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CONTENTS

	Page
Agenda item 58: Budget estimates for the financial year 1964 (continued) General discussion (continued)	111
Agenda item 61: Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (continued): (d) United Nations Administrative Tribunal. . .	118

Chairman: Mr. Milton Fowler GREGG (Canada).

AGENDA ITEM 58

Budget estimates for the financial year 1964 (A/5440, A/5505, A/5507, A/5529, A/C.5/973, A/C.5/978, A/C.5/982, A/C.5/988, A/C.5/989, A/C.5/990, A/C.5/991, A/C.5/L.792) (continued)

General discussion (continued)

1. Mr. DASHTSEREN (Mongolia) said that careful study of the various documents before the Committee revealed a certain tendency towards budgetary stabilization. However, the budget estimates for 1964, which showed an increase of some \$2.7 million over the already quite large 1963 appropriations, were none the less extravagant and represented a heavy burden on Member States, especially developing countries like his own. In addition to appropriations in respect of the Organization's vital activities, the 1964 estimates envisaged the expenditure of large sums on items which should not appear in the budget at all: the special expenses listed under part IV, which provided *inter alia* for expenditure in connexion with the United Nations bonds illegally issued to cover the costs of the UNEF and ONUC operations, carried out in violation of the United Nations Charter; the technical programme listed under part V, which should be financed solely from voluntary contributions; and the special missions and related activities listed in part VI, whose existence was no longer justified. Exclusion of those items from the regular budget would result in a saving of nearly \$20 million.

2. During the fourth special session of the General Assembly, a number of delegations had announced their Governments' intention of ceasing to pay that part of their contribution to the regular budget which was to be spent on activities that had either been undertaken in violation of the Charter or whose existence could no longer be justified. His delegation had supported that position, and the Mongolian Government, too, would henceforth withhold payment in respect of the items he had enumerated.

3. One of the main causes of the Organization's financial difficulties during recent years was the financing of illegal operations involving heavy expenditure, such as ONUC and UNEF. The \$140 million deficit resulting from those commitments, in its turn, exerted an adverse influence on the whole of the budget; not only were the estimates swelled by over \$7 million earmarked for payments arising out of the bond issue, but the convening of the fourth special session and the activities of the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations had also entailed considerable extra expenditure. As his delegation had repeatedly made clear in the Fifth Committee and elsewhere, the Mongolian Government did not consider itself under any obligation to contribute towards the costs of UNEF and ONUC.

4. Another area in which substantial savings could be made was that of staff costs and related expenses, set forth in part II of the budget estimates, which accounted for nearly two-thirds of all expenditure. His delegation shared the opinion of the Advisory Committee on Administrative and Budgetary Questions that existing staff resources should be utilized to the full before any further staff increases were undertaken. His delegation also welcomed the Secretary-General's policy of consolidation and containment; as the next step, however, it would like to see the adoption of a policy tending towards a reduction of staff by means of decentralization and a rational review of Secretariat work programmes. In that connexion, his delegation could not see the necessity to provide for about sixty "temporary" posts when there had actually been 172 vacancies as of 30 June 1963, of which about seventy still remained. Neither did his delegation see the need to maintain the staff at exactly the same level as in 1963 when it had not been found possible to make full use of the substantial staff increase approved for that year. His delegation fully endorsed the Advisory Committee's recommendation that a careful study of existing resources be made by the Administrative Management Service of the Office of the Controller (see A/5507, para. 76). Furthermore, due consideration should also be given to that Committee's repeated suggestion (*ibid.*, para. 171) that Governments might provide for the travel of their nationals appointed under the junior professional trainee programme.

5. His delegation also shared the Advisory Committee's opinion that the time had come for a serious review of work programmes and the related pattern of conferences and meetings, for the confrontation of needs with resources and the establishment of priorities. His delegation also supported the Secretary-General's appeal to the Economic and Social Council to reduce the number of meetings of its subsidiary bodies in 1964 (*ibid.*, paras. 59 and 60). However, that appeal had been made in the light of the limited facilities which would be available at Headquarters as a result of the construction work to be carried out in

1964. His delegation considered that some of the Council's functional commissions should in any case hold biennial rather than annual sessions in future, a procedure which could also be applied to other subsidiary bodies of the Council and perhaps even to the Council itself; little would be lost by such an arrangement, for any question which might arise in the committees concerned could be taken up in the appropriate committee of the General Assembly at its annual session. Such a reduction in the number of meetings would in turn have a favourable effect on other items of budget expenditure.

6. In concluding his remarks on staff costs and related expenses, he wished to draw attention to the opinion expressed by the Fifth Committee at the seventeenth session and since endorsed by the Advisory Committee that the practice established by WHO in respect of travel standards might be introduced in all United Nations bodies (*ibid.*, para. 177).

7. Although his country was one of those whose contribution to the regular budget was assessed at the lowest level, his delegation could not but express its anxiety over the Organization's ever-increasing expenditure. It was all very well for the representative of a wealthy country such as the United States of America to say that the Organization had cost his country only 75 cents per caput in the eighteen years of its existence; for the majority of Member States, whose capacity to pay was limited, such an expenditure would be unthinkable. In establishing the scale of assessments, therefore, objective economic factors, such as capacity to pay, the possibility of securing foreign currency, national income per caput, etc., should be taken into account in respect of each country.

8. His delegation was dissatisfied with the present geographical composition of the Secretariat. The fact was that nationals of the Western countries and their allies, which represented only 20 per cent of the United Nations membership, held over two thirds of all posts subject to equitable geographical distribution, while less than one third of such posts were held by nationals of socialist and African-Asian countries. Such a state of affairs was at variance with the Charter, and it was high time the structure of the Organization was made to correspond to the realities of the modern world.

9. In conclusion, he affirmed his delegation's support for budgetary stabilization and for all measures directed to that end.

10. Mr. CHAKRAVARTY (India) said that if the United Nations was facing bankruptcy, it was not because of careless budgeting or any patent extravagance. There would naturally be differences of opinion regarding particular items, but it was obvious that with all conceivable economy in the regular budget the Committee could not hope to solve the problem of how to put the Organization's financial affairs on a sound footing. The main source of the Organization's financial trouble was, of course, the cost of the peace-keeping operations in the Congo and the Middle East. If those costs had yet to be covered, the reason was neither lack of diligence in recovering payments nor Members' inability to pay; it was that certain Governments had refused on principle to make any contribution towards the costs concerned. The problem was thus essentially a political one, for which no satisfactory solution had so far been found. By the end of 1963, the Organization would have a deficit of some \$112 million. Yet the operations in the Congo and the Middle East were still going on, and unless the Member States concerned could agree to

make their contribution, the deficit would mount up and the very existence of the Organization would be jeopardized. Peace-keeping was one of the Organization's main duties, and his delegation continued to hope that the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations, which had already come so close to a consensus in the spring of 1963, would ultimately succeed in formulating a special scale for the equitable apportionment of the future costs of peace-keeping operations. The improved political atmosphere following the conclusion on 5 August 1963 of the Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water, gave grounds for hope that some satisfactory solution would soon be found with regard to past expenditure.

11. It was obviously the Committee's duty to scrutinize the budget very carefully in order to ensure that there was no wasteful, unnecessary or untimely expenditure. However, as the Secretary-General had pointed out at the 1019th meeting (A/C.5/988), it was not possible without seriously impairing the Organization's normal activities to find in mere reductions of the regular budget a remedy for the over-all financial situation. If the Advisory Committee had recommended reductions in some of the credits requested by the Secretary-General, that was attributable not to any difference in basic philosophy but rather to that Committee's desire to reinforce the discipline called for by the Secretary-General in the interests of efficiency and economy. The Secretary-General had conceded that the total reduction recommended by the Advisory Committee was not unduly severe, although he was less bappy to see a quarter of that reduction applied to sections 8—Permanent equipment, 9—Maintenance, operation and rental of premises, and 10—General expenses; many items in sections 9 and 10 were beyond his control, and expenditure under section 8 was the result of cumulative reduction made over the past few years. It was understandable, however, that the Advisory Committee should have applied its cuts to those sections, where expenditure was a little more flexible; drastic economy was called for, and his delegation could not object to what the Advisory Committee had recommended. Nevertheless, it might be impossible to postpone expenditure on certain items any longer, and the Fifth Committee might have no alternative but to accept the more pressing needs under the sections concerned. It was, however, gratifying that the Secretary-General was prepared not to contest the remaining reductions proposed by the Advisory Committee. In complimenting that Committee on its careful and understanding work, he paid a tribute to its Chairman, Mr. Agnides, who was about to retire after eighteen years of devotion to the Organization.

12. The Secretary-General had largely succeeded in striking a fair balance between the conflicting demands for financial economy on the one hand and expansion of the Organization's activities on the other. Two of the principal objectives of the Charter were prevention and removal of threats to the peace and the social and economic advancement of all peoples, and it was not easy to meet the competing claims of those two fields within the Organization's limited resources. United Nations peace-keeping activities had tended to grow, and the point had now been reached where it was difficult to make even moderate provision in the regular budget for economic and social advancement. Mankind expected great things of the United Nations Develop-

ment Decade, and it seemed out of place to begrudge even the comparatively small amounts which were spent on economic and social development. His delegation therefore sympathized whole-heartedly with the Secretary-General when he said that it was a task of manifest difficulty in the face of growing demands from all parts of the world, and above all from the developing countries, for him to impose a policy of consolidation and containment. As the Secretary-General had pointed out, Members had demonstrated beyond the possibility of a doubt that they wished the Organization to grow, and such a desire was by no means unreasonable. When over 76 per cent of the regular budget was devoted to housekeeping expenses, therefore, the Committee was hardly justified in grudging an expenditure on technical programmes that amounted to less than 7 per cent. As the Secretary-General had indicated, the regular programme added to the flexibility of the Organization's technical assistance activities. Payment towards that portion of the budget in acceptable currencies other than United States dollars should therefore be welcomed if it would help to expand the Organization's activities in that field. His delegation was one of the strongest supporters of United Nations peace-keeping operations and had provided combat troops in support of UNEF and ONUC. But the fact was that economic advancement must not be neglected merely because the Organization was facing a financial crisis resulting from heavy expenditure on such operations.

13. It was thus natural that the Organization's budget should be steadily increasing. The need for economy had to be reconciled with man's urgent desire for economic and social betterment, and increased expenditure must be viewed in that context. If such increase was due to laxity in housekeeping, it naturally deserved to be criticized. His delegation had consistently advocated a policy of austerity and urged the need for the systematic review and rationalization of posts, programmes and the consequent multiplication of staff. But until there was such a study, no one could assert that costs were increasing because of carelessness or lack of security. Indeed, the increase in the budget was apparently due to the expansion of the Organization's activities and it would be manifestly unfair to compare today's level of expenditure with that of some years ago. Criticism about the cost of salaries and wages had to be viewed in that context.

14. Nevertheless, such resources as were available must be used with utmost economy and maximum effect. The Committee should therefore bear in mind the Secretary-General's statement that Member States and the principal organs must co-operate with the Secretariat to ensure the rationalization of work programmes and related conference schedules, the establishment of a clear order of priorities, the full utilization of available manpower and the achievement of results consonant with the level of expenditure incurred. The Committee should also bear in mind the Advisory Committee's observation that the proliferation of conferences and meetings was such that demands were far in excess of the resources, both human and material, and its suggested reduction in the volume of documentation.

15. The Advisory Committee had also drawn attention to certain unsatisfactory features inherent in the preparation of the budget, such as the planning of estimates for a number of important activities after the submission of the budget estimates in June—a practice

which led to a substantial increase in the estimates later in the year as a result of decisions taken by the Economic and Social Council at its summer session or by the General Assembly towards the end of the year. His delegation therefore whole-heartedly endorsed the Advisory Committee's recommendation that the annual programme of foreseeable activities should be drawn up in time for their inclusion in the initial budget estimates, and hoped that all concerned would see to it that General Assembly resolution 1449 (XIV), which had been adopted to ensure that objective, would be more strictly enforced in future.

16. While the Economic and Social Council had responded with gratifying promptitude to the request that it reduce the number of meetings sponsored by itself and its subsidiary bodies in 1964, it appeared that it had done so mainly in the light of the temporary curtailment of facilities anticipated for 1964; it remained to be seen whether the Council would be able to maintain similar cuts in subsequent years. The activities of the bodies concerned were of great interest to Member States, and some members of the Council had felt that certain subsidiary bodies, such as the Commission on Human Rights, should have been allowed to meet in 1964. There should be careful co-ordination of conference programmes in order to avoid duplication, but due regard must be paid to the Organization's long-term interests; the Advisory Committee's recommendation that the work programme in the economic and social fields should be projected on a five-year basis therefore deserved the most careful consideration.

17. His delegation agreed in principle with the Secretary-General's proposals (A/5505, foreword, para. 46) to set up a buildings fund to provide for the major maintenance and expansion of facilities at Headquarters, Geneva and elsewhere; the buildings in question were valuable assets, and it would be false economy if they were not kept in proper repair. In studying the matter further, the Secretary-General would no doubt consider whether specialized agencies using the United Nations premises should not make a contribution to such a fund.

18. Turning to the question of Members' equity in the Organization's capital assets and the treatment of such assets in the accounts, a problem raised by the Board of Auditors, he expressed interest in the Advisory Committee's suggestion (A/5434, para. 9), that the Secretary-General might usefully undertake a study of the whole matter, including the possibility of applying a depreciation factor to the cost of existing and new capital assets as recommended on various occasions by the Board of Auditors.

19. With regard to the question of payment by the United Nations of rental charges, he said that the Indian Government planned to construct a building for United Nations use and to make it available at a concessional rental; meanwhile, it had decided to give a substantial monthly subsidy towards the rental of the premises now occupied by the United Nations Information Centre in New Delhi. His Government was paying similar substantial subsidies in respect of offices occupied by a number of specialized agencies in that city. It should, however, be noted that even some developed countries were still not giving any rental concession at all in respect of United Nations offices; if they could be persuaded to provide rent-free premises for United Nations Information Centres in

their countries, his Government would be prepared to review its own position.

20. Turning to the Organization's public information activities, he reiterated his delegation's view that the work of the United Nations was its best publicity, and that any further increase in expenditure on publicity at the cost of the Organization's main objectives was bound to yield diminishing returns. His delegation therefore had no hesitation in commending the Advisory Committee's observations in paragraphs 83-88 of its main report (A/5507).

21. His delegation had always viewed the Organization's activities in an idealistic context, as the Indian Head of State had said in a broadcast on United Nations Day, at no time in human history had the possibility of world peace and welfare been so great as at present. The world must assume the responsibility for poverty, hunger and disease which still prevailed in many parts, and it was therefore the duty of everyone to strive to strengthen the United Nations which was engaged in the task of improving human conditions.

22. U BA THAUNG (Burma) said that in their statements to the Committee the Secretary-General, the Chairman of the Advisory Committee and the representatives who had preceded him had all agreed that the Organization's financial situation was serious, that the deficit was likely to continue for some time and that the cash position gave grounds for grave concern. In view of the fact that the deficit, which had stood at \$74 million at the beginning of 1963, was expected to total \$112 million at its end, his delegation welcomed the Secretary-General's adoption of a policy of consolidation and containment, sharing the views expressed in that connexion by the Chairman of the Advisory Committee at the 1019th meeting (A/C.5/989, para. 7). As the Secretary-General had shown in his statement at the same meeting (A/C.5/988, para. 7) the estimated level of assessment for 1964 was \$83.1 million, as against \$80.3 million in 1963. Table 1 of the Advisory Committee's report (A/5507, para. 1) showed that United Nations expenditure had risen from \$61.9 million in 1959 to \$96.6 million, or \$101.1 million according to the revised estimates, in 1964, while the total budget of the United Nations family had risen over the same period from \$122.5 million to \$206.8 million. At the same time Member States were expected to contribute to ONUC and UNEF, for which the developing countries were being assessed at a higher rate than in the previous year, and to voluntary programmes such as the expanded Programme of Technical Assistance, the United Nations Special Fund, UNICEF, and the voluntary funds administered by the United Nations High Commissioner for Refugees and the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

23. The developing countries, such as Burma, viewed with considerable apprehension the growing burden placed on them. While it was desirable that the United Nations should expand its activities, expansion must not be pursued without restraint. Despite the fact that Burma needed all its resources for the task of national development, it would continue to make sacrifices in order to meet its obligations to the full extent of its capacity. It welcomed, however, the efforts made by the Secretary-General and the Advisory Committee to achieve economies in the budget. His delegation agreed with the Secretary-General's conclusions in paragraphs 58-61 of his foreword to the budget estimates

for 1964 (A/5505) and noted that he did not formally contest any of the recommendations made by the Advisory Committee in its main report. It would in general support those recommendations, not because of any disagreement with the substance of the Secretary-General's proposals, but merely because of its desire to see the policy of consolidation and containment implemented. It was particularly anxious that there should be a rationalization of work programmes and in that connexion wished to draw attention to the views expressed by the Advisory Committee in paragraph 72 of its report and by the Secretary-General in paragraph 15 of his statement. The Foreign Minister of Burma, speaking at the 1216th plenary meeting of the General Assembly on 25 September 1963, had described the various devices to which the Organization had resorted in order to avoid bankruptcy as a danger signal and had urged that a universally acceptable solution to the finance problem should be found in the near future, since it would be tragic if the United Nations were to founder for lack of what was by current standards an insignificant sum.

24. In conclusion, he congratulated the Secretary-General and his staff on the way in which the estimates were presented and the Advisory Committee on its thorough evaluation of them. His delegation also associated itself with the tributes paid to the Chairman of the Advisory Committee.

25. Mr. SOLTYSIAK (Poland) expressed the hope that the improved atmosphere in international relations would be reflected in the Committee's work. As far as the Organization's financial situation was concerned, his delegation strongly supported the Secretary-General's view that 1964 should be a year of consolidation and containment. Except for the request for a new category of so-called temporary posts, the Secretary-General had made a real effort in preparing the budget estimates to limit expenditure to the minimum necessary. It was essential that the estimates should anticipate the coming year's workload and make provision for the staff, equipment and facilities required to implement the approved programmes. A departure from that rule was permissible only in cases of genuinely unforeseen and extraordinary expenditure. While the Committee could not reverse substantive decisions by other organs, which were reflected in the budget, it was entitled to reject supplementary estimates for action not initiated by the proper organ or undertaken too late for the necessary allocation to be made. As the representative of the United States of America had said, if there was a tendency towards two budgets a year instead of one, that was because many Members were quite casual about budgetary decisions. The Committee had an obligation to draw the attention of United Nations organs to the financial consequences of their decisions and to request them to review their programmes of work in the light of existing needs and resources. In resolution 1797 (XVII), the General Assembly had in fact requested the Economic and Social Council to establish an order of priority for its activities, as a result of which a reduction in costs of \$157,000 had been achieved. That was a good start, but the budget estimates for 1964 were already 9 per cent higher than the actual expenditure for 1963, and there could be little doubt that the regular budget would have increased still further before the end of the session. The budgets of the specialized agencies showed a like increase. Many Member States were experiencing difficulties in meeting their obligations with respect

to the regular budgets and voluntary programmes of the United Nations family of organizations, which in 1964 would total some \$430 million.

26. It had been claimed that the budget of the United Nations was bound to grow as long as the developing countries continued to seek economic assistance. That was not so. The purpose of the regular budget was only to provide for maintenance of the Secretariat, staff costs, the preparation and printing of documents and the servicing of conferences and meetings. It should not include any expenditure of an operational character; the United Nations should not be confused with the specialized agencies. In any case, assistance to the developing countries was not the reason for the increase in the budget. For the purposes of a comparison between the years 1962 and 1964, for instance, the budget could be divided into three parts: Conferences and services (sections 1, 2, 7, 8, 10 and 11); Staff costs (sections 3-6); and Operational programmes (sections 13-20), section 12 being omitted since there had been no payment on the bond issue in 1962. Such a comparison yielded the following figures expressed in millions of United States dollars:

	<u>1962</u>	<u>1964</u>
Conferences and services . . .	17.1	22.0
Staff costs	52.2	58.0
Operational programmes . . .	13.9	12.7

Clearly the first two items were responsible for the increase.

27. The Polish delegation had always considered that the United Nations activities should be tailored to fit the available resources and appreciated the efforts made by the Advisory Committee to achieve that end. It had itself already made a number of suggestions designed to reduce expenditure. For example, it had proposed the adoption of a general rule that the Secretary-General and the Controller should not enter into any financial commitment for which there was no allocation in the regular budget, the imposition of stricter control over purchases under section 7—Buildings and improvements to premises, and the curtailment of travel expenditure. As far as the last was concerned, consideration should be given during the second reading to the possibility of introducing economy-class travel for all but the Secretary-General. A substantial reduction in travel costs would also be achieved if there were more conscientious application of the provisions of resolutions 1202 (XII), 1797 (XVII) and 1851 (XVII), concerning the pattern of meetings and conferences and the elaboration of judicious programmes of activities and orders of priority. Inadequate preparation of meetings and conferences resulted in a great waste of time and money; for example, at the thirty-sixth session of the Economic and Social Council less than half the documentation, amounting to some 8,000 pages in all, had been distributed within the time-limits laid down by the Council. In his delegation's view, the solution was to reduce the volume of documentation. It also agreed with the Advisory Committee (A/C.5/989, para. 21) that the programme of conferences and meetings was such that they could no longer be adequately prepared or serviced and that they should be reduced in number. Better use of the time allocated for meetings and conferences would also result in substantial reductions in expenditure. The procedure introduced by some committees of limiting the number of meetings on each particular item, though not yet very successful, was to be welcomed and should be applied on a wider scale by

all organs of the United Nations. The application of such measures would entail a reorganization of work in the Secretariat, and the Administrative Management Service of the Office of the Controller should accordingly speed up its study of the different departments of the Secretariat. In the meantime there did not seem to be any need for any increase in staff, whether on fixed-term or temporary contracts, for at least a few years. His delegation was opposed to the Secretary-General's request for the addition of fifty-nine temporary posts, especially at a time when some 120 staff members were about to return from the Congo. The proposal for the reclassification of fifty-nine posts at the Professional and higher levels referred to by the Advisory Committee in paragraph 124 of its main report was also unnecessary; promotion should depend on the occurrence of vacancies.

28. Another way to reduce costs would be for the United Nations to be exempted from the payment of taxes, for which there was a legal basis in Article 105 of the Charter and in the 1946 Convention on the Privileges and Immunities of the United Nations. Since it had information centres in some fifty countries and special missions and resident representatives' offices in others, the savings on excise, federal and state taxes and import duties might be quite substantial.

29. All expenditure of an operational nature for technical assistance, special missions and the United Nations Field Service should be taken out of the regular budget and financed on a voluntary basis through the United Nations Special Fund or the Expanded Programme of Technical Assistance or in some other way. When his delegation had proposed at the sixteenth session^{1/} that the budget should be split up in that way, many delegations had expressed the fear that the result would be a reduction in the funds available for technical assistance to developing countries. The 1963 United Nations Pledging Conference on the Expanded Programme of Technical Assistance and the Special Fund para. 21) showed, however, that not only had the level of assistance not fallen, but many States had pledged higher contributions. Poland, for example, had increased its contributions to both the Special Fund and the Expanded Programme by 20 per cent. If all such contributions were made payable in national currency, in line with resolution 1691 B (XVI), the burden on countries having foreign exchange difficulties would be eased.

30. Payments of interest and principal on United Nations bonds could not be recognized as expenses of the Organization within the meaning of Article 17, paragraph 2, of the Charter. The issue of bonds under the regular budget in order to raise funds for military operations was in itself inconsistent with Article 17 of the Charter and with the rules of procedure of the General Assembly. By deciding on the bond issue before the International Court of Justice had been asked for an advisory opinion on the financing of UNEF and ONUC, the Committee had prejudged the Court's decision. At the seventeenth session many members of the Committee had felt obliged to accept the Court's advisory opinion^{2/} solely on the ground that one United Nations organ must respect the views of another; that was how resolution 1854 A (XVII) had

^{1/} See Official Records of the General Assembly, Sixteenth Session, Annexes, agenda item 61, document A/5073, para. 16.

^{2/} Certain expenses of the United Nations (Article 17, paragraph 2, of the Charter), Advisory Opinion of 20 July 1962; I.C.J. Reports 1962, p. 151.

been adopted. Yet when the Secretary-General had proposed that the Organization should leave the Congo by 31 December 1963, the Committee at its 1017th meeting had taken the political decision to continue ONUC into 1964, an action which had impaired rather than strengthened the Organization's prestige. Poland would not participate in the direct or indirect financing of UNEF and ONUC, which were not being conducted in accordance with the Charter.

31. The Security Council had been by-passed in the establishment of UNEF; while its decision on ONUC had been completely disregarded. Tragic consequences had followed, for which Poland refused to share responsibility. It did not consider that United Nations forces should be used by foreign monopolies in order to secure their control over the riches of the Congo in defiance of the wishes of the Congolese people. If, moreover, all Members agreed to share the cost of the operations as a normal expense of the Organization, they would be giving a premium to those who had violated the Charter, and particularly Article 2, paragraph 4, and encouraging the use of force in the future. Both operations had been undertaken as a result of aggression and it was the States responsible for that aggression that should pay for them.

32. A number of special missions had also been instituted in violation of the Charter and should be discontinued. Repeated requests had been made for an annual report on the results achieved by those missions and their further requirements, but without avail. Poland would not therefore pay its assessments for missions such as the United Nations Commission for the Unification and Rehabilitation of Korea, the United Nations Memorial Cemetery in Korea, the United Nations Truce Supervision Organization in Palestine and the United Nations Field Service.

33. It was disquieting to find that some of the General Assembly's decisions on financial matters were disregarded. For instance, advances to the Working Capital Fund had been used for purposes other than those specified in General Assembly resolution 1863 (XVII). The yearly resolutions on unforeseen and extraordinary expenditure, which authorized commitments under the regular budget not exceeding \$2 million for actions relating to the maintenance of peace and security had also been misapplied. It was clear from a report of the Advisory Committee^{3/} that about half of the Working Capital Fund had been used in 1960, 1961 and 1962 to meet the costs of UNEF and ONUC, which had been classified as unforeseen and extraordinary expenses. The drawings of \$11.6 million in 1960 and of \$10.7 million in 1961 to cover the expenses of the two operations had compelled the Secretary-General to request the General Assembly at its seventeenth session to raise the level of the Working Capital Fund from \$25 million to \$40 million. The resolution on unforeseen and extraordinary expenditure for 1963 (1863 (XVII)) had been used also to finance expenditures for which there was no provision in the regular budget, thus endangering the financial position of the Organization. The Advisory Committee seriously questioned such a use of the resolution in question (A/5507, para. 32). Action must be taken along the lines indicated by the Advisory Committee if the Organization's financial difficulties were not to accumulate.

34. Turning to the composition of the Secretariat, he said that although there had been some progress in achieving better geographical distribution, as was clear from document A/C.5/987, the situation was still far from satisfactory. Out of a total of 1,389 posts subject to geographical distribution 584 were occupied by nationals from States members of the North Atlantic Treaty Organization and only 164 by nationals from the socialist countries. The Secretariat, which served the entire membership of the Organization, should reflect the political realities of the world today; its members should be drawn from all Member States and represent the different historical backgrounds, cultural heritages and social and philosophical beliefs to be found in the modern world. His delegation had always been opposed to any attempts to make the Secretariat a supra-national body; it had firmly stood by General Assembly resolution 153 (II), which provided that in view of its international character and in order to avoid undue prominence of national practices, the policies and administrative methods of the Secretariat should reflect, and profit to the highest degree from, assets of the various cultures and the technical competence of all Member nations. Each Member State tried to select the best possible candidates for post in the Secretariat, who would be loyal both to the Organization and to their country. The idea of a dual loyalty was gaining general acceptance, for the Secretary-General himself had said in a statement at Harvard University on 13 June 1963 that loyalty to international service could exist side by side with legitimate national pride; and President Kennedy, addressing the United States members of the Secretariat on 20 September 1963, had placed loyalty to the Charter and loyalty to one's country on the same footing. It was clear that new blood was needed in every department of the Secretariat, bringing new ideas and a fresh approach to the problems facing the world and the United Nations. That could be achieved only by an increase in the proportion of fixed-term contracts.

35. Mr. SOW (Mali) congratulated the Secretary-General on the improved presentation of the 1964 budget estimates; it was gratifying to note that he had borne in mind the comments made by delegations and the Advisory Committee at the sixteenth session.

36. His delegation would support the Secretary-General's policy of austerity, but it would expect that policy to be applied without impeding the normal activities of the Organization. The Secretary-General was to be commended for stating in paragraph 10 of the foreword to the 1964 estimates that he did not feel free to initiate or support proposals involving additions to existing levels of expenditure unless they could be shown to be unavoidable. However, the United Nations must not lose its dynamism merely for financial reasons. A policy of austerity and budget stabilization and of assigning priorities must be supported by the fullest possible use of existing staff resources and equipment, and by the progressive elimination of supplementary estimates. The Malian delegation would fully support the measures proposed by the Secretary-General in his statement to the Committee, provided that the quality of the work done by the Secretariat did not suffer. Mali had joined the United Nations with the hope that the Organization would expand and prosper. Although it was an under-developed country with a low national income, it took its obligations under the Charter seriously, thus demonstrating its confidence

^{3/} Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 62, document A/5331.

in the Organization; it had always paid its contributions to the regular budget when they fell due.

37. The Advisory Committee was also to be congratulated on its main report, which contained some excellent suggestions. In that connexion, he wished to associate himself with the tributes that had been paid to Mr. Aghnides.

38. Turning to the budget estimates for 1964, he said that his country did not believe that the Organization would not be able to find a solution to its present financial crisis. The crisis was attributable to the operations undertaken in defiance of the Charter, which had involved great loss of life and cost millions of dollars, so that the Organization would be faced with a deficit of \$140 million by the end of 1963. The Malian delegation was strongly of the opinion that the countries which had made the operations necessary should pay the cost. Opinion among Member States was divided on that point, but a solution must be found. He did not feel that the advisory opinion of 20 July 1962 of the International Court of Justice really settled the question.

39. Mali had responded to the Secretary-General's appeal and purchased \$20,000 worth of United Nations bonds. It had done so in order to support the Organization, for it was to the United Nations that the developing countries looked to defend their independence and their policy of non-alignment in economic, social and technical assistance matters.

40. His delegation shared the concern expressed by the Advisory Committee in paragraphs 52 to 74 of its main report regarding the proliferation of meetings and conferences. However, although it was in favour of a rationalization of the programme, it was opposed to the adoption of rigid formulae which might paralyse the activities of the United Nations and its specialized agencies. It therefore endorsed the remarks made by the Advisory Committee in paragraph 49 of its report. One serious disadvantage of a heavy conference schedule was that countries like his own, which were engaged in extensive development programmes, could not afford to take qualified persons from their work to represent them at meetings.

41. His delegation was gratified at the improvements effected with regard to the geographical distribution of staff, and hoped that further efforts would be made on those lines. As to the buildings fund suggested by the Secretary-General, his delegation endorsed the idea in principle. It would comment further after it had received the Secretary-General's report on that project.

42. His delegation welcomed the fact that the Special Fund had given sympathetic consideration to the proposal to set up an African institute for economic and social planning; it trusted that there would soon be visible results. The African countries were all grateful to the United Nations for its assistance in establishing an African development bank.

43. Although his delegation understood the Secretary-General's desire to limit expenditure, it felt that the appropriation requested under chapter VII—Study and interne programme, of section 10 might be larger, as the number of scholarships and fellowships was far too small to meet the needs of the countries which lacked trained personnel for planning and economic development.

44. Although it supported section 12—Special expenses, in general, Mali would be obliged to abstain in the vote on that section because it was opposed to the expenditure envisaged under chapter I—United Nations Memorial Cemetery in Korea. Referring to chapter IV—Special educational and training programmes for South West Africans, he asked whether the difficulties which had been experienced in disseminating information about the programme had been due to interference from the Government of South Africa.

45. Regarding the technical assistance programmes, he said that all Member States should participate in their financing and in their implementation. Nothing was gained by excluding certain countries because of their social system or philosophy, and all sources of financing should be drawn upon, from both inside and outside the United Nations, under the system of dual financing proposed by the Under-Secretary for Economic and Social Affairs at the seventeenth session (938th meeting).

46. His delegation would vote for section 13—Economic development, provided that it received the assurance that when the Special Committee on the Situation with regard to the Implementation of the Declaration on the granting of independence to Colonial Countries and Peoples established by General Assembly resolution 1654 (XVI) made requests for funds to carry out its tasks, those requests would be met. It welcomed the Secretary-General's action in reconverting the regular programme of technical assistance, which met the wishes of the African countries undertaking development programmes. They strongly endorsed the view expressed by the Secretary-General on page 103 of the budget estimates regarding the importance of the regular technical assistance programme in the United Nations Development Decade.

47. Mr. HAMMAD (United Arab Republic) said that he endorsed the Secretary-General's policy of austerity for the 1964 budget and welcomed the fact that he had kept his promise to lighten the financial burden on Member States. He must now make sure that the supplementary estimates would not be too large. It was encouraging that the Secretary-General had not contested the reductions recommended by the Advisory Committee.

48. The Advisory Committee was to be congratulated on its valuable main report. He endorsed its reasons for the reductions in the estimates which it had recommended. The Fifth Committee should ponder the Advisory Committee's conclusions regarding supplementary estimates and the application of financial regulations 13.1 and 13.2, but he did not wish to go quite so far as the Advisory Committee did in paragraph 70 of its report.

49. The Advisory Committee had made a most competent study of the programme of meetings and conferences. In his view, it was less a question of cutting out some conferences or reducing the total number than of co-ordinating the programme so as to avoid waste and duplication. Like the Advisory Committee, he did not feel that a policy of austerity with regard to the conference programme was in harmony with the United Nations Development Decade, and he endorsed the Committee's comment in paragraph 73 of its report that the alternative would be to carry out an analysis of all meetings, by field of activity, and determine whether a basis for their consolidation might be worked out. His delegation attached great importance to the United

Nations Conference on Trade and Development and it trusted that the preparatory work of that Conference and the industrialization programme would not be impeded.

50. He concurred in the comments and conclusions of the Advisory Committee regarding the information activities of the United Nations. Speaking from personal experience as Director of the Cairo Information Centre, he was sure that the work would not suffer if the meetings of Directors of information centres were discontinued. He agreed with the view expressed by the Advisory Committee in paragraph 85 of its report that the activities of the Office of Public Information (OPI) should not duplicate what was being done—usually with far greater means—by national news organizations. If the impact of the OPI programmes on public opinion had not been as great as had been hoped, there was need for a judicious review of the public information programme, as recommended by the Advisory Committee in paragraph 86 of its report. In his view, drastic changes should be made in that programme, to fit it to meet the new situation created by the large influx of new Member States in recent years. As the Advisory Committee pointed out in paragraph 87 of its report, a policy decision had to be taken by the General Assembly, namely, what part of the Organization's limited resources should be devoted to providing assistance to Member States, particularly the developing countries, and what part should be spent on telling the world about its action. The General Assembly could not escape responsibility for that decision.

51. Turning to the technical programmes, he supported the total of \$6.4 million recommended by the Advisory Committee. He would not elaborate on his delegation's position, which was too well known to need repetition. As to the standards of travel accommodation, he thought that the problem would soon solve itself, for airlines were already talking of introducing one-class travel.

52. The United Arab Republic had already stated its position regarding the financial crisis facing the United Nations, in the Fifth Committee at the fourth special session (1003rd meeting). He welcomed the fact that by resolution 1880 (S-IV), the General Assembly had decided to continue the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations. The United Arab Republic, which was a member of the Working Group, would spare no effort to help it carry out its task, an essential part of which

was to explore ways and means of bringing about the widest possible measure of agreement among all Member States on the question of the financing of future peace-keeping operations as specified in operative paragraph 2 (c) of the resolution he had mentioned.

AGENDA ITEM 61

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

(d) United Nations Administrative Tribunal (A/5467, A/C.5/L.797)

53. The CHAIRMAN invited the Committee to elect two members to fill two vacancies created by the expiration, on 31 December 1963, of the terms of office of Mr. Gros Espiell and Mr. Petrén.

At the invitation of the Chairman, Mr. Abdi (Ethiopia) and Mr. Lim (Malaysia) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	81
<i>Invalid ballots:</i>	0
<i>Number of valid ballots:</i>	81
<i>Abstentions:</i>	0
<i>Number of members voting:</i>	81
<i>Required majority:</i>	42

Number of votes obtained:

Mr. Gros Espiell (Uruguay)	81
Mr. Petrén (Sweden)	78
One other person	1

Mr. Héctor Gros Espiell (Uruguay) and Mr. Bror Arvid Sture Petrén (Sweden), having obtained the required majority, the Committee recommended that they should be appointed members of the United Nations Administrative Tribunal for a three-year term beginning on 1 January 1964.

54. The CHAIRMAN suggested that the Rapporteur should be authorized to report directly to the General Assembly on the different sections of the present item.

55. Mr. BOUDJAKDJI (Algeria), Rapporteur, said that he was willing to accept that responsibility.

It was so decided.

The meeting rose at 1.10 p.m.