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Chairman: Mr. Vahap AŞIROĞLU (Turkey).

AGENDA ITEM 74

Budget estimates for the financial year 1967 (continued)
(A/6305, A/6307, A/6385, A/6457, A/C.5/1054,
A/C.5/1055 and Corr.1, A/C.5/1056 and Corr.1,
A/C.5/1060, A/C.5/1062, A/C.5/1065, A/C.5/1066,
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General discussion (continued)

1. Miss MEAGHER (Canada) said that the Canadian Government regarded the United Nations as a dynamic organization which should expand in a responsible manner to meet the growing demands made of it. Since resources were limited, it was essential to obtain the maximum value for each dollar spent. With those considerations in mind, her delegation was encouraged by the developments of the past year. At the twentieth session of the General Assembly there had been general agreement that the time had come for a reappraisal of the administrative and budgetary procedures of the United Nations system. Since then, definite progress had been achieved in a number of areas: the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies had been established and had produced two important reports (A/6289 and Add.1 and 2, A/6343); the Advisory Committee on Administrative and Budgetary Questions, in its excellent report (A/6307), had suggested solutions to a number of recurring financial problems; and the Economic and Social Council had made innovations in its procedures which should allow it to carry out its functions more effectively. At the current session the General Assembly should confirm its approval of the approach adopted.

2. Although the period had been one of reappraisal, the Secretary-General had succeeded in presenting budget estimates for 1967 (A/6305) which took into account both the need for new programmes and the financial situation. The recommendations of the Advisory Committee showed the same responsible approach. The Secretary-General, in the introduction to his annual report on the work of the Organization^{1/} and in his statement at the 1124th meeting of the Fifth

^{1/} See Official Records of the General Assembly, Twenty-first Session, Supplement No. 1A, sect. I.

Committee (A/C.5/1065), had spoken of the need to reconcile the desire level of activity with the funds available, a point on which he was supported by the Advisory Committee. The same thesis was the dominant theme of the second report of the Ad Hoc Committee (A/6343). It would be unrealistic to expect each of the Ad Hoc Committee's recommendations to be implemented forthwith. Although some could be, the Ad Hoc Committee had been fully aware that others might require gradual implementation, and perhaps some variation in detail in the different organs in the United Nations system. The Canadian Government considered, however, that the General Assembly should approve the second report of the Ad Hoc Committee and urge that the recommendations made should be given careful consideration by all concerned with a view to their earliest implementation.

3. In paragraph 31 of its second report, the Ad Hoc Committee recommended that, pending the adoption of a uniform budget presentation, organizations using the traditional budgetary breakdown by object of expenditure should provide, whether in the budget itself or in a special document, a functional breakdown of expenditure by main fields of activity. The Secretary-General was therefore to be commended for including the new annex I in the 1967 budget estimates. With the information thus provided, it was possible to see more clearly the relation of budgetary provisions to work programme and activities. The annex represented a sensible compromise between the views of those who favoured the traditional form of budget presentation and those who wished to change over to a completely functional type of budget. Pending a comprehensive study of the question, in which the experience of specialized agencies which had adopted functional budgeting should be examined, annex I would have the virtue of providing additional information on costs in relation to activities while preserving the existing method of appropriating funds and thus maintaining the central financial control which was essential for administrative efficiency.

4. In chapter VIII of its second report, the Ad Hoc Committee recommended a number of ways of achieving greater co-ordination. At its forty-first session, the Economic and Social Council had in the light of those recommendations introduced a number of innovations. It had continued to emphasize the development of techniques and machinery for evaluating programmes. It had rearranged its programme of work to achieve a better balance between its two annual sessions. It had decided that the Committee for Programme and Co-ordination should meet twice a year, first to review the work programme of the United Nations and secondly to deal with co-ordination. It had requested the Secretary-General to explore further

ways of strengthening and financing a full-time staff for the Administrative Committee on Co-ordination. As the basic principles of co-ordination had been re-examined since the twentieth session by both the Council and the Ad Hoc Committee, the Canadian delegation looked forward with special interest to the publication of the report that the Advisory Committee would submit on administrative and budgetary co-ordination between the United Nations and the specialized agencies and the IAEA. She hoped that the report would be available in time for a thorough discussion of the subject in the Fifth Committee in connexion with agenda item 79.

5. In recent years the Secretary-General and Member States had expressed concern over the problems caused by the proliferation of meetings and documents. The main difficulty was to reconcile the demand for more conferences and meetings with the resources and facilities available. The enunciation of general principles as in General Assembly resolution 2116 (XX), while necessary, would not in itself solve the problem. In paragraph 140 of its main report (A/6307) the Advisory Committee pointed out that the programme of meetings for 1967 was considerably in excess of the resources, both material and human, which Member Governments were in a position to make available to the Secretary-General. The same point had been emphasized by the Secretary-General himself in the Fifth Committee. On the basis of the analysis of the situation in the Advisory Committee's report and the recommendations contained in chapter IX of the second report of the Ad Hoc Committee, her delegation believed that the Fifth Committee should be able at the current session to recommend to the General Assembly measures to bring the problem within manageable proportions. The Fifth Committee should make a thorough study of the subject either in connexion with section 2 (Special meetings and conferences) of the 1967 budget estimates or during its consideration of the pattern of conferences under agenda item 75 (Pattern of conferences; report of the Secretary-General). The Advisory Committee had endorsed the suggestion of the Special Committee on Co-ordination of the Economic and Social Council that the General Assembly should establish a committee to deal with the programme of meetings and make recommendations to the Assembly on those conferences and meetings which should be included in the annual programmes (see A/6307, paras. 48-51). The Secretary-General had indicated to the Fifth Committee that he too would favour the establishment of such a committee. As its starting point, the proposed committee could use a draft consolidated annual calendar of all conferences and meetings, which, as recommended by the Ad Hoc Committee, could be drawn up by the Secretary-General. As a number of remedies had been suggested by expert bodies, the current session would appear to be the appropriate time to take action in order to bring the situation under control. In that connexion, her delegation welcomed the decision taken by the Economic and Social Council by its resolution 1156 (XLI) that, beginning in 1968, its functional commissions, with certain exceptions, should meet biennially.

6. Despite the initial progress made during the past year in reappraising administrative and budgetary procedures, the financial position of the Organization

had not improved. As the Secretary-General said in the introduction to his annual report, and as he had said in his statement to the Fifth Committee, despite the unanimous agreement reached at the twentieth session that the Organization's financial difficulties should be solved through voluntary contributions by Member States, such contributions had not been made in an amount sufficient to meet the deficit, which remained substantial. The Secretary-General had gone on to express his confidence that the analysis made by the Ad Hoc Committee in its first report and the large measure of agreement reached on the Organization's present deficit would provide a basis for liquidating the deficit and settling its debts. The Canadian delegation shared the hope that the proposed innovations in administrative and budgetary procedures would make more resources available for programmes and that the Organization's immediate financial problems would be resolved during the current session. The United Nations would then be able to maintain its dynamism in the crucial years ahead.

7. Mr. KULEBIAKIN (Union of Soviet Socialist Republics) said that in discussing the budget of an Organization which was basically political in nature, members of the Committee were entitled to refer to the political atmosphere in which the discussion was taking place. His delegation felt obliged to condemn the policy of aggression in Viet-Nam of the United States of America, which affected the entire work of the United Nations. During the lifetime of the Organization there had been two major wars. Both had been waged by the United States, which obviously did not regard the United Nations as an instrument for averting world disaster.

8. The Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, whose creation had been supported by the Soviet Union, had been assigned a very important and urgent task. In recent years the budget of the United Nations organs and related bodies had been increasing at an excessively rapid rate: from 1956 to 1966, for example, it had risen by 150 per cent, with administrative costs accounting for a large share of the expenditure. Yet because of the duplication of activities in certain fields, the ever-growing expenditure of the United Nations and the specialized agencies was not producing the results expected by their members, particularly the developing countries. The need for planning and co-ordination was particularly apparent in the economic and social activities in the United Nations family of organizations. The Ad Hoc Committee had emphasized in its second report that: "A judicious allocation of the limited resources available must be made in order to achieve maximum results" A/6343, para. 15). The Ad Hoc Committee had made useful recommendations for the improvement of the administrative and budgetary practices of the international organizations, recommendations whose implementation could ensure more effective use of the resources available and lighten the financial burden placed on States Members of the United Nations.

9. The Soviet Union broadly supported the recommendations of the Ad Hoc Committee and thought that the General Assembly should endorse them and request the Secretary-General to submit a report on their implementation to the twenty-second session.

10. In particular, it would be useful to establish an inspection unit to make on-the-spot inquiries and investigations into the efficiency of services and the proper use of funds. Such a unit, which should have broad powers, should make specific proposals on the improvement of management and methods and of co-ordination between the different organizations. In matters of co-ordination, an important role should be played by the Special Committee on Co-ordination of the Economic and Social Council, whose reconstitution was advocated by the Ad Hoc Committee. Experience had shown that the problem of co-ordination could be solved only if it was dealt with by one organ established for that purpose and composed of competent representatives of States Members of the United Nations. It was no use transferring the question from one organ to another; all aspects of the co-ordination of economic and social activities should be studied by one body directly responsible to the Economic and Social Council.

11. The effectiveness of the activities of the United Nations and the specialized agencies would be improved by introducing procedures for the long-term planning and evaluation of programmes in the economic, social and related fields, by standardizing financial procedures and by more effectively supervising budget preparation and execution. The recommendations of the Ad Hoc Committee on that subject were not carried to their logical conclusion. The detailed study which the Secretary-General was requested to make on the subject of a biennial cycle for the budget of the United Nations would dispel the doubts in the minds of some members of the Fifth Committee and would produce a more thorough and reasoned solution to the question of budget preparation and the planning of United Nations activities.

12. The Ad Hoc Committee's recommendations on the reduction of the number of meetings and the volume of documentation were vague. Yet it was clearly impossible for delegations, particularly the smaller ones, to read all the documents produced and to be represented at all the meetings held. It was a sad fact that the competent organs in the developing countries could not possibly cope with the documents elaborated by various United Nations organs for the purpose of assisting them. Recommendations such as those contained in the Ad Hoc Committee's report had been made before, but the situation was still deteriorating. In the opinion of the Soviet delegation, the only way of reducing the number of meetings and the volume of documentation was to establish strict financial limitations.

13. The experts had unfortunately been unable to make any concrete recommendations on such questions as the exclusion from the regular budget of expenditure for the repayment of United Nations bonds and for measures adopted in violation of the United Nations Charter, the transfer to the United Nations Development Programme of expenditures for the regular programme of technical assistance, and the review of permanent contracts with a view to ensuring the equitable geographical distribution of the Secretariat. The financial difficulties of the Organization would not be resolved until those problems were disposed of.

14. The Soviet delegation was deeply disturbed at the continual growth of the United Nations budget. The final estimates for 1966 had been \$15 million higher than those for 1965; yet after the additional items of expenditure had been included the rise in the appropriations for 1967 would be no smaller than those for the preceding year. As usual, the bulk of the expenditure—over \$75 million—was to go to the Secretariat. In an area in which the greatest possible effort should have been made towards economy, the estimate for salaries and wages had risen by almost \$4 million in a single year. As the Fifth Committee had recommended at the twentieth session of the General Assembly,^{2/} the number of established posts for 1967 had been kept to that approved for 1966; but that number itself had been excessive, as had been seen during the recent discussion of the revised estimates for 1966. Nevertheless, the General Assembly had actually allocated almost \$1.5 million for unencumbered posts. In addition, the Secretariat was increasing the number of temporary posts and the number of experts and consultants, although there were 376 unencumbered posts. Expenditure for temporary assistance and overtime amounted to \$3.7 million for 1967, compared with \$3 million in 1966. In the budget estimates for 1967, appropriations amounting to \$100,000 more than in 1966 were requested for experts and consultants, mainly in the economic and social fields. The allocation of increased funds for that purpose was an attempt to ignore the principles of equitable geographical distribution in the staff and the regulations on the recruitment of personnel.

15. There was also a tendency towards inflation in the staff establishment for the United Nations Conference on Trade and Development. In the view of the Soviet delegation, it should be possible to use existing personnel and avoid recruiting new staff. The Secretariat was obviously trying to obtain unnecessarily large allocations in order to set up a kind of reserve fund, although it was well known that staff would not be recruited in the numbers requested. There was urgent need for measures to simplify the unwieldy structure of the Secretariat, to eliminate its superfluous components—particularly in the Department of Economic and Social Affairs—to ensure the rational transfer of staff between sections and departments and to reduce expenditure on the Secretariat.

16. Another striking feature was the disproportionate number of general service and manual workers, who outnumbered the professional staff almost two to one. Given the present level of mechanization, a force of almost 1,200 manual workers was surely unnecessary.

17. It was also planned to spend large and unjustified amounts on staff travel, despite the fact the Office of the Controller had taken steps to bring such expenditure under stricter control. The 1967 estimates under that section were admittedly somewhat lower than those for 1966, but the reduction was the result of the adoption of economy-class air travel for most journeys. The problem of cutting down excessive staff travel to the various duty stations thus remained

^{2/} Ibid., Twentieth Session, Annexes, agenda item 76, document A/6223, para. 27.

unsolved. That was particularly true of the journeys to Geneva undertaken by many senior staff members during the summer months.

18. The increase in staff costs proposed for 1967 was in part a result of the expansion of the Organization's activities. However, while it could not be denied that new programmes required extra staff, it was surely not impossible to find them inside the Secretariat. But that was not done; instead, every time a new programme was initiated new staff were requested. His delegation would like to know what happened to staff who were freed as a result of the completion of programmes, a matter to which no reference was made in the estimates.

19. The expansion of the Organization's activities should be effected not by means of an automatic increase in staff and appropriations, but by rational use of internal reserves within the framework of existing appropriations. The practice of submitting supplementary estimates considerably in excess of those initially approved, repeated year after year, was a case in point: the further measures planned after the submission of the initial estimates were financed by means of a mechanical increase in appropriations, not by detecting and making use of internal resources. His delegation considered that such measures should as a rule be financed within the limits of the initial estimates, after thorough analysis and on the basis of the principle of priority; if a particular measure proved to be really urgent it should be carried out in place of a less important previously planned measure.

20. The Advisory Committee itself had pointed to the necessity to apply a system of priorities. It was clearly the Secretariat's responsibility to propose alternatives, so that Member States could decide the relative priority of various measures. The Advisory Committee also recommended, as in previous years, the use of long-term planning and the establishment of priorities, particularly in the economic and social fields, and had urged that organs deciding to set up new activities should always consider them in the light of budgetary requirements and possibilities, taking into account a set of priorities. His delegation supported that recommendation.

21. The Soviet delegation also drew attention to the Secretary-General's observation concerning the creation of autonomous organizational units within the Secretariat. That tendency should be resisted as being contrary to the effective utilization of resources and the requirements of sound administration.

22. The Soviet delegation supported the Advisory Committee's recommendation that the General Assembly should give particular attention to the programme of conferences and meetings, in view of the fact that the programme for 1967 considerably exceeded the resources that Member States could make available. His delegation also supported the recommendation concerning a reduction in the volume of documentation. However, the \$600,000 reduction in salaries and wages recommended by the Committee was insufficient; the Committee should go further in that direction.

23. At the twentieth session (see 1086th meeting, para. 16) his delegation had asked that the budget estimates should be in future accompanied by an annual report on the partial or full completion of United Nations activities in various areas, and on the measures taken to use the staff thus liberated to satisfy the Organization's legitimate needs. His delegation had also asked that information concerning the volume of work arising from new programmes—expressed, for example, in man-days—should be adduced in support of proposed staff costs. He repeated those proposals.

24. Thus, his delegation considered the budget estimates for 1967 to be excessively high, and would be unable to support the estimates as submitted.

25. His delegation protested against the fact that the estimates once again included appropriations to finance measures undertaken in violation of the United Nations Charter, such as the bonds issued to cover the cost of United Nations operations in the Middle East and the Congo, the United Nations Commission for the Unification and Rehabilitation of Korea, whose activities served no purpose, and others. The time had long since come to exclude all such items from the regular budget. As in the past, the Soviet Union would make no contribution to cover the cost of such measures.

26. It was also incorrect that technical assistance should be financed under the regular budget, which was essentially of an administrative character. Moreover, that practice led to a waste of resources, duplication and excessive administrative costs, and did not facilitate the proper use of the specialists and resources of the socialist countries. The Soviet Union and other socialist countries were extending considerable aid to the developing countries, and would continue to do so. In order to prevent discrimination against the socialist countries in technical assistance matters, the Soviet Union would continue to pay in Soviet currency for that part of its contribution which was destined for technical programmes under part V (Technical programmes).

27. Although the Assembly had adopted a number of resolutions calling for the equitable geographical distribution of posts in the Secretariat, the number of USSR nationals in the Secretariat was still well below the Soviet quota. The main reason why the Assembly's resolutions had not been implemented was that senior staff members playing a decisive role in personnel matters were taking no steps to increase the number of nationals of inadequately represented countries in the Secretariat. The preponderance of nationals of Western Powers at the expense of the neutralist and socialist States still continued, particularly at the senior levels. His Government's concern at the situation was shared by other Member States. As members of the Fifth Committee would recall, the question had once been studied by the Committee of Experts on the Review of the Activities and Organization of the Secretariat,^{3/} which had found a striking imbalance in the geographical distribution of the staff. Yet the Charter requirement that the

^{3/} *Ibid.*, Sixteenth Session, Annexes, agenda item 61, document A/4776, para. 80.

Secretariat staff should be recruited on as wide a geographical basis as possible continued to be ignored in practice. Urgent action should be taken to correct the situation.

28. He urged members of the Committee to make the necessary efforts to bring order into the financial and administrative activities of the United Nations.

29. Mr. KRONMANN (Denmark) welcomed the clear presentation of the 1967 budget estimates. His delegation noted that the Secretary-General had exercised restraint in preparing them, but realized that the final budget might be appreciably larger as a result of the decisions taken by the Economic and Social Council and the General Assembly. The deduction of certain non-recurrent items would also give a somewhat different picture. His delegation hoped, however, that the total increase would remain moderate and that demands for additional appropriations would be met to some extent by reductions in other items. In general, it had no objection to the initial estimates as revised by the Advisory Committee. There were, however, a few points it wished to comment on.

30. The first essential in appropriating funds was to balance needs against what was financially and physically feasible and to ensure the most effective use of resources. In planning the development of United Nations activities, care must be taken to ensure that they did not assume unmanageable proportions. In some fields, however, that stage seemed to have been reached, as was shown, in particular, by the ever-increasing requests for conferences and meetings and for documents. In its main report (A/6307, paras. 48-51), the Advisory Committee endorsed the suggestion by the Special Committee on Co-ordination of the Economic and Social Council that the General Assembly should establish a committee to deal with the programme of meetings. His delegation felt that it would be well worth while considering the idea, possibly as a supplement to other proposals on the subject.

31. As to the Advisory Committee's general proposals for reducing the workload of conferences and meetings, he wished to add the following suggestions. First all meetings should, as recommended in General Assembly resolution 1898 (XVIII), begin at the scheduled hour so as not to waste the time of staff servicing them. Secondly, the possibility of imposing time-limits on speeches should be borne in mind; far from detracting from the value of statements, cuts would in many instances make them clearer. Thirdly, the custom of congratulating officers on their election should be abandoned, as a diplomatic courtesy unnecessary in the modern age; one speaker might extend congratulations on behalf of all.

32. Measures were also required to reduce the volume of documents to more manageable proportions, not only because of the technical problems of production, but also so that delegations could digest all the material available. Valuable suggestions had been put forward in that connexion, in particular for summaries to be provided of the contents and conclusions of reports and technical studies.

33. It was most important, particularly in the interests of the developing countries, to consider how

potentially available funds and other resources could be turned to the best possible use. It was equally important to ensure that the United Nations rested on a sound financial basis, not only for financial reasons, but also because of the effect on world opinion and staff morale. His delegation therefore shared the hope repeatedly expressed by the Secretary-General that Member States which had not already pledged or paid voluntary contributions would soon do so.

34. Mr. KILLION (United States of America), speaking in exercise of the right of reply, expressed regret that the Hungarian representative, in his statement at the 1125th meeting, and the USSR representative, at the current meeting, should once again have felt it necessary to raise the question of Viet-Nam during a debate on financial and budgetary matters. The USSR as co-Chairman of the Geneva Conference on the problem of restoring peace in Indo-China, should be responsible for helping to bring the Viet-Nameese war to a negotiated settlement. His delegation would like to know what steps the Soviet Union was taking to achieve that objective. For its part, the United States stood ready to take the war from the battlefield to the conference table at any time. The United States forces in South Viet-Nam were there at the request of the duly constituted Government which had received overwhelming endorsement in the recently held democratic elections in that country. The United States Government had no choice but to maintain its armed forces in South Viet-Nam to resist the aggression and infiltration from the North; its offers to negotiate had been repeatedly rejected by Hanoi and Peking.

35. While expressing appreciation for the co-operation and understanding of the USSR and other Eastern European delegations in the attitudes toward the United States delegation to the Fifth Committee he urged that discussion of the Viet-Nam situation be confined to bodies which were competent to deal with political matters. The United States had in fact tried to have the question of Viet-Nam discussed by the Security Council, and it was his delegation's hope that the USSR and Hungarian delegations would lend their support in that effort.

36. Mr. KULEBIAKIN (Union of Soviet Socialist Republics) said that he could not agree with the United States representative's presentation of the question. The Committee was fully entitled to discuss political matters; members would doubtless recall that, during the examination of agenda item 73 (Supplementary estimates for the financial year 1966), the arguments to the contrary adduced by the Norwegian and Argentine representatives at the 1124th meeting, in the course of the debate on the expenses under section 19 (International Court of Justice), had been rejected. The Committee had voted to disapprove the supplementary appropriation under section 19, thus upholding its right under the Charter to take politically significant decisions.

37. He did not suggest that the actual situation in Viet-Nam should be discussed in the Fifth Committee, and agreed that the matter should be referred to a more appropriate forum: the Geneva Conference. His delegation opposed the United States proposal to bring

the matter before the Security Council, which had been rejected by the Council itself. If the USSR delegation had raised the question of Viet-Nam in the Fifth Committee, it was because the budget was the financial basis of the Organization's political work and could not, therefore, be considered in isolation from the general political situation.

38. Mr. QUIJANO (Argentina), speaking in exercise of the right of reply, said that his delegation had never maintained that the Fifth Committee was not competent to discuss political matters. What it had in fact said was that to oppose an appropriation for any United Nations organ on political grounds and thus to

jeopardize its functioning would set a dangerous precedent.

39. Mr. TARDOS (Hungary), speaking in exercise of the right of reply, said that it would clearly be difficult to persuade the North Viet-Nameese to sit down at the conference table when they were under the pressure of constant aerial bombardment by the United States. He reminded the Committee that the United States itself had refused to negotiate under what it had termed "pressure" when confronted with nothing worse than anti-United States demonstrations in Panama.

The meeting rose at 12.10 p.m.