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Chairman: Mr. Harry MORRIS (Liberia).

AGENDA ITEM 74

Budget estimates for the financial year 1968 (continued)
(A/6705 and Corr.1, A/6707 and Corr.1 and 2, A/6854,
A/6861, A/C.5/1113 and Corr.1 and 2, A/C.5/1114
and Corr.1, A/C.5/1115 and Corr.1, A/C.5/1118,
A/C.5/1123 and Corr.1, A/C.5/1124, A/C.5/1126-
1129, A/C.5/L.901)

GENERAL DISCUSSION

1. Mr. FRANCIS (Canada) said that, although the United Nations had developed in a largely ad hoc manner during its first twenty years, his delegation had never doubted that it was being built upon the right foundation. After twenty years, however, it had been reasonable to question whether the resulting structure was fully rational and efficient in its administrative and budgetary procedures. In the past two years, therefore, delegations had been reassessing the institutional edifice to see how it might be better equipped to serve the contemporary international community. His country had welcomed the establishment, in 1965, of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies and had been glad to serve on it. Canada had endorsed its creation, not because the Ad Hoc Committee's recommendations might serve to limit the rate of growth of the Organization and save expenses for the Canadian taxpayer, but because its recommendations might lead to greater efficiency in operations, thus ensuring that Member States would obtain increasingly greater value from the resources they placed at the disposal of the United Nations. The recommendations contained in the Ad Hoc Committee's second report^{1/} were indeed a highly significant step in the reassessment of United Nations procedures, and they must be fully carried out.

2. The United Nations had now reached the point where it could begin to see the fruits of the reassessment in the implementation of some of the Ad Hoc Committee's recommendations. His delegation was pleased at the progress made towards the establishment of the joint inspection unit and trusted that the

unit might be able to begin its work by the target date of 1 January 1968. It was glad that the former Special Committee on Co-ordination had been reconstituted into the Committee for Programme and Co-ordination in keeping with the Ad Hoc Committee's recommendation, and it welcomed the observations and recommendations formulated in paragraphs 41-45 of the report of the reconstituted committee.^{2/} It also welcomed the requests of the Economic and Social Council to its subsidiary bodies, as set out in paragraph 3 of its resolution 1264 (XLIII), and felt that rigorous attention to them by those bodies would be a great help in the successful implementation of the Ad Hoc Committee's recommendations. In connexion with the Ad Hoc Committee's recommendation that the Advisory Committee on Administrative and Budgetary Questions should from time to time review the administrative and management procedures of the specialized agencies, his delegation looked forward to the Fifth Committee's consideration of the Advisory Committee's report on UNESCO. He commended the plans announced in paragraph 9 of the report of the Secretary-General (A/6803). They showed that the agencies were determined to implement the recommendation of the Ad Hoc Committee in paragraph 59 of its second report.

3. His delegation welcomed the various useful changes that had been introduced in the presentation of the budget estimates for the financial year 1968 (A/6705 and Corr.1) as a step towards the long-term study recommended by the Ad Hoc Committee on the possible standardization of budget presentations. In particular, it endorsed the new distribution of expenses under section 3 (Salaries and wages) by major organizational units within the Secretariat. It would encourage the Secretary-General to extend that form of presentation to other sections of the budget in the 1969 estimates. Such changes represented an important advance towards programme budgeting, which was recommended by the Ad Hoc Committee. At the same time, the retention of the conventional budgetary layout by object of expenditure would ensure that effective central control was maintained over the budget.

4. He supported the view expressed by the Secretary-General in paragraph 9 of his foreword to the budget estimates for 1968, that the report on budget performance—such as the one the Secretary-General had submitted in regard to the financial year 1966 (A/6666 and Corr.1)—would be more useful if it also evaluated the results of the work programme during the same year, especially in the economic and social field. A more detailed breakdown of expenditures in the various

^{1/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

^{2/} Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 9.

chapters and sub-chapters, as recommended by the Advisory Committee (A/6707 and Corr.1 and 2, para. 49), would also enhance the value of the report.

5. His delegation appreciated the improvements made in the annexes to the 1968 budget estimates, particularly the amplification of the information provided in annex I. It was also glad to receive the further information annex (A/C.5/1115 and Corr.1) of the kind recommended for all United Nations organizations by the Ad Hoc Committee in paragraph 123 of its report. It awaited with interest the Secretary-General's report on proposals for changes in the present form of the United Nations budget.

6. He hoped that progress could be made at the current session in the containment of the steady increase in United Nations Conferences, meetings and documentation. The Secretary-General's report on the publications and documentation of the United Nations (A/6675) might constitute a first step towards the elimination of unnecessary and outmoded publications. Control over documentation was of course contingent on control of the expansion of United Nations conferences and meetings. He looked forward to learning at the current session of the recommendations of the new Committee on Conferences on the proposed conference programme for 1968. In the end, it was up to Member Governments as a whole to tackle and solve the problem of the proliferation of conferences and meetings. Seven conferences of major proportions were scheduled for 1968, as against five in 1967, and thus the principle approved in General Assembly resolution 2116 (XX) that no more than one major special conference should be held annually appeared to be incapable of realization. He hoped that the Committee on Conferences would consider the term "major special conference" and make recommendations as to the criteria the Assembly should use in trying to control the number of such conferences which might be held in any given year.

7. He also looked forward to receiving the Secretary-General's study of the possibility of a biennial cycle for the United Nations regular budget, as called for by the Ad Hoc Committee in paragraph 56 of its report. His delegation felt that there was merit in that proposal. As a useful by-product, biennial budgeting might provide a way of improving the relationship between the Advisory Committee and the Committee for Programme and Co-ordination. In accordance with paragraph 82 of the Advisory Committee's main report (A/6707 and Corr.1 and 2) an improved arrangement of meetings of those two bodies would be possible in 1968, but the Committee for Programme and Co-ordination would have to review the work programme for the following year within the budgetary framework of the approved appropriations for the current year, since the Secretariat apparently could not present the following year's budgetary implications in time for that Committee's meeting in April 1968. Its work was bound to be less effective as a result. However, the adoption of biennial budgeting would make it easier to supply budgetary information for the following year to the Committee for Programme and Co-ordination in time for its spring meetings. Alternatively, the problem could be resolved by introducing programme budgeting based on an agreed long-

term plan. In the absence of either of those developments, progress might be made if, as suggested by the Secretary-General (A/6705 and Corr.1, foreword, para. 14), the Secretariat produced one set of budgetary and programme data which would serve the Administrative Committee on Co-ordination, the Committee for Programme and Co-ordination and the Advisory Committee, since that would help to speed up the whole presentation of budgetary information.

8. His delegation hoped that progress might also be made during the session in controlling the use of supplementary estimates. It shared the doubts expressed by many delegations and by the Advisory Committee in paragraph 58 of its main report. It endorsed the Advisory Committee's view that too wide a degree of latitude was being allowed in the use of the General Assembly resolution relating to unforeseen and extraordinary expenses. He hoped that at the current session the Fifth Committee would be able to consider a modification of the Assembly resolution along the lines proposed by the Ad Hoc Committee in paragraph 43 of its report.

9. Much more progress was necessary in such areas as programme budgeting, co-ordination, evaluation and long-term planning. His delegation looked forward to a much fuller report from the Secretary-General on the progress made in implementing the Ad Hoc Committee's relevant recommendations than those he had submitted in documents E/4391^{3/} and A/6803. He recognized that more time would be needed in those areas than in others, but it was the progress made in them that would ultimately determine the success of the effort to improve the efficiency and cohesiveness of the Organization.

10. The purposes of the general review to be undertaken by the Enlarged Committee for Programme and Co-ordination were closely related to those of the reassessment initiated in 1965. While he was under no illusions about the difficulties implicit in the general review, he regarded it as an important adjunct to the improvement of administrative and budgetary procedures and as an essential prerequisite for the achievement of a coherent programme of assistance to developing countries emanating from a closely linked United Nations system of organizations.

11. In its concern with implementing the recommendations submitted in the second report of the Ad Hoc Committee,^{4/} the Fifth Committee was in danger of overlooking the first report,^{5/} containing an analysis of the finances of the United Nations. That report had concluded that as of 30 September 1965 the deficit towards which voluntary contributions had been requested from Member States in order to help the Organization overcome its financial difficulties had been either \$52 million or \$73.4 million. Against that deficit, voluntary contributions paid or pledged had totalled \$20.1 million at that time. Currently, despite the numerous appeals of the Secretary-General, the special solvency fund stood at only \$23.6 million. Meanwhile, the deficit had risen by a further \$8

^{3/} See Official Records of the Economic and Social Council, Forty-third Session, Annexes, agenda item 19.

^{4/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

^{5/} *Ibid.*, documents A/6289 and Add.1 and 2.

million to \$10 million. As one of the twenty-three countries that had made voluntary contributions, Canada deplored the tendency of many Member States to ignore the financial deficit, notwithstanding the consensus reached at the Assembly's nineteenth session.^{6/} During the current process of administrative and budgetary reform, first priority should be given to the elimination of the Organization's long outstanding financial difficulties. All reforms would be in vain if the deficit was not liquidated. His delegation urged Member States which had not yet done so to make voluntary contributions.

12. His delegation realized the importance of the request by the Secretary-General (A/C.5/1127, para. 23) that the General Assembly should give clearer guidance as to the rate of budgetary growth which it would be prepared to support either annually or over a longer period of time. While his delegation appreciated the Secretary-General's desire for guidance, it believed that a solution should be sought through the adoption of long-term programme planning rather than by attempting to establish an arbitrary rate of budgetary growth. The limits of future growth of United Nations economic and social activities, for instance, should depend on the merits of the plans put forward and the reaction of Member States to them, rather than being determined in advance. If there were many important undertakings to be carried out, the necessary money was likely to be made available, provided that such undertakings were clearly presented and planned well ahead. Long-term planning was not only the most effective way of resolving the question of rate of growth, it would also make it easier for the Advisory Committee and Member States to review the annual budget estimates, since the Secretary-General's requirements would be directly related to approved long-term programmes. In the absence of programme planning it was difficult to determine whether all new budgetary requests were justified. His delegation has reservations, for example, as to whether existing staff resources were being fully utilized and, therefore, whether the Secretary-General's request for 524 new posts for 1968 was entirely justified. It felt that the Advisory Committee's recommended cuts in staff were reasonable.

13. He wished to emphasize, however, that his delegation supported those and other cuts not because it wished to restrict unduly the expenditures of the Organization, but because it felt that, before it could support any sizable increase, it had to know that it was the result of carefully considered programme needs. Well-conceived planning might indeed result in a higher level of United Nations expenditures than would otherwise be the case.

14. The fullest possible implementation of the Ad Hoc Committee's recommendations should therefore be pursued. The resources placed at the disposal of the United Nations would thus be more effectively utilized and Member States would be encouraged to take a more positive attitude towards United Nations activities in the future.

15. Mr. KULEBYAKIN (Union of Soviet Socialist Republics) said that the twenty-second session of the

^{6/} Ibid., Nineteenth Session, Plenary Meetings, 1331st meeting, para. 3.

General Assembly had special significance for the Soviet people because it coincided with the fiftieth anniversary of the founding of the Soviet Union. It was characteristic of the Soviet Union that it had never instigated armed conflict, although it had repeatedly been the target of aggression by capitalist States. Despite the devastation caused by those attacks, the socialist system had succeeded in demonstrating its superiority over capitalism, as exemplified by the indisputable fact that in five decades the Soviet Union had out-distanced all countries except the United States of America in economic development, while in terms of its military and political power it was now ahead of that country in some respects. Many former great Powers had imposed their will on Czarist Russia, but no Power could dictate to the Soviet Union today and no important international problem could be settled without its participation. The Chairman in his opening statement at the 1174th meeting had referred to the threat to mankind represented by poverty in various parts of the world. That poverty was the result of the capitalist system.

16. In the Soviet Union there were no extremes of wealth and poverty and under the socialist system the former so-called colonial territories of Czarist Russia had become fully-fledged republics on a footing of equality with Russia itself both economically and politically. Moreover, in the years since the revolution the Soviet people had forgotten what racial inequality was. In the course of the "cold war" the Soviet Union had been made the object of a campaign of slander; that campaign, however, had not blinded the peoples of the world to the fact that it was the capitalist rather than the socialist system which had given rise to such ills as colonialism and the unemployment and poverty afflicting the countries which had finally evicted their colonial rulers and were now seeking to promote their own development. It was likewise the capitalist system which had given rise to world wars, fascism, nazism, racism, the United States aggression in Viet-Nam and Israel's aggression in the Middle East. It could safely be stated that, had it not been for the October Revolution, the requisite conditions for the liquidation of colonialism and for co-operation among peoples in the League of Nations and subsequently in the United Nations would not have existed.

17. The Soviet Union had always regarded the United Nations as an important means of maintaining the security of peoples and for that reason it attached the greatest significance to the work of the General Assembly committees. The way in which those committees dealt with the problems before them would determine to a large extent the effectiveness of the decisions taken by the United Nations for the maintenance of international peace and security and the realization of the purposes and principles set forth in the United Nations Charter. It was from that standpoint that the Fifth Committee should approach the problems before it. Among the most important of those problems was the fact that, despite the appeals for economy voiced at the twenty-first session by many delegations, the rate at which the budget estimates were increasing had not slackened. The reasons given for the continued rise in expenditures in the Secretary-General's foreword to the budget estimates

for the financial year 1968 were not satisfactory, for they failed to come to grips with the main problem, i.e. the tendency to increase expenditure without taking into account the financial capabilities of the United Nations. He welcomed the good start made by the Secretariat in presenting the estimates in a more informative manner in section 3 (Salaries and wages), but it would have to do more than that if it meant to carry out the recommendations of the Ad Hoc Committee of Experts. In that connexion, he drew attention to what the Secretary-General in his foreword to the budget estimates had called the fundamental problem of reconciling the total work programme and the total resources which Member States were prepared to make available for its implementation, and to the Secretary-General's appeal to the General Assembly for clearer guidance as to the rate of growth that it would be prepared to support.

18. As in the past, a considerable percentage of the expenditure provided for in the budget estimates covered the maintenance of the Secretariat. Expenditures for United Nations staff and related costs accounted for more than 54 per cent of the total budget estimates for 1968. That increase was attributable primarily to new posts. Attention had frequently been drawn to the need to simplify the structure of the Secretariat, to eliminate superfluous posts, particularly in the Department of Economic and Social Affairs, and to distribute staff more rationally among the various sections, but no action had been taken along those lines. Thus, the number of staff members had risen over the past five years by more than 1,500, and an increase of 371 posts was contemplated for 1968. At the same time, large sums were being spent for the services of temporary personnel, such as experts and consultants.

19. Drastic measures to halt those increases in staff expenditure were needed. A special group of experts should be set up to study the structure and organization of the Secretariat and to formulate recommendations with a view to increasing its effectiveness and reducing costs. Certain sections of the Secretariat were in the habit of submitting greatly inflated requests for funds. The proposed expenditure on the group of experts set up to study the situation of political prisoners in South Africa was a case in point. The request was more than twice as high as actual expenditure for that five-member group at the current time and was entirely out of proportion to the sum requested for the International Conference on Human Rights, in which more than 100 delegations were to participate. Moreover, in the revised estimates resulting from decisions of the Economic and Social Council at its forty-second and forty-third sessions (A/C.5/1114 and Corr.1) the Division of Human Rights was asking for an additional \$224,100. The Advisory Committee would do well to bring that request, too, into line with actual expenditures.

20. At the twentieth session his delegation had requested that the Secretariat, upon submitting the budget estimates each year, should report to the Fifth Committee any instances in which the volume of work in a particular section had been reduced or activities had been eliminated and measures had been taken to utilize the personnel thus released. It had likewise

requested information on the volume of work entailed by new programmes so that the proposed expenditures, for both existing and new posts, could be justified. That proposal had been repeated at the twenty-first session. He would appreciate it if the representative of the Secretary-General could tell the Committee what had been done in that connexion.

21. His delegation would express its views on the various sections of the regular budget in due course. He wished to state at once, however, that it was categorically opposed to the inclusion in the budget estimates for 1968 of illegal appropriations for the financing of measures which violated the provisions of the Charter, such as the payment of interest and instalments in principal in respect of the United Nations bond issue and expenditures in connexion with the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Memorial Cemetery in Korea. As in the past, the Soviet Union would not make contributions to help defray those expenses.

22. His delegation still held the view that it was improper to finance measures for the granting of technical assistance from the regular budget. The Soviet Union would continue to grant technical assistance to the developing countries on a broad scale by providing them with the services of experts, supplying equipment, and training specialists in Soviet educational establishments. In the light of those considerations, his delegation would again pay its share of the allocation for technical assistance in the regular budget in Soviet roubles.

23. His delegation supported the Advisory Committee's recommendation that the budget estimates submitted by the Secretariat should be reduced by \$5.6 million but it thought that, as far as the section relating to the Secretariat and certain other sections were concerned, the contemplated reduction did not go far enough. Because of its views on illegal expenses and the fact that the estimates were too high, his delegation could not support the budget estimates in their present form and would abstain when they were put to the vote.

24. Despite the many resolutions calling for equitable geographical representation in the Secretariat, the number of Soviet Union staff members was still well below the quota. That was particularly true of posts which were specifically subject to the principle of equitable geographic distribution: in the Office of Public Information, for example, Soviet nationals held only 7 out of a total of 104 such posts. The number of posts held by Soviet nationals at the D-1 and P-5 levels was unjustly small. The main reason for failure to carry out the General Assembly's resolutions on that subject was that those in charge of the administration of the Secretariat, particularly those in a position to decide personnel matters, were not taking the necessary steps to increase the number of staff members from under-represented countries, particularly the Soviet Union. His delegation's concern over that matter was shared by others, yet the Charter's provision concerning the importance of recruiting staff on as wide a geographical basis as possible was continuing to be ignored. Urgent measures should be taken to remedy that situation so that the

Secretariat could become a genuinely international body acting in the interests of strengthening peace and promoting international co-operation.

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

25. Mr. WAHAB (Malaysia) expressed appreciation for the efforts made by the Secretariat to implement the recommendations of the Ad Hoc Committee concerning budget presentation. The 1968 estimates provided more details and explanations than had been the case previously.

26. During the twenty-first session, at the 1135th meeting of the Fifth Committee, his delegation had stressed the need to attain financial equilibrium and to meet the demand created by the Organization's new activities by exercising financial economy and displaying initiative and resourcefulness. It was gratifying to note that, in its report on the revised estimates resulting from decisions of the Economic and Social Council at its forty-second and forty-third sessions (A/6854), the Advisory Committee had said that it should be possible not only to achieve substantial economies and improve the effectiveness of new programmes but also to establish a more disciplined rate of growth inasmuch as the Committee for Programme and Co-ordination and the General Assembly would be provided with added opportunities for looking at the new programmes in the over-all context of United Nations activities. His delegation agreed with the Advisory Committee (*ibid.*, para. 10) that, given proper deployment of staff, the increased work could be performed by fewer additional staff than had been sought by the Secretary-General.

27. The rapid growth in the budgets of the United Nations and the specialized agencies, which was illustrated in table 1 of the Advisory Committee's main report (A/6707 and Corr.1 and 2), was also a matter for concern. If it continued to grow at the same rate, the budget would have doubled in about eight years' time. Such growth placed the financial resources of small developing countries under very considerable strain. It could be seen from his foreword to the budget estimates for 1968 that the Secretary-General was fully aware of the problems posed by the rapid growth of the budget. As stated in paragraph 25 of the foreword, the General Assembly should give clearer guidance as to the rate of growth

that it would be prepared to support. The Malaysian delegation would support any meaningful resolution on those lines.

28. Mr. ZIEHL (United States of America) associated his delegation with the congratulations offered by the Chairman to the Soviet Union delegation at the 1181st meeting, in connexion with the successful landing by the Soviet Union of a space vehicle on the planet Venus.

29. It was with deep regret that he was compelled to exercise his right of reply to the intemperate remarks made by the Soviet Union representative. The Fifth Committee was a technical committee, not a political organ or a forum for propaganda. It had an important task to perform and had no need of political distractions. He would not attempt to rebut the charges made by the Soviet Union representative, because they were not a proper subject for discussion in the Fifth Committee. The United States was prepared at any time to debate the question of Viet-Nam in the appropriate organs of the United Nations. Its efforts to have the question discussed in the Security Council had been balked mainly by the refusal of the Soviet Union to support the inclusion of that question on the agenda. Yet the Soviet Union, as Co-Chairman of the Geneva Conference, bore a heavy responsibility in that regard.

30. Mr. KULEBYAKIN (Union of Soviet Socialist Republics) said that he had refuted the points just made by the representative of the United States of America when the same matter had been raised at the twenty-first session. He himself had not been indulging in propaganda but had simply wanted to warn the Committee that it might in the future have to face the financial consequences of the aggressive actions being perpetrated by certain Powers. It was essential to eliminate the hotbeds of tension created in various parts of the world. The Fifth Committee could not ignore the work being done by other United Nations organs and it was inevitable that its discussions should be coloured with political overtones.

31. He rejected the allegation that the Soviet Union bore a responsibility for peace-keeping in the Far East. It was not the Soviet Union which was attacking North Viet-Nam and dropping bombs on that country.

The meeting rose at 12.35 p.m.