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AGENDA ITEM 74

Budget estimates for the financial year 1968 (*continued*)  
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General discussion (continued)

1. Mr. KELSO (Australia) said that until it was possible to evaluate the results of the reassessment of the financial administration of the United Nations, which had been initiated two years previously, efforts should be concentrated on implementing the recommendations that had been made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies in its second report <sup>1/</sup> for improving financial discipline and control and applying the available financial resources effectively to the work in hand. It would be wrong to think that, once the process of reassessment had been set in motion, the main task had been completed. On the contrary, the question which should be asked now was whether the machinery of co-ordination, supervision and assessment might not itself contain areas of duplication and overlapping. Even if allowance were made for the inherent complexity of an organization such as the United Nations, the machinery did seem to include a very large number of bodies—the Fifth Committee itself, the Advisory Committee on Administrative and Budgetary Questions, the Committee for Programme and Co-ordination, the Committee for Development Planning, the Administrative Committee on Co-ordination, the Office of the Controller, the Internal Audit Service, the Administrative Management Service, the Panel of External Auditors and, lastly, the new joint inspection unit. It was obvious that those bodies and departments absorbed a substantial proportion of the Organization's resources, in terms both of money and personnel; and it would be interesting

to know just how much. In order to assess their performance, more emphasis should be placed on actual results obtained. One should also bear in mind that administrative units, unless subject to a rigorous time-table for finishing their work, seldom seemed to wither away once established.

2. His delegation's interest in the criterion of performance was based to some extent on its consciousness of the responsibilities of the United Nations in the field of development assistance. Australia's total contributions to external aid were now two and a half times what they had been in 1960-1961, at the beginning of the United Nations Development Decade, and amounted to 0.75 per cent of the national income. Australia was particularly concerned that the limited resources available for development should not be wasted because of decisions to add unnecessarily to the administrative machinery, or because of the inability of the machinery to carry out the functions for which it was intended. An organization wishing to reassess and improve its structure, its efficiency and its capacity to implement programmes did, of course, have to have administrative machinery for the purpose. But it would be wrong to think that the United Nations could achieve the results it wanted merely by creating additional machinery. Unless there were adequate additional resources for the machinery to do its work, its creation might subtract from the limited resources available for other things, including development. One sound decision of recent years was that to merge the Expanded Programme of Technical Assistance and the Special Fund, which were now combined in the United Nations Development Programme.

3. His delegation was sympathetic to the Secretary-General's understandable request for guidance from the Member States on the rate of budgetary growth. The question was a difficult one, however, because opinions of Member States on priorities to be determined over a broad range of fields were bound to differ considerably. The only solution, as the Ad Hoc Committee had suggested, was long-term planning of programmes and programme budgeting. Efforts were now being made to achieve closer integration of programmes with the budget, but it would be wrong to count on radical and automatic improvements. In his delegation's view there was no real substitute for self-discipline and efficiency on the part of the Member States and the Organization's administrators. As to planning, it would be wisest to start with a fairly simple and readily understandable objective, before attempting to evolve more complicated notions. In that connexion the Secretary-General's reports on the form of presentation of the budget (A/C.5/1121) and on the advantages and disadvantages of a biennial budget cycle (A/C.5/1122) were important, and should

<sup>1/</sup> Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

be examined in the light of the considerations he had mentioned. His delegation hoped that there would be close co-operation between the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions, whose respective functions were closely related, and between the Panel of External Auditors and the new inspection unit. The United Nations share of the expenditure on the Panel of External Auditors had more than doubled in the period from 1963 to 1967. There had, of course, been some increase in the responsibilities of the Panel, which was concerning itself more and more with performance and financial control. But his delegation hoped that the increase would be subject to the same close scrutiny as the expenditure of bodies whose accounts were audited, and that the work of the inspection unit would not give rise to excessive or unjustified expenditure either.

4. The Advisory Committee, in its main report (A/6707 and Corr.1 and 2, paras. 52-73), had drawn attention to the need for a more precise definition of "unforeseen and extraordinary" expenses, and had questioned the authority of subsidiary bodies to take decisions involving expenditure by the Organization. His delegation would be sympathetic to any proposals for solving those two problems.

5. It also shared the concern of many other delegations at the continuing increase in the cost of special meetings and conferences, and hoped that the new Committee on Conferences would be able to find some way of rationalizing the situation. The financial and administrative problems raised by the ever-increasing volume of documentation were largely due to the increase in the number of meetings. His delegation agreed with the Advisory Committee that the Member States had a primary responsibility to exercise restraint in that field.

6. It also endorsed the Advisory Committee's recommendations that the number of new posts in the Secretariat for 1968 should be reduced from 524, the figure recommended by the Secretary-General, to 271. The Secretary-General had perhaps made insufficient allowance for vacancies resulting from the turnover of staff.

7. On balance, the reductions proposed by the Advisory Committee were justified and should not have any adverse effect on programmes. In short, his delegation would support the budget estimates for 1968 as revised in accordance with the Advisory Committee's recommendations.

8. Mr. DENNIS (Liberia) noted that the Secretary-General, following the recommendations of the Ad Hoc Committee, had adopted a new presentation for the budget estimates for 1968 (A/6705 and Corr.1), which indicated with greater clarity the allocation of appropriations. His delegation trusted that the new presentation would soon be adopted by all United Nations organs. It noted the progress which had been made toward the establishment of the joint inspection unit, and hoped that the unit would soon come into operation.

9. At a time when the United Nations was trying to accelerate the economic development of the developing countries, it was becoming increasingly important to improve the Organization's efficiency by arranging

for the best possible utilization and distribution of the limited resources available. It was, indeed, the Fifth Committee's task to bring the programme of work into line with the requirements of economy and efficiency. In the first place, proliferation of conferences should be avoided by eliminating any possible overlapping and duplication. Efforts should be made to see which conferences and meetings could be held at Headquarters during or between regular sessions of the General Assembly, and to consider how the duration of meetings could be reduced. Secondly, the Secretary-General should be asked to reduce the volume of documentation in so far as was possible without impeding the Organization's work. Thirdly, the Committee should consider which of the Organization's subsidiary bodies, operating in related or interdependent fields, could conveniently be merged. Lastly, new programmes and additional expenditure should be confined to the bare essentials. Measures of that kind would not, of course, produce immediate economies, but they would help to keep the budget within reasonable limits at a time when the cost of goods and services and constantly increasing. In that connexion, the Economic and Social Council should be congratulated on the decision it had taken at its forty-third session—by its resolution 1264 (XLIII)—to reduce its total meeting time and documentation. But the most important requirement for the normal financing and smooth running of the Organization was that Member States should not fall into arrears with their contributions to the regular budget and other United Nations funds.

10. His delegation was concerned about the difference of opinion between the Secretary-General and the Advisory Committee on the new posts requested in the 1968 budget estimates. The Advisory Committee wanted to reduce the number to 86, whilst the Secretary-General was asking for a total of 524. He hoped that a compromise could be reached and suggested that a meeting might be held between the Advisory Committee and a representative of the Secretary-General for that purpose. On the question of staffing in general, his delegation would like the United Nations to recruit more staff from the developing countries, whose talents and skills would be very valuable to the organization.

11. On the Organization's rate of growth, his delegation, while appreciating the Secretary-General's anxiety, did not feel that a definite target could be set at the moment. Among other reasons, many developing countries were unable, because of the shortage of liquidity, to approve and support an arbitrary growth rate. In his delegation's view, a solution could only be found through long-term planning, continuing evaluation of the programme and proper co-ordination. The Secretary-General's task would be easier, moreover, if he were allowed greater flexibility in making transfers between different sections of the budget.

12. Mr. URABE (Japan) said that he was disappointed to find that the United Nations financial situation, far from getting better, had got still worse, and that like the representative of Canada (see 1182nd meeting), he deplored the attitude of many Member States which seemed to ignore the Organization's financial difficulties and refused to make voluntary contributions.

Japan urged other Member States to respond, as it had done, to the Ad Hoc Committee's appeal for such contributions.

13. Although some progress had been made towards implementing the Ad Hoc Committee's recommendations, one of the main aims of which had been to control the considerable increase in United Nations expenditure, the budget estimates for 1968 showed an enormous increase over 1967. Although the reduction of \$5,626,700 recommended by the Advisory Committee was sizable, his delegation still felt that further reductions were possible. The Fifth Committee had before it many revised estimates and reports by the Secretary-General asking for further increases in the estimates and the General Assembly would, as in the past, take some decisions involving additional expense. Thus, the final amount of appropriations would be higher than could be foreseen at present. The Secretary-General had stated (A/C.5/1127, para. 13) that he did not formally wish to contest the reductions recommended by the Advisory Committee, but that he had reservations about some of them. The Japanese delegation hoped that those reservations would not find expression in the submission of supplementary estimates at the twenty-third session.

14. One of the basic causes for the increase in the United Nations expenses was the increase in the number of major conferences. Seven major special conferences were planned for 1968, as against five in 1967. The programme of meetings, as the Secretary-General himself had pointed out, had reached unmanageable proportions. His delegation considered that the situation was due to the fact that many Member States were eager to redress the unsatisfactory situations existing in the world, particularly in the economic, social and human rights fields. While such eagerness was wholly legitimate, restraint must be exercised when seeking to translate it into actual activities, particularly when the resources available were not unlimited. Many devices had been resorted to in order to bring about the desired reduction, but they had not been as effective as might be desired. In his delegation's view, what was required in order to limit the number of conferences, or at least major conferences, was that at the end of each regular session the General Assembly should take a vote by which the Member States could themselves choose from among the major conferences proposed for the following year the two or three events which they really considered most important and urgent.

15. Referring to the opinion expressed by the Advisory Committee on the absence of a sufficiently precise definition of the terms of reference of subsidiary bodies and on the latitude permitted by the existing General Assembly resolution on unforeseen and extraordinary expenditure, he expressed the view that the free exercise of financial control by the Fifth Committee, and indeed by the General Assembly, was being limited. His delegation would therefore support any proposal which would effectively correct that regrettable situation.

16. The greatest increase in United Nations expenses was due to staff costs and related expenditure. The estimates under section 3 (Salaries and wages) had

shown a remarkable increase in recent years, particularly for the Department of Economic and Social Affairs and the Office of Conference Services. The Secretary-General had requested an increase in the total strength in 1968 of over 525 posts. That was due in part, admittedly, to the increase in the number of programmes, but his delegation found it very difficult to accept the explanation given by the Secretary-General, particularly in view of the number of posts vacant. It also had the impression that not only the resolutions calling for new programmes and special conferences but also those which requested reports of some substance from the Secretary-General were used by the Secretariat as an excuse to ask for additional staff. It would be a good thing if the Advisory Committee would look into that question more closely and if the Secretariat would make greater efforts to fill vacant posts with well-qualified and experienced people before proposing such an increase in the number of posts. Many Member States which were at present under-represented in the Secretariat would be glad to offer their co-operation. In that connexion, his delegation was obliged to point out that although numerically speaking Japan might appear adequately represented in the Secretariat, most of the Japanese staff were in junior posts and none was higher than that of Principal Officer (D-1). His delegation regarded continuity as important for efficiency and economy and had therefore refrained so far from pressing for higher posts, but, since many new posts had been established during the last ten years and many senior staff members had changed their posts, not always with due regard for continuity and experience, it would urge the Secretariat to make greater efforts to improve representation. His delegation would refrain from commenting at the present stage on the Secretary-General's note on the reorganization of the top echelon in the Secretariat (A/C.5/1128). It wondered, however, whether the time had not come for a thorough-going reappraisal of the whole range of United Nations activities and programmes with a view to concentrating available resources on those that were most essential, even at the sacrifice of others of less importance.

17. Regarding the perennial question of documentation, his delegation noted that the Advisory Committee doubted "whether it is appropriate that a decision on publishing or on redundancy should rest with the originating department itself" (A/6707 and Add.1 and 2, para. 102). If the decision really did rest with the originating department, it was only to be expected that it would be reluctant to give up publication of documents which it was naturally convinced were useful; the situation should be remedied as soon as possible.

18. His delegation appreciated the work done by the Advisory Committee and although its recommendations seemed a little too generous, it would be able to support most of them.

19. Mr. ASP (Finland) said that it was essential to restore the United Nations to solvency if the efforts to introduce administrative and budgetary reforms were to yield the desired results. Since 30 September 1965 the Organization's deficit had risen by 8 to 10 million dollars, which meant that the amount of voluntary

contributions necessary to restore the United Nations financial position was now 36.5 million dollars.

20. Finland was one of the few Member States which had made voluntary contributions. The reason why the great majority of States had not honoured their obligations under the consensus reached at the nineteenth session of the General Assembly<sup>2/</sup> was well known. They seemed to be waiting for a lead from the great Powers, which, with the exception of the United Kingdom, were waiting for each other. If the situation was not quickly remedied, the United Nations would continue to be seriously handicapped and would remain unable to respond fully and effectively to the ever-increasing demands of international co-operation.

21. In order to increase the efficiency of the Organization, it was also necessary to examine the possibilities of making more rational and more controlled use of available resources. In that respect, the Finnish delegation noted with satisfaction the recommendations made in the second report of the *Ad Hoc* Committee, and also the reports of the Secretariat on the implementation of those recommendations. In many respects, the measures envisaged corresponded to the views of the Finnish delegation on how the existing funds could best be utilized. His delegation attached great importance to the need for long-term planning, and it had suggested that a rough outline of the financial implications of forthcoming programmes should be presented with the budget estimates. It noted that that idea had not yet received serious consideration. On the other hand, longer-term planning was made possible by the plans to introduce a biennial budget cycle.

22. The Finnish delegation welcomed any measure for making the presentation of the budget clearer. It noted with satisfaction that the Secretary-General had decided, in accordance with the recommendations of the *Ad Hoc* Committee, to present the appropriations requested under Section 3 (Salaries and wages) in a manner which was more informative to the Member States, and which gave a breakdown by major organizational units within the Secretariat. That new form of presentation could in future be extended to other sections of the budget.

23. In an information annex to the budget estimates (A/C.5/1115 and Corr.1), the Secretary-General distributed the initial gross expenditure estimates for 1968 under three broad categories: administrative costs, general research and study costs and operational costs. In the Finnish delegation's opinion, that breakdown was an important step towards programme budgeting.

24. An effort must of course also be made to achieve greater uniformity in the administrative system and budgetary procedures of United Nations bodies. He noted with satisfaction that a joint meeting of United Nations bodies was to be arranged for that purpose.

25. The Finnish delegation, which also had on several occasions expressed its concern at the steady increase in the number of conferences and meetings, hoped

that the Committee on Conferences would be able to exercise very strict control in that field. The need for greater discipline was also apparent in the matter of documentation. It was to be hoped that the joint inspection unit would begin to exercise its important functions of control and supervision on 1 January 1968.

26. It should be emphasized that the budget estimates were based on careful and thorough studies by the Secretariat. Allowing for the reduction recommended by the Advisory Committee, the net increase in estimated expenditure for 1968 over expenditure approved for 1967 would amount to \$3.8 million. In view of the ever-growing demands made by Member States on the services and facilities of the United Nations, that increase could not be regarded as excessive. Since all delegations supported the continued expansion of international co-operation, they must be prepared to pay for its cost, especially since the total investment in the peace and development work of the United Nations was really very modest.

*Mr. Esfandiary (Iran), Vice Chairman, took the Chair.*

27. Mr. EL-ATTRASH (Syria) said that the Secretary-General's statement (A/C.5/1127) presenting the budget estimates for 1968 had only confirmed the Syrian delegation in its keen concern over the financial situation of the United Nations. The fact was that the United Nations needed \$38.5 million in order to become solvent again; unpaid voluntary contributions had amounted to \$67.1 million on 30 September 1967, and despite the Organization's efforts to settle its debts without incurring new expenditure, the situation was still precarious.

28. Before considering the problems to be resolved, the Syrian delegation would like to congratulate the Secretariat on its clear and precise presentation of the budget estimates for 1968 and on having prepared some extremely useful documentation. The Advisory Committee had examined all the documents that had been submitted to it very carefully. The reduction of \$5,626,700 which it recommended in the appropriations requested for 1968, i.e. a little more than 4 per cent of the total, showed how diligently it had performed its task.

29. The Syrian delegation noted with satisfaction that the *Ad Hoc* Committee's recommendations had already been fully or partly implemented. The Panel of External Auditors of the United Nations had already communicated to the Secretary-General the results of its preliminary consultations on the scope of its work and of its relations with the joint inspection unit. In that respect, the Syrian delegation also would like to have more precise information on the auditors' powers, their relations with the Secretariat and the principles governing their appointment.

30. The Secretariat had also endeavoured to implement the *Ad Hoc* Committee's recommendations concerning the presentation of the budget in a new form, with expenditure items of the same kind falling in the same section of the budget, which was thus easier to understand. As the *Ad Hoc* Committee had recommended, the Secretariat had also considered the respective advantages and disadvantages of annual and

<sup>2/</sup> *Ibid.*, Nineteenth Session, Plenary Meetings, 1331st meeting, paras. 3 and 4.

biennial budget cycles, a matter to which the Syrian delegation would revert in due course.

31. The quality of the documents prepared on that subject showed that the Organization had no lack of competent staff in administrative and budgetary matters. Nevertheless, the deficit was increasing from year to year. In fact, as the Secretary-General had pointed out, it was the extraordinary expenditures for peace-keeping operations in many areas of the world that were the direct cause of the United Nations financial difficulties. The Syrian delegation understood why some Member States refused to contribute towards those extraordinary expenditures, and it entirely approved of their attitude. It was much more reasonable and just that those who, directly or indirectly, provoked situations which disturbed the peace should themselves undergo the consequences. If the international community kept on paying for the damage thus caused, it would only encourage aggression. The Syrian delegation considered that the restoration of a balanced budget depended on the extent to which each Member State respected the Charter of the United Nations and on the good faith with which it applied the Charter's provisions. Like the Secretary-General, he thought that the difficulties that were being encountered by the Organization were mainly political and constitutional, whereas what was wanted, and quite rightly wanted, was that the budget should be largely devoted to humanitarian aid. For all those reasons, the Syrian delegation would vote against the section of the budget in which peace-keeping expenditures were entered.

32. The Syrian delegation noted with satisfaction on the other hand that, allowing for the reduction recommended by the Advisory Committee, a total appropriation of \$17 million had been retained under Section 19 (United Nations Conference on Trade and Development) and Section 20 (United Nations Industrial Development Organization). His delegation was also glad to note that the Advisory Committee had not touched the appropriation of \$6.4 million requested under Part V (Technical programmes). It would, however, have preferred that that appropriation should be largely devoted to production and development, rather than to remuneration of staff. Like all developing countries, Syria hoped that the budget would be increasingly oriented towards development programmes, for one of the evils of the present time was the enormous gap between developed and developing countries. His delegation took that opportunity of thanking the Austrian Government for the generous aid it had offered UNIDO on the occasion of its establishment in Vienna.

33. The Syrian delegation was glad to note that in his report on reorganization of the top echelon in the United Nations Secretariat, the Secretary-General had concluded "that it would be proper and opportune to reintroduce the concept of two levels in the top echelon, with proper geographical distribution at both levels" (A/C.5/1128, para. 9). The question of the reorganization of the Secretariat, and particularly that of the redistribution of posts on a more equitable geographical basis, had always been a matter of concern to the Syrian delegation, which would revert to that subject later.

34. He drew the Committee's attention to the wish of a number of delegations that the teaching of Arabic

should be included in the curriculum of the United Nations International School in New York, so as to prevent approximately 100 pupils of the school whose mother tongue was Arabic from falling several years behind in their studies as a result of their stay in New York. The idea could only be welcomed by the African and Asian countries concerned, especially as Arabic had become an official language of UNESCO and the ILO, and would soon be one of FAO.

35. Before concluding, he wished to touch again on the drawbacks of the city of New York as the site for the United Nations Headquarters. Although the hospitality offered the international community by New Yorkers was unrivalled, New York did not have the climate of impartiality and universality which should exist in a city in which the United Nations made its headquarters. New York's information media expressed views that were clearly one-sided and served causes that were too partisan. The situation was such that a number of delegations would probably propose at the current session, as they had done in the past, that United Nations Headquarters should be transferred to a city offering the Organization a political and social atmosphere more conducive to operation under normal conditions. Those were the general observations which his delegation had wished to make; it reserved the right to speak again on various parts of the budget if the occasion arose.

36. Mr. DUBOIS (Belgium) wished to express his delegation's satisfaction at the important changes that had been made in the way the budget estimates were drawn up. They reflected the Secretary-General's efforts to implement the recommendations of the Ad Hoc Committee, would considerably facilitate the work because they made the budget estimates a more complete and more accurate instrument than they had been before, and represented part of a long-range operation directed towards an integrated presentation of programmes and budgetary estimates. The changes made in the form and structure of the budget would be all the more useful as the Secretary-General remained fully conscious of the fact that they could not, "in themselves, be considered as a substitution for procedures and arrangements designed to strengthen the management functions" (A/C.5/1127, para. 25). The Belgian delegation realized that the preparation of the budget placed a heavy burden on the staff of the Controller's Office; it therefore entirely shared the concern expressed by the Secretary-General in his foreword to the budget estimates for the financial year 1968 and hoped that better planning and a rearrangement of the meeting schedule of the various bodies concerned would make it possible to produce one set of data which could serve most purposes. It also supported the Secretary-General's suggestion in paragraph 7 of his forward to the budget estimates.

37. Even though it approved the form of presentation of the budget estimates for 1968, his delegation felt rather apprehensive about their content. It emerged from the budget estimates, the Secretary-General's foreword and the comments of the Advisory Committee that the Fifth Committee confronted the same old problems, which appeared to be becoming even worse. At the more recent sessions of the General Assembly, delegations had raised questions about three problems:

rising expenditure estimates and the need to reconcile the requirements of the United Nations with its resources; the problem of the staff; and the problem of the increasing number of conferences and the proliferation of documents. Although the General Assembly had adopted certain decisions at the Committee's recommendation, those problems persisted and had become particularly urgent.

38. With regard to the continuously increasing expenditure estimates, he pointed out that those for 1968 amounted to \$141,619,300, to which would have to be added revised appropriations of \$669,500 made necessary by decisions adopted by the Economic and Social Council at its forty-second and forty-third sessions, as well as various amounts to cover adjustments in the salaries and pensions of members of the International Court of Justice, remuneration of members of the International Narcotics Control Board and the financing of the operations of the Board of Auditors. There would be further additions as a result of revised estimates by the Secretary-General and of decisions by the General Assembly at its current session. Thus, the budget estimates were already \$12 million higher than the appropriations for 1967. From 1961 to 1966, expenditure had risen by more than \$10 million annually. It had appeared that the Organization's financial crisis might be promoting a policy of greater restraint, inasmuch as the expenditure estimates for 1967 had represented an increase of the order of \$6 million over the appropriations for 1966. However, the budget estimates for 1968 abandoned that all too brief effort at moderation and represented an even greater increase than before. The Committee was faced with twin problems: the immediate problem of the 1968 budget estimates and, what was no less important, the problem of future years. As to 1968, the Belgian delegation believed that it was urgent to return to a rate of increase closer to that indicated by the rise from 1966 and 1967. With that in mind, it would support the reductions which the Advisory Committee had recommended and which, it was to be noted, the Secretary-General did not formally oppose.

39. With respect to the future, the Secretary-General himself seemed to be suggesting the course to follow: in paragraph 25 of his foreword to the budget estimates he indicated that it would greatly facilitate the whole question of reconciliation between budgetary resources and work programmes if the General Assembly could, at an early date, give some clearer guidance as to the rate of growth it would be prepared to support in regard to these activities, either annually or over a longer period of time. Unlike some delegations which saw in that suggestion the beginning of a movement tending to restrict United Nations activities, the Belgian delegation felt that it was the undisciplined increase in expenditure which was most prejudicial to the expansion of United Nations activities. The Advisory Committee had emphasized that "apart from the financial consequences involved, there were wider implications in the practice of adding... to the over-all programme of meetings and to the expansion of staff" (A/6854, para. 7). Moreover, the uncontrolled increase of expenditure involved waste and duplication which, far from helping the United Nations to achieve its aims, robbed it of its effectiveness and threatened to weaken its moral stature and, hence,

its political impact. It was also worth noting that in spite of the policy of comparative restraint, the 1966 budget had enabled the Organization to function smoothly and even to set up the machinery for UNIDO. If the crisis in the Middle East had not entailed unforeseen and extraordinary expenditure amounting to \$1,638,000, the appropriations for 1967 would have covered all but some \$100,000 of the expenditure for that financial year, even though the cost of installing UNIDO in Vienna had been greatly underestimated.

40. While he understood the apprehensions reflected by the statement of the Brazilian representative at the 1183rd meeting, he did not think that the determination to see a balance established in the regular budget between resources and requirements was dictated primarily by the desire of certain countries to reduce, or not to increase, their contribution. Nor did he think that it would result in hampering the United Nations in the sphere of economic co-operation. It should not be forgotten that in addition to the regular budget, there were voluntary contributions which, taken together, even exceeded the amount of the regular budget. It was those contributions which largely financed co-operation activities. A policy of moderation in the regular budget could therefore only encourage the voluntary contributions which were so important to the developing countries. There was consequently every reason to follow the course suggested by the Secretary-General.

41. A number of delegations had felt that it would not be very advisable to fix a rate of growth and that the solution of the problem lay in long-range programming. Admittedly, such programming was necessary but it was limited, as the Secretary-General pointed out in paragraphs 13 to 17 of his report on the United Nations budget cycle (A/C.5/1122). Moreover, the experience of Governments showed that long-range planning was not enough. A Government had a Minister of Finance or a Minister of the Budget responsible for limiting the expansion of its expenditure in the light of essentially financial considerations. The Belgian delegation therefore felt that such necessary long-range programming should be supplemented with other procedures and it would welcome any suggestion along those lines.

42. On the question of personnel, he recalled the misgivings expressed by his delegation at the twenty-first session (1132nd meeting). The budget estimates for 1968 appeared, unfortunately, to justify those misgivings. The Secretary-General was requesting the creation of a large number of new posts in the various categories when, according to the Advisory Committee's report, there was an equally large number of vacant posts. Some of those posts might have been filled, but the situation was still precarious. Moreover, sufficient advantage was not apparently being taken of the decreased activity in certain sectors to transfer staff, for the sake of economy and efficiency, to more active departments. What basis was there, for example, for asking for a new P-4 post to be created in the Division of Trusteeship when that Division's responsibilities were steadily diminishing, through the accession to independence of 8 out of 11 Territories, and would be further reduced next year if Nauru in fact became independent in 1968. All those



facts seemed to indicate the lack of an over-all personnel policy based on solid studies and rational planning. Not only the budget, but various documents such as the Economic and Social Council report<sup>3/</sup> showed that not all factors were taken into consideration. His delegation had no alternative, therefore, but to approve the Advisory Committee's recommendations. It would like the Secretary-General in future to make a comprehensive study of the personnel question which would cover staff needs and serve as a basis for the proposals he was called upon to submit each year. The study should include proposals for reducing the size of the staff in departments with increasingly fewer responsibilities and suggestions for solving the vacancy problems and recruiting the staff most urgently needed for priority tasks.

43. Dissatisfied as his delegation was with personnel policy, it was even more dissatisfied with the composition of the Secretariat. That question was dealt with in document A/6860 and his delegation would have much to say on the subject when the time came.

44. With regard to the problem of conferences and the related question of documentation, his delegation awaited with the greatest interest the report of the Committee on Conferences. It endorsed the views of the Canadian representative (1182nd meeting) on the subject and noted with satisfaction the Secretary-General's report on publications and documentation of the United Nations (A/6675). While it was true that the report was neither complete nor sufficiently thorough and that the recommendations it contained could be worded more strongly, it was nevertheless a sound document that represented a first step in the right direction. In any event, nothing satisfactory could be achieved without the co-operation, and indeed the initiative, of the bodies and subsidiary bodies themselves, as the Advisory Committee had emphasized.

45. His delegation would deal with certain problems when the budget was discussed section by section, but it wished to take up briefly two matters at the present time. He was referring to the excessively broad definition of unforeseen and extraordinary expenses given in General Assembly resolution 68 C (I), and the terms of reference of the subsidiary bodies—two factors which together sapped the budgetary powers of the Assembly and constituted an uncontrolled source of expenditure growth. His delegation could only share the misgivings which the Advisory Committee had expressed on the subject and it approved the proposal to revise restrictively the definitions given in resolution 68 C (I) and to define clearly the terms of reference of subsidiary bodies. It would like the Advisory Committee to submit proposals to that effect to the Fifth Committee at the current session. After approving those proposals, the General Assembly might invite the main organs to revise the terms of reference of their subsidiary bodies so as to redress an unfortunate situation strikingly illustrated by the revised estimates resulting from decisions of the Economic and Social Council (A/C.5/1114 and Corr.1). It could be seen, for example, that the Ad Hoc Working Group of Experts to investigate allegations of infringements of trade union

rights was given virtually a free hand to determine its own estimated expenditure without any apparent control.

46. The second matter to which his delegation wished to refer was that of the proliferation of autonomous services within the Secretariat. No decision appeared to have been taken in the matter since the Secretary-General had denounced the trend at the twenty-first session. But that did not mean that the problem was any the less acute. His delegation wondered, for example, whether the draft resolution before the Second Committee regarding the establishment of a separate section in part V of the budget A/C.2/L.959 and Add.1 was not essentially a product of that dangerous trend.

47. His delegation had deemed it necessary, at the risk of appearing harsh, to make its misgivings quite plain. The Organization had experienced a serious financial crisis which had at least had the advantage of driving it to self-examination, following which the Ad Hoc Committee of Experts had formulated some recommendations. It was not enough for the Secretariat to ensure that those recommendations were carried out. The Secretary-General's efforts would achieve only partial and even superficial results if they were not backed up by the efforts of the Member States. The very efficiency of the United Nations was at stake, particularly with respect to co-operation in the economic, social and human rights fields.

48. Mr. LYNCH (New Zealand) said that the Ad Hoc Committee's recommendations called for action on the part of both the executive authorities and the Governments of the States participating in the various legislative bodies. To erect and set in motion a fairly complex array of administrative and budgetary machinery would not be sufficient alone to ensure orderly and rational development. The system of financial management described by the Ad Hoc Committee would function efficiently only if certain pre-conditions were fulfilled. In the first place, the Member States must give a reasonable assurance in advance of the level of resources which the system was to administer. In paragraph 25 of his foreword to the budget estimates for 1968, the Secretary-General indicated that it would greatly facilitate the whole question of reconciliation between budgetary resources and work programmes if the General Assembly could at an early date give some clearer guidance as to the rate of growth that it would be prepared to support. His delegation appreciated the Secretary-General's dilemma but was not at all sure that from the current discussion the Secretary-General would be able to draw the clear guidance he had requested.

49. In interpreting the Secretary-General's request there was general agreement that the Organization would have to take into account the needs and requests of its Members. It was therefore necessary to know ahead of time and with some certainty what share of the world's resources was likely to be available to the United Nations. The machinery now being established in accordance with the Ad Hoc Committee's proposals could then distribute the funds to the areas where the demand and opportunity for international action were greatest.

<sup>3/</sup> Ibid., Twenty-second Session, Supplement No. 3.

50. There were three possible approaches to the question of budget growth. It was possible, for example, to set strict guide-lines for the size of the budget and its rate of expansion. The Secretary-General had noted, however, that the majority of Member States were against arbitrary limits upon the growth of essential activities. That was also the position of the New Zealand delegation which, however, did not rule out the possibility of incorporating some quantitative frame of reference in the preparation of future budgets. At the other extreme there was the view which held that an expanding budget was both a sign of vigour and proof that the Organization's resources were being used to the best advantage. His delegation had reservations about that approach too. Lastly, there were delegations, his own among them, which would be willing to consider sympathetically the case for a moderate rate of budgetary growth where the need arose and provided that the expansion was firmly directed and controlled. That did not prevent his delegation from being disturbed by some aspects of progressive increase in the budget level in recent years.

51. The estimates for 1968 were significantly higher than the level of expenditure approved for the financial year 1967. In terms of the Organization's over-all workload, the Secretary-General was requesting additional resources particularly with respect to the manning tables of the Secretariat, UNCTAD and UNIDO. The reductions recommended by the Advisory Committee were based on clear and well-grounded arguments. His delegation endorsed the principles of economy and efficiency which the Advisory Committee emphasized must govern the management of the Organization's funds. It had noted, however, the Secretary-General's reservations with regard to certain reductions. His delegation could not support any tendency to press reductions for their own sake, for that could lead only to dispute subsequently on the supplementary estimates, or might be detrimental to the policy of tight budgeting.

52. For the time being, he would confine himself to certain general policy questions. He was pleased to note that the Secretary-General had done his best to implement the recommendations of the Ad Hoc Committee in so far as they applied to the United Nations itself, particularly with regard to the presentation of the 1968 budget estimates. The changes made would help to facilitate reference and review. He would be interested to see in future budgets a more complete statement of the distribution of resources, on the lines of the presentation of Section 3 described by the Secretary-General in paragraph 6 of his foreword to the budget estimates. Such a document would be useful not only to the financial bodies but also to those responsible for examining work programmes. His delegation was not sure, however, that a document departing still further from the existing appropriation pattern would be in the interests of firm, efficient management. The merits of the current approach, which made possible effective central control and the most flexible use of resources, had been confirmed by the Secretary-General's report on budget performance for the financial year 1968 (A/6666 and Corr.1). Systematic reporting of that sort was useful not only to the Governments of Member States but

also should be studied by the substantive divisions of the Secretariat when they were preparing estimates at the start of each budget cycle.

53. Other avenues would have to be explored if the Organization's activities were to be genuinely rationalized. In establishing the Committee on Conferences, the General Assembly had taken a significant step toward introducing some discipline into an area of rapid expansion. His delegation hoped that that Committee would be able to draw up an orderly and acceptable calendar on the basis of the resources which were expected to be available. The task was complicated by the fact that proposals for new meetings had been submitted and approved in organs that had already met. That problem was related to the question of the authority of subsidiary bodies to take decisions involving expenditure, without the prior consent of the General Assembly. It was clear that the Financial Regulations of the United Nations were being infringed. His delegation would favour the suggestion that main organs, when establishing or reviewing the terms of reference of subsidiary bodies, should give the most careful consideration to the tasks and the powers they delegated to those bodies and define them clearly whenever they were likely to have financial implications.

54. The Committee might usefully set aside two or more meetings for considering the serious problem of unforeseen and extraordinary expenses. His delegation agreed with the Advisory Committee that the language of the relevant resolution of the General Assembly should be amended so as to define what was meant by "unforeseen and extraordinary" expenses and to limit them to costs of an exceptional and emergency nature. The situation had changed since 1960, when the text had last been amended; and the problems faced by the Advisory Committee when it was asked to agree to some of the expenditures in question could be appreciated. It might also be advisable to consider whether Member States wished at the same time to narrow the interpretation of supplementary estimates. In other words, the question arose whether provision for such expenditures invalidated the supplementary estimates procedure. His delegation did not think it should. The problem was to reinforce the procedures whereby unforeseen and extraordinary expenses were currently authorized, while allowing the Secretary-General a reasonable measure of administrative flexibility.

55. The problem of balancing needs and means and of reconciling programmes and financial resources—in short, of establishing an integrated scheme of long-term planning, programme formulation and budget preparation—went beyond the question of budget presentation and the budget cycle and was relevant to the broader matter of co-ordination between the organizations in the United Nations system. The Ad Hoc Committee had submitted some important recommendations on that subject. The Advisory Committee had also been concerned with the question, and the Committee for Programme and Co-ordination had recently introduced a fresh and promising approach. If the efforts of those two bodies were to be fully complementary, however, the calendar of their meetings would need to be adjusted and their respective fields of competence would have to be more clearly defined.



56. The advances which had been made were modest, but, taken as a whole, they were satisfactory. However, his delegation did not anticipate spectacular progress towards a fully integrated scheme. He doubted whether, within the near future, there would be a place in the United Nations for a highly sophisticated system of budget and programme planning in the absence of the necessary preconditions upon which such a system must be based.

57. Instead, what the New Zealand delegation would like to see initially was evidence of careful planning of United Nations activities in something more than a piecemeal, year-to-year fashion. In that connexion, the documentation on the work programme of the United Nations in the economic, social and human rights fields which had been prepared for the Committee for Programme and Co-ordination was to be welcomed.<sup>4/</sup> Something more, however, was to be

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<sup>4/</sup> See Official Records of the Economic and Social Council, Forty-third Session, Annexes, agenda item 29, document E/4331/Rev. (and mimeographed addenda).

desired than an estimate of the man-months needed to complete current projects.

58. The advantages of planning were now fully demonstrated, especially in a period of rapid growth, when it could constitute a stabilizing factor. In addition, it would give the Members an increased awareness of developments envisaged and of the financial implications, place them in a better position to pass judgement on proposals for new programmes and make them more ready to contribute funds to programmes to which they had given their agreement.

59. It was thus easier to see the critical role which planning and the drafting of alternative plans could play in the advance towards an integrated system. Without planning, it would be difficult to formulate programmes and it was doubtful whether an effective liaison between programme and budget could be established.

*The meeting rose at 1.20 p.m.*