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Chairman: Mr. G. G. TCHERNOUCHTENKO  
(Byelorussian Soviet Socialist Republic).

AGENDA ITEM 74

Budget estimates for the financial year 1969 (continued)  
(A/7125, A/7205, A/7207, A/7236, A/7255, A/7280,  
A/7304, A/C.5/1169 and Corr.1, A/C.5/1175-1179,  
A/C.5/1182, A/C.5/1183, A/C.5/1185, A/C.5/L.943,  
A/C.5/L.944, A/C.5/L.947, A/C.5/L.948, A/C.5/  
L.950)

General discussion (continued)

1. Mr. LYCOURGOS (Cyprus) said that his delegation appreciated the lucid presentation of the initial estimates for 1969, and thought that the estimates themselves were reasonable. On the other hand, in view of the limited resources available to the Organization, it could not overlook the observations and recommendations made by the Advisory Committee on Administrative and Budgetary Questions. It was always ready to participate in efforts to strike a constructive balance between the Secretary-General's estimates and the Advisory Committee's recommendations.

2. The increase in the estimates for 1969 was a welcome development, as it reflected a further growth in the activities and programmes of the United Nations. His delegation strongly advocated a budgetary structure designed to increase the variety and effectiveness of the assistance extended by or through the United Nations to the developing countries.

3. Cyprus had special reasons to be interested in the question of peace-keeping operations, and was naturally keen to contribute to the common effort to solve the problem of financing such operations. Like other delegations, it was deeply concerned about the deficit in the finances of the Organization and thought that all possible steps should be taken to reduce and ultimately eliminate it. States which were financially able to contribute to that end should once again be urged to do so.

4. While his delegation did not question the need for economy and prudent budgetary practices, it believed that all financial arrangements and procedures approved by the General Assembly, including procedures for dealing with "extraordinary and unforeseen expenses" should incorporate provisions to enable the various United Nations bodies dealing with human rights problems to discharge their duties promptly and without impediment in cases demanding urgent action. In crises involving flagrant violations of human rights resulting from the policies of apartheid, the United Nations would never be able to exercise its authority unless it could intervene immediately. At a time when the world was observing the International Year for Human Rights and was about to celebrate the twentieth anniversary of the adoption of the Universal Declaration of Human Rights, the effective functioning of human rights bodies should not be hampered by purely financial considerations.

5. Mr. SALEEM (Iraq) said that, as a developing country, Iraq kept a close watch on the level of the United Nations regular budget since any increase in its contribution to the Organization meant a reduction of funds to spend on its own development programme. It did not believe that United Nations activities should be curtailed, or that expenditure should be frozen at the present level, but merely that greater care should be taken in spending funds contributed by Member States.

6. Earlier in the discussion many delegations had expressed the view that the Secretary-General should be given a more active role in the review and coordination of programmes and the establishment of priorities. His delegation entirely shared that view and believed, in addition, that the Secretary-General should enjoy a fair margin of freedom to take action at times when initiatives on his part were vitally necessary, for instance, for implementing the important and far-reaching decisions of the International Conference on Human Rights.

7. His delegation was glad to note that the Secretary-General had accepted the Advisory Committee's recommendation for a reduction of about \$2.2 million in the initial estimates. At the same time, it would have no hesitation in approving a budget which, with the additional submissions anticipated during the current session, would probably be the highest in the Organization's history. Continuous budget growth was a normal and a healthy sign for an Organization which was a living entity and had in recent years been entrusted with more extensive and more costly responsibilities. However, his delegation could not approve unwarranted or wasteful expenditure such as that incurred as a result of certain international adven-

tures and acts of lawlessness in Africa, the Middle East and the Far East, which had cost the United Nations a great deal in life, property and prestige. During the present discussion (1243rd meeting), the Hungarian delegation had asked the representative of the Secretary-General to state the amount of United Nations losses in property and equipment suffered as a result of the aggressive war waged by Israel in June 1967 against the Arab States. He understood that the cost of replacing the equipment and property lost would be very high.

8. His delegation appreciated the steps already taken by the Secretary-General to implement General Assembly resolution 2359 (XXII), relating to the composition of the Secretariat, and looked forward to further detailed reports by the Secretary-General on the more balanced use of languages in the Secretariat.

9. Some progress had been made in the control and limitation of documentation, but there was room for further improvement. It might be useful to circulate a questionnaire to delegations twice a year, asking them to indicate their requirements for documentation and stressing the need for economy.

10. On the question of accommodation and office space, his delegation would not express its final views until additional information had been provided by the Secretary-General. It certainly could not agree that, in order to avoid the necessity of renting outside premises, recruitment should be frozen.

11. The proposal for a desk by desk survey of the deployment and utilization of staff was commendable, and the Secretary-General should be left to decide how and by whom the survey should be undertaken. The Saudi Arabian representative had been quite right to draw the Committee's attention to the plight of the General Service staff at Headquarters; urgent steps should be taken to improve the terms of employment, and thereby raise the morale of the lower echelons of the Secretariat. Efforts also should be made to improve the geographical distribution, both of posts in the Secretariat and of membership of certain United Nations bodies. No individual State had a monopoly of intelligence or experience, and the Organization would benefit greatly from an infusion of new blood.

12. His delegation objected strongly to the efforts made by some of the developed countries to withhold support from UNIDO, whose continued existence was vitally important to all countries, particularly the developing countries.

13. Finally, it supported the proposal for a study of possible ways of increasing United Nations revenue-producing activities.

14. Mr. RAMLI (Malaysia) said he was glad that the Secretary-General was not contesting the reduction of \$2.2 million, as recommended by the Advisory Committee. The substantial staff increases requested were unwarranted and his delegation concurred with the Advisory Committee's recommendation to reduce the number of new posts. It also supported the Advisory Committee's proposal for a desk to desk survey of the deployment and utilization of staff and was glad

to note that the Secretary-General had agreed to carry it out.

15. The financial position of the Organization, as described by the Secretary-General in his statement at the 1238th meeting (A/C.5/1176), was more precarious than ever, and the total of unpaid assessed contributions for 1968 and prior years had risen to \$84.1 million. All States should respond to the Secretary-General's appeal for a new effort to solve the issues which had been left unresolved in 1965.

16. Mr. STOBY (Guyana) said that his delegation, like those that had already stated their views, was greatly concerned about the constant increase in gross expenditure by the Organization and was anxious to know whether proper and efficient use was being made of available resources. As the budget contributions of the great Powers were now proportionately smaller than in previous years and the gap between developed and developing countries was widening, it was perhaps the small countries who should be the keenest in questioning any additional expenditure proposed.

17. Referring to the measures already envisaged for controlling United Nations expenditure, he said that the Advisory Committee's proposal for a desk-by-desk survey of the deployment and utilization of existing staff was very constructive, and he was glad that the Secretary-General had responded favourably to it. The Secretary-General's proposal that the Secretariat should be given greater latitude in presenting to the appropriate reviewing bodies a more specific and co-ordinated appraisal of both past and proposed activities would help the Secretariat and the Fifth Committee alike to estimate future expenditures. His delegation was fully in agreement with the Brazilian representative's suggestion that a study should be undertaken of possible ways of increasing the number of United Nations revenue-producing activities, and believed that ways of expanding existing revenue-producing activities might also be investigated.

18. At the same time, concern at the increase in United Nations expenditure should always be balanced by other pertinent considerations. First, it would be unrealistic to imagine that the United Nations budget was immune from the effects of the constant rise in prices. Secondly, it was in keeping with the spirit and the letter of the United Nations Charter that the Organization should now undertake certain social, economic and humanitarian activities for which adequate provision had never previously been made in the regular budget. Thus, while he agreed with other delegations that the term "extraordinary and unforeseen expenditure" should be strictly defined, he thought that such expenditure was in the very nature of things inevitable. Further, while his delegation approved of General Assembly resolution 2370 (XXII) by which the Assembly requested the Secretary-General to prepare a planning estimate for the regular budget for each second succeeding budget period, it did not believe that the growth rate of the regular budget should be subject to rigid rules. It was prepared to consent to the reductions proposed by the Advisory Committee, but only with the Secretary-General's assurance that the reductions were not unreasonable and would not impair the implementation of programmes, and only on the understanding that the Advisory Committee and the Fifth

Committee would at a later stage give favourable consideration to supplementary estimates for sections where reductions had now been recommended.

19. Though the practice of including provision for certain items on a pro memoria basis should not be encouraged, his delegation accepted the Secretary-General's explanation that the practice was in some cases inevitable. In the same context, he hoped that the Committee would agree to raise the ceiling for part V of the budget, which is currently fixed at the amount of \$6.4 million. Section 14 should be considered separately, and should not be subject to the over-all ceiling for part V.

20. His delegation was looking forward to the Secretary-General's next report on the composition of the Secretariat and his proposals for achieving linguistic balance. It concurred with the Secretary-General's statement that innovations would have to be introduced without impairing the Secretariat's efficiency.

21. Mr. HULTGREN (Sweden) said that his Government, like many others, was concerned at the continuing growth of the budget. He pointed out, however, that the growth was related to increased membership; both the regular budget and the number of Member States had approximately doubled in the last fifteen years. Moreover as the Member States, particularly those which had only recently gained independence, had become aware that the United Nations could help them solve many of their problems and had increasingly sought its assistance, the substantive programmes of the Organization had grown considerably in number and size. That was a healthy sign, and if Members welcomed it and wished the United Nations to develop and become better equipped to play its vital role in world affairs, they must be prepared to allocate appropriate sums for that purpose. It was worth noting also that the contribution of Member States, mandatory or voluntary, were small compared with their expenditure on many other items, not the least of which was defence: the cost of a single F-111 aircraft, as used by the defence forces of several countries, was \$7 million, which was equal to the net increase in the United Nations budget for 1969. Seen in that light the increase did not seem so alarming, even without the \$2 million reduction recommended by the Advisory Committee. It was nevertheless essential to exercise continuous control over the allocation and spending of budget funds. The establishment of priorities, the review of programmes and the utilization of staff, for example, were all of fundamental importance. It was the right and duty of Member States to see that such control was exercised in order to safeguard the international prestige of the Organization and the morale of its staff.

22. His delegation had noted with great satisfaction the establishment by the Secretary-General of an internal review group in the Secretariat. It was important that greater efforts be made to co-ordinate the various activities in the Secretariat with due regard to available resources. There was no lack of co-ordinating bodies in the United Nations family, but it was difficult to discern what authority each possessed or which organ was the principal co-ordinator. As a step towards improving the situation, the Secretary-General had proposed that he himself should be

given more authority to co-ordinate programmes and budget, and the Swedish delegation supported that proposal.

23. As in previous years, criticism had been levelled at various aspects of the work of the Secretariat. It should be remembered, however, that the staff of the United Nations was recruited from some 120 countries and that it was therefore very difficult to achieve the same flexibility and efficiency which was to be expected in a national administration. Moreover, in dealing with personnel, considerable time was required to make changes such as had been requested by various groups of Member States. The survey proposed by the Advisory Committee might benefit both the Secretariat and the Member countries. His delegation wished, however, to make two observations about it. First, the survey team should be given at the same time broad authority and very precise instructions; its integrity should be guaranteed, but without limiting the Secretary-General's ultimate responsibility. Secondly, when evaluating the work of an individual staff member the group should constantly bear in mind Article 101, paragraph 3, of the Charter.

24. His delegation shared the Secretary-General's concern about the unsatisfactory financial situation of the Organization. Behind the figures relating to the deficit were individual Member States awaiting reimbursement of the cost of facilities, services and personnel supplied by them to ONUC and UNEF. Sweden, as one of the creditors, regretted that the appeal for voluntary contributions first made in 1965 had so far brought in only \$20.3 million—of which Sweden had contributed \$2 million. It was not unreasonable to hope for an early response from the States that had not yet contributed, particularly from certain great Powers, and his delegation felt that if contributions were not forthcoming, the appeal should be repeated and possibly strengthened. Finally, his delegation pledged itself to co-operate with the Secretary-General in striving to meet the growing global responsibilities of the United Nations.

25. Mr. McGOUGH (Argentina) wished to express his appreciation of the clear and comprehensive manner in which the budget estimates had been presented. A careful study of the budget estimates for the financial year 1969 (A/7205) revealed that every effort had been made to provide for foreseeable needs at the lowest possible cost. More precise calculation of the various expenditures would make it possible to reduce future supplementary estimates and would result in much more effective utilization of resources. Nevertheless, he recognized that it was necessary to analyse the continued growth of the budget and to ensure that every expenditure, however small, was wholly consonant with the Organization's normal expansion of its activities to meet an ever-increasing number of problems. He felt that all delegations should maintain close contact with the members of other committees in order to endeavour to keep the number of meetings and conferences to a minimum and to avoid overlapping or duplication of work. No efforts should be spared to achieve optimum utilization of available resources, with emphasis on important social and economic programmes in the operational field.

26. He strongly endorsed the Brazilian representative's suggestion that the possibilities of discovering new revenue-producing activities should be explored in detail. Recent technological and scientific advances might prove valuable in that endeavour. If an *ad hoc* committee or working group were established for the purpose and issued a report prior to the beginning of the twenty-fourth session, it would be of great benefit to the work of the Fifth Committee in 1969. It was probable that the Organization could find a way to increase its income significantly in the future in order to offset in part the increase in the contributions of Member States, which diverted much-needed funds from development.

27. He considered it preferable to find a long-term solution to the problem of the acute shortage of office accommodation at Headquarters, Geneva and Santiago, Chile, since temporary remedies, that is, the rental of outside office space, were usually uneconomic. The appropriate decision should be made only after a careful review of its influence on future financial needs.

28. He attached great importance to the Advisory Committee's recommendation that a detailed survey of existing personnel should be undertaken, but considered that the Secretary-General, as he had requested, should be allowed to postpone the task for a few months. He fully supported the recommended over-all reduction of \$2.2 million, especially since the Secretary-General had stated that it would not affect programmes already planned. His delegation could not fail to be concerned at the statement that a minimum of \$48 million would be needed to overcome the Organization's financial difficulties. His country's assessment was the highest in Latin America and its contributions entailed a constant sacrifice, which might be prejudicial to certain domestic programmes. He was of the opinion that the highly developed countries were in the best position to help solve the problem of the deterioration in the financial situation.

29. Mr. BERREZOUG (Algeria) said that, unlike certain members of the Committee, he did not find the increase in the estimates for 1969 in any way alarming in view of the increasing needs and activities of the United Nations. Nevertheless, rational administration of new expenditure was indispensable and his delegation therefore supported the over-all reductions recommended by the Advisory Committee, particularly since it appeared that they would not present serious obstacles to the implementation of established programmes.

30. He noted with regret that there were only *pro memoria* provisions for technical programmes under part V of the budget. The relevant appropriations had remained at the 1962 level and he considered that the United Nations should play a greater role in providing technical assistance.

31. His delegation had abstained in the vote on section 17 because of the funds requested for the United Nations Commission for the Unification and Rehabilitation of Korea, under chapter IV, which it was unable to support. Its position on that question had been stated on many occasions in the past.

32. The problem of the shortage of office space and the serious consequences it could have on recruitment of personnel merited the special attention of the Fifth Committee. It would be extremely unfortunate if the Organization was obliged to embark on the second United Nations Development Decade with its programmes and activities in the economic and social fields considerably reduced because all recruitment had ceased for lack of accommodation.

33. He shared the views of the Advisory Committee that the Secretary-General should undertake a survey of available personnel, their deployment and utilization and supported the recommended reduction in requests for new permanent posts. His delegation would also vote in favour of the recommendation for an interim salary adjustment for the Professional and higher categories, since it was convinced that the increase would facilitate the recruitment of highly qualified and experienced staff. At the same time, the principles of equitable geographical distribution and linguistic balance must be observed. He welcomed the establishment of an internal review group because he considered that it could be of considerable assistance to the various programme-formulating bodies in evaluating programmes and resources for the purpose of long-term programming and budgeting. In addition, it could also make an important contribution to the efforts of the Committee for Programme and Co-ordination to establish a system of priorities.

34. In conclusion, he stated that his delegation shared the concern expressed by both the Secretary-General and a large number of delegations at the deterioration in the financial situation of the United Nations. He hoped that the highly industrialized countries would give serious consideration to the possibility of making up the deficit with voluntary contributions, so that the United Nations could continue to carry out the many tasks incumbent upon it, including the preparatory work for the second Development Decade.

35. Mr. ELIAV (Israel), speaking in exercise of the right of reply, stated that the representative of Iraq had made a slanderous remark concerning his country. Polemics would in no way help to bring about a lasting peace in the Middle East.

36. Mr. SALEEM (Iraq), speaking on a point of order, said that the question to which the representative of Israel took exception had been submitted earlier by the representative of Hungary, who had asked what had been the total cost to the United Nations in loss of lives, property and equipment of the events of June 1967. The Committee would be faced with a request for compensation and the whole matter was purely financial.

37. Mr. ELIAV (Israel), speaking in exercise of the right of reply, said that reference had been made to political matters and he wished to quote from a statement by the President of Iraq of 1 June 1967 to the Iraqi forces that the existence of Israel was a "wrong that has to be righted". That statement reflected the real attitude of Iraq towards Israel.

38. Mr. SALEEM (Iraq), speaking on a point of order, reiterated that he had referred to a purely financial matter. Political considerations were not within the terms of reference of the Committee.

39. The CHAIRMAN recalled that at the beginning of the session he had expressed the hope that the Committee would be guided by a spirit of friendly and business-like co-operation.

40. Mr. ELIAV (Israel) said that he would not press the matter since the representative of Iraq had retracted what he had said about the nature of the events of June 1967.

First reading (continued) (A/C.5/L.943)

SECTION 1. TRAVEL AND OTHER EXPENSES OF REPRESENTATIVES AND MEMBERS OF COMMISSIONS, COMMITTEES AND OTHER SUBSIDIARY BODIES (A/7205, A/7207, A/7255, A/7304, A/C.5/1169 and Corr.1, A/C.5/1178)

41. The CHAIRMAN recalled that the Secretary-General had requested a total appropriation of \$1,262,850 under section 1—namely \$1,258,050 in the budget estimates for the financial year 1969 (A/7205) and \$4,800 in his report on the revised estimates resulting from decisions taken by the Economic and Social Council at its forty-fourth and forty-fifth sessions (A/C.5/1169 and Corr.1). The Advisory Committee on Administrative and Budgetary Questions had recommended, in its main report (A/7207, para. 92), a reduction of \$40,000 in the first of those amounts, and, in a related report (A/7255), it had considered the second request unnecessary. In still another report (A/C.5/1178) the Secretary-General had brought the question of travel and subsistence allowances for members of organs and subsidiary organs to the attention of the General Assembly. The Advisory Committee in its corresponding report (A/7304) had recommended that the rates be equated to the standard rates established for the Secretariat staff, plus 40 per cent, and had included as an annex to its report a draft resolution to that effect. It had also recommended that the financial implications of the increase, amounting to some \$24,000 under sections 1, 17 and 20, be absorbed within the totality of the appropriations already recommended by the Advisory Committee for those sections. The total amount recommended by the Advisory Committee under section 1 would therefore be \$1,218,050.

42. He suggested that the Committee should consider the question of the rates of subsistence allowances before approving the appropriation for section 1.

*It was so agreed.*

43. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that in its consideration of the Secretary-General's estimates under section 1 the Advisory Committee had had in mind particularly the estimate of \$94,000 for the 1969 meetings schedule of the Advisory Committee on the Application of Science and Technology, which included 2 sessions of the full Committee, 8 sessions of working groups and regional groups and other individual travel to meetings. The Committee for Programme and Co-ordination had expressed concern that the schedule might prove too heavy a burden both for the participants and for the limited resources of the Secretariat. Consequently, the Advisory Committee anticipated a positive response to the suggestion by the Committee for Pro-

gramme and Co-ordination that the Economic and Social Council should give further consideration to the possibility of limiting the number of conferences, and that it request its subsidiary organs to keep the number of their meetings to the minimum considered desirable. He pointed out that when the report of the Advisory Committee was written the Committee on Conferences had not yet considered the full programme of conferences for 1969; that Committee's recommendations might have some bearing on the final level of the estimates submitted under section 1. It should also be mentioned that the estimate of \$157,550 for the Board of Auditors was subject to revision in the light of the Board's determination of its precise requirements for 1969.

44. Mr. RIHA (Czechoslovakia) observed that the appropriation under requested section 1, chapter III, was \$323,500 which, as the Advisory Committee had noted in paragraph 89 of its main report, represented an increase of \$46,400 over the appropriation for 1968. That increase was largely attributable to the Advisory Committee on the Application of Science and Technology, whose unprecedentedly full programme of meetings had already been noted with concern by the Committee for Programme and Co-ordination. The Advisory Committee on Administrative and Budgetary Questions had felt that the programme of work of the first-mentioned Committee should be rationalized and so organized as to make the most economical use of the funds expended on travel costs. In a similar vein it had been suggested, in paragraph 801 of the report of the Economic and Social Council to the General Assembly,<sup>1/</sup> that the Advisory Committee on the Application of Science and Technology should meet once a year and hold its meetings either at United Nations Headquarters or at the headquarters of the agencies. His delegation considered that those suggestions should be borne in mind and wished to ask the Committee on Conferences, in conformity with General Assembly resolution 2239 (XXI), to review the necessity of holding two sessions of the Advisory Committee on the Application of Science and Technology in 1969, one in New York and the other at Addis Ababa. The Committee on Conferences could perhaps give its reply when section 1 was considered on second reading.

45. The question as to how frequently sessions should be held was highly relevant to section 1, particularly in relation to the subsidiary organs of the General Assembly and of the Economic and Social Council. His delegation noted that despite the suggestion made by the Committee for Programme and Co-ordination to the Economic and Social Council, which had been quoted by the Chairman of the Advisory Committee on Administrative and Budgetary Questions and despite several resolutions of the General Assembly and of the Economic and Social Council, only three subsidiary bodies met every other year. Four functional commissions or sub-commissions met every year. Of the regional economic commissions, only ECA had biennial sessions. The Committee on Housing, Building and Planning had been meeting twice yearly, and the International Narcotics Control

<sup>1/</sup> Official Records of the General Assembly, Twenty-third Session, Supplement No. 3.

Board was to hold three sessions in six weeks in 1969. His delegation wished to point out that by reducing the number of sessions and meetings of the functional commissions and other subsidiary bodies savings could be made, not only under section 1, but also under section 3, in the appropriations for temporary assistance.

46. Mr. TURNER (Controller) said that several delegations had asked him to explain the reference in paragraph 6 of the Secretary-General's report (A/C.5/1178) to the possible provision of board and lodging by a host Government. It concerned a policy which had existed for some time but was rather infrequently put into practice. Accommodation was seldom provided in that way for bodies composed of people in their individual or expert capacities, because the members of such bodies were unwilling to accept the reductions which would then be made in their subsistence allowances. Occasionally, however, when no other facilities were available, Governments provided accommodation free of charge.

47. The CHAIRMAN invited the Committee to vote on the draft resolution on the system of travel and subsistence allowances to members of organs and

subsidiary organs of the United Nations (A/7304, annex).

*The draft resolution was adopted by 68 votes to none, with 9 abstentions.*

48. The CHAIRMAN invited the Committee to vote on the appropriation requested under section 1.

*The recommendation of the Advisory Committee (A/7207, para. 92) for an appropriation in the amount of \$1,218,050 under section 1 was approved on first reading by 78 votes to none.*

49. Mr. FIGGINS (United States of America) said that his delegation had voted in favour of the appropriation under section 1 on first reading but reserved its position on the second reading, since it had noted from the reports of the Advisory Committee—namely, from paragraph 91 of document A/7207 and paragraph 11 of document A/7255—that the Committee on Conferences had not yet submitted its report. In document A/7255 it had specifically pointed out that "The Advisory Committee's recommendation is subject to such approval having been obtained from the Committee on Conferences."

*The meeting rose at 5.25 p.m.*