOND (International Labour Organisation) said that the ILO was particularly glad to see that the Advisory Committee approved ACC's proposals to strengthen and extend the terms of reference of ICSAB. It saw in such a step a reaffirmation of the very concept of an international civil service, to which it remained firmly attached. The ILO also noted with satisfaction that the Advisory Committee, in paragraph 32 of its report, approved of the principle that there should be prior consultation with the specialized agencies when they were called upon to undertake some new task at the request of the General Assembly. That principle, which the ILO had made part of its regulations at the request of the Economic and Social Council, had twice been the subject of Council recommendations to the General Assembly, and the ILO hoped that the Assembly would give renewed and favourable consideration to those recommendations.

44. In conclusion, he wished to associate the ILO with the tributes which had already been paid to Mr. Agnides for his distinguished service as Chairman of the Advisory Committee and of ICSAB. In his position as Chairman of the Advisory Committee, Mr. Agnides had always shown great understanding of the specialized agencies' problems. The role he had played as Chairman of ICSAB, though less obvious, had been no less important. By associating the representatives of the specialized agencies in the work of ICSAB from the outset he had created a solid basis for the future development of the common system. Finally, the Report on Standards of Conduct in the International Civil Service issued in 1954 (COORD/Civil Service/5) bore his personal stamp and represented a major contribution to the very foundations of the international civil service.

45. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that he was deeply touched by the tribute he had just been paid, which all his colleagues on the Advisory Committee and ICSAB deserved as much as he did. He wished to point out that the ILO had set a good example of co-ordination by sending its Director-General every year to present the ILO budget, in person, in the Advisory Committee.

46. Mr. SCHAAPVELD (Netherlands) recalled that the USSR representative had described the Advisory Committee's report as very comprehensive and thorough. The Netherlands delegation felt that a more specific tribute might be paid to the Advisory Committee by

inserting the words "with satisfaction" after the words "Takes note", in operative paragraph 1 of the draft resolution read out by the Chairman.

47. Mr. SHATSKY (Union of Soviet Socialist Republics) considered that it would be more in accordance with the normal procedure to use the words "Takes note" only, particularly since the Advisory Committee's report contained some controversial opinions.

48. The CHAIRMAN suggested that the Committee might wish to adopt the draft resolution that he had read out.

*The draft resolution (see para. 42 above) was adopted.*

#### FINANCIAL IMPLICATIONS OF DRAFT RESOLUTION VIII SUBMITTED BY THE THIRD COMMITTEE IN DOCUMENT A/5606 ON AGENDA ITEM 12\* (concluded)\*\*

#### DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.809)

*The draft report (A/C.5/L.809) was adopted.*

#### AGENDA ITEM 67

#### Report of the United Nations Joint Staff Pension Board (concluded)\*\*\*

#### DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.807)

*The draft report (A/C.5/L.807) was adopted.*

#### AGENDA ITEM 63

Audit reports relating to expenditure by specialized agencies and the International Atomic Energy Agency:

- (a) Earmarkings and contingency allocations from the Special Account of the Expanded Programme of Technical Assistance (A/5581, A/5626)
- (b) Earmarkings and allotments from the Special Fund (A/5582, A/5627)

49. Mr. SHATSKY (Union of Soviet Socialist Republics) asked what investments were covered by the \$7.6 million for "Investments" in the statement of the consolidated status of the funds of the Expanded Programme of Technical Assistance as at 31 December 1962 (A/5581, p. 3) and by the \$105 million for "Investments" in the statement of the consolidated status of the funds of the Special Fund as at 31 December 1962 (A/5582, p. 3). If, instead of using those funds for the purposes for which they had been collected, the Secretary-General saw fit to invest them or deposit them in a bank, could he not at least arrange to have those investments or deposits made in the developing countries, instead of giving the developed countries the main benefit of them? He also wished to know to what extent the uncommitted balance had been used to finance the United Nations operations in the Congo during the past financial year.

50. Mr. TURNER (Controller) said that it was true that there were considerable unexpended balances which could be used for short-term investment. That was due to the fact that the allocations for programmes

\*Report of the Economic and Social Council.

\*\*Resumed from the 1046th meeting.

\*\*\*Resumed from the 1043rd meeting.

or projects which took several years to carry out were not immediately used in toto. The policy of the Secretariat was based on three main criteria: first, the Secretary-General believed that the money invested must be assured of absolute safety; secondly, that there must be an adequate margin of liquidity; and, thirdly, that the highest possible returns on investments should be sought. Following discussion in the Governing Council of the Special Fund, it had been decided to use some of the funds temporarily available for participation in development loans to the less

developed countries in Latin America, Africa and Asia, through the Inter-American Development Bank and the IBRD. In reply to the USSR representative's last question, he said that, thanks to the sales of the United Nations bonds, it had not been necessary in 1963 to have recourse to the Special Fund and other such accounts under the custody of the Secretary-General for UNEF or ONUC purposes.

The meeting rose at 1.5 p.m.