



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

AGENDA ITEM 73

Budget estimates for the financial year 1971
(continued) (A/7822, A/7937, A/7968, A/7987 and
Add.1, A/8006, A/8008 and Add.1 and 2, A/8032,
A/8033, A/8072, A/8122, A/8133, A/C.5/1296,
A/C.5/1298, A/C.5/1302 and Corr.1, A/C.5/
1303, A/C.5/1305, A/C.5/1307, A/C.5/1309,
A/C.5/1310, A/C.5/1315, A/C.5/1317, A/C.5/
1319, A/C.5/L.1041)

General discussion (continued)

1. Mr. KOROMA (Sierra Leone) expressed his delegation's support for the proposals made by the Secretary-General with a view to reducing his initial budget estimates for 1971 by some \$7 million.
2. His delegation shared the concern expressed by the Secretary-General about the steadily deteriorating financial situation of the United Nations. However, it doubted whether the problem could be solved by a steady increase in expenditure, particularly since many countries, and especially the developing countries, were already experiencing difficulties in meeting their assessments.
3. The delayed payments of assessments—total unpaid contributions now amounted to \$105.2 million—should not be regarded as illustrative of a negative attitude like that adopted in certain cases by some Member States, but rather as evidence of the real difficulties experienced by many Member States in meeting the ever-growing cost of their participation in the Organization's activities. If the trend towards unjustified increases in expenditure continued, it could only lead to a further deterioration of the Organization's financial position. Meanwhile, the major contributors' reluctance to finance the activities of international organizations was most disquieting; it was important to stress in that regard that any measure aimed at reducing the disparity between the rich and the poor countries was also a contribution to world peace.
4. Much of the work of the Fifth Committee in recent years had been directed toward improving the methods of work of the United Nations with a view to increasing its effectiveness and ensuring the most rational utilization of its human and material resources. From that point of view, the adoption, in 1966, of the recommendations of the *Ad Hoc* Committee of Experts to

Examine the Finances of the United Nations and the Specialized Agencies was an important step forward, for it had set in motion a process of constant review of the Organization's management and financial practices. The Fifth Committee now had to examine the advisability of introducing a system of programme budgeting, which was an important question dealt with in depth in the report of the Joint Inspection Unit in document A/7822. In that regard, the Secretary-General should, in the report he was asked to submit to the General Assembly on the implications of the introduction of programme budgeting and the adoption of a two-year budget cycle, indicate the advantages and disadvantages of those two steps for the work of the Organization as a whole.

5. With regard to the budget cycle suggested in the Joint Inspection Unit's report, his delegation wondered whether it would not be possible to introduce it on a trial basis for a period of two to three years. Perhaps it would be possible, at the current session, to formulate the broad outlines of the new system and its basic procedures. In that connexion, his delegation wished to express its appreciation of the work of the Joint Inspection Unit, and would like to recommend its continuance for a further trial period.
6. The United Nations could be committing itself, at the twenty-fifth session, to attaining the goals of the Second United Nations Development Decade; the Fifth Committee should accordingly set priorities and objectives which would give substance to those goals. It was essential for the United Nations to become an instrument which would play a significant role in organizing economic and social policies on which the success of the Decade would depend; on the other hand, for the Organization to be able to carry out that task, Governments would have to give serious consideration to the proposals that had already been submitted to the Committee.
7. Mr. TODOROV (Bulgaria) said that inasmuch as delegations were not so much interested in how the budget estimates were prepared as in the activities they reflected, the mode of presentation of the budget failed to give Member States a comprehensive idea of the Organization's activities. Studies had been made on the question of budget presentation, and the Bertrand report (see A/7822) had been considered by many United Nations bodies, which had felt that a presentation by programmes would be preferable to the present system. His delegation was eagerly awaiting the report promised by the Secretary-General, as well as the "more concrete proposals. . . on a possible format for the presentation of the budget estimates by major pro-

grammes" to which he had referred in paragraph 37 of his foreword to the budget estimates for the financial year 1971 (A/8006).

8. With regard to the substantial increase in the budget for 1971, which it was claimed was necessary in order to enhance the Organization's effectiveness and expand the assistance it provided to developing countries in view of the increase in its membership and the expansion of its activities, his delegation held that the effectiveness of an organization was not dependent on the level of its expenditure. On the contrary, some of the expenditure items included in the Organization's budget had nothing in common with its purposes and objectives and were intrinsically illegal. He cited as examples the cost of maintaining the United Nations Memorial Cemetery in Korea and the costs of the so-called United Nations Commission for the Unification and Rehabilitation of Korea. His country's position in that regard had not changed: his Government would not contribute to defraying those costs. The financial crisis facing the Organization was in fact a political crisis which had resulted from the activities of certain Member States, and the only way to solve it was to remove from the budget expenditure on activities which had nothing to do with the purposes of the United Nations and which were in fact a flagrant violation of its Charter.

9. A further reason for the increase in the budget and the declining effectiveness of the Organization was the absence of any system of priorities in United Nations economic, social and human rights programmes. Almost all the programmes and projects were apparently given the highest priority, although the United Nations did not have sufficient resources to finance all of them at once. That was why the General Assembly and the Economic and Social Council had requested the organs concerned with economic and social matters to specify clearly the degree of priority they attached to particular programmes and projects in the context of their long-term plans and the Organization's objectives. On that point, his delegation wished to stress the need for establishing generally acceptable principles on which to base the assignment of priorities to the various United Nations programmes and activities. In the absence of such principles, priority was sometimes given to projects of little or no interest to the majority of Member States, with the result that the Organization's efforts were not always oriented in the direction desired by most States. Intergovernmental bodies alone were in a position to decide what priority should be given to particular programmes and projects.

10. His delegation also noted that a large part of the budgetary increase was due to the increase in administrative expenditure and the proliferation of organs within the United Nations. Measures to co-ordinate the activities of the various organs and to eliminate all duplication and overlapping should be adopted as a matter of urgency. His delegation hoped that the survey of the utilization and distribution of staff within the Secretariat would contribute usefully to those ends, but regretted that the budget estimates for 1971 did

not indicate what steps had already been taken. It also regretted that the latest budget did not propose any changes whatsoever in the structure of the Secretariat with a view to reducing redundant and overlapping services. It supported the Secretary-General's decision not to allow any increase in 1971 in the number of permanent or provisional posts, and considered that the Organization should go even further by reducing the over-all number of posts by at least 5 per cent and not granting any appropriations for provisional posts.

11. Many delegations had pointed out that one of the main factors in the budget increase was the growing inflation in the host country. The increase in appropriations requested for the financial year 1971 under section 3 for salaries and wages—namely \$88,346,900—compared with the 1970 appropriations of \$76,670,000, even though the number of posts was to remain constant, was a good example of the impact of that inflation on the size of the budget. It represented a salary increase of about 15 per cent, rather than of 8 per cent. His delegation saw no reason for increasing the salaries of officials, given the fact that the salaries of senior administrators and officials in the Secretariat were already higher than those of the highest paid national officials. It did, however, believe that if such salaries were increased the host country should, as various delegations had suggested, make good the budgetary increase, which was due to inflation. The proposal was justified by the fact that the very presence of the Headquarters of the United Nations in New York enabled the host country to gain sums of money greatly in excess of its contribution to the Organization's budget.

12. His delegation considered that certain expenditure, such as that provided for in part V (Technical programmes) as well as the various appropriations relating to operational activities and requested for "programme support", should not be included in the regular budget. It understood and supported the efforts which the developing countries were making to eradicate the vestiges of colonial domination and gain national economic independence, and as far as it was able it co-operated with those countries, to further their economic development, but it nevertheless believed that all United Nations activities in the field of technical co-operation should be financed through UNDP and other funds by voluntary contributions. His Government would continue to pay the part of its contribution relating to part V in national currency.

13. The principle of equitable geographical distribution of posts in the Secretariat was not adequately applied, particularly in respect of top-ranking posts. That discriminatory situation could not be justified on any grounds; it was high time to end it and to eliminate the forces endeavouring to preserve the most senior posts in the Secretariat for a certain group of countries.

14. Mr. AL-MASRI (Syria) submitted that the time had perhaps come, twenty-five years after the foundation of the Organization, to re-evaluate the different aspects of the budget in order to determine the best

ways of utilizing financial resources and increasing the ability of the regular budget to meet the Organization's needs, especially the requirements of the development programmes.

15. His delegation shared the concern of other delegations regarding the continuing growth of the Organization's budget and the increase in its staff. The establishment of many new organs, committees and services to study methods of reducing staff by making the best use of existing resources, or to examine and inspect other financial and administrative aspects of the Organization, had not yielded the expected results and did not seem to justify the expenditure entailed. Moreover, the continuation of such organs had caused a waste of money which should have been spent on more constructive purposes in different fields in the developing countries. His delegation considered that such small bodies should be reviewed.

16. It was clear from a study of the budget estimates that the increase in appropriations requested for 1971 was due less to an expansion of the Organization's activities than to an increase in administrative costs. Ways must be found to reduce such expenditure without handicapping United Nations programmes for peace, justice, human rights and development. He drew attention to the importance of United Nations public information activities both for the Organization itself and for Member States; such activities were, in fact, a unique and direct channel between the United Nations and the peoples of the world. It was therefore highly regrettable that the appropriations for such activities had been reduced from 11 per cent of the budget to 5 per cent, and that their unity had been disrupted. It would be most dangerous if those activities were limited and influenced by certain political or economic trends or served certain interests. The appropriations for such activities should be increased and their unity re-established. Arabic, which was the official language of more than fifteen Member States of the United Nations, should be used in the different aspects of those activities, which would serve the purposes of the United Nations in a large area of the world in which that language was spoken.

17. With regard to the United Nations Economic and Social Office in Beirut, he unreservedly supported all the comments of the representative of Iraq in his statement at the 1362nd meeting. The objectives of the Beirut Office had been set out in General Assembly resolution 1823 (XVII) entitled "Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions". Although the Beirut Office's terms of reference were fairly similar to those of the regional economic commissions, its organization and structure were quite different and its budget for 1971 was ten to twenty times smaller than theirs. His delegation supported, in particular, the proposal of the representative of Iraq that the appropriations for the Beirut Office be increased, given the importance of its activities and responsibilities. It, too, considered that the concerned Governments of the region should be consulted in respect of the nomination of the Director of the

Office—which should be given a measure of independence at least equal to that of the regional economic commissions—that the number of regional advisers should be increased, that the scope of the Office's activities should be enlarged to cover marketing of the products of Member States and the promotion of trade co-operation, and that the Arabic language must be used for the Office's documentation.

18. He reiterated his delegation's opposition to the appropriations under section 12 for the United Nations Memorial Cemetery in Korea and under section 17 for the United Nations Commission for the Unification and Rehabilitation of Korea. That Commission, it felt, should be dissolved. His delegation also opposed any appropriations for the construction of new buildings at Headquarters in New York, and associated itself with other delegations which had called for the transfer of the Headquarters to any other city which could provide greater security and protection for the safety of diplomatic missions and their members.

19. His delegation welcomed the Secretary-General's proposal to reduce the total budget estimates for 1971 by \$7 million.

20. Mrs. HERLITZ (Israel), speaking in exercise of the right of reply following the statements of the representatives of Syria and Iraq with regard to the United Nations Economic and Social Office in Beirut, said that her delegation would remind the Committee that the Beirut Office could not be equated with a regional economic commission; its existence in its present form was a sorry reflection of the Middle East situation.

21. The Beirut Office served only a limited number of Member States and excluded others, including Israel, which was only about fifty kilometres away from Beirut. Her delegation hoped that neither the Fifth Committee nor any other United Nations body or agency would agree to a change in the position or an increase in the budget of an agency like the Beirut Office, which applied discriminatory practices against a State Member of the United Nations.

22. The Middle East needed economic development, and that required the maximum possible co-operation; it was therefore to be hoped that the area would one day be served by a proper economic commission. The Israeli Government, for its part, was prepared to co-operate in the promotion of regional development and the establishment of a regional economic commission which would include all Member States in the Middle East.

23. Mr. ALWAN (Iraq) said that his delegation failed to see to whom the so-called reply which had just been made was addressed; it could certainly not be to a member of the Committee. States with populations composed of transplanted foreigners were not members of regional economic commissions, as illustrated by South Africa, which was not a member of ECA; the Beirut Office operated on the same principle, and members of the Committee had the right to comment on it without being interrupted by the representative of

a country whose population consisted of foreigners transplanted from Europe. Under no circumstances could a country of that kind belong to an economic commission for the Middle East.

24. Mrs. HERLITZ (Israel) said that her delegation hoped that the representative of Iraq was expressing only his personal views and those of his Government, and was not speaking for a United Nations body or agency which might have to deal with the establishment of an economic commission for the Middle East.

AGENDA ITEM 80

Implementation of the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (continued) (A/7968, A/7987 and Add.1, A/7999 and Add.1, A/8033, A/8128, A/8139, A/C.5/1299, A/C.5/1304 and Corr.1, A/C.5/XXV/CRP.3/Rev.1):

- (a) **Report of the Secretary-General (continued)** (A/7999 and Add.1);
- (b) **Report of the Advisory Committee on Administrative and Budgetary Questions (continued)** (A/8139)

Report on the activities of the Joint Inspection Unit during the period 1 July 1969-30 June 1970 (continued) (A/8128, A/C.5/1299, A/C.5/1304 and Corr.1, A/C.5/XXV/CRP.3/Rev.1)

25. Mr. STOBY (Guyana) said that the revised version (A/C.5/XXV/CRP.3/Rev.1) of the text proposed for inclusion in the Committee's report took into account most of the suggestions which had been made at the previous meeting. The sponsors had decided to make a slight change to the new text: to delete the word "inspection", in the first sentence of sub-paragraph (b), which it had been proposed to add before the word "reports" because it might be interpreted too restrictively. Consequently, the words "such reports" in the second sentence of sub-paragraph (b), which had been proposed at the previous meeting, would be replaced by the words "appropriate reports".

26. Mr. GARRIDO (Philippines) expressed his approval of the revised text and withdrew the amendments which he had submitted at the previous meeting. He was particularly gratified by the addition of the words "and recommendations" at the end of sub-paragraph (c). In view of the explanations given at the previous meeting by the representative of Guyana and the Chairman of the Advisory Committee on Administrative and Budgetary Questions, he would not insist on the insertion of the words "and participating agencies" after the words "to member States" in sub-paragraph (d).

27. Mr. STARK (Under-Secretary-General for Administration and Management) suggested that the words "in the preparation" in the second sentence of sub-paragraph (b) should be replaced by "for the preparation".

28. Mr. RHODES (United Kingdom) thanked the sponsors of the draft for having taken his comments into account in the revised version.

29. Mr. RAMBISOON (Trinidad and Tobago) recalled that, when draft resolution A/C.5/L.1043/Rev.1 had been discussed, many delegations had expressed reservations on the decision to continue the Joint Inspection Unit on the existing experimental basis because they were not satisfied with the way in which it functioned or the results of its work. The text proposed in document A/C.5/XXV/CRP.3/Rev.1 dispelled those misgivings by defining more clearly the terms of reference of the Joint Inspection Unit, and took into account the constructive suggestions made during the debate. It also reflected views expressed in the Committee for Programme and Co-ordination. He therefore supported it wholeheartedly. Nevertheless, he would have preferred the original text of sub-paragraph (d), although he understood the reasons which had led the sponsors to amend it. With regard to sub-paragraph (c), he agreed with the representative of the Philippines that greater emphasis should have been placed on the implementation of the recommendations of the Joint Inspection Unit. Despite those reservations, he believed that the new text preserved the independence of the Joint Inspection Unit and clarified its terms of reference. He hoped that it would be brought to the attention of the inspectors and that the summary records of the Committee's debates on the matter would also be transmitted to them.

30. Mr. MCGOUGH (Argentina) observed that the word "*mandato*", which was the Spanish equivalent of the English expression "terms of reference", was missing from the Spanish text in the first sentence of sub-paragraph (b). He therefore requested the Secretariat to ensure that the translation of that sentence in Spanish corresponded to the original English.

31. The CHAIRMAN assured the representative of Argentina that the Secretariat would take his comments into account.

32. Mr. NAITO (Japan) said that the changes which had been made by the sponsors dispelled the doubts which he had expressed about sub-paragraph (b) at the previous meeting. He would therefore have no difficulty in supporting the new text.

33. Mr. ASHWIN (Australia) said he wished to state his reservations on the words "independent status" in the introductory sentence. He realized that the sponsors had wished to preserve the Joint Inspection Unit's freedom of action; however, he felt that, since its continued existence depended on the Fifth Committee, it was not completely independent. He therefore suggested that the word "independent" should be deleted or that the phrase "independent status" should be replaced by the word "terms of reference". He would also welcome the deletion of the word "rationalization" at the end of sub-paragraph (b). It was not enough to ensure that on-the-spot investigations were carried out rationally—the question to ask was whether they were necessary.

34. Mr. ESTABLIE (France) said that, in his opinion, the second sentence of sub-paragraph (b) was unclear in the French text. It seemed to mean that inspection reports were prepared by legislative bodies which merely utilized the Joint Inspection Unit's expertise, whereas the previous sentence said that those reports were prepared by the Joint Inspection Unit. In order to avoid any confusion, a full stop might be inserted after the words "Joint Inspection Unit" and the remainder of the sentence deleted.

35. Mr. STOBY (Guyana), replying to the comments of the Australian representative, said that the sponsors wished to retain the words "independent status" in the introductory sentence in order to indicate that they did not intend to restrict the freedom of the Joint Inspection Unit, which they regarded as an independent organ. They also wished to retain the word "rationalization" in sub-paragraph (b); the word was deliberately vague and emphasized the need for the inspectors to co-ordinate their field activities.

36. Referring to the last sentence of sub-paragraph (b), he said that the amendment suggested by the Under-Secretary-General for Administration and Management met the objection of the French representative. The latter's amendment did not, therefore, seem justified.

37. Mr. REFSHAL (Norway) approved of the intentions behind the proposed text submitted to the Committee and most of the ideas expressed in it. He wondered, however, whether it was not illogical, after having decided unanimously, in the resolution adopted at the previous meeting, to continue the Joint Inspection Unit on the existing experimental basis without reviewing its mandate before 1972, to attempt to modify that mandate in the Committee's report. The Joint Inspection Unit could, if it wished, disregard that paragraph of the Committee's report and continue its activities on the basis of its existing mandate. It was reasonable to ask, therefore, as the Japanese representative had done, whether the Committee was entitled to try, in its report, to restrict a mandate established by two General Assembly resolutions. That was why, although it endorsed the proposals made in document A/C.5/XXV/Corp.3/Rev.1, his delegation would be obliged to abstain if the text was put to the vote.

38. Mr. HALL (Jamaica) thanked the sponsors for having taken account of some of his comments. Nevertheless, he had reservations concerning sub-paragraph (a). The purpose of the consultations between the Joint Inspection Unit and other investigatory and co-ordinating bodies should be to assist the Unit in its work. There should, therefore, be a direct relationship between those consultations and the establishment of the Unit's work programme. That idea was not sufficiently emphasized in sub-paragraph (a). He proposed, therefore, that the first two sentences of the sub-paragraph should be amended to read as follows:

"The Joint Inspection Unit should, in formulating its work programme, intensify its consultations with

other bodies of an investigative and co-ordinating nature, with a view to minimizing overlap and duplication of the work carried out by the various bodies in this field. The work programme of the Unit should be published through the Secretary-General at the beginning of each year."

39. Mr. STOBY (Guyana) said that it would be difficult to oblige the Joint Inspection Unit to establish and, possibly, modify its programme of work on the basis of consultations with other bodies because that would restrict its independence. He therefore could not accept the Jamaican representative's amendment.

40. Mr. HALL (Jamaica) did not agree with the Guyanese representative's interpretation of his amendment, which aimed not at restricting the Joint Inspection Unit's independence, but at strengthening co-ordination between the investigatory bodies and at enabling the Unit to avoid overlap and duplication when drawing up its work programme. Nevertheless, if the amendment would delay the Committee's work unduly he would be prepared to withdraw it.

41. Mr. RHODES (United Kingdom) said that if his interpretation was correct, the word "independent" in the introductory sentence meant that the Joint Inspection Unit was independent of the Secretariat but not of member States or the legislative bodies. Perhaps the representative of Guyana would confirm that interpretation.

42. Mr. TARASOV (Union of Soviet Socialist Republics) endorsed the United Kingdom representative's interpretation of the word "independent". Referring to sub-paragraph (a), he said that a distinction should be made between internal and external bodies of an investigative and co-ordinating nature. If overlapping between the activities of the Joint Inspection Unit and those of external bodies was to be avoided, the Unit must be able, through its advice, to help internal bodies in their work. He proposed, therefore, that the word "external" be inserted before the word "bodies" in the second sentence of sub-paragraph (a).

43. Mr. STOBY (Guyana), referring to the United Kingdom and Soviet representatives' interpretation of the word "independent", said that it was not the sponsors' intention to give the Joint Inspection Unit greater independence. He had no difficulty in accepting the Soviet representative's amendment to the second sentence of sub-paragraph (a) because the reference was, indeed, to external bodies of an investigative and co-ordinating nature.

44. Mr. MSELLE (United Republic of Tanzania) said that there was no doubt that the words external bodies of an investigative and co-ordinating nature meant bodies outside the secretariats of the various organizations.

45. Mr. ESTABLIE (France) said that the second sentence of sub-paragraph (b) was still unclear. It would have to be clarified before his delegation could express an opinion on the text as a whole.

46. Mr. GUIRANDOU-N'DIAYE (Ivory Coast) said that his delegation did not understand the meaning of that sentence either and could not express an opinion on the draft until it was satisfied with the French text.

47. Mr. KABORE (Upper Volta) said that the text as a whole lacked cohesion in the sense that sub-paragraphs (c) and (d) were not as directly related to the introductory sentence as sub-paragraphs (a) and (b). The four sub-paragraphs should all be directly related to the introductory sentence in the same way. His delegation would submit proposals in writing to the Secretariat designed to modify the text along the lines he had just indicated.

48. The CHAIRMAN said that the Secretary of the Committee would contact the delegations concerned with a view to clarifying the French text of the draft.

49. Mr. LAWRENCE (United States of America) said that the English text of the second sentence of sub-paragraph (b) should also be reworded.

50. The CHAIRMAN said that the French text would be revised, but that it was up to the sponsors to make any amendments considered necessary to the English text, which was the original text.

51. In view of the many amendments made to the text in the original and other languages, it would be preferable for the Committee to defer further consideration of it until the delegations concerned had held the necessary consultations with a view to clarifying the text and bringing it into line with the Committee's wishes. In accordance with rule 108 of the rules of procedure of the General Assembly, therefore, he suggested that the debate on the item under consideration be adjourned until 10 November.

It was so decided.

The meeting rose at 12.50 p.m.