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Chairman: Mr. Milton Fowler GREGG (Canada).

*In the absence of the Chairman, Mr. Ahson (Pakistan),
Vice-Chairman, took the Chair.*

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. ALLENDE (Chile) commended the Secretary-General for the great restraint he had shown in the preparation of the budget estimates for 1964. The total reduction recommended by the Advisory Committee on Administrative and Budgetary Questions amounted, in fact, to only 1.2 per cent of the total estimates. The Secretary-General was advocating an even more stringent budget policy than the one applied in 1963. The Chilean delegation endorsed the remarks which had been made in that regard by the delegations of New Zealand (1021st meeting) and the Netherlands (1025th meeting). The increase in the amount of the budget estimates must not exceed a certain annual percentage if the developing countries were to be able to bear the additional financial burden that would result. On the other hand, nothing must be done to disappoint the hopes which were placed in the United Nations by the peoples of the world.

2. An examination of the budget estimates for the financial year 1964 (A/5505), and more particularly of annex II to the expenditure estimates, showed that almost one third of the United Nations staff was engaged in work related to the planning of technical assistance programmes or to the recruitment of experts for those programmes. In order to determine the exact amount of the expenditure on the execution of technical assistance programmes it was necessary to add the salaries of those personnel to the estimates in part V—Technical programmes, and in section 12—Special expenses, of the budget estimates.

3. His delegation was also pleased to note the progress which had been made in decentralizing the economic and social activities of the United Nations. The secretariats of the regional economic commissions

were playing an increasing part in drawing up and implementing the technical assistance programmes, and that arrangement was most beneficial to the under-developed countries. His delegation accordingly supported the increased appropriations requested for the purpose of expanding the technical staff of the regional economic commissions.

4. Mr. PSCOLKA (Czechoslovakia) noted that the increase in expenditure from year to year, despite the repeated protests of many delegations, was a trend that continued to be alarming. The intentions and efforts of the Secretary-General were being compromised by the irregular budgetary process of making substantial additions to the initial estimates. If the budget was not to lose its value, that undesirable practice must be stopped. Furthermore, the Member States also contributed to the budgets of the specialized agencies, whose expenses, added to those of the United Nations, would bring the total amount to be collected in 1964 to more than \$200 million. In those circumstances, his delegation could not accept a policy of controlled expansion and would insist on the stabilization of the budget.

5. In speaking of the difficult financial situation of the United Nations—which, as was well known, resulted from the illegal operations in the Congo and in the Middle East—the Secretary-General had said that it was not possible to find in mere reductions to the regular budget a remedy for an over-all financial situation which was so difficult. There was, of course, no connexion between the so-called financial crisis and the financing of the regular United Nations activities. The same argument applied in respect of other operations being carried out contrary to the Charter of the United Nations, and in particular the so-called special missions and the United Nations Field Service, as well as the payments relating to the United Nations bonds. Such expenditure had no place in the regular budget of the Organization.

6. A policy of austerity therefore appeared necessary, and his delegation could not accept without serious reservations the view that a certain growth in the activities and expenses of the United Nations from year to year must be expected. Before accepting it, his delegation would at least like to receive some clarification pertaining to the rationalization of activities, the reduction of secondary expenses and the stabilization of the budget on the part of the Secretariat.

7. As the Advisory Committee in its main report (A/5507) had rightly pointed out, the policy advocated by the Secretary-General for 1964 implied that if any new activities were added to the programme, the existing ones would have to be correspondingly curtailed. If no effort was made to determine priorities or to eliminate secondary activities, any reference to "controlled" expansion or stabilization was inappropriate. The Advisory Committee had made some interesting suggestions concerning the rationalization

of United Nations activities. It considered, in particular, that there was a need for advance planning in order that the programme should have reasonable flexibility and, at the same time, be commensurate with available resources. In that respect, it was encouraging to observe that some of the recent divisions of the Economic and Social Council concerning working programmes, priorities and sessions of functional commissions marked a good start on the road to greater efficiency. The Economic and Social Council and its subsidiary organs should prepare their programmes for several years ahead and the functional commissions should meet only every other year so as to concentrate on the implementation of the programmes rather than on discussing them. In any event, the Council's work programme should be drawn up in sufficient time to enable it to be taken into consideration in the initial estimates.

8. His delegation was disturbed at the alarming expansion of the conference programme. Not only were conferences costly, but the lack of adequate preparation often prevented them from producing the expected results. The proliferation of conferences and meetings also created serious problems for the Governments of Member States which encountered difficulties in meeting the financial burden entailed and in participating in and preparing for the various conferences and meetings.

9. The problems of rationalization which a study of the conference programme brought to light were equally relevant and in need of solution in so far as all the activities of the United Nations were concerned. The responsibility in that matter also rested with the Member States, since it was they who initiated and decided upon the work of the Organization. As the needs of the developing countries far exceeded the resources available to the United Nations, an effort must be made, as recommended by the Advisory Committee, to ensure that the available funds were not spread over a wide range of un-coordinated activities, and hence to envisage long-term planning, perhaps on a five-year basis.

10. Although his delegation highly appreciated the activities of the United Nations in some new fields, such as industrial development, it could not agree with the steady expansion of the Secretariat staff, which had been one of the main reasons for the increase in expenses for several years. The recruitment of new staff might very well be stopped and an effort made to fill new posts by transferring staff from one assignment to another as the need arose and by offering fixed-term contracts. Such contracts were, moreover, an effective means of modifying the geographical distribution of the staff, which continued to be inequitable. If the proportion of fixed-term contracts was larger, the iniquitous discrimination of which the socialist countries were victims could more easily be eliminated. The same discrimination existed in the programmes of technical assistance, since the control and management of those programmes was in the hands of nationals of the Western Powers. The regular programmes of technical assistance would benefit from being incorporated into the Expanded Programme of Technical Assistance. They should, as a general rule, be financed with national currencies and by voluntary contributions and only the ordinary administrative expenses should come under the regular budget. The merging of the two United Nations programmes of technical assistance would thus be desirable in many ways.

11. His delegation had already had occasion, at previous sessions, to criticize the methods used in determining the scale of assessments. Various problems remained unsolved. Those included the problem of upper and lower ceilings and the comparability of national incomes. The rate of assessment of the State paying the highest contribution was not determined in relation to its capacity to pay. On the question of comparability of national incomes, a certain amount of progress had been made. The results of the work of the consultant group had shown that a revision of the assessment of Czechoslovakia had been justified. It was to be hoped that a method could be devised for apportioning the expenses among all countries in an equitable manner, especially in the case of countries whose statistical systems differed from that of the United Nations.

12. The main objectives of the United Nations would not be attained through constantly larger appropriations, but rather by placing the stress on greater efficiency in the activities as a whole, on the determination of priorities and on the stabilization of the budget. A substantial reduction of expenses could even now be achieved by strict adherence to the principles of economy and by elimination of activities contrary to the objectives of the Charter.

13. Mr. FERNANDO (Ceylon) expressed concern at the rapidly rising level of expenditure, which had reached \$93 million in 1963, compared with \$66 million in 1960. There could be no question of halting the growth of a dynamic organization like the United Nations, but the co-operation of the Member States was needed if that danger was to be avoided. A rationalization of the conference programme and the establishment of a system of priorities might mean a few delays, but that price was worth paying. The decision-making bodies could contribute to that effort by taking into account, as far as possible, the impact of their decisions on the work of the Secretariat.

14. Administrative costs absorbed the major part of the available resources, and for that reason it was desirable to make a periodical examination of staff utilization. Pending the outcome of the study being made by the Administrative Management Service of the Office of the Controller, his delegation believed, as did the Advisory Committee, that there should be no expansion of the staff unless it was clear that the existing staff could not handle the additional workload.

15. As far as document preparation was concerned, the Secretariat appeared already to be overburdened, since too many important documents were made available to Member States only shortly before the sessions or else they did not contain certain useful information; for example, the budget estimates required to be supplemented by revised estimates resulting from decisions of the Economic and Social Council. Before leaving the subject of staff, he wished to express his delegation's satisfaction with the efforts of the Secretary-General to carry out the Assembly's recommendations concerning recruitment. His delegation hoped, however, that the efficiency and integrity of the staff would continue to be the paramount consideration.

16. Turning to the financial situation of the United Nations, he pointed out that his own country, in spite of its financial difficulties, had regularly paid its membership assessments and made voluntary contributions and had subscribed to the United Nations bond issue. Some States refused, for reason of principle, to

contribute to the financing of certain United Nations activities, while others delayed the payment of sums which they owed. The future of the United Nations, which served as a guarantee of peace and security for the whole world, depended on the goodwill of the Member States.

17. In paragraph 46 of the foreword to the budget estimates for 1964, the Secretary-General referred to the possibility of establishing a buildings fund which would have the obvious advantage of spreading over a number of years the cost of major maintenance and enlargement of the premises in New York and at Geneva. His delegation did not oppose the principle of establishing such a fund but would like the General Assembly to retain its present control over that type of expenditure. Like the Advisory Committee, it hoped that the Secretary-General would soon submit a complete programme of repair and modernization of the Palais des Nations and would give the General Assembly the assurance that the programme was adequate to meet all foreseeable requirements during a substantial number of years. The very high cost of such a maintenance programme might perhaps have to be met by long-term borrowing.

18. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to a typographical error in the English text of paragraph 208 of the Advisory Committee's main report. The total cost of the maintenance programme envisaged for the buildings at Geneva was \$1.5 million and not \$31.5 million.

19. Mr. LEONARD (Canada) said that he proposed to concentrate on problems which were perhaps not yet fully recognized but which would become more difficult to resolve unless corrective action was taken forthwith. It was not enough to plan for one year ahead; the time had come to shape the future development of the Organization so that it might better be able to perform its primary tasks under the Charter. That would require co-ordination, planning, organization and preparation on a scale not yet attempted within the United Nations family.

20. Canada, like many other small and medium-sized countries, believed that a strong United Nations would best guarantee its independence and development and hence considered that the first and foremost task was to put the Organization's finances in order. Arrears of contributions at present amounted to \$100 million. There had been some improvement with regard to arrears in recent months, and he hoped that resolution 1877 (S-IV) adopted by the General Assembly at its fourth special session would lead to a further improvement within the next few months.

21. Unfortunately, the problem of arrears of contributions was not confined to the United Nations regular budget and the peace-keeping accounts. It also affected the specialized agencies and the voluntary contributions which Member States pledged to certain United Nations programmes. In some cases the problem was caused solely by delays in the payment of contributions—delays that could well be avoided. In order to hasten the solution of the problem, it might be helpful to publish in a single document all available data concerning amounts owed by Member States to the various accounts of the United Nations and the specialized agencies. It was obvious that the continued effectiveness of the United Nations depended on the willingness of all Member States to pay their share of the expenses. Refusal by any State to fulfil its financial

obligations could only lead to financial anarchy and paralyse the Organization.

22. The critical financial position of the United Nations compelled the Secretary-General to continue his policy of stabilization in 1964. While that situation was a source of concern to some Member States, advantage should at least be taken of the period of containment to establish long-term plans and priorities and make appropriate changes in procedure and organization. The United Nations would obviously never have sufficient funds to carry out all the studies, to issue all the reports, to hold all the conferences and to set up all the subsidiary bodies which some Member States might deem useful. It was therefore essential to devote all the limited resources available to the solution of a limited number of really vital problems.

23. In that connexion, the Secretary-General had indicated that he had done all he could to rationalize the utilization of the available resources and that it was now for the Member States to exercise discipline in the establishment of the total work programmes. It had often been pointed out how regrettable it was that delegations which, in the Fifth Committee, called for a policy of budgetary austerity, pressed for the adoption of new programmes involving increased expenditure when they sat in other bodies.

24. In order to encourage sound budgetary practices, it might be worth while to repeat once more the procedure followed in 1963 when the President of the General Assembly had sent to the various Committee chairmen a letter^{1/} drawing attention to the need to follow the procedures laid down in the Financial Regulations and Rules of the United Nations, as well as rule 154 of the rules of procedure of the Assembly.

25. Several delegations had already referred to the need to improve the financial and budgetary procedures to enable the Fifth Committee to consider the budget as a co-ordinated whole. That would require the agreement of the Economic and Social Council to a modification of its programming cycle. Such a reform was essential if the Secretary-General was not to be compelled to submit supplementary estimates to the Fifth Committee following the approval of the budget.

26. When all the United Nations organs concerned with economic and social matters were advocating long-term planning in those fields, it was time for the Assembly also to cast aside temporary expedients and develop long-term plans, including financial arrangements for peace-keeping operations. The Fifth Committee was obviously the place to initiate such a policy. The Secretary-General had pointed to the need for a long-term policy in another area, that of building maintenance, and the Canadian delegation supported the Secretary-General's suggestion that a buildings fund should be established.

27. With regard to rationalization of the conference programme, the initial step should be the postponement or elimination of meetings which were not absolutely essential in 1964, bearing in mind that 1965 might be designated as International Co-operation Year. If a rational conference programme was to be prepared, it might be desirable to set a ceiling on appropriations under that heading. Furthermore, some conferences and meetings of a limited international interest might be financed under cost-sharing arrangements with participating Member States.

^{1/} See Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 61, document A/C.5/927.

28. With regard to any weaknesses or inadequacies to be found in the financial and budgetary field, he felt that they were of a relatively minor nature, and that the Controller was well aware of the problems and their causes. On the other hand, he wondered whether the Controller had sufficient staff, even with the temporary staff already provided for in the 1964 budget estimates, to take any remedial measures which might be necessary, and at the same time to develop plans for the future. If it were considered desirable to undertake a comprehensive review of the activities and resources of the budgetary services, there should be no hesitation in allocating funds for that purpose, since it would be a wise investment. For example, as part of such a comprehensive review, a further standardization of financial and budgetary procedures within the United Nations family might be contemplated, with a view to facilitating the interchange of personnel between the various financial services. It might also be possible to consider a common programme for practical training of personnel already possessing the necessary theoretical background. Similarly, it might be desirable to hire specialists on a temporary or consultant basis to assist experienced senior personnel in the development of plans to increase income and to ensure that administrative expenses were in proportion to sales and total expenditure. Again, an attempt might be made to improve budgetary controls in connexion with decentralization and field operations. In another area, specialists employed by the Administrative Management Service on a temporary basis might contribute to drawing up long-range programmes designed to strengthen the Organization's administrative procedures.

29. With a view to studying specific recommendations on policy questions relating to administration and co-ordination, the Fifth Committee might request the Advisory Committee to devote more attention to those questions, perhaps by setting up a sub-committee for that purpose. If that was not feasible, a small new committee of specialists might be formed, on the same lines as the Advisory Committee.

30. The United Nations was faced with a difficult period in 1964, especially if improvements were to be made in the rationalization of resources and the establishment of priorities and long-term plans. Difficulties were inevitable because of the Secretary-General's austerity programme. The Secretary-General had indicated that that programme would not be of long duration. Therefore, Member States should be prepared to contemplate moderate increases in some sections of the budget in the foreseeable future. An effort should nevertheless be made to ensure that present and future resources were allocated in a manner calculated to achieve maximum results. In that respect, no opportunity should be overlooked to increase income while promoting a better understanding of the United Nations family through the sales of goods and services at a profit during the fair to be held in New York in 1964 and at international exhibitions, including the Canadian World's Fair in 1967.

31. The art and science of budget forecasting had advanced considerably in recent years, but had not yet reached the point when the future could be foreseen in detail. It would hardly seem justified, therefore, to criticize the Secretariat for failing to do the impossible, or to attempt to force the Secretary-General to operate within a financial strait-jacket, even during periods of stabilization.

32. The responsibility of Member States for budgetary control was just as great as that of the Secretary-General, and it was the former who must exercise firm restraint at the time of drawing up the programmes.

33. Mr. MANSUR (Afghanistan) expressed his delegation's gratitude to the Secretary-General for all he had done to improve the financial situation of the United Nations and to stabilize certain items of expenditure at their 1963 level. Nevertheless an increase of nearly \$4 million over the previous year could hardly fail to be alarming to small States like Afghanistan with limited resources.

34. With a view to reducing expenses, the Secretary-General had proposed cutting down the programme of conferences and meetings for 1964, and his suggestions in that respect constituted a wise compromise between an over-rigid policy and excessive flexibility. The delegation of Afghanistan supported the recommendations made by the Advisory Committee on the subject, and in general all its recommendations. It hoped that the Secretariat would bear them fully in mind and that the proposed cuts would be approved by the Fifth Committee.

35. Clearly, the Secretary-General, the Advisory Committee and the members of the Fifth Committee were by now fully aware that one of the purposes they all had in common was to cut down expenses without prejudice to the effectiveness of the Organization's work. He was firmly convinced that in 1964 the Secretary-General would be able to stabilize the total budget figure.

36. Mr. BARRATT (South Africa) recalled that the serious financial situation of the United Nations made it essential, in the words of the Advisory Committee (A/5507, para. 30), to follow a policy of strict austerity. It also called for the strict exercise of responsibility on the part of both the Member States and the Secretariat. The estimates submitted by the Secretary-General would of course be examined, and if necessary modified, by the Fifth Committee, just as they had been by the Advisory Committee. There were, however, certain basic problems which could not be solved merely by modifications of the estimates. The Advisory Committee had pointed to some of those problems, such as the attitude taken towards unforeseen and extraordinary expenses, the need for rationalizing the Organization's activities and the programme of conferences and meetings. The Secretary-General had little direct control over those problems, which required responsibility and discipline on the part of Member States for their solution.

37. With regard to the programme of conferences and meetings, the Advisory Committee had noted with satisfaction the encouraging reaction of the Economic and Social Council and its acceptance of the Secretary-General's suggestions for reducing the number of meetings scheduled for 1964. The Advisory Committee had expressed the hope that the attitude taken by the Council would be the first step in a deliberate attempt to organize the Organization's activities more efficiently. Although the decision for 1964 was due to special circumstances, it was to be hoped that the Council would adopt a permanent programme of biennial meetings for its functional commissions. A strict policy was essential in that sphere, not only in the interests of economy, but also because a proliferation of meetings was prejudicial to proper preparation and the effectiveness of their work.

38. His delegation had commented at the seventeenth session (925th meeting) on the question of unforeseen and extraordinary expenditure and on the responsibility of delegations in that regard. The Advisory Committee had now recommended that the attention of councils, commissions and committees should once again be called to the need for strict compliance with the financial regulations.

39. With regard to travel expenses of staff, his delegation noted with approval the revised standards of travel which the Secretary-General had promulgated. The question of revising the standards for reimbursement of travel expenses of representatives had now been raised. This deserved further study by delegations, possibly with the help of a report on the subject, which would include particulars of the practice followed by Governments in that matter.

40. One of the obstacles in the way of rationalization of the United Nations activities was that the Economic and Social Council only finalized its programme for the following year at its July session. As a result, the expenditure involved could not be included in the Secretary-General's initial budget estimates, which meant that neither the Advisory Committee, nor Member Governments could give adequate consideration to the over-all picture of the programme and budget for the following financial year. To remedy that state of affairs, the Council should be prepared, except in cases of emergency, to decide definitely at its spring session concerning the programmes for the following year in the economic and social fields.

41. Mr. MAILLIARD (United States of America) said he would like first of all to express his gratitude to the Secretary-General for his personal contribution to the work of the Committee, and to thank the Advisory Committee, and particularly the Chairman of that Committee, and the Controller and the Director of the Budget Division, for the unusually satisfactory presentation of the budget for 1964. He would also like to express his appreciation of the work of all the Secretariat staff. The United States delegation was likewise gratified to find a number of improvements in administrative and financial practices, including the fact that no over-all supplementary appropriation was being requested for 1963, and no expansion in permanent staff was contemplated for 1964.

42. The budget estimates for 1964 were dominated by the difficulty of the Organization's financial position, eloquent testimony to which could be seen in the estimated deficit of \$112 million at the end of the current year. The reason for the financial plight of the United Nations was not irresponsible spending, but the fact that some of its Members refused to pay contributions legally assessed and legally due. If the States in question paid their arrears, the finances of the Organization would automatically be put in order; if they did not, and if they continued to pile up debts, they would lose their voting privilege in the General Assembly through the application of Article 19 of the Charter—and no one wished to see any Member bar itself from full participation in the General Assembly. In the meantime, however, the arrears made it necessary for the United Nations to apply a policy of strict financial austerity. An example of what could be done was the Advisory Committee's suggestion (A/5507, para. 102) that nearly a quarter of a million dollars could be saved by limiting reimbursements of travel costs to economy-class rather than first class fares for representatives of States Members of the United

Nations. The United States Government had some time ago instituted a similar practice for its own representatives which worked well.

43. Even if the financial situation were not so serious, the United Nations would probably be faced at present with the need for consolidation and containment. Quite apart from the high cost of peace-keeping operations, there were four factors which contributed to the present difficulties and to the need for economy. First, the complexity and novelty of the Organization's activities dictated periodic reappraisals of organizational structure, programming, priorities and procedures. Secondly, since it had been established the United Nations had been in a process of rapid growth. It now constituted a complex of twenty-three agencies employing about 35,000 people and spending some \$550 million a year, with regional commissions in four continents and resident representatives in sixty-five countries, and carrying on operational activities in 125 countries and territories. While welcoming and encouraging that growth, the United States delegation felt that the United Nations system should be strengthened by pruning less essential activities and services as much as possible. Periods of rapid growth must thus be followed by periods of consolidation if efficiency was to be attained and carried forward. Thirdly, there was a world-wide shortage of skilled personnel, and the United Nations could not lower its standards of qualification for United Nations employment without running the risk of reducing its own effectiveness. Fourthly, it was physically impossible for the Organization to fit additional staff into its present premises. Thus, for all the seriousness of the present financial problem, the fact remained that those real problems would in any event compel the United Nations to consolidate its development for the time being.

44. The current financial stringency should provide an opportunity for systematic self-evaluation, which would be particularly useful in four areas of activity. First, budgeting procedure itself should be improved, and supplementary estimates should be needed only for truly unforeseeable emergencies. The efforts so far made to that end had been inadequate. The need for presenting supplementary estimates arose primarily from the fact that the General Assembly authorized expenditures for programmes which could not have been carefully costed at the time of approval because their scale and even their functions had not been worked out adequately at that stage. Clearly, there must be more preparatory work before budgetary approval, if the Assembly was to avoid, for example, approving a conference estimated to cost \$1.5 million, to find ultimately that the cost had doubled to \$3 million. Such irregularities would not be remedied until appropriation resolutions established expenditure ceilings which could be exceeded only in the most exceptional circumstances. It was particularly necessary to plan ordinary expenditures carefully in advance because the Organization could at any time be called upon to cope with emergency situations connected with the maintenance of the peace. In addition, the Assembly would be able to form a clearer picture of the Organization's expenses if the budget estimates, instead of being prepared on an annual basis were projected for a two-, three- or even five-year period, as was now common practice for most Governments and corporations.

45. Secondly, the growth in the number of conferences, however desirable it might be as a measure of the

progress of international co-operation, should be brought under the strictest possible control. The mere fact that meetings had thus far been held every year did not automatically justify their annual repetition. In every case, Members ought to ask themselves whether a proposed conference would really serve a useful purpose, whether it really had to last so long, and whether it needed so many delegations and so many documents and translations. With such an approach, the cost of the United Nations Conference on Trade and Development might well have been limited to \$2 million, that of the third International Conference on the Peaceful Uses of Atomic Energy to \$1 million, and that of the Conference of the Eighteen-Nation Committee on Disarmament perhaps to \$700,000—a combined saving of some \$2 million.

46. Thirdly, Members should ask themselves whether it was really necessary for the various United Nations organs to meet every year, and whether it would not be preferable for some of them to meet every other year or to delegate interim responsibilities to a small standing committee or to their officers.

47. Fourthly, there was the complex and sometimes subjective problem of determining priorities. Such choices were particularly painful in that many problems seemed to cry for urgent attention. But in such matters failure to make a choice, however difficult it might be, amounted to the misuse of precious assets. The need to sharpen criteria for priority systems had thus become an urgent matter. The United States delegation hoped that the Fifth Committee would be able at the present session to reach agreement on the need to apply tighter criteria in the allocation of resources, in the programming of conferences and meetings and in the preparation of appropriation resolutions, and that that agreement would be reflected in the Committee's report to the General Assembly.

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)

48. Mr. ROSHCHIN (Union of Soviet Socialist Republics) associated himself with other representatives in deploring the excessive size of the Organization's staff costs and their constant and rapid growth. From 1 September 1962 to August 1963 staff costs had risen by exactly 9.6 per cent. Over the past nine years the ranks of the Secretariat had been swelled by 1,600 new staff members, including locally recruited personnel. From 1960 to 1963, 800 staff members had been recruited and, although there had been an increase in staff of 250 in 1963, the Secretary-General's estimate for aggregate staff costs showed a rise of \$2.5 million for 1964, \$400,000 of which total was to go to the creation of fifty-nine new temporary posts.

49. That expansion of staff and constant rise in expenditure would be unwise enough in normal conditions; at a time when the United Nations was passing through a critical financial situation and should curtail its expenditure to the utmost possible extent, it seemed even more dangerous. The characteristic trend in staff costs appeared clearly to demonstrate that the policy of consolidation and containment was not being applied.

50. That state of affairs led to overlapping of work and duplication of effort. Part of the work assigned to experts and consultants—who, it should be noted, were recruited one-sidedly from the Western countries and for whom the Secretary-General was requesting an appropriation of \$600,000—could very well be carried out by members of the Secretariat. The United Nations should use the services of experts and consultants only when absolutely essential. Moreover, the Secretariat could make savings under that head by requesting Governments to place experts at its disposal. That would reduce the expenditure below its present level.

51. The fact that there had been 173 vacant posts in the Secretariat until June 1963 and that the work had nevertheless been done, even though some staff members had been assigned to duties which did not form part of the Organization's normal activities, clearly proved that it would be possible to reduce the staff and, hence, costs. The Secretary-General was nevertheless asking for a number of temporary posts and expenditure under section 3 was increasing each year, while part of the appropriation under section 4 was actually being used to cover other expenditure.

52. It was plain that the United Nations was spending too much money on its public information activities. The ceiling of \$6 million set on the appropriation for those activities seemed much too high, especially as part of that sum was spent in the United States, whereas that country had sufficiently numerous and powerful information media of its own not to have to use those of the Organization.

53. The Advisory Committee had already drawn the Fifth Committee's attention to the excessive increase in the volume of documentation—a problem not unrelated to the expansion of the Secretariat staff. It was natural that excess staff members should seek to justify their presence by producing studies and reports.

54. It was altogether improper that the Secretariat should request additional staff whenever it had a new task to perform, instead of using existing resources and judiciously re-deploying staff members belonging to departments where the volume of work was declining.

55. Lastly, under the present procedure for dealing with the estimates for staff costs, the General Assembly could not exercise sufficient control over such costs. The Secretary-General should submit a list of the new posts he was requesting for each department or section, explaining why he considered each new post to be necessary, and the Advisory Committee should then give its opinion on each of those posts. The General Assembly would then approve separately the appropriation requested for each department or section.

56. The Soviet delegation could not approve requests for appropriations in which staff costs were given too much emphasis.

57. Mr. S. K. SINGH (India) recalled that at the seventeenth session his delegation had strongly emphasized the need to have a detailed study made by the Administrative Management Service of the Office of the Controller of the relationship between the volume of work and the number of staff members available to deal with it, so as to enable the Fifth Committee and the Advisory Committee to evaluate more exactly the appropriations requested under sections 3 and 4.

58. Like the Advisory Committee, his delegation greatly regretted that it had not been possible to complete that study in 1963. It hoped that it would be possible to do so before the Advisory Committee's 1964 summer session.

59. Realizing how difficult was the question of the reclassification of posts and promotions, his delegation was also concerned that the Advisory Committee should have seen fit to state explicitly, in paragraph 127 of its main report, that in order for it to give a considered opinion on any proposed reclassifications, it must be more adequately informed of the Organization's promotion policy.

60. Mr. PRUSA (Czechoslovakia) noted that despite the Secretariat's expressed desire to apply a policy of austerity, the appropriation requested for staff was \$856,000 greater than in 1963 and \$4,500,000 greater than in 1962. At the seventeenth session his delegation had entered explicit reservations with regard to the 215 new permanent posts requested by the Secretary-General. In fact, the large number of posts still remaining unfilled proved that that request had been excessive. Despite that fact, a further fifty-nine new temporary posts were being requested although the previous staff increase had not yet been completely implemented. Staff recruitment should not be regarded as a panacea for the Organization's ills; on the contrary, a better distribution of the workload should be sought within the existing manning table, a careful study being made of the load on each department and staff members being transferred from the least to the most heavily burdened. The Advisory Committee should take the initiative in carrying out such a study which would probably show that certain activities had become superfluous owing to the completion of certain programmes, decentralization or a change in priorities. Overlapping must be eliminated in order to release staff members for more useful employment elsewhere. In its main report to the Assembly at its seventeenth session,^{2/} the Advisory Committee had noted that the best possible use was not being made of the staff. It had repeated that warning in paragraph 121 of the main report now before the Committee (A/5507), recommending that a careful study of existing resources should be made by the Administrative Management Service of the Office of the Controller. His delegation fully endorsed that proposal and in any case welcomed the fact that the Secretary-General had given an assurance (A/5505, p. 19) that he would satisfy himself that the total staff resources available to him were first fully utilized before seeking any further staff increases. At the seventeenth session, the Secretariat had indicated its intention of carrying out detailed studies of certain departments of the Secretariat, more particularly the Department of Economic and Social Affairs. No new post should be created until the results of those studies were known. The Advisory Committee, in paragraph 129 of its main report, had emphasized the problem raised by the increase in the number of posts at the higher levels. In that connexion his delegation considered that the proportions of the problem could be reduced by increasing the number of fixed-term contracts, e.g., of three- to five-year contracts.

61. Mr. SERBANESCU (Romania) said that he had a few comments to make on section 3 of the budget

estimates and on the Office of Public Information. Section 3, which was by far the most important section of the budget since together with its corollary section 4 it accounted for almost two-thirds of the entire estimate, should be debated more thoroughly since it offered many further opportunities for rationalization and control hitherto insufficiently explored.

62. The fact that the Secretary-General was not requesting any new permanent post for 1964 might give the impression that a period of stabilization was being inaugurated. But it was in 1964 that the increase in the number of permanent posts provided for in the 1963 budget would actually take place, as would the creation of the fifty-nine new temporary posts requested. Several delegations had criticized the trend towards indefinite expansion of staff and the Advisory Committee had also expressed some concern in that regard, both in the main report that it had submitted at the seventeenth session and in the one now before the Fifth Committee. The creation of new posts was, of course, the easiest method of coping with difficulties, but it was also the most expensive and it would be infinitely better to try to rationalize the work of the Secretariat than constantly to increase the size of the staff. However closely the Secretary-General had studied the problem of rationalization in the past, much still remained to be done in the matter. For example, a continuous and systematic survey should be made of all Secretariat services. The proposed survey of the Department of Economic and Social Affairs should be extended to all departments. Furthermore, important tasks had been transferred to the regional economic commissions and that logically should bring about a reduction in the volume of work at Headquarters. His delegation shared the Advisory Committee's views with regard to the problem of reclassification and promotion of staff members (see A/5507, paras. 124-131).

63. The number of United Nations organizations was relatively large and, for 1964, their aggregate regular budgets would amount to more than \$200 million. Closer analysis of those budgets revealed that the bulk of expenditure consisted of administrative costs, i.e., it related to staff and thus did not directly benefit the recipient countries. The time had come for the Administrative Committee on Co-ordination to study that problem more closely with a view to harmonizing the activities of the various organizations and so making it possible to reduce the size of the staff and increase efficiency.

64. With regard to the Office of Public Information, his delegation shared the views of the other delegations which had asked that expenditure under that head should be kept as low as possible. The General Assembly, moreover, in its resolutions 1335 (XIII) and 1405 (XIV), had clearly expressed itself in favour of a stabilization of appropriations for public information activities. Now, when the need for economy was greater than ever, was certainly not the time to abandon that principle.

65. In 1957, the General Assembly appointed a Committee of Experts on United Nations Public Information. The report of that Committee,^{3/} which the Assembly had approved in 1958, should still be a guide for the Fifth Committee.

^{2/} Ibid., Seventeenth Session, Supplement No. 7, para. 122.

^{3/} Ibid., Thirteenth Session, Annexes, agenda item 55, document A/3928.

66. The essential principle was that appropriations for public information activities could not take precedence over appropriations for the work of the Organization proper. Moreover, the United Nations could not undertake to inform the whole world of its activities and it must make the greatest possible use of national information media. By better utilization of information media the additional needs created by the admission of new Members could be met within the limits of the funds available. In that connexion, the Advisory Committee was perfectly right to stress that a strict order

of priorities should be established for the information media used, since it was pointless to devote a great part of the information activities to countries which already had highly developed information media of their own. The previous practice should be reverted to and the Secretary-General should be requested to submit a special report on the Office of Public Information to the Fifth Committee which would discuss it separately.

The meeting rose at 6.5 p.m.