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Chairman: Mr. Najib BOUZIRI (Tunisia).

AGENDA ITEM 76

Budget estimates for the financial years 1965 and 1966 (continued) (A/5799 and Corr.1; A/5805, A/5807 and Corr.1; A/5940 and Corr.1; A/5969, A/5995, A/5996, A/6005, A/6007 and Corr.1; A/6050, A/6137, A/6138 and Corr.1; A/6144; A/C.5/1009 and Corr.1; A/C.5/1011, 1014, 1025 and Corr.1; A/C.5/1027, 1035-1038, 1040, 1042, 1045, 1046; A/C.5/L.833, L.836, L.855)

Budget estimates for the financial year 1966 (continued) (A/5799 and Corr.1; A/5805, A/5807 and Corr.1; A/5940 and Corr.1; A/5996, A/6005, A/6007 and Corr.1; A/6050, A/6137, A/6138 and Corr.1; A/6144; A/C.5/1009 and Corr.1; A/C.5/1025 and Corr.1; A/C.5/1027, 1035-1038, 1040, 1042, 1045, 1046; A/C.5/L.833, L.836, L.855)

First reading (continued) (A/C.5/L.833)

SECTION 20. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (A/6005, A/6007 AND CORR.1, A/6144; A/C.5/1042)

1. The CHAIRMAN said that in his initial estimates (A/6005) the Secretary-General had requested an appropriation of \$7,024,400. In its main report (A/6007 and Corr.1, para. 357), the Advisory Committee on Administrative and Budgetary Questions had recommended an appropriation of \$6.8 million. The Secretary-General had since submitted revised estimates (A/C.5/1042), as a consequence of decisions taken by the Trade and Development Board, in the amount of \$6,220,600. In its related report (A/6144 para. 16), the Advisory Committee recommended an appropriation of \$5,820,600, representing a reduction of \$400,000 in the estimate proposed by the Secretary-General.

2. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's comments on the appropriations initially requested for the United Nations Conference on Trade and Development ap-

peared in paragraphs 346 to 357 of its main report (A/6007 and Corr.1), which had not yet been considered by the Fifth Committee. That the Fifth Committee was required to take a decision on section 20 of the budget estimates at an unusually late stage was due to the delay resulting from recent decisions of the Trade and Development Board and to the fact that the Conference was still at the preliminary stage of organizing its work.

3. The Advisory Committee had recommended a reduction of \$224,400 in the initial estimates under section 20 of the budget estimates for 1966, for the reasons stated in its main report. Those reasons were still valid, but the Committee had nevertheless thought it necessary to revise its recommendations in the light of new developments.

4. The initial estimates had contained a provision of \$2 million for the second session of UNCTAD, including \$250,000 for preparatory work. Although the second session of the Conference had been postponed until 1967, the revised estimates showed an increase of some \$950,000, as compared with the initial estimates, for the other expenditure items as a whole. The Advisory Committee had taken into account the difficulty experienced by the Secretaries-General of the United Nations and of UNCTAD in preparing precise estimates. It had also recognized the importance which all Member States attached to setting up the organs of the Conference, and the need to strengthen the supporting services, particularly the language services, both at Geneva and in New York. However, the Advisory Committee had duly kept in mind the rules of financial control which it was required to apply; moreover, it had been bound to bear in mind the concern for economy which had been expressed in the Fifth Committee, particularly during its consideration of section 3 (Salaries and wages) of the budget estimates.

5. In regard to additional requirements in the substantive fields, he drew the Committee's attention to paragraphs 8 and 9 of the Advisory Committee's report (A/6144). The Advisory Committee was not entirely satisfied that it was necessary to increase the number of professional posts. It had recognized that recruitment was proceeding satisfactorily, but still doubted that the experience obtained thus far was sufficient to justify the staff increases now requested.

6. The Advisory Committee had made no specific recommendations concerning the areas in which the proposed reductions should be applied, but considered that they should be distributed more or less evenly among all branches of the UNCTAD secretariat. Those reductions appeared necessary in the present

circumstances, and they were not likely adversely to affect the work of the UNCTAD secretariat.

7. Mr. PREBISCH (Secretary-General, United Nations Conference on Trade and Development) began by thanking the Advisory Committee for the understanding it had shown of the difficulties encountered by the Conference and for the latitude it had left him in the use of the resources given him, which had enabled UNCTAD to proceed with its work in favourable conditions throughout 1965.

8. Where the estimates for 1966 were concerned, he stressed that too great a reduction should not be applied to the appropriation requested, for the new organization had need of a reasonable increase in its staff if it was to carry out satisfactorily the highly complex tasks which would be entrusted to it and to service the very numerous meetings scheduled for 1966.

9. With regard to staff, he was happy to be able to announce that seventy professional staff members, i.e., one more than initially estimated, had already been appointed and were ready to start work. Recruitment had thus progressed most satisfactorily, particularly in view of the fact that the location of the Conference secretariat's headquarters had been chosen very recently and that the appointment of many staff members had obviously been delayed as a result. He was sure that the staff already approved for 1966, including the eleven new professional posts requested in the revised estimates (A/C.5/1042), could all be recruited by the end of the first quarter of 1966. The Conference had received a large number of applications, the consideration of which was already far advanced. In any event, recruitment would have to be speeded up to bring the staff to full strength before the beginning of UNCTAD's second session.

10. He emphasized that the bulk of the anticipated growth in expenditure was for the language and supporting services. The supplementary expenditure in that sector represented \$87,000 out of a total of \$137,000. It was due to the considerable increase in the volume of work of the language and supporting services, which in turn resulted from the increase in the number and length of meetings of the Board and the subsidiary bodies of the Conference. The programme of meetings would be particularly heavy in 1966, and there was little hope of reducing it. Moreover, it was to be feared that the number and length of meetings would increase still further as a result of recommendations to be made by subsidiary bodies, as had already happened in the case of the Committee on Shipping, which wanted to hold an unscheduled session in 1966.

11. Because of those various considerations, he was surprised at the size of the reduction recommended by the Advisory Committee in its quest for savings, while fully understanding its motives. The Chairman of the Advisory Committee had expressed the wish that the reductions should be distributed evenly among the various services, but he would not hesitate to say that it seemed to him impossible to cut costs where the professional staff was concerned. Any considerable reduction in that field might

seriously compromise the work of the new organization and have unfortunate repercussions on the work of the Board and the subsidiary bodies, and on the preparatory work for the second session of the Conference, which was to be held in 1967. It would be preferable to apply the reductions to the staff of the language and other supporting services, in New York and at Geneva.

12. In any event, he did not believe that expenditure could be reduced by \$400,000. It would be an illusion to suppose that the organization could function properly and hold all the necessary meetings with so large a cut in the appropriations. The members of the Board and the subsidiary bodies were well aware that, owing to a series of grave deficiencies, which had certainly not been attributable to the staff even of the language services but simply to lack of staff, it had been necessary, at previous sessions, to engage a large number of temporary staff who were not sufficiently familiar with the terminology used and the questions of concern to the Conference, and that difficulties had resulted therefrom. It was therefore important to recruit as many permanent staff members as possible. For that reason the estimates could not be reduced by more than \$200,000; such a reduction could be achieved by postponing certain appointments and by continuing to employ temporary staff in the language and supporting services for some time; but more than that could not be done. UNCTAD was a new organization. It was now in a better position to define its needs than a few months earlier, but there still remained a margin of uncertainty. The Secretary-General of the Conference had endeavoured to prepare precise estimates, but he must continue to have some room for manoeuvre in order to organize the Conference secretariat efficiently. The Fifth Committee could rest assured that he had taken account to the fullest extent possible of the need to achieve economies. If he had not, the estimates submitted to it would have been far more ambitious.

13. Mr. BYKOV (Ukrainian Soviet Socialist Republic) emphasized that his delegation regarded the problems of international trade and economic co-operation as highly important and that, from the outset, it had declared its support for the establishment of an international organization that could deal with them effectively. It had also suggested that the Conference should meet at regular intervals and that it should have a permanent subsidiary organ.

14. His delegation had taken account of the urgency of UNCTAD's programme in considering the Secretary-General's report on the revised estimates for the Conference (A/C.5/1042). It supported the Advisory Committee's recommendation (A/6144, para. 16) for a reduction of \$400,000 in the revised estimate submitted by the Secretary-General.

15. He stressed that the estimates were very high and that it ought to have been possible to reduce them. The Secretary-General was again requesting an appropriation of \$250,000 for 1966 so that thirty people could be assigned to the preparation of the basic documentation required for the Conference's second session. But that session had been postponed for one year and, without denying the importance of

the documentation in question or the need to have it ready at the proper time, there were legitimate grounds for believing that it should be possible to produce the necessary documents without taking on extra staff. Moreover, the second session would not be the last. What would happen at each subsequent session? Would additional staff and supplementary appropriations be requested each time? A more thrifty attitude was therefore called for.

16. His delegation could not support the Secretary-General's proposal to set up, specially for UNCTAD, a permanent language service that would require the establishment of forty-three professional and forty-six general service posts. Under section 3 of the 1966 budget estimates (A/6005, para. 3. 109), the Secretary-General was proposing to add thirty-eight new posts to the manning table of the language services of the European Office. The justification given for that proposal was the increase in the volume of work of those services as a result of the meetings of the subsidiary bodies of UNCTAD. But it was not clear why, after such an increase, the Secretary-General should request, under another section of the budget estimates, a sizable appropriation for the strengthening of the Office's language services. From the budgetary point of view, that procedure seemed odd. If it was considered necessary to establish a special conference service for UNCTAD, the relevant appropriation requests should be submitted under section 3. In the circumstances, it might well be asked whether, contrary to the statements made a month earlier by the secretariat of UNCTAD, the establishment of such a service had not already been planned in the framework of UNCTAD. The establishment of a conference service exclusively for UNCTAD was not only very costly but also unnecessary. It should, moreover, be emphasized that one of the reasons for choosing Geneva as the headquarters of UNCTAD was that it had been presumed that UNCTAD would be able to make good use of the services of the European Office. His delegation would like the representative of the Secretary-General to explain why the appropriations in question had been requested under two different sections of the budget estimates.

17. The appropriations asked for the strengthening of the language services at Geneva were excessive. He agreed with the Advisory Committee that substantial savings could be effected by making fuller use of the language and central services at Geneva and New York.

18. The financial resources of the United Nations were not unlimited; as the representative of Malta had said in the Second Committee (966th meeting), funds should be devoted to operational programmes designed to raise levels of living in the developing countries. To that end, an order of priority should be established. No programme, however important, could justify wasting resources on supporting services and should be kept under constant control. UNCTAD should not be an exception to that rule.

19. Mr. WALDRON-RAMSEY (United Republic of Tanzania) thanked the Secretary-General of UNCTAD for his eloquent plea on behalf of the Conference and supported his arguments in support of the revised

estimates. His delegation could not support the Advisory Committee's recommendation for a reduction of \$400,000 in the revised estimates submitted by the Secretary-General. It had not been convinced by the Advisory Committee's arguments, which seemed unfounded in view of UNCTAD's prospects and objectives. The reduction of \$200,000 suggested by the Secretary-General of UNCTAD was a maximum figure and any further reduction would impair the functioning of the Conference and the Trade and Development Board.

20. He would remind those who, in support of the Advisory Committee's recommendation, had emphasized that the increase in United Nations expenditure must be halted and that the administration of Trade and Development Board had been somewhat imprudent, that the Secretary-General of UNCTAD had always made every effort to ensure the efficient functioning of his services with a minimum staff.

21. It was of the greatest importance that UNCTAD should have adequate language services at its disposal immediately. That, in substance, was the reply given by its Secretary-General when the question of conference facilities and of the shortcomings of the language services of the European Office had been officially raised at Geneva. There could be no other reason for the difficulties encountered when it came to choosing the location for the headquarters of the secretariat of UNCTAD.

22. The new organization had been established primarily to serve the interests of the developing countries. The latter should therefore unite to support and justify any legitimate expenditure that would enable UNCTAD to achieve its objectives. There seemed to be an unwarranted tendency to stress the financial difficulties of the United Nations and to forget that the problem was primarily a constitutional one, and that its solution would bring the financial crisis to an end.

23. If the Fifth Committee approved the Advisory Committee's recommendation, the work of the Trade and Development Board and of the Conference would be seriously affected. The difficulties facing the new organization should not be underestimated. He recalled the serious problems encountered in the preparation of the basic documentation for the meeting of the Committee on Commodities at Geneva. The reason had been that the Secretary-General of UNCTAD had been unable to recruit the necessary personnel and that the existing services had been overloaded. His delegation had been one of the first to criticize that state of affairs, which could be remedied only by authorizing the Secretary-General of UNCTAD to recruit the necessary professional staff.

24. His delegation could not support the approach adopted by the Advisory Committee in paragraph 15 of its report (A/6144), and in particular in the last sentence of that paragraph. The members of the Trade and Development Board were familiar with the Financial Regulations of the United Nations and were well aware of the United Nations' difficulties; they had not forgotten the injunction to thrift in budgetary matters, nor their own responsibilities in that connexion, but they were also aware how

important it was to give UNCTAD the tools it needed if it was to attain its objectives and provide practical solutions for specific and critical problems.

25. He urged members to give the problem their most serious consideration and to take account of the observations made by the Secretary-General of UNCTAD. The developing countries should weigh carefully the consequences of approving the Advisory Committee's recommendation.

26. Mr. KOCHMAN (Mauritania) asked whether account had been taken in the revised estimates before the Committee of the recommendation on economy-class travel.

27. Mr. TURNER (Under-Secretary—The Controller) replied in the affirmative to the question asked by the Mauritanian representative and observed that the divergence of opinion on the Advisory Committee's recommendations was more apparent than real. The Secretary-General and he himself had been somewhat surprised at the size of the reductions recommended by the Advisory Committee, particularly in view of the fact that the revised estimates for UNCTAD took account of the expansion of the programme of meetings (520 meetings scheduled for Geneva instead of 510, and 390 meetings scheduled for New York instead of 205), that the Secretary-General of UNCTAD had indicated that recruitment operations were much further advanced than had been expected and that the experience gained in 1965 had made it possible to establish much more accurate estimates of expenditure.

28. With regard to conference services, it was absolutely essential not to rely exclusively on temporary staff and to set up an independent language service within the secretariat of UNCTAD. The resulting increase in expenditure would be largely offset by the greater efficiency of the staff. At all events, it was absolutely impossible to meet the needs of UNCTAD in 1966 by using only the language services of the Secretariat, unless, of course, the programme of meetings was reduced. But obviously no one had any intention of doing that, the Advisory Committee least of all. In formulating its recommendation, the Advisory Committee had apparently been guided primarily by its own experience, which had shown that, very often, it was not necessary to use the total appropriations requested in order to carry out programmes. On the other hand, the Secretary-General of UNCTAD had always shown the greatest competence in using the resources placed at his disposal and UNCTAD would clearly spare no effort to carry out the wishes of member States, and in particular of the developing countries.

29. The Advisory Committee's recommendation in fact invited the Office of the Controller and UNCTAD to consider, with added care, possibilities of reducing expenditure without prejudicing activities. It was not so much a directive as an expression of opinion, to the effect that it might be possible to reduce expenditure by about \$400,000. The Secretary-General of UNCTAD might not be able to achieve that figure, but on the other hand he might succeed in going beyond it. The Secretary-General of UNCTAD had accepted in principle a reduction half the size of that proposed

by the Advisory Committee. Everything depended on the circumstances; a number of important meetings, for example, might not be held, or, on the contrary, the Secretary-General might have to request supplementary appropriations during 1966. At the moment, what mattered most was that the work of UNCTAD should not be held up. If his interpretation of the Advisory Committee's recommendation was correct, that recommendation could be adopted, with the reservations he had formulated.

30. Mr. BANNIER (Chairman of the Advisory Committee on Administrative and Budgetary Questions) confirmed the Controller's interpretation of the Advisory Committee's recommendation. The Advisory Committee had indeed based its recommendation on its own experience and had not made any judgement on the necessity of undertaking particular activities, confining itself, as was its duty, to ensuring that the various activities were carried out at the least cost. The Advisory Committee's recommendation presupposed, of course, that all needs with regard to staff and facilities would be met. It in no way disputed the fact that UNCTAD would need a considerable staff nor that it would be useful to reorganize the language services, particularly at Geneva. The Advisory Committee knew very well that it was difficult for a new organization such as UNCTAD to draw up exact estimates of expenditure in all cases. That was why, in making its recommendation, it had felt, as the Controller had indicated, that the Secretary-General of the Conference might be in a position to reduce expenditure to a greater extent than the Advisory Committee recommended. He did not think, therefore, that a reduction amounting to \$200,000 more than the Secretary-General of UNCTAD seemed willing to accept could affect the operation of the new organization.

31. Mr. WALDRON-RAMSEY (United Republic of Tanzania) said he was not convinced that it was possible to count on supplementary estimates to provide the Secretary-General of UNCTAD with the necessary resources. He therefore proposed that the appropriation recommended by the Advisory Committee should be increased by at least \$200,000.

32. Mr. BYKOV (Ukrainian Soviet Socialist Republic), referring to the first statement by the representative of the United Republic of Tanzania, said that the Ukraine was fully aware of the importance of UNCTAD and recalled that it was the USSR which had taken the initiative in proposing its establishment, and that the Ukraine had supported the proposal from the beginning. The Ukraine was also in favour of increasing the appropriations for UNCTAD, on condition that they were kept within reasonable limits. Since the Advisory Committee was in a particularly good position to judge whether the estimates were realistic or not, it was not surprising that the Ukraine supported its recommendation.

33. He would like the Controller to explain why the appropriations requested for staff appeared in two separate sections of the budget estimates when they should be only in section 3.

34. Mr. TURNER (Under-Secretary—The Controller) replied that the estimate for the staff of the Conference had been included in section 20 because a proposal

to that effect made by the Trade and Development Board in the Final Act of the Conference had been adopted without objection by the General Assembly.

35. Mr. POLIT ORTIZ (Ecuador) said that during the general discussion Ecuador had declared itself in favour of economies in all areas except two— industrial development and the activities of the United Nations Conference on Trade and Development. When considering the estimates for UNCTAD, the Committee should remember that for many Member States, and in particular for all the developing countries, international trade was the road to prosperity. It was therefore natural for the developing countries to support proposals to provide the Conference with the funds it needed to carry on its activities. Furthermore, the Committee should also remember that UNCTAD had not had sufficient experience to be able to forecast its expenditure exactly. It would therefore be best to grant it the sums it requested and wait until the next financial year when more detailed and specific consideration could be given to the estimates for 1967. Ecuador was in favour of granting the appropriations requested by UNCTAD in full, but would be willing to support the proposal of the Tanzanian representative, if the Secretary-General of UNCTAD stated that that proposal involved the maximum reduction he could agree to.

36. Mr. ILIC (Yugoslavia) stated that his delegation was impressed by the arguments put forward by

the Secretary-General of UNCTAD and that, despite its desire to achieve the greatest possible economies, it was willing to support the Tanzanian proposal.

37. With regard to staff costs, his delegation supported the Secretary-General's formula and did not consider that he had made an unjustified distinction by including UNCTAD staff costs in section 20.

38. Mr. SILVEIRA DA MOTA (Brazil) was not convinced that the reduction recommended by the Advisory Committee was in the true interests of UNCTAD; he therefore supported the proposal of the Tanzanian representative.

39. Mr. FAKIH (Kenya) said that his country believed more in the virtues of trade than in those of assistance and therefore wholeheartedly supported the work of UNCTAD. While the Kenyan delegation had been willing, for the sake of economy, to endorse the Advisory Committee's original recommendation to reduce the estimates for the Conference from \$7,024,400 to \$6,800,000, it had been very surprised by the Advisory Committee's new recommendation concerning the revised estimates. The aims of the Conference must be borne in mind and, as the Tanzanian representative had said, it must be provided with all the necessary facilities and services. That was why his delegation, noting the points made by the Secretary-General of UNCTAD, supported the Tanzanian representative's proposal.

The meeting rose at 1.10 p.m.