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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. EBAKISSE (Cameroon) said that his delegation found the budget estimates for 1964 (A/5505) satisfactory; the Secretariat was to be congratulated on the clarity and detail with which they had been presented. The Advisory Committee on Administrative and Budgetary Questions was also to be commended for its main report (A/5507); the Cameroonian delegation endorsed the judicious comments and analyses which it contained.

2. If the United Nations was to be a really dynamic and effective Organization, it must rest on a sound financial basis. It was the Fifth Committee's task to allocate available resources between priority activities and the administrative and financial needs of the Secretariat. His delegation associated itself with those which had called for the prompt payment of arrears, for it would be unrealistic to try to improve the Organization's financial position while it was still burdened with a deficit estimated at \$112 million. In the statement he

had made at the 1019th meeting (A/C.5/988, para. 2), the Secretary-General had drawn attention to the position. The Cameroonian delegation trusted that the defaulting Member States would soon realize their responsibilities.

3. His delegation attached great importance to the collective desire which had become apparent to conserve the results already achieved and to strengthen the Organization for the increasingly heavy tasks to come. The present period of consolidation and containment should be used for the reappraisal of the experience already acquired, so as to enable the Organization to profit by past errors and determine what direction new activities should take. The result of such a reappraisal would be reflected in the budget estimates, and it should gradually become possible to engage in longer-term planning covering several financial years.

4. In the meantime, both the Secretariat and the Fifth Committee must do their best to ensure a better presentation of the budget and the elimination of certain obscurities. For that reason, his delegation welcomed the efforts made in the presentation of the 1964 budget estimates and was confident that there would be no relaxation of those efforts. The Secretary-General was to be congratulated on having adopted a policy of consolidation and containment. However, as a developing country, Cameroon trusted that, despite that announced policy, the estimates in sections 13—Economic development, and 15—Human rights advisory services, would not be too drastically reduced. There was no need to stress the importance of such technical programmes to the developing countries; under-development was as great a threat to peace as the arms race. His delegation trusted that the Technical Assistance Committee would bear that point in mind when carrying out the study it had been invited to undertake in General Assembly resolution 1768 (XVII).

5. His delegation noted with satisfaction that both the Secretariat and the Advisory Committee had paid serious attention to the rationalization of activities and to the programme of meetings and conferences. In connexion with the former, the first step was to determine priorities. The Cameroonian delegation shared the Advisory Committee's view (A/5507, para. 39) that a great weakness in the United Nations financial system was the fact that projects could be approved by bodies other than the General Assembly, which was the only appropriating authority. It trusted that the bodies concerned and the Fifth Committee would be able to agree on criteria which would ensure a reasonably flexible and financially sound programme of activities. The same applied to the programme of meetings and conferences, but the Secretariat was not responsible for their proliferation, for it merely carried out the decisions of the policy-making bodies, for which Member States alone were responsible. He drew attention to the need for self-discipline on the part of Members in the planning of the conference

programmes. The subsidiary bodies must abide strictly by United Nations Financial Regulation 13.1 and rule 154 of the rules of procedure of the General Assembly, or the appropriations could not be used to their best effect.

6. One of the first steps to take in order to lighten the conference programme would be to postpone or cancel meetings which were not absolutely essential in 1964. He supported the suggestion made by the New Zealand representative at the 1021st meeting that the third International Conference on the Peaceful Uses of Atomic Energy might be postponed; and he could not support the proposal contained in the draft resolution adopted by the Third Committee at its 1251st meeting on 1 November 1963 that the Commission on Human Rights should meet in 1964. He endorsed the suggestion made by the Canadian representative at the 1026th meeting that it might be desirable to set a ceiling on appropriations for the conference programme.

7. Administrative costs were the biggest item in the appropriations each year, but his delegation did not wish to offer substantive comment on the subject until the study being made by the Administrative Management Service of the Office of the Controller was available. However, it felt that the utilization of staff resources should be periodically reviewed; he agreed with the Advisory Committee that there should be no expansion of staff unless it was clear that it was beyond the capacity of the existing staff to absorb new workloads.

8. Turning to information activities, he stressed the information needs of the developing countries, particularly in Africa. His delegation concurred in the recommendations made by the Advisory Committee in paragraph 85 of its main report, and considered that the expansion of information programmes in new and developing countries should be accompanied by a continuing reassessment of the programmes in other countries where news media were more developed, with a view to their progressive curtailment. He endorsed the remarks regarding the status of African languages in the Office of Public Information and the appointment of Africans to United Nations Information Centres.

9. In conclusion, he expressed the hope that the present policy of consolidation and containment would be needed for a short time only. If the United Nations was not to disappoint world opinion, it must expand its activities. In any event, the real remedy for the Organization's financial ills was not to reduce the budget but for Member States to exercise self-discipline and face their responsibilities.

10. Mr. NOGUEIRA BATISTA (Brazil) said that the deficit at the end of 1963 would exceed the entire budget for 1964. As the Secretary-General pointed out in paragraph 8 of the foreword to the 1964 estimates, the deterioration in the financial position was to be attributed principally to the large outstanding balances of assessed contributions for the Organization's two major peace-keeping operations and to the fact that no assessments had been levied to cover the costs of those operations for the second half of 1962, and the first half of 1963. Obviously, containment and rationalization could not solve that problem. Even if the Secretary-General could substantially reduce the regular expenses of the Organization, at the risk of impairing its normal activities, that would not provide additional funds to meet the extraordinary and extra-budgetary

commitments deriving from the undertaking of peace-keeping operations; the arrears were not due to any lack of capacity to pay on the part of the Member States which were refusing to pay their contributions. It was clear therefore that, as the Secretary-General himself had said, the ultimate decision whether the Organization should flourish, or languish from the lack of financial resources, must rest with Member States themselves (A/C.5/988, para. 6).

11. The present financial plight of the United Nations had its roots in the Organization's dynamic development over eighteen years and in the expansion of its activities as it strove to carry out its responsibilities under the Charter. That had involved an evolution of the Charter, towards a dynamic conception of the authority of the General Assembly, and the acceptance of the principle of collective responsibility in financial matters. That evolution of the Charter had been sanctioned by the International Court of Justice in its advisory opinion of 20 July 1962,^{1/} an interpretation which had been accepted by the General Assembly in resolution 1854 A (XVII). However, the Charter did not specify which activities involved the collective financial responsibility of Member States or which expenses were to be considered "expenses of the Organization" within the meaning of Article 17, paragraph 2, of the Charter. Originally, the expression "expenses of the Organization" would appear to have meant only those expenses which were related to the functioning of the principal organs of the United Nations and its subsidiary bodies. They had clearly been a collective financial responsibility and the scale of assessments to cover them had necessarily had to take account of the principle of no representation without proper contribution.

12. The United Nations was called upon increasingly to act in two areas, that of international peace and security and that of international economic and social co-operation. In the former case, Chapter VII of the Charter laid down the special procedure to be followed for peace-keeping operations and their financing. In the latter, the specialized agencies carried the main responsibility for achieving the Organization's goals, and their financial independence was provided for in Article 17, paragraph 3, of the Charter. It was thus clear that, under the Charter, the Organization's operational activities, both civil and military, were to be undertaken either by the specialized agencies, or by a Member State or group of Member States. However, a new procedure for undertaking operational activities had emerged as a result of the lack of agreement among the permanent members of the Security Council and the lack of specific provisions in the Charter, and that, in its turn, had created a need for new forms of financing.

13. In the area of peace and security, the trend towards increasing the operational responsibilities of the Secretary-General had been even more noticeable than that towards increasing the authority of the General Assembly. Both had resulted in the application of the principle of collective responsibility to the financing of UNEF and ONUC. In the area of international economic and social co-operation, the operational activities of the United Nations had taken the form of technical assistance and relief programmes; in

^{1/} 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.

their case, however, the principle of collective financial responsibility had not been applied, for they were largely supported by voluntary contributions and extra-budgetary funds.

14. Thus, four major categories of expenditure and two different methods of apportionment had emerged: first, the administrative expenses of the United Nations, apportioned on a mandatory basis; secondly, the budgets of the specialized agencies, apportioned in the same way; thirdly, the technical assistance and relief programmes, based mainly on voluntary contributions; and fourthly, the military expenditures, for which special accounts had been established and which were financed predominantly on a compulsory basis.

15. The Brazilian Government, which expected great things of the United Nations and was anxious for it to be able to carry out its operational responsibilities, accepted the fact that peace-keeping costs were inevitable, and it whole-heartedly supported increased international co-operation in the economic and social sphere to achieve the aims of the United Nations Development Decade. However, there could be no expansion of operational activities without a comprehensive review of the existing methods of financing and budgetary procedures. There must be a clear division between the Organization's regular and operational expenses. Only in that way could there be proper budgetary control, a clear definition of financial obligations, and apportionment of expenditures on a just basis.

16. The present deficit was not due solely to the refusal of some Member States to pay their contributions to the UNEF and ONUC accounts; the General Assembly also had its responsibility, since it had made no provision for the financing of those operations for the period 30 June 1962 to 1 July 1963, the costs of which amounted to \$139 million. The interim decision to issue United Nations bonds could not be a permanent solution, for several reasons: first, the Member States which were refusing to pay their share of the UNEF and ONUC costs were also refusing to pay their share for the service and repayment of the principal of the bonds; secondly, the proceeds were being used to pay military expenses, which should be met by a special scale of assessment; and, thirdly, an appropriation for the amortization of the bonds was being included in the regular budget, thus forcing the entire membership to pay the share of the defaulting Members, on the basis of the regular scale of assessment.

17. Regarding the budget estimates for 1964, he welcomed the Secretary-General's policy of consolidation and containment, although it alone could not solve the Organization's financial problems. However, he deplored the increase in the 1964 estimates, compared with those for 1963; as in the previous year, the increase was largely due to the inclusion in the budget, through the estimate for the amortization of the United Nations bonds, of extra-budgetary peace-keeping expenses.

18. The criticisms made by his delegation in the past concerning the form and presentation of the budget estimates still remained valid: no single criterion was used for the classification of the expenditures, which were classified by function (technical assistance), by administrative unit (Office of the United Nations High Commissioner for Refugees), or by object (staff costs and related expenses); on the other

hand, the expenditure on public information activities was to be found under several different sections. The lack of uniformity made it extremely difficult for Governments to appraise the estimates or supervise the use of the appropriations. The estimates should be prepared basically according to administrative units, the other two criteria being used only as subsidiaries. In addition, important decisions regarding the number of posts should be taken by a specific resolution of the General Assembly, not, as at present, merely by the adoption of the expenditure estimates.

19. The criteria used for the evaluation of capacity to pay under the regular scale of assessments were not satisfactory; his delegation trusted that they would be given careful consideration in the near future. The present scale of assessments was distorted and did not accurately reflect such factors in capacity to pay as export per caput income. That should be taken fully into account at the present time, when the terms of trade of the developing countries were steadily deteriorating. In conclusion, he expressed the hope that the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations would be able to submit some kind of long-term solution for the Organization's financial problems to the nineteenth session of the General Assembly.

20. Mr. MHEDHEBI (Tunisia) said that it was paradoxical that the first austerity budget should reach the record level of over \$100 million; but the paradox was more apparent than real. As the Secretary-General had pointed out in his statement on the budget estimates (A/C.5/988, para. 9), he had taken a rigidly conservative line and whatever additions the 1964 budget contained by comparison with 1963 were unavoidable increments or flowed from decisions of the General Assembly or other principal organs of the United Nations; he had added (*ibid.*, para. 17) that the estimates represented an increase of no more than \$800,000 over 1963 if statutory and non-recurring expenditures were excluded. The Tunisian delegation recognized the effort made by the Secretary-General and his staff, and trusted that it would continue.

21. The Organization had reached a stage where there could be a stabilization of staff resources and of administrative expenses without detriment to the normal expansion of activities. The Organization's financial difficulties were not due to a lack of budgetary discipline: they were due in part to delay by some Member States in paying their contributions to the regular budget and, in much larger part, to the refusal of certain Member States to pay their share of the costs of peace-keeping operations, a refusal which was not motivated by budgetary considerations. Fortunately, the political aspects of the problem were becoming less important but a solution had not yet been found. That was not the responsibility of the Secretariat. As the Chairman of the Advisory Committee had pointed out, finding ways of redressing the acute financial position was in the main the responsibility of Member Governments, and the savings recommended by the Advisory Committee could play only an ancillary role (A/C.5/989, para. 6).

22. It would obviously be absurd to expect that the deficit of at least \$112 million could be wiped out by a few savings on the budget estimates. The arrears, which amounted to nearly \$100 million, were mainly on contributions to the costs of peace-keeping operations. The United Nations bond issue had relieved the crisis without solving the basic problem; and it had many disadvantages. It disturbed the balance of the

budget estimates by involving excessive increases in the estimate under chapter V—United Nations Bond Issue, of section 12, to pay the interest on and instalments of the principal of those bonds, which had risen from \$4,650,000 in 1963 to \$7,495,000 for 1964. Such increases would offset any savings which could be achieved on other sections and, in addition, the bond issue itself created an unfair situation; the Member States which took their obligations under the Charter seriously—and had therefore paid their share of the costs of peace-keeping operations and bought United Nations bonds to help the Organization out of its financial difficulties—were now being asked to assume an extra burden under section 12, chapter V, of the regular budget.

23. Of course, the problem was not easy to solve. The Committee and the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations had devoted much time and attention to a consideration of formulae for the financing of peace-keeping operations. If the criteria which had been suggested were accepted, the problem would be solved, but so far they had not been accepted.

24. The 1964 estimates contained a request for a large appropriation under section 7—Buildings and improvements to premises, but the final appropriation under that section was likely to be much higher. As far as Headquarters was concerned, the building programme had already been considered and approved and the Committee was prepared for the estimate; but Geneva was another matter. The Advisory Committee pointed out (A/5507, para. 208) that it had been informed that an annual provision of \$100,000 would fall considerably short of actual requirements; in its view, the total cost of the maintenance programme might be of the order of \$1.5 million. The Committee did not question the justification for the work, but it expressed concern about the submission of expenditure estimates every year without any comprehensive plan (*ibid.*, para. 209). The Tunisian delegation shared the Advisory Committee's concern and if it had not been conscious of the urgency of the improvements which must be carried out in time for the United Nations Conference on Trade and Development, it would have been reluctant to support the estimates for a programme which it considered too vague.

25. The Secretary-General's suggestion regarding a buildings fund (A/5505, foreword, para. 46) was interesting, but it would be premature to discuss it in the absence of details. In general, however, he felt that the mere desire to spread expenditure over a period of years was not sufficient justification for such a procedure. The idea would be more attractive, however, if it opened up new possibilities of financing. An attempt might be made to obtain contributions from the cities in which the United Nations offices were located, for the United Nations contributed greatly to their prestige and prosperity.

26. He did not wish to repeat the comments already made on the programme of meetings and conferences, to the proliferation of which the Advisory Committee had drawn attention in paragraphs 38 to 74 of its main report. Some measure of stabilization was needed, as a first step towards a co-ordination of activities and a rationalization of methods. The Economic and Social Council had already done something in that direction by postponing the meetings of some of its subsidiary bodies which had been planned for 1964. It was to be hoped that further measures

would be taken: conferences must be carefully programmed and subsidiary bodies might meet at less frequent intervals.

27. The New Zealand representative had suggested the postponement of the third International Conference on the Peaceful Uses of Atomic Energy for which an appropriation of \$1.7 million had been requested in the revised estimates. Without wishing to express an opinion on the substance of the matter, he wished to draw the Committee's attention to the fact that the IAEA might be able to hold the Conference in Austria at a cost of between \$500,000 and \$700,000. If that was so, it might be wise to leave the organization of the Conference to IAEA, in which case it would not matter so much whether the Conference was held in 1964 or later. The Committee might wish to consider asking the Secretariat for further information.

28. Lastly, his delegation saw no objection to maintaining the appropriations for information activities and for the technical programmes at the same level in 1964 as in 1963. Although it had difficulty in obtaining foreign exchange in order to pay its contribution to the regular budget, Tunisia felt that it was essential for the technical programmes to be financed under that budget.

29. In conclusion, he supported all the recommendations made by the Advisory Committee, which was to be congratulated on its excellent work.

30. Mr. KREACIC (Yugoslavia) said that the budget estimates, the Advisory Committee's report and the statements made in the Committee reflected two factors: the financial crisis facing the Organization and the steady increase in its regular budget as a result of the expansion in its activities. Various proposals had been put forward for dealing with the Organization's difficulties and they fell into two categories. The first included proposals designed to provide a solution to the crisis caused by ONUC through administrative measures, such as reductions in appropriations, in the number of meetings, and so on. The second consisted of proposals which would enable the United Nations, without neglecting reasonable standards of financial discipline, to fulfil its task effectively on a basis of expansion. Yugoslavia had always approached the financing problem with the idea that the Organization should be strengthened and its activities in all fields of international life expanded. It did not underestimate the gravity of the present situation caused by the Congo operation, on which it had made its position known. But it did not consider that the basis for the Organization's long-term financial policy should be determined solely or primarily in the light of that situation, which, though serious, was temporary or that decisions should be taken to adopt measures of a restrictive character at the present time. It agreed with the Secretary-General that the policy of consolidation and containment must be of short duration and that the United Nations must be ready to undertake new and expanded work programmes. Long-term policy must be based on the assumption that the Organization's activities would continue to grow steadily, with a corresponding rise in the regular budget, although that did not mean that every expansion of activities must automatically be reflected in greater expenditure. Any idea of establishing budget ceilings would thus be neither realistic nor useful. His delegation therefore regarded the restrictive measures adopted by the Economic and Social Council at its thirty-sixth session with respect to its

1964 programme as exceptional and as in no way establishing a precedent.

31. While it was necessary to think in terms of the growing requirements of the modern world, and particularly of the developing countries, the many problems involved could only be solved if the Secretariat and all Member States adhered constantly to the principles of strict economy, maximum utilization of available means, better organization of work and thorough preparation of conferences and meetings in accordance with established priorities. The opportunities for better use of personnel and other internal Secretariat reserves had not been exhausted. A comprehensive review of present practices and past experience with regard to different kinds of expenditure should make still greater savings possible. Some efforts in that direction had been made in the budget estimates and the Advisory Committee's recommendations. His delegation supported the Advisory Committee's proposals to reduce expenditure in certain sections of the budget by a total of \$1.2 million, although it held that even larger savings could be achieved without adverse effect if, for example, certain items in sections 12—Special expenses, and 18—Special missions, were omitted, if measures were taken to achieve greater effectiveness in certain fields and if a more flexible policy were adopted with regard to the redeployment of staff within the Secretariat. The Advisory Committee's proposal (A/5507, paras. 102 and 103) for uniform application of the economy-class standard to travel by delegations was justified since it would lead to a saving of \$250,000.

32. His delegation agreed with the view that United Nations organs should draw up their plans in good time so that the budget estimates could provide for the bulk of proposed expenditure for the coming year and so that subsequent requests for supplementary appropriations could be avoided as far as possible. It nevertheless realized that in a dynamic and adaptable Organization it was not always easy to foresee and plan all expenditure.

33. As regards part V—Technical programmes, his delegation felt that all available resources, whether from the regular budget or other funds, should be utilized for technical assistance programmes, particularly since the needs of the developing countries far exceeded anything that could be provided.

34. The Yugoslav delegation had always worked for the adoption of a sound financial policy and strict financial discipline by the Organization so that it could fulfil its role more effectively. If that aim was to be achieved, a joint effort by the Secretariat and Member States would be required.

35. Mr. VEJAJIVA (Thailand) noted that the Secretary-General, in his lucid statement at the 1019th meeting of the Committee (A/C.5/988) and in his foreword to the budget estimates for 1964 had rightly pointed out that the Organization's financial position continued to be so precarious that it was necessary for him to adopt a policy of consolidation and containment for 1964. While such a policy might be necessary at present, however, it should not become established on a permanent basis. The United Nations should be further strengthened, and it must be ready to undertake new programmes of work, especially in the economic and social areas, to which the developing countries attached the greatest importance. Such an expansion of the Organization's activities would in-

evitably cause an increase in its expenditure, and while that was perfectly justifiable, the Organization must be expected to combine maximum efficiency with the utmost economy. His delegation welcomed the assurance given by the Secretary-General in that connexion and agreed with him that time was needed for a review of work programmes and related conference schedules so that a greater measure of co-ordination and rationalization could be achieved. The Secretary-General had also called upon Member States to exercise a certain discipline in drawing up the over-all work programme. His delegation shared the views expressed by the Advisory Committee in its main report concerning the rationalization of the Organization's activities. There should be better co-ordination among the various organs of the United Nations when they took decisions involving expenditure and they should adhere strictly to the financial regulations and the rules of procedure of the General Assembly, particularly rule 154. The Economic and Social Council should plan its work on a long-term basis and achieve greater efficiency by establishing priorities for its programmes and by rationalizing the pattern of conferences and meetings for all its subsidiary bodies. The proliferation of conferences and meetings not only imposed a burden upon the resources of the Secretariat but also created problems for Governments.

36. With regard to the programme of conferences and meetings for 1964, his Government considered that the United Nations Conference on Trade and Development deserved the highest priority. Some of the other conferences for example, as the New Zealand representative had suggested at the 1021st meeting, the third International Conference on the Peaceful Uses of Atomic Energy could very well be postponed until 1965; while agreeing with the Secretary-General's recommendation in his report to the Council^{2/} that in view of the lack of conference services and facilities in 1964 the biennial pattern of sessions should be extended to all functional commissions and other subsidiary organs of the Council, his delegation could not accept that pattern as a precedent. Certain functional commissions, in particular the Commission on International Commodity Trade, should be convened annually. Instead of reducing its activities, the Council should intensify its efforts to fulfil the true objectives of the United Nations Development Decade. Serious consideration should be given to the Advisory Committee's recommendation (A/5507, para. 51) that the Council undertake a comprehensive review of its entire programme cycle with a view to adopting new measures in drawing up its programme for the coming year during its spring session. The Secretary-General would then be able to include the expenses involved in his initial budget estimates.

37. On the question of staff, his delegation noted with satisfaction a progressive improvement in the rate of recruitment to establish posts which were still vacant and hoped they would soon all be filled. It agreed with the Advisory Committee that pending the completion of the study being conducted by the Administrative Management Service of the Office of the Controller there should be no increase in staff, but regretted the fact that the study had not been completed in time for discussion at the current session. The study was, moreover, being carried out on a piecemeal basis

^{2/} Official Records of the Economic and Social Council, Thirty-fifth Session, Annexes, agenda item 17, document E/3741, para. 11.

and it might be advisable for the Organization, after eighteen years of existence, to make a comprehensive review of the whole structure of its staff. The General Assembly might appoint an independent expert or group of experts to carry out that task. Among its duties might be, for example, the investigation of the volume of work allocated to each staff member with a view to achieving maximum output with maximum efficiency.

38. On the question of travel expenses, his delegation agreed with the Advisory Committee's recommendation concerning the application of the revised standards of travel accommodation adopted for the staff at the seventeenth session to representatives and members of commissions, committees and other subsidiary bodies. If the Committee revised the standards of travel for representatives, such standards should apply to the travel of all staff, whether on mission or not, including the under-secretaries, but not the Secretary-General. Similarly, heads of delegations to the General Assembly, who were normally foreign ministers or of comparable rank, should continue to travel first class. His delegation also shared the views expressed by the Advisory Committee in paragraphs 185 and 186 of its main report regarding travel of staff on other official business. But it disagreed with the implication that decentralization was a reason for travel by officials to increase; although that might be the case in the initial stages, decentralization should ultimately lead to a reduction in travel by staff members.

39. His delegation welcomed the Secretary-General's proposal in paragraphs 46-49 of his foreword to the budget estimates concerning the provision of an annual amount for major maintenance work and expansion of facilities at United Nations Headquarters and other offices and hoped that he would submit a detailed report in due course. The Thai Government did its best to relieve the Organization of any financial burden in connexion with buildings used as regional offices in Thailand. In Bangkok it provided rent-free accommodation for ECAFE, the Technical Assistance Board and several specialized agencies. It had recently built an annex to the ECAFE building and installed air-conditioning at its own expense.

40. With regard to public information services, his delegation supported the amount recommended by the Advisory Committee and endorsed the view expressed by the Committee in paragraph 83 of its report. The Office of Public Information had a very important role to play in publicizing the work of the United Nations in the developing countries and should expand its activities there. Some criticisms had been levelled against OPI as regards policy as well as financial matters. It might therefore be advisable for the General Assembly to set up a standing committee consisting of Government representatives, to assist in the formulation of public information policy.

41. As far as the regular programme of technical assistance was concerned, Thailand considered that it should continue to be financed under the regular budget. It had fulfilled its objective in providing for the technical needs of developing countries, especially in the fields of public administration and social welfare. It also enabled the Secretary-General to respond with greater flexibility to unforeseen requests for assistance from developing countries.

42. At the 1025th meeting, the representative of Poland had raised the question of the taxes paid by the United Nations in countries where it had offices. It

should be noted that Thailand had acceded to the Convention on the Privileges and Immunities of the United Nations in 1956 and had concluded an agreement with the United Nations relating to the headquarters of ECAFE in Thailand on 26 May 1954, which had come into force on 6 February 1957. Article IV, section 9, of that agreement stated *inter alia* that; "The United Nations shall be exempt from excise duties, sales and luxury taxes and all other indirect taxes when it is making important purchases for official use by the ECAFE of property on which such duties or taxes are normally chargeable". Similar agreements had also been made with the specialized agencies which had offices in Thailand.

43. In conclusion, he declared that his Government was ready to co-operate fully with the Secretary-General in solving the Organization's financial crisis. It had paid its assessed contributions, had bought United Nations bonds and had made voluntary contributions to various accounts. As its Foreign Minister had stated at the 1218th plenary meeting of the General Assembly, Thailand had consistently supported the United Nations in its peace-keeping role and hoped that the dissenting countries would soon agree to co-operate with the majority to ensure the continued existence of the United Nations. The United Nations must continue to grow if it was to be effective as an instrument for the promotion of international understanding and peace.

44. Mr. RIOS BRIDOUX (Bolivia) expressed his delegation's appreciation of the way in which the budget estimates for 1964 had been presented. Faced with a financial crisis of considerable severity, the Secretary-General had rightly adopted a policy of consolidation and containment. The Advisory Committee, in its admirable main report, had advocated still greater austerity, making various recommendations for curtailing expenditures. The crisis was due mainly to the failure of certain Member States to pay their arrears and to the cost of peace-keeping operations. Bolivia, despite great economic difficulties, was conscious of its obligations to the Organization and had therefore made arrangements to pay off its arrears in instalments, which indicated a realistic attitude to the problem. It would be a pity, however, if the policy of austerity were allowed to place a brake on the assistance provided by the United Nations to Member States which stood in need of it. A flexible approach to the budget was thus desirable. At the same time it was essential that financial discipline should be observed and that projects should not be approved for which funds had not been allocated.

45. Mr. KLU (Togo) noted with satisfaction that in preparing the budget for 1964, the Secretariat and the Advisory Committee had taken due account of the Organization's difficult financial circumstances and submitted estimates which were consistent with the Secretary-General's policy of austerity. Although the estimates were some \$3 million higher than in 1963, the increase appeared to be due to factors connected with the normal growth of the Organization and not to bad administration.

46. The financial situation continued to be of concern, however. In his delegation's view, the causes were not any illegal peace-keeping operations, uncontrolled expansion of United Nations activities or bad financial administration. One of the main causes was undoubtedly the refusal of certain Members to pay their share of the costs of peace-keeping operations undertaken in

pursuance of decisions by the Security Council. No one questioned the fact that the maintenance of peace was one of the Organization's fundamental objectives, as laid down in the Charter, and no one could deny the importance of the results so far achieved in that respect. But while the fundamental aims were recognized, there was no unanimity on whether the Organization should continue to expand its activities at the present rate or whether it should, for financial reasons, stop at the present level. In his delegation's view, it was too soon to start restricting the Organization's peace-keeping role. In a sense all United Nations activities were peace-keeping activities: any action which helped to establish or re-establish international justice helped to preserve the peace. Injustice and inequality were at the root of all conflict and the removal of economic imbalances helped to preserve the peace just as much as any military operations.

47. As far as direct efforts to maintain peace were concerned, much had been achieved in the field of disarmament, but a great deal remained to be done. Peace would be an illusion until the United Nations was strong enough to act as a super-government of all peoples. Problems such as the status of the People's Republic of China and apartheid were obstacles to peace, which could only be removed if all nations were Members of the Organization and accepted its Charter. The Charter had weaknesses and gaps, but it should be treated as a guide which could be interpreted flexibly and adapted to changing circumstances. As the Organization evolved, provision could be made in the Charter for stronger sanctions against those who broke the peace.

48. Since, therefore, the Organization had to remain flexible and adaptable to all circumstances, there were bound to be serious difficulties in the preparation of the budget. Every year would bring its surprises and unforeseeable factors would play a decisive role. Technical assistance, moreover, must continue to expand, although it would decline again once the beneficiaries had reached a certain level of development. In that dynamic situation no budget ceiling could be fixed without seriously hampering the Organization.

49. As far as the means of dealing with the Organization's problems were concerned, his delegation supported all the Advisory Committee's recommendations regarding economy measures. It also endorsed all the constructive suggestions made by delegations which did not conflict with its position on the maintenance of peace. It hoped that the United Nations would consider the possibility of planning on a four- or five-year basis and that study of the structure and activities of the specialized agencies would lead to improvements and avoid duplication and unnecessary proliferation of organs; the existence of a large number of international bodies placed a considerable burden on countries such as his own. It was evident from the discussion that neither the large nor the small countries were satisfied with the present scale of assessments. It was not clear why some countries' assessments went up while others went down. Certain States had argued that they should be entitled to contribute in national currency because of discrimination with respect to technical assistance; his delegation felt that all available resources should be put to good use. It would seem advisable to review the whole procedure for assessment and arrive at a generally acceptable solution. The developing countries, of course, would continue to make only a token contribution until they reached a certain level of development.

50. The most important point was that all States should accept the principle of collective responsibility for peace-keeping operations, and if they were to do so they must have an exact idea of the limits to which those operations would be taken. The greater part of the budget was devoted to the preventive aspect of the Organization's work—conferences, missions and so on. But it would be failing in its duty if it stood by as a spectator when actual conflict broke out; it must be prepared to take curative measures as well. Such military action was just as important as the whole body of preventive action. Decisions taken by the General Assembly in that respect must be accepted by all if the United Nations was not to share the fate of the League of Nations. The United Nations was mankind's only hope and it must not be allowed to fail for lack of money.

First reading (A/C.5/L.792) (continued)*

SECTION 3. SALARIES AND WAGES (A/5505, A/5507, A/5529, A/C.5/978) (continued)*

SECTION 4. COMMON STAFF COSTS (A/5505, A/5507, A/5529, A/C.5/978) (continued)*

51. Mr. ZALAMEA (Colombia) began by paying a tribute to the Chairman of the Advisory Committee, Mr. Agnides, for his outstanding contribution to the Organization's work during the past eighteen years.

52. The Committee should give careful thought to the possible consequences for staff efficiency of a hasty study of section 3. The Advisory Committee itself had expressed the view (A/5507, para. 68) that unless the demands made on the conference staff were drastically reduced, the acceptance of a lower standard of service would be unavoidable; indeed, his delegation had already noted a decline in the standard of translation possibly due to the employment of freelance translators. The situation must be brought under control before it spread to other departments of the Secretariat. As his delegation had frequently pointed out, the Committee could not adopt purely budgetary criteria without endangering the efficiency of the Secretariat services.

53. It must not be forgotten that a considerable body of staff members, nationals of the United States of America suffered a reduction in their net salary as a result of having to contribute to their country's social security scheme without reimbursement by the Organization. In that connexion, the Committee might find it useful to refer to a case that came before the Administrative Tribunal (see AT/DEC/88, dated 3 October 1963) in which a staff member had claimed such reimbursement. His delegation would welcome more information on that subject from the Controller.

54. He thanked the Chief of the Budget Division for his replies to questions raised by the Colombian delegation in the course of the general discussion. He was glad that the 172 vacancies on the Secretariat staff were gradually being filled. He appreciated the difficulty of recruiting certain types of specialized staff, but urged the Secretary-General to pursue his efforts in that direction.

55. One of the main reasons for the low level of staff morale was the unsatisfactory salary scales and allowances and inadequate promotion prospects. The present system of allowances was designed for a

*Resumed from the 1026th meeting.

stationary civil service, not a mobile one. Budgetary conservatism had perpetuated that view, but in practice the policy of decentralization had given the Secretariat a mobile character and the administrative norms should be amended accordingly. The Committee must never lose sight of the human aspect, and it should be understood that the transfer overseas of staff members, such as the Directors of information centres, entailed considerable financial sacrifices on their part.

56. Turning to the Organization's public information programme, he said his delegation agreed with the imposition of a \$6 million ceiling on OPI's activities in 1964, and appreciated the Secretary-General's efforts to stay within those limits. He had succeeded in reducing OPI's share of the budget to its present level of 6 per cent by means of a conscientious study of priorities and such money-saving measures as the discontinuation of *Coup d'œil* and the postponement of the projected meetings of Directors of information centres. His delegation understood the Advisory Committee's reasons for recommending the latter step, but such meetings were useful and that decision should not be regarded as a precedent. Neither should the \$6 million ceiling constitute a precedent, for the United Nations was a dynamic organization and its information services should reflect the expansion of its activities.

57. With regard to the establishment of new information centres, his delegation understood that no further centres could be opened without the appropriation of additional funds or the risk of adversely affecting Headquarters services. With regard to information centres which were operated jointly with technical assistance and other offices of the United Nations, he believed that that was not always a satisfactory arrangement, particularly in cities with over 1 million inhabitants. His delegation urged the Secretary-General to continue his efforts to improve the situation by strengthening the information services where they were most needed, while continuing to observe a policy of flexibility.

58. In that connexion he wished to pay a tribute to the Directors of information centres, whose range of skills had to go far beyond those traditionally expected of a diplomat; as hard-working as they were versatile, they had to work with limited resources and often under difficult conditions, and on terms which compared unfavourably with those enjoyed by staff at Headquarters. The Secretary-General should therefore discriminate carefully in his choice of Directors, for the appointment of a staff member with a bureaucratic mentality could frustrate the primary purpose of the centres: to reflect the image of the United Nations and disseminate its purposes, principles and activities.

59. With regard to the French representative's proposal (1023rd meeting) that a history of the Organization's positive achievements should be published to mark its twentieth anniversary, his delegation suggested that the Secretariat might consider publishing such a work in collaboration with a private publishing firm, as had already been done in the case of a number of other works. Even the most prosaic of the United Nations activities could be recounted in a lively style, full of human interest, by professional writers of talent and imagination; such a work had already been commissioned by IBRD.

60. His delegation's doubts regarding the word "assistance" in paragraph 87 of the Advisory Committee's report had not been altogether dispelled by the explanation offered by that Committee's Chairman at the 1021st meeting. His delegation favoured the interpretation given to that paragraph by the United Arab Republic representative (1029th meeting), to the effect that the General Assembly must decide what part of the Organization's limited resources should be devoted to developing the information services in the new and developing countries, and what part it should spend on telling the rest of the world about its activities.

61. In conclusion he epitomized his delegation's attitude to the budget estimates as a whole by quoting a well-known English saying: "Parliament wills the ends, it must will the means."

62. Mr. MERON (Israel) expressed his delegation's support for the Nigerian representative's contention at the 1028th meeting that a greater proportion of OPI's resources should be devoted to Africa, especially Africa south of the Sahara. As the Advisory Committee had pointed out (A/5507, para. 85), the expansion of OPI's activities in new and developing countries should be accompanied by a continuing reassessment of the programmes in other countries where news media were more developed, with a view to their progressive curtailment; as a result of such reassessment, it should be possible to open more new information centres in Africa South of the Sahara and strengthen those already in existence.

63. Mr. SANU (Nigeria) thanked the Israel representative for his support. He also thanked the Under-secretary for Public Information for replying to the points raised by his delegation; however, his answers had confirmed the Nigerian delegation's original views regarding the need to employ more nationals from African countries in OPI, both at Headquarters and in the field.

The Advisory Committee's recommendation (A/5507, para. 162, and A/5529, paras. 3, 27-33, 37 and 38) for an appropriation of \$45,083,980 under section 3 was approved on first reading by 63 votes to 9.

The Advisory Committee's recommendation (A/5507, para. 174, and A/5529, paras. 27-33 and 38) for an appropriation of \$10,347,000 under section 4 was approved on first reading by 63 votes to 2, with 8 abstentions.

AGENDA ITEM 61

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (con-
tinued):

(c) Board of Auditors (A/5466, A/C.5/L.799)

At the invitation of the Chairman, Mr. Akude (Ghana) and Mr. Nolan (Ireland) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	73
<i>Invalid ballots:</i>	1
<i>Number of valid ballots:</i>	72
<i>Abstentions:</i>	1
<i>Number of members voting:</i>	71
<i>Required majority:</i>	36

Number of votes obtained:

The Auditor-general of Pakistan 71

The Auditor-General of Pakistan having obtained the required majority, the Committee recommended that he should be appointed to the Board of Auditors for a three-year term beginning 1 July 1964.

AGENDA ITEM 56

Financial reports and accounts for the financial year ended 31 December 1962 and reports of the Board of Auditors (concluded):**

- (a) United Nations;
- (b) United Nations Children's Fund;
- (c) United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- (d) Voluntary funds administered by the United Nations High Commissioner for Refugees

**Resumed from 1018th meeting.

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.800)

64. Mr. BOUDJAKDJI (Algeria), Rapporteur, introducing the draft report of the Committee (A/C.5/L.800), indicated that the following paragraph was to be inserted after paragraph 4:

"One representative stated that if the draft resolution relating to the financial reports and accounts of the United Nations for 1962 was voted upon his delegation would be compelled to abstain, since it had opposed the 1962 budget as containing several items that were unacceptable to it."

The existing paragraphs 5, 6 and 7 should be re-numbered accordingly.

The draft report (A/C.5/L.800), as amended, was adopted.

The meeting rose at 5.50 p.m.