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Chairman: Mr. Harry MORRIS (Liberia).

QUESTION RAISED BY THE REPRESENTATIVE OF
CEYLON RELATING TO AGENDA ITEM 76

1. Mr. AMERASINGHE (Ceylon) said that he wished to raise a point relating to the discussions which the Fifth Committee was to hold on Friday, 3 November 1967, on appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly. He had been surprised to learn from the note by the United Nations Administrative Tribunal in document A/INF/123 that the Tribunal had already proceeded, on 17 October 1967, to re-elect its President and its Second Vice-President, whose terms of office expired on 31 December 1967, before the Fifth Committee had decided whether to re-appoint those persons. Even if its rules allowed it to do so, the Administrative Tribunal, by acting in that way, had presented the Fifth Committee with a fait accompli and put it in an awkward and illogical position. He hoped that such a regrettable situation would not recur.

2. The CHAIRMAN assured the representative of Ceylon that his comments would be duly conveyed to the Administrative Tribunal.

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/6878, 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.5/1132, A/C.5/L.901, A/C.5/L.908)

General discussion (continued)

3. Mr. ZYBYLSKI (Poland) complimented the Secretary-General on having taken a first step towards the complete standardization of budget presentation recommended by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies in its second report,^{1/} by

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

making several useful changes in the presentation of the budget estimates for the financial year 1968 (A/6705 and Corr.1). The new distribution of expenditure under section 3 (Salaries and wages) by main departments and offices paved the way for a similar distribution by field of activity, as suggested by the Ad Hoc Committee, which would naturally make for tighter budgetary control. Similarly, as the Advisory Committee on Administrative and Budgetary Questions had pointed out, a more detailed breakdown of expenditures would make it easier to evaluate budget performance during the financial year. That was especially true of the economic and social field, where an evaluation of the results of the various programmes would help Member States to assess budget performance more accurately. While the intentions expressed and the measures adopted by the Secretary-General were encouraging, practical steps would have to be taken to rationalize the activities of United Nations bodies, to fix priorities, to formulate programmes and to establish their cost. As recommended by the Ad Hoc Committee, the aim should be programme planning—in other words, a rate of budgetary growth approved by the General Assembly, as the Secretary-General had requested. His delegation did not consider that to fix such a rate would be tantamount to limiting the essential activities of the various United Nations offices. Indeed, it believed that such planning would enhance the efficiency of the Organization and result in savings—two goals which were not incompatible but complementary. If the funds which the Organization needed to perform its tasks were to be judiciously spent, it was essential to rationalize the organization of work and its distribution among the various United Nations organs and Secretariat departments. His delegation was glad to note that the Secretary-General intended (see A/C.5/1128, para. 17) to appoint a small team of experts to consider the problem of reorganization of the Secretariat and make recommendations on the subject to him.

4. With regard to the budget estimates for 1968, his delegation noted that a large percentage of the expenditure was for the operation of the Secretariat. Staff costs and related expenses accounted for almost 60 per cent of the total. While the increase in section 3 was largely attributable to the creation of new posts, it was due also to the need to increase the post adjustment for Headquarters staff in New York, because of the rise in the cost of living in the United States resulting mainly from the war in Viet-Nam. It was regrettable that an organization called upon to maintain international peace and security should be in financial difficulty because its headquarters was in a country whose international conduct left much to be desired. The time had therefore come to minimize the influence of the United States economy on the budget of the

United Nations. The Government of the United States of America had not acceded to the Convention on the Privileges and Immunities of the United Nations, and the Headquarters Agreement which it had concluded with the United Nations not only departed from the Convention but was much less complete than similar agreements concluded by the specialized agencies. For example, international officials of IAEA, at Vienna, had a number of customs and other privileges for purchases or imports of provisions or equipment, which meant that the Austrian economy had much less of an influence on the level of the Agency's staff costs than the United States economy had on the cost of living of United Nations staff in New York. That state of affairs must be remedied.

5. His delegation associated itself with other delegations which had deplored the inadequacy of the resources devoted to technical assistance and it was prepared to support any measure designed to increase those resources by eliminating activities which were detrimental to international co-operation because they were undertaken in violation of the United Nations Charter. In the first place, the United Nations Commission for the Unification and Rehabilitation of Korea should be abolished and no more money should be spent on the maintenance of the United Nations Memorial Cemetery in Korea. Poland was prepared to participate in the financing of fruitful activities in the sphere of international relations but it declined to contribute to the maintenance of cold war symbols. Similarly, it remained firmly opposed to the inclusion in the budget estimates for 1968 of illegal expenses, such as the payment of interest and the repayment of principal for the United Nations bonds.

6. When the Fifth Committee had examined the supplementary estimates for the financial year 1967, it had considered certain expenditures incurred to compensate for damage suffered by staff and by certain United Nations installations in the Middle East during Israel's armed attack against the Arab countries. If that problem was not very carefully watched, it might have considerable budgetary implications for the Organization. With reference to the Secretary-General's report on the United Nations Emergency Force (A/6672), he recalled that Israel's armed forces had been guilty of stealing and looting UNEF property. They had made off with a considerable amount of equipment, including vehicles in working order which they had subsequently used. Despite strong protests from the Secretary-General, Israel, not content with committing crimes against the Arab population of the territories it had conquered, had also caused considerable damage to United Nations personnel and installations and was refusing to make amends. His delegation, confining itself strictly to financial matters, therefore invited the Secretary-General to take the necessary measures in that connexion.

7. Lastly, his delegation supported the Advisory Committee's recommendation for the reduction of \$5.6 million in the Secretary-General's estimates for 1968.

8. Mr. LOPEZ (Philippines) said he was seriously concerned that the financial position of the United Nations was steadily deteriorating and that further

voluntary contributions of at least \$36.5 to \$38.5 million would be needed to restore its solvency. Moreover, that estimate did not include the shortfall for the United Nations Emergency Force and the United Nations Peace-keeping Force in Cyprus. Only just over half the total assessments for 1967 had so far been paid. On 31 December 1966 unpaid contributions to the regular budget had amounted to over \$30.4 million and it was feared that there would be an even larger deficit at the end of the current year. The financial difficulties of the Organization could be solved only if Member States, particularly the more developed, made sizable voluntary contributions. Unfortunately, they were not doing so. Indeed, the representative of a certain country had actually told the Committee that his Government refused to contribute to certain items in the budget which it considered, quite unilaterally, to be illegal. The Philippine delegation could only reiterate the Secretary-General's plea to the great Powers to assist, in accordance with the principle of collective financial responsibility and without prejudice to their positions of principle, in overcoming the Organization's financial difficulties, so as to enable it to meet its commitments for the maintenance of international peace and security. The position of principle which some Members had adopted in order to evade their financial obligations should be laid aside for a greater and nobler end.

9. With regard to the budget estimates for 1968, which already totalled over \$141 million, his delegation fully supported the reductions recommended by the Advisory Committee and was glad that they were not contested by the Secretary-General. Additional funds naturally had to be provided to meet the increase in activities requested by Member States. However, his delegation had difficulty in supporting the Secretary-General's proposal (A/6705 and Corr.1, foreword, para. 25) that the General Assembly give him some clearer guidance as to the rate of growth it would be prepared to support in regard to those activities, either annually or over a longer period of time. If a ceiling was established, development programmes, even urgent ones, would have to be abandoned or postponed once the ceiling was reached. Programme and budget had to be reconciled, particularly in the economic and social field, but the solution lay not in establishing a ceiling but rather in gearing the programmes to the amounts which could reasonably be expected from the annual pledging conference and perhaps from additional voluntary contributions from the developed countries.

10. In his report (A/C.5/L.1113 and Corr.1 and 2) the Secretary-General suggested an increase in the salaries of members of the International Court of Justice and in the duty allowance of its President and Vice-President. Unlike other officials of the Organization, judges did not benefit from any adjustment in their salaries to compensate for rises in the cost of living and the consequent decline in their purchasing power. Moreover, Article 16 of the Statute of the International Court of Justice stated that no member could engage in any other occupation of a professional nature.

11. In view of the important role played by the Court in the peaceful settlement of disputes, its members

should receive salaries which ensure their complete independence and attracted eminent international jurists. His delegation therefore recommended that the Committee approve the Secretary-General's proposal for increases in the salaries and pensions of members of the Court.

12. Although he agreed that the Secretary-General's request for new posts should be considered in the light of the need for economy and existing vacancies, additional posts were clearly needed in certain areas of activity, especially that of human rights.

13. The work programme of the Secretariat division concerned was unusually heavy because of the International Conference on Human Rights to be held at Teheran and the observance of the twentieth anniversary of the Universal Declaration of Human Rights. His delegation was all the more willing to support the Secretary-General's proposal for additional posts in that division as the General Assembly and the Economic and Social Council had approved a new programme calling for a closer study of such violations of human rights as racial discrimination and apartheid. It was also important to bear in mind the decline in the proportion of the Organization's financial resources, by comparison with the 1956 budget for example, allocated to the human rights fields, in which after all lay the basic objective of the United Nations.

14. In conclusion, he commended the Secretary-General and his staff on the presentation of the budget estimates and on the changes made in accordance with the Ad Hoc Committee's recommendations.

15. Mr. RHODES (United Kingdom) said that, according to his delegation's reckoning, the deficit of the United Nations now represented about half of the new appropriations proposed for 1968. The deficit would undoubtedly increase so long as some Member States refused to participate in the financing of certain items of expenditure approved by the General Assembly. Several delegations, including that of the United Kingdom, had already appealed to those Member States to make voluntary contributions to help re-establish the Organization's financial solvency.

16. The United Nations must honour its commitments with regard to the servicing of the bond issue. The United Kingdom's position in that matter was unchanged. He hoped that the Committee would not recommend any measure which might cast doubt on the financial integrity of the Organization, or call into question any of the terms on which the bonds had been issued. It should be remembered that the United Nations had borrowed a very large sum on much more generous terms than current market rates.

17. Referring to the budget estimates for 1968, he stated that his delegation had never shared the doubts which had been expressed by others, and which had been largely dispelled during the current debate, concerning the economy measures recommended by the Advisory Committee. That Committee's work had proved particularly useful when the United Nations had been faced with the need to expand or reorganize some of its functions. Members should not underrate the Advisory Committee's views or presuppose that

adoption of its recommendations would justify supplementary credits at a later date. On that point he shared many of the views expressed by the representative of Japan (1186th meeting).

18. The Committee had before it certain proposals whose financial implications amounted to \$700,000, and other proposals involving additional expenditure might well be presented before the end of the current session. His delegation would support the estimates for 1968 as modified by the Advisory Committee's recommendations. It would also support that Committee's recommendations concerning the salaries and pensions of members of the International Court of Justice (A/6861) and the Secretary-General's proposal for the reorganization of the top echelon of the Secretariat (A/C.5/1128). In reply to the statement made on 19 October by the representative of the Soviet Union (1182nd meeting), he observed that the United Kingdom was not ashamed that its nationals had played a large part in the development of the United Nations. It was perhaps not unnatural that persons with ability, who had dedicated their career to the United Nations whatever their nationality, show now have reached the top.

19. The United Nations was faced with another most difficult and important problem, that of ensuring efficient administration and prudent financial management. The last part of the Secretary-General's foreword to the budget estimates for 1968 seemed to provide a basis for a solution. If the remarks made there were taken as a starting point, some of the other problems would fall into place, and many suspicions and hesitations would disappear. It would become easier to reconcile the processes of programme preparation and budgeting. The respective roles of the Advisory Committee and the Committee for Programme and Co-ordination would emerge more clearly and it would be possible to deal more objectively with such questions as the presentation of the budget and a biennial cycle.

20. All those problems had a bearing on the question of unforeseen and extraordinary expenses. It was necessary to define such expenses and to ensure that the rules relating to transfers and the submission of supplementary estimates were consistent with the developing needs of the Organization. His Government believed that the Secretary-General should have authority to incur expenditure within limits, but without prior authority, in genuine emergency situations. The provision of United Nations emergency relief in natural disasters was clearly in that category. It would not, however, be appropriate to delegate to the Secretary-General authority to incur expenditure in all unforeseen situations. The difficulty was to find a definition which allowed him sufficient latitude but did not expose him to pressures for expenditure which was neither urgent nor essential.

21. It was tempting to seek the answer to all those problems in planning. However, planning should remain a means and not an end in itself. He advised caution in the use of the term "advance planning", which was appearing in documents and seemed to be given some special meaning. Planning in the United Nations should take account of both sides of the equation—requirements and resources. Such a statement

might well conjure up the bogey of budgetary ceilings for some people. But that ghost, an illusion, would have to be laid if the Organization's problems were to be solved and its financial affairs put in order. His country's over-all contribution to the United Nations was far in excess of its assessed contribution to the regular budget. In the context of the total funds provided by his Government, including voluntary and other contributions, its assessed contribution to the regular budget was insignificant. Perhaps the bogey of a budgetary ceiling could be similarly cut down to size. The Committee might then be able to discuss the very substantial issues before it and consider constructively how best to answer the Secretary-General's request for a financial framework within which work programmes could be planned and priorities established.

22. Mr. JONCKHEER (Netherlands) thought there could be no doubt of the importance of the work entrusted to the Committee and of the decisions it was expected to take. The documentation of the budget was more voluminous than ever, which in itself was no virtue, but it was replete with new ideas and useful information offering an excellent basis on which to work.

23. The problems confronting the Committee were interrelated: reconciliation of the total work programme with the available resources, the changes in the form of the budget, the budget cycle, the definition of unforeseen and extraordinary expenses, the authority of subsidiary organs, the programme of conferences, documentation and the reductions proposed by the Advisory Committee. All those problems had to be solved together, and it therefore would be wise to proceed cautiously. The Fifth Committee now had to consider the work of the Economic and Social Council over a number of years in the field of co-ordination, long-term planning and the establishment of priorities, work which had been strongly stimulated by the recommendations of the Ad Hoc Committee that had been endorsed by the General Assembly at its twenty-first session. His delegation earnestly hoped that the Secretariat and the Advisory Committee would help the Fifth Committee by submitting consolidated reports and firm recommendations.

24. The Organization was definitely moving from ad hoc functioning to a more systematic and planned development of its future activities. His Government welcomed that trend, but not out of a desire to put a stop to the growth of United Nations activities. It was in no way opposed to further growth, provided it was an orderly growth based on sound planning and taking into account the real needs and the physical possibilities of meeting them under an order of priorities, with less urgent or outmoded activities being eliminated. His Government did not therefore believe that the solution lay in fixing a target figure of growth. Paradoxically, past experience showed that although there had never been a ceiling on the growth of the Organization's activities, there had in practice been a reasonable percentage growth which, in terms of money, had not been excessive.

25. The changes already made in the budget presentation were very real improvements, but the budget was still not an instrument on which policy

decisions could be accurately based. What was needed was a budget of programmes rather than one of figures; it should contain an enumeration of existing activities and new activities based on decisions of substantive organs and Secretariat plans and presented in an order of priorities according to a long-term programme and to the costs per activity. The ideal arrangement would be for such a draft budget of programmes to be submitted during the year to the Committee for Programme and Co-ordination, the Economic and Social Council, the Advisory Committee and, finally, to the General Assembly. The best results would be obtained if those bodies sought to replace old activities by new ones or to postpone proposed activities of a non-urgent character to the following budget period. The system would, moreover, make it possible to add really urgent activities, to resolve more or less automatically the difficulties which many delegations now had with the supplementary estimates and to avoid the free interpretations given by some subsidiary organs to their terms of reference. That procedure would not of course apply to activities relating to the maintenance of peace and to their final implication. The procedure could be successful only if Member States were willing to co-operate. Moreover, no progress could be made unless co-ordination between the organs of the United Nations were strengthened. The cause of most of the difficulties was to be found in the existing procedure, under which any substantive organ could make its own decisions without having a comprehensive budget before it.

26. On the question of the conference programme and documentation, he feared that the Committee on Conferences would not be in a position to submit a report which would oblige the General Assembly to cut the programme of conferences to manageable proportions. In that matter, too, the procedure he had outlined would automatically produce results. A well-planned programme of conferences included in the draft budget and not presented as a compilation of all the decisions taken at the end of the year would undoubtedly have its effect on future conference plans. The same might also be true of documentation. He noted, in conclusion, that the way in which the solution of the problems was sought was at the moment less important than the solution itself.

27. Mr. KULEBYAKIN (Union of Soviet Socialist Republics), speaking in exercise of his right of reply, said he wished to explain his country's position on some of the financial problems of the United Nations. He would like to draw the Philippine representative's attention to the fact that the Organization's financial situation was the result of military and aggressive acts perpetrated by certain Member States. The contributions of States, both large and small, could be continually increased without lessening the threat to peace. The need was for all Member States collectively to be able to act promptly in order to prevent certain Member States from embarking on military and aggressive adventures. The major Powers, including the Soviet Union, were prepared to make voluntary contributions, but not to cover illegal expenditures connected with imperialist activities. The Soviet Union had no part in the crises in Korea, the Congo, Cyprus and the Middle

East. The responsible parties were certain well-known Member States. If all delegations had supported the Soviet Union when it had sought to prevent the crises, it would not have been necessary to resort to a bond issue.

28. The basic problem was not the financial deficit but the taking of political decisions which violated the Charter. The United Nations had been founded to protect the well-being of mankind and its hope was the Charter. It was only through scrupulous observance of the Charter, particularly in political matters, that the Organization's solvency could be assured. For that reason, the Fifth Committee was not merely a technical body; it was linked with all the political organs of the United Nations and could exert an influence on them.

29. As the Polish representative had pointed out, Israel's acts in committing aggression and pillaging not only the Arab States but also the property of the Organization had given rise to financial implications. If a Member State violated the Charter and committed aggression against its neighbours, must the other Members of the Organization pay the bill?

30. Replying to the United Kingdom representative's remarks on the question of staff, he observed that the United Kingdom did not have a monopoly of posts in the Secretariat. Other countries had officials of fully equal ability.

31. Mr. LOPEZ (Philippines), replying to the representative of the Union of Soviet Socialist Republics, said that the Soviet Union could adopt whatever decisions it wished as a sovereign State, but as a Member of the United Nations it was bound to observe "the rules of the game", for instance, the rule of the majority and compliance with the decisions of such bodies as the International Court of Justice. It was obvious that if everyone interpreted the rules of the game to suit himself, the rules would cease to exist.

32. Mr. RHODES (United Kingdom) said that the representative of the Soviet Union had apparently misunderstood his statement. He had not claimed that his country had a monopoly of any kind.

33. Mr. CALEFF (Israel) took exception to the remarks of the representative of the Soviet Union concerning the part his country had played in the recent crisis in the Middle East.

34. With regard to the comments of both the Soviet Union and the Polish representatives, Israel might have fallen victim to the aggression against it to the point of complete annihilation. It had had to resist the aggression and repel it simply in order to survive, and in the process it had paid a heavy price in loss of life and extensive damage to its economy. Israel would not countenance any reference to itself except from that basic point of view.

35. Mr. KULEBYAKIN (Union of Soviet Socialist Republics) said that he had understood very well what the United Kingdom representative had meant. With regard to Israel, he realized how difficult it was for that country to offer a reply, as it was the aggressor.

36. In reply to the Philippine representative, he said that the Soviet Union had made no undertaking to observe any "rules of the game"; it assumed the responsibilities that arose out of the Charter. The point at issue did not relate to the International Court of Justice but the Security Council, since the question was maintenance of peace. He referred the Philippine representative in that connexion to the Chapters of the Charter relating to the Security Council.

37. Mr. ZYBYLSKI (Poland) said that he had referred simply to an official United Nations document which set out facts that were not subject to interpretation. Israel would like to put the victims in the dock, but that in no way altered the facts.

The meeting rose at 12.45 p.m.