



Chairman: Mr. Max H. WERSHOF (Canada).

AGENDA ITEM 73

Budget estimates for the financial year 1971
(continued) (A/7822, A/7937, A/7968, A/7987 and Add.1, A/8006, A/8008 and Add.1 to 5, 8 and Corr.1, 9, 10 and 12 to 15, A/8032, A/8033, A/8072, A/8122, A/8133, A/8209, A/8210, A/C.5/1296, A/C.5/1298, A/C.5/1302 and Corr.1 and Add.1, A/C.5/1303 and Add.1, A/C.5/1305, A/C.5/1307, A/C.5/1309, A/C.5/1310, A/C.5/1315 and Corr.1, A/C.5/1317, A/C.5/1319, A/C.5/1320 and Corr.1, A/C.5/1322 and Corr.1, A/C.5/1325 and Add.1, A/C.5/1328, and Add.1, A/C.5/1329, A/C.5/1331, A/C.5/1332, A/C.5/1333, A/C.5/1349, A/C.5/1358, A/C.5/L.1047/Rev.1, A/C.5/L.1058)

*Revised estimates (A/8008/Add.14,
A/C.5/1358)*

1. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General's report (A/C.5/1358) contained revised estimates for fourteen expenditure sections of the budget and revised estimates for three income sections. If those amounts were approved, the gross expenditure budget approved in first reading would be increased by \$8,390,100 to \$190,017,700 and the income estimates approved in first reading would increase by \$2,224,400 to \$31,609,300. The effect would be to increase by about \$6,166,000 the amount which Member States would be assessed in respect of the budget for the financial year 1971.

2. In its report on the question (A/8008/Add.14), the Advisory Committee had pointed out that the revised estimates submitted by the Secretary-General did not take into account all developments which had occurred since the Fifth Committee had taken its decision in first reading. In particular, they did not take into account the upward revisions arising from resolutions adopted or to be adopted by the General Assembly on the basis of recommendations of its Main Committees. On the other hand, they took fully into account the Fifth Committee's decision to recommend that salary scales for the Professional and higher categories be increased as from 1 July 1971: indeed, that decision was responsible for more than half of the anticipated additional expenditure. Another contributing factor was the Secretary-General's proposal that an amount of \$2 million be appropriated under section 7 of the

budget for new construction and major alterations to existing premises at Headquarters, in accordance with paragraph 3 of General Assembly resolution 2618 (XXIV). The Advisory Committee's observations in that connexion were set out in paragraphs 17 to 19 of its report. Other major factors contributing to the increase were listed in paragraph 6 of the Advisory Committee's report.

3. The report of the Advisory Committee dealt with the Secretary-General's proposals on a section-by-section basis and attempted to describe clearly and concisely the reasons behind them. In paragraph 32, it recommended a reduction of \$100,000 in the revised estimates for section 3. The reason was that, in conjunction with a General Service salary increase, the Secretary-General intended in 1971 to restructure General Service grade levels and scales. The cost of that restructuring was tentatively estimated at about \$100,000. The Advisory Committee believed that, before recommending the inclusion of budgetary provision for the restructuring of the General Service category, it should have an outline of the Secretary-General's proposal. If the Secretary-General came forward with firm proposals, the Advisory Committee would consider any related request for additional budgetary resources in connexion with supplementary estimates for the financial year 1971. The Advisory Committee therefore recommended additional revised expenditure estimates of \$8,290,100, and additional revised income estimates of \$2,224,400.

4. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation had explained its position in detail during the debate on the question of a salary increase for the Professional and higher categories and that it would not support the revised estimates for the budget sections affected by that increase.

5. As to the proposal for an additional appropriation of \$2 million for the construction of new premises at Headquarters, his delegation had stressed during the general discussion (1362nd meeting) that the question of the construction of new premises was closely related to the question of the distribution of United Nations offices among the various duty stations. It was also related to staff requirements, which could not be determined until the manpower utilization survey had been completed. Only then was it possible to judge whether most of the staff should remain in New York. In that connexion, consideration should be given to ways of improving the distribution of staff between United Nations Headquarters in New York and the United Nations Office at Geneva. A comparison of the number

of conferences held in New York and Geneva showed that Geneva had become the centre of the economic and social activities of the United Nations and an effort should be made to strike a balance between the Organization's activities in the two cities. Geneva offered a number of advantages, because of its proximity to most European capitals and because it had a lower cost of living than New York, which would make it possible, incidentally, to reduce administrative costs. His delegation joined the many delegations which had expressed their opposition to the construction of new premises in New York or the expansion of existing premises; some of those delegations, stressing the lack of safety, high cost of living and inflationary trends in the United States, had even suggested that United Nations Headquarters should be transferred to another city. The decision the Fifth Committee might take to appropriate \$2 million under section 7 for the construction of new premises would conflict with the Advisory Committee's recommendations in paragraph 32 of the report submitted at the twenty-fourth session.¹ His delegation remained opposed, as it had been at the twenty-fourth session of the General Assembly, to appropriating that amount under section 7.

6. Mr. TURNER (Controller) said that the Secretary-General was requesting an appropriation of \$2 million under section 7 of the budget for the financial year 1971, as the first instalment toward the cost of the Headquarters construction project which had been approved by the General Assembly at its twenty-fourth session. In its resolution 2618 (XXIV), the General Assembly had decided that the United Nations budgetary appropriations for the purpose of the Headquarters project should not in any circumstances exceed \$25 million to be spread over a period of ten years beginning in 1971. He recalled that the General Assembly had decided not to authorize the Secretary-General to proceed with the execution of the construction project until the necessary funds, other than those to be obtained by budgetary appropriations, were firmly pledged and committed, and until the Advisory Committee had reviewed and approved the financing plan. At the present time the City of New York had undertaken to provide \$20 million, UNICEF \$5 million and UNDP \$10 million. When taken together with the sum of \$25 million to be appropriated from the regular budget of the United Nations, the total was \$60 million. The remaining \$20 million was to be contributed by the United States. With regard to the latter contribution, the United States Senate had approved authorizing legislation for the payment, and the House of Representatives was soon expected to take favourable action in that connexion; moreover, the request for \$20 million in appropriations had been submitted by the President of the United States to the appropriate committees of the Congress. It should therefore be possible to submit the financing package to the Advisory Committee at the beginning of 1971 and the execution of the project should commence shortly thereafter. For his part, the Secretary-General was ready to pro-

ceed expeditiously. Accordingly, it would be necessary for funds to be available to defray costs to be incurred during 1971. The other participants in the financing of the project had every right to expect that United Nations funds would be used for early expenditures, since the appropriations provided by the Organization would be spread over a period of ten years. On the other hand, most of the funds provided by those participants would be spent long before the end of that ten-year period. The amount of funds to be drawn from the United Nations budget in 1971 would depend on the date on which the Advisory Committee gave its approval and on the negotiations with the various participants in the financing as to the actual expenditure of the funds. For the moment, the Secretary-General had felt that it would be reasonable to request an appropriation of \$2 million rather than \$2.5 million foreseen under the terms of General Assembly resolution 2618 (XXIV).

7. Mr. ESTABLIE (France) said that his delegation, too, felt that the situation with regard to the distribution of Secretariat functions among the various United Nations duty stations was not very satisfactory. At the twenty-fourth session, the General Assembly had adopted resolution 2618 (XXIV) requesting a report at its twenty-sixth session on how the relocation of units should be envisaged. His delegation awaited that report with the greatest interest. It was regrettable that construction plans had been adopted without due regard for the question of the future distribution of Secretariat functions. His delegation also had objections to the construction project and to its financing, and thought that the appropriation of \$2 million proposed for 1971 should not be used until the full details of the financing plan had been finalized and had been considered by the Advisory Committee.

8. Mr. FAROOQ (Pakistan) asked what would be the amount of the contribution of UNDP and UNICEF for 1971.

9. Mr. TURNER (Controller) said that that had not yet been determined and that the matter would be examined with UNDP and UNICEF. It would probably be a relatively small portion of the \$15 million which UNDP and UNICEF had undertaken to contribute to the project as a whole during the next ten years.

10. Mr. MSELLE (United Republic of Tanzania) pointed out that UNDP was in a very difficult position because it was being asked to contribute to the extension of the Headquarters premises at a time when it was considering the possibility of relocating its own offices away from New York. The Secretary-General had assured UNDP that in the event of a decision to transfer its offices away from New York, arrangements would be made to reimburse the funds it had contributed for the Headquarters extension work. He wished to know whether that assurance constituted an amendment to General Assembly resolution 2618 (XXIV).

11. Mr. TURNER (Controller) said that the Secretary-General did not consider that the assurance

¹ *Official Records of the General Assembly, Twenty-fourth Session, Annexes, agenda item 74, document A/7835.*

he had given to UNDP modified General Assembly resolution 2618 (XXIV).

12. Mr. TAITT (Barbados) asked whether, in his financing plans, the Secretary-General had considered the possibility that UNDP might be relocated away from New York.

13. Mr. TURNER (Controller) said that the financing plans prepared by the Secretariat did not allow for that contingency as, in any case, it was not imminent.

14. Mr. REFSHAL (Norway) observed that, under resolution 2618 (XXIV), to which the Controller had referred, the General Assembly had taken a decision on the substance of the question by authorizing the Secretary-General to proceed with the execution of the Headquarters project and by further deciding that the appropriations for that purpose should not in any circumstances exceed \$25 million to be spread over a period of ten years beginning in 1971. Consequently, the principle that the expenditure would be incurred could not be challenged. It was for the Secretary-General to determine the amount of the appropriation required for 1971, and he was ready to accept the appropriation of \$2 million recommended by the Secretary-General. In his view it was inconceivable that the United Nations should receive contributions from the Government of the United States and the City of New York without itself participating in the financing of the early work. The construction project did not exclude the possibility of relocating some units of the United Nations elsewhere, as indicated by paragraph 4 of resolution 2618 (XXIV), which requested the Secretary-General to undertake an inquiry on the subject. Moreover, even if the General Assembly decided to relocate some United Nations services elsewhere, the Headquarters of the Organization would remain in New York and the existing buildings would have to be extended. He therefore supported the Secretary-General's recommendation. Incidentally, he suggested that a sauna should be installed in the new buildings.

15. Mr. MORRIS (Liberia) said that he still thought that the Headquarters of the United Nations and its subsidiary bodies should remain in New York and that the present buildings should be extended. He would therefore vote in favour of the appropriation of \$2 million requested by the Secretary-General. He also supported the suggestion of the representative of Norway.

16. Mr. CASTRÉN (Finland) said that, if it was decided that a sauna would be included in the new facilities, the Finnish Government would contribute to its construction and equipment.

17. Mr. WOSCHNAGG (Austria) supported the Norwegian proposal concerning the installation of a sauna in the new buildings.

18. Mr. STOBY (Guyana) also supported the Norwegian proposal and wondered whether it would be possible, in view of the Finnish offer, to include a sauna in the building plans. On the other hand, he

considered that the United Nations agreements with the Chemical Bank and Cook's Travel Agency were not satisfactory and that more advantageous agreements could be concluded with other agencies. The Advisory Committee should study that question.

19. Mr. TURNER (Controller) said that the Secretariat would study the Norwegian suggestion and Finnish offer closely. He felt that the arrangements with the Chemical Bank and Cook's were very advantageous for the Organization.

20. The CHAIRMAN invited the Committee to take a separate vote on the revised appropriations for section 7.

An additional appropriation of \$2 million under section 7 was approved by 56 votes to 8, with 6 abstentions.

21. The CHAIRMAN invited the Committee to vote on the revised estimates as a whole.

The recommendation of the Advisory Committee (A/8008/Add.14, para. 32) for an additional appropriation of \$8,290,100 and for an increase of \$2,224,400 in the estimate of income was approved by 63 votes to 10, with 1 abstention.

22. Mr. DAO (Mali) said that he had abstained in the vote on section 7 because of the feeling of insecurity among the diplomatic community in New York. The extension of Headquarters premises in New York imposed on the host country the obligation to take stronger measures to ensure the security of diplomats.

23. Mr. FLEMING (Argentina) said that he had voted in favour of the revised estimates although he had certain reservations concerning section 12.

The meeting was suspended at 11.55 a.m. and resumed at 12.5 p.m.

TRIBUTE TO MR. JAN P. BANNIER, CHAIRMAN OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS

24. Mr. BELYAEV (Byelorussian Soviet Socialist Republic), speaking on behalf of the Eastern European group of countries, Mr. KEENLEYSIDE (Canada), speaking on behalf of the Western European and other States, Mr. IHAMA (Nigeria), speaking on behalf of the African group, Mr. AL-SHARAFI (Yemen), speaking on behalf of the Asian group and Mr. BERGER (Chile), speaking on behalf of the Latin American group, expressed to Mr. Bannier their deep regret at his decision to resign from the chairmanship of the Advisory Committee on Administrative and Budgetary Questions, which he had held for seven years, and paid tribute to his outstanding qualities, his devotion to the ideals of the United Nations and to the important contribution which he had made to the Organization.

25. Mr. SERBANESCU (Romania), speaking personally as a member of the Advisory Committee, said

that, as in the case of Mr. Aghnides seven years earlier, the Advisory Committee was again losing a great Chairman, Mr. Bannier. His broad experience, his keen judgement, his dynamism and his stamina had enabled the Advisory Committee to acquit itself of many important tasks.

26. Mr. RHODES (United Kingdom), speaking personally as a member of the Advisory Committee, pointed out that Mr. Bannier had successfully managed to reconcile the points of view of different cultures, regions and opinions. He had been guided in his actions by the principles of parity, clarity and charity: parity among all members of the Advisory Committee and among all Member States in general, clarity of thought and expression, and the charity of a man who was a human being in the fullest sense of the word. If occasionally he had shown some particularly Dutch characteristics, including stubbornness, it was always in pursuit of his constant goal, the greater good of the United Nations. His was a job superbly done.

27. Mr. BENDER (United States of America), speaking personally as a member of the Advisory Committee, said that only those who had had the privilege of working with Mr. Bannier could truly appreciate the extraordinary contribution which he had made to the United Nations. He hoped that in one way or another the United Nations might continue for many years to benefit from his experience.

28. Mr. PALAMARCHUK (Union of Soviet Socialist Republics), speaking personally as a member of the Advisory Committee, thanked Mr. Bannier for his contribution to the United Nations. Despite differences of opinion, all the members of the Advisory Committee, acting together under the expert leadership of Mr. Bannier, had always endeavoured to find common solutions to the problems facing the United Nations.

29. Mr. STARK (Under-Secretary-General for Administration and Management), speaking on behalf of the Secretary-General and all heads of departments, said that the resignation of Mr. Bannier left a gap that would be difficult to fill: it was about as difficult to imagine the Advisory Committee without Mr. Bannier as the United Nations without the Advisory Committee. He stressed the extraordinary energy Mr. Bannier had always shown and the value and wisdom of the advice he had given the Secretary-General and his colleagues, and said he was sure that Mr. Bannier's success was due primarily to his deep devotion to the United Nations.

30. The CHAIRMAN paid a tribute to Mr. Bannier on behalf of the officers of the Fifth Committee.

31. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) thanked the preceding speakers for their kind words about him and said that he had been very touched by them. He had represented his country in the Fifth Committee for some ten years and had been Chairman of the Advisory Committee for seven years. During that time, he had always tried to reconcile differences

of opinion in the higher interests of the Organization and hoped that he had achieved some success in doing so. He wished to express his gratitude to the representatives of all the regions of the world who had constantly collaborated with him in the common cause in a spirit of friendship and understanding, despite different origins, cultures and opinions. He had been especially touched by the sentiments expressed by the four members of the Advisory Committee, who clearly demonstrated the spirit in which that important body worked, and by Mr. Stark, on behalf of the Secretariat: if, by the very nature of its functions, the Advisory Committee sometimes had to criticize the Secretariat, he could only have praise for the spirit of co-operation shown by the Secretary-General and his representatives, and that close and sincere co-operation would remain in his memory as one of the most positive aspects of his work at the United Nations. He paid very special tribute to Mr. Turner, the Controller, whose faith in and devotion to the United Nations had been a constant source of inspiration for him.

32. Speaking in his personal capacity, and viewing in retrospect all those years of work and experiences, he voiced a few personal and provisional thoughts on certain aspects of the Organization's functioning.

33. Of course, he was still too close to day-to-day practices, little achievements and little frustrations to be able to evaluate objectively the effectiveness and impact of the work done by the representatives of Member States, the officials in the Secretariat and all those who served the Organization. He was still a strong believer in the common cause, notwithstanding the clearly apparent fact that national, regional, ideological and racial interests tended to blur the ultimate goals of the United Nations: peace and prosperity for all. He did not believe that rifts due to those other interests would eventually undermine the Organization, and was convinced that reason, maturity and humanity were still characteristics of the human race and were bound to prevail in today's rapidly integrating world.

34. The success of the United Nations depended, first, upon the interest and support of Member States and, secondly, upon the quality, effectiveness and impartiality of the Secretariat at all levels. Political support was, of course, fundamental. However, there was much room for improvement in the relationship between what Member States regarded as their interests and what they were prepared to contribute to the Organization by direct input in material terms and in terms of harmonizing their respective policies and positions. There were States which expected achievements in limited areas of the Organization's activities and tailored their support accordingly. There were States which weighed their support and contribution in terms of their position in the power-balance of the Organization. There were States which claimed that their shares in the manpower needed by the Organization should precisely match their financial contributions. All those demands were understandable but they placed too great a burden and restriction on potential activities. Member States, except perhaps for the small-

lest and poorest ones, had never experienced real budgetary difficulty in meeting their financial obligations to the Organization. On the other hand, Member States were entitled to know that their contributions were used to optimum effect, although there was a limit to what the Organization could do with its own resources. If optimum effect for the universal benefit of the world community became the sole guiding principle for United Nations activities, the differences of opinion between the major contributors and other countries regarding the interest of the Organization, its activities and its budget would soon disappear. Being an optimist, he was beginning to see signs that those differences were getting smaller.

35. However, there was an even greater danger, which threatened the very existence of the United Nations: that was the gap between the developed and the developing countries, which was still growing wider even though not a single State wished it to exist. If that trend could not be halted and reversed, the future of the United Nations would be seriously endangered. It was in that area that immediate efforts should be made to reconcile the purposes of the United Nations with the financial resources that Member States were prepared to make available in support of those purposes. However, that had to be done with a degree of order and discipline in the whole process of programme-building, and it was essential to adopt a more realistic attitude to the financial needs of the Organization. It was impossible to talk in all good conscience of a given budgetary growth rate at a time when inflationary trends throughout the world already exceeded that rate.

36. On the other hand, the United Nations could not acquire a reputation for integrity and efficiency in the eyes of world public opinion if it did not set itself a work programme which was realistic, financially feasible and responsive to the most important and pressing needs. Consequently, there had to be some selection and an order of priority if the relatively small resources available were not to be frittered away with little or no positive results. It was encouraging to note an increased awareness of that requirement at the United Nations and of the need to set aside traditions, existing procedures and established rights to achieve that end.

37. He felt that, notwithstanding the efforts by successive Secretaries-General and a great sense of devotion to duty among the staff, the Secretariat was not perhaps the effective and efficient principal organ of the United Nations that had originally been envisaged. Because of the extraordinary pressures brought to bear on the Secretary-General and his principal advisers by Member States, quality and ability had at times been sacrificed in the interests of a rapid improvement in the geographical distribution of the staff. It was true

that certain specific interests were quite legitimate, but then the Secretariat should not be blamed for any decline in productivity. The concept of an international civil service had been challenged. Of course, there was a need for a broader selection of staff from among the various nationalities in order to retain the independence of an international administration, but he considered it vital that quality and competence should always prevail in the Secretariat.

38. During the preceding five years, the Secretariat had been subjected to the most thorough examination in its history. It had been a necessary but costly operation, and it had placed a heavy burden on the staff. It might be asked whether the results had been commensurate with the costs and efforts involved. In any event, it should be borne in mind that there was a definite limit to the amount of pressure and frustration that the Secretariat could take without suffering a loss of efficiency. There should also be stricter observance of the boundary lines between the authority of the General Assembly and that of the Secretary-General.

39. He wished to refer to one positive development which he had witnessed during his years with the Fifth Committee and the Advisory Committee. Both had once been regarded almost as necessary evils, as an isolated element in the General Assembly concerned with matters of administration that were often seen as unimportant. They were now much more respected, and it was to their credit that there was much better interaction between the processes of programme-building, programme review, budget review and the financing of the United Nations. That proved that healthy developments could take place without any change in the rules and practices of the General Assembly, but merely through the application of common sense.

40. He wished to emphasize the importance of the new ideas which had been expressed at the current session with regard to the relationship that should be established between the programme and the budget. His own view was very close to the ideas expressed by the Netherlands representative at the 1418th meeting.

41. He had been asked for his views on the future of the Advisory Committee and on how it should develop so as to be of maximum benefit to the General Assembly and Member States. Although he thought it was too early for him to offer a detailed opinion, he felt that the Advisory Committee should continue to be a relatively small expert body whose members would serve in their personal capacity and give a major part of their time and energy to the Committee's duties.

The meeting rose at 1 p.m.