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Chairman: Mr. Jan Paul BANNIER
(Netherlands).

AGENDA ITEM 62

Budget estimates for the financial year 1963 (A/5121 and Corr.1, A/5179, A/5205, A/5207, A/5243, A/5263, A/5267, A/C.5/919, A/C.5/925, A/C.5/926, A/C.5/928, A/C.5/930, A/C.5/931 and Corr.1, A/C.5/935, A/C.5/L.726, A/C.5/L.730) (continued)

General discussion (continued)

1. Mr. CAIMEROM MEASKETH (Cambodia) expressed his condolences to the Indonesian delegation on the death of its permanent representative, Mr. Wirjopranoto.
2. The Cambodian delegation congratulated the Secretary-General on the clarity and precision of his budget estimates for 1963 (A/5205), and the Advisory Committee on Administrative and Budgetary Questions on the presentation of its report (A/5207).
3. A large part of the expenditure listed in the United Nations regular budget resulted from the increased number of Member States and the expanded activities of the Organization. Although the increased amount of the 1963 budget might be an indication of the Organization's prosperity, it did raise difficult problems for the small countries that were desirous of honouring their commitments but were limited in their resources and unable to make further sacrifices except at the expense of national aims or by raising their taxes. Cambodia could accept additional financial obligations only with great difficulty if they related to projects which were not generally useful to it. In spite of its difficulties, however, the Royal Government of Cambodia would subscribe to \$5,000 in United Nations bonds, and it hoped that all the Member States would make similar efforts.
4. Turning to the policy for controlled expansion of staff, his delegation believed that it should be resorted to only after all other solutions had been exhausted; it fully approved the Advisory Committee's recommendation in that regard (*ibid.*, para. 123).
5. As the increased number of United Nations commissions, committees and meetings was one reason

for the increase in expenses, it was imperative for Governments to exercise more restraint in that connexion.

6. His delegation could not help but be concerned at the considerable size of the supplementary estimates for 1962 (A/5223) and of the budget estimates for 1963. It therefore stressed the need for strict application of regulation 13.1 of the Financial Regulations and Rules and rule 154 of the rules of procedure of the General Assembly.

7. Mr. AHMED (Sudan) paid a tribute to the high degree of competence of the Advisory Committee, whose work greatly facilitated the Fifth Committee's task, and he noted with satisfaction the additional improvements in the form of the budget. He pointed out that the total budgets of the United Nations and the specialized agencies for 1963 would be at least \$190 million, that the continuance of the peace-keeping operations in the Congo and the Middle East would cost some \$140 million, and that the amounts for programmes financed outside the regular budget would reach about \$174 million. The cost of the activities of the United Nations and the specialized agencies would therefore exceed \$500 million. While the financing of those expenses was a heavy burden for the large countries and the big Powers, it represented a real sacrifice for the small nations. Each Member State contributed to the Organization's budget broadly according to its capacity to pay, but it was undeniable that the small States had to deprive themselves proportionately more than the large nations in order to contribute even on a modest scale. The small nations did, of course, eventually receive more than they gave, but that was the price which the community of nations had to pay to preserve stability and international peace. The present division of the world into rich and poor countries, as the Secretary-General had pointed out, was much more real, much more serious and ultimately much more explosive than the division of the world on ideological grounds (A/5201/Add.1, p.3).

8. The change-over from a policy of stabilization to one of controlled expansion of the staff would be perfectly justified and in keeping with the goals and spirit of the United Nations Development Decade. The budget was not a unilateral document imposed upon the Assembly by the Secretary-General but was rather the expressed desire of the majority of Member States translated into financial terms. It would be inconsistent on the part of delegations supporting work programmes in other Committees to refuse the Organization, in the Fifth Committee, the means of carrying out those programmes. Moreover, the Advisory Committee had not expressed itself against the policy of controlled expansion; it had merely voiced reservations and called for certain measures and studies before the final adoption of that policy. The Advisory Committee and the Secretary-General

both recognized that expansion must not take place unless the fullest utilization of existing staff resources had been made. However, unlike the Secretary-General (A/5205, para. 12), the Advisory Committee was not convinced that the existing staff was absolutely incapable of absorbing the excess work load produced by new decisions (A/5207, para. 38). The Secretary-General and the Advisory Committee were not, therefore, in disagreement on the principle involved, but on the date when a controlled expansion policy should be adopted. In view of the marked growth of activities in the economic and social field and the considerable increase in the number of meetings and conferences, it was his delegation's view that a certain expansion of staff was fully justified. Whether or not the 5 per cent increase requested by the Secretary-General was really necessary was still open to question.

9. In view of the difficult financial situation confronting the United Nations and the increasing burden of meeting expanding demands with limited resources, it was clear that the Organization and its principal organs would have to practise strict discipline and set up a rigorous system of priorities. His delegation fully approved the recommendations in that regard made by the Advisory Committee, and it urged the Economic and Social Council, in particular, to distinguish carefully between the more and the less urgent programmes. Only through a systematic assessment and reform of all its work would the United Nations be able to pursue its vital activities.

10. Mr. KOLBASIN (Byelorussian Soviet Socialist Republic) said that his delegation, like many others, was disturbed by the continuous increase in the budget, which had more than quadrupled in sixteen years while the number of Member States had only doubled. That alarming tendency certainly did not reflect evidence of an improvement in the functioning of the Organization. Indeed, the United Nations was being used for inadmissible purposes. In the Congo, for example, the neo-colonialists were using it as a means of continuing their exploitation of that country's substantial resources. Other unjustified expenses were listed in section 18—Special Missions and section 19—United Nations Field Service, although experience had shown that a good number of special missions had ceased to be of any use and were only serving to poison the international atmosphere. Despite the objections of the socialist countries, the Committee had voted appropriations for the United Nations Commission for the Unification and Rehabilitation of Korea, which was merely an instrument of United States policy. The true interests of the Korean people required the withdrawal of the occupation troops from Korea in order to allow that people to work towards its unification. Also in spite of opposition by the socialist countries, the Committee had voted an appropriation for the United Nations Representative on the Question of Hungary. That effort did not serve the interests of the forward-looking Hungarian people, who were working to establish a socialist system, but rather the interests of those whose only thought was to prolong the cold war.

11. Generally speaking, the concrete and reasonable proposals of the socialist countries had found no echo. Nevertheless, it was still not too late to improve the budget estimates and to make the seventeenth session the session of budgetary stabilization.

12. The practice of including estimates for technical assistance in the regular budget estimates was ab-

normal and contrary to the interests of the less developed countries. If the regular technical assistance programme was financed by voluntary contributions in national currencies, the recipient countries would be able to choose the assistance they wanted. Moreover, the regular budget should cover only normal administrative expenses.

13. Over half the estimates for 1963 came in section 3—Salaries and wages and section 4—Common staff costs, and were thus related to the financing of the administrative apparatus of the Secretariat, in which two-thirds of the posts were held by nationals of Western countries. The considerable increase in staff costs was due partly to the rise in the cost of living in New York and partly to the staff increases requested by the Secretary-General. The Secretariat claimed that the United Nations Development Decade justified the new posts. However, it was not by increasing staff that the objectives of the Decade would be achieved, but rather by devoting available funds to concrete tasks and directly productive activities. That was why the delegation of the Byelorussian SSR did not support the principle of controlled expansion; on the contrary, it thought that the time had come to impose a ceiling on expenditure in order to check waste and unproductive spending. The socialist countries did not see why they should continue to finance expenses which were the result of unilateral decisions by the Western bloc.

14. The reason why the United Nations had been forced to incur excessive expenses was that the Security Council had too often been by-passed. In order to finance those expenses, the Organization had finally had to issue bonds, although nothing in the Charter authorized it to do so. That illegal decision would inevitably help to increase the influence of the colonialist and militarist Powers on the Organization. The Federal Republic of Germany, for example, had already purchased bonds worth \$10 million, although it was not a Member of the Organization.

15. One of the main causes of the financial crisis was the United Nations operations in the Congo. After two years, the United Nations had not succeeded in solving the problem of the secession of Katanga, to the great satisfaction of the capitalist monopolies which benefited from the secession. The primary responsibility for the solution of the problem lay with the Congolese people themselves, and the Byelorussian SSR could not endorse interference by the Western Powers in the affairs of the Congo.

16. Several delegations had emphasized that the scale of assessments used to calculate the contributions of Member States was unfair. Under the influence of the Western Powers, the Committee on Contributions was trying to place too heavy a burden on the socialist countries. The contribution of the USSR had been increased from 6.62 per cent in 1946 to 14.97 per cent. However, the United States paid only 80 per cent of what it had paid in 1946, and the contributions of other NATO countries had also been reduced. The United States had a special advantage because, as Mr. Adlai E. Stevenson himself had admitted, its contributions should amount to 45 per cent and because it paid its contribution in national currency. There was thus a contradiction between the principle of capacity to pay and the resolution stating that no one country's contribution could exceed 30 per cent. Moreover, the Committee on Contributions had not given sufficient attention

to two of the three factors which should be taken into account in calculating the contribution of each Member State, namely, the temporary dislocation of national economies arising out of the Second World War and the ability of Member States to secure foreign currency. However, in the case of the socialist countries, those factors were of very great importance. The socialist countries found it particularly difficult to secure dollars because the United States was doing everything possible to minimize trade between the Eastern bloc and the rest of the world. In addition, the Second World War had considerably weakened the socialist countries. For example, the Byelorussian SSR had lost 20 per cent of its population and had had to spend vast sums on repairing the war damage, both by paying pensions and compensation and by financing housing programmes.

17. During the Fifth Committee's debates, a great deal had been said about the considerable danger to the Organization resulting from the current financial difficulties. He had just shown what were the causes of that situation. Not only the activities but also the effectiveness of the United Nations were threatened, since the members of military alliances in the Western bloc continued to dominate the Organization, in defiance of the Charter. The United Nations was therefore unable to be an effective instrument. Its entire structure must be reorganized by giving equal representation to the three main groups of countries existing in the world. Then, and only then, would the United Nations be able to overcome its present difficulties.

18. Mr. BENDER (United States of America) said that he had already replied to arguments of that kind at the 929th meeting and did not intend to refute the diatribe by the representative of the Byelorussian SSR point by point. He deplored the fact that some delegations persisted in making statements in the Fifth Committee which were not only of a political nature but were completely unfounded.

19. The representative of the Byelorussian SSR was well aware that he was wrong in trying to create the impression that there was a conspiracy in the United Nations to reduce the United States contribution to 30 per cent and increase the contributions of the other States. Operative paragraph 1 of General Assembly resolution 1137 (XII), which stated that: "In principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total," had been adopted after a roll-call vote. It could be seen, merely by consulting the results of that vote, that Albania, Bulgaria and the Byelorussian SSR, among other countries, had voted for that paragraph.

20. Mr. NUTI (Italy) recalled that the total budget for 1962 had shown an increase of 3 per cent over the budget for 1961 and that the 1963 budget would, in its turn, be 6 per cent higher than the 1962 budget. As the budget had increased by 50 per cent during the past five years, his delegation thought that the Committee should seriously examine the proposed new increase, which was due largely to the expansion of the Organization's economic and social activities. While those activities were necessary, it was equally necessary to exercise strict control in that and other fields and to establish a system of priorities, especially with regard to the numerous programmes approved by the Economic and Social Council. The Italian delegation therefore endorsed the recom-

mendations made in that regard by the Advisory Committee (A/5207, para. 47, and A/5243, paras. 8 and 9).

21. Another substantial part of the increase in the budget was represented by staff costs and general expenses. His delegation hoped that, there too, the most strict economy would be exercised, particularly with regard to the establishment of new committees and commissions, which were perhaps not all entirely justified. He agreed with the Advisory Committee that the fullest possible use should be made of existing staff and that new posts should be created only as a last resort.

22. The Advisory Committee had expressed concern at the increasing number of meetings, both at Headquarters and at Geneva (A/5207, paras. 22 to 27). If an austerity régime was followed in that connexion, considerable savings could be made and the constant increase in the budget could be checked. The Italian delegation also shared the Advisory Committee's opinion (*ibid.*, para. 29) on public information expenses and supported the imposition of a ceiling of \$6 million for 1963.

23. An austerity régime to achieve at least temporary budgetary stabilization was particularly necessary because some Member States were refusing to meet their financial obligations and many others, being developing countries, could not contribute to the budget of the Organization without considerable sacrifices.

24. If the United Nations was to remain in a position to maintain international peace and security and to help the countries which needed assistance, it was imperative for all Member States to fulfil their obligations. Although his delegation proposed to revert to that point, it wished to express its concern at a situation which was threatening the very existence of the United Nations. The General Assembly, one of the political organs of the United Nations, had decided to finance two projects for the maintenance of peace, and the International Court of Justice, a non-political organ, had judged that, by doing so, the General Assembly had correctly interpreted the Charter and had acted within the framework of the powers granted to it by the Charter (see A/5161). It was therefore the duty of all Member States to fulfil their obligations in that respect. Italy, for its part, had not been content with paying its contributions in full but had purchased United Nations bonds in an amount of about 9 million.

25. He paid a tribute to the Secretary-General's efforts to minimize the expenditure estimates for 1963 and congratulated him on the simplified presentation of the budget estimates. He also congratulated the Advisory Committee on its work.

First reading (A/C.5/L.726) (continued)

SECTION 3. SALARIES AND WAGES (A/5121 AND CORR.1, A/5179, A/5205, A/5207, A/5243, A/C.5/919, A/C.5/931 AND CORR.1, A/C.5/L.730) (continued)

26. The CHAIRMAN invited the Committee to continue consideration of the appropriations requested under section 3 for the public information activities of the United Nations. The Secretary-General had requested a total of \$6,198,840 for OPI (A/5205, annex III to the expenditure estimates), while the

Advisory Committee on Administrative and Budgetary Questions had recommended a ceiling of \$6 million (A/5207, para. 29). The Soviet Union delegation, for its part, had proposed that the appropriations for OPI should be reduced so as to apply an annual expenditure ceiling of approximately \$5 million.

27. Mr. SOKIRKIN (Union of Soviet Socialist Republics) said that although a ceiling of \$5 million would in no way impair the efficiency of OPI and would perhaps even allow that service to be better organized, he would not press his proposal to a vote, since it had not received sufficient support in the Committee.

28. Mr. TURNER (Controller) replied to questions put to him by delegations at the 929th meeting.

29. He wished to assure the United Kingdom representative that the Secretariat had already considered using the electronic accounting system which it was proposed to install at Headquarters for the electronic processing of the data relating to trade statistics. The possibility of combining those two sets of operations was at present under study: the findings would be communicated to the Advisory Committee as and when they were obtained, and would doubtless be stated in the budget estimates for the financial year 1964.

30. Although it was undeniable that some further strengthening of the staff of the Office of the Controller was warranted, he was confident that, by making a great effort, the Office would be able in 1963 to discharge all its responsibilities efficiently.

31. With regard to the Administrative Management Service, the question was not one of money: the problem was to find persons having the necessary experience and skill. In recent months, the Service had benefited from the assistance of a United Kingdom national and a Soviet Union national, both highly competent; but it would doubtless soon have to recruit more specialists, from other countries.

32. As to the financial implications of the United Kingdom representative's suggestion for the rounding-off to 1,970 and 2,300 respectively of the number of posts requested for the Professional and General Service categories, those suggested reductions would make possible a saving of \$31,000 under section 3, chapter I—Established posts and a saving of \$20,000 under section 4—Common staff costs, or a total saving of \$51,000 out of the \$53 million requested for sections 3 and 4.

33. Recalling the attention to detail with which the Secretary-General had endeavoured to present and justify all his budget proposals on the present occasion, and stressing that the Advisory Committee had itself examined very closely even the smallest of those proposals and made extremely detailed recommendations concerning each of them, he ventured to caution the Committee against the temptation of following a questionable budgetary procedure. Every proposal for a reduction in the Secretary-General's estimates should be based on a precise justification and not be inspired simply by a desire to round off the figures.

34. In reply to the questions raised by the representative of Colombia, he recalled that the Advisory Committee would shortly be submitting a report on the

New York General Service salary scale. Salaries of General Service staff were not calculated solely according to the cost of living; they also took into account the best prevailing local salary rates. Each year, a comparative survey was made of the salaries of General Service staff and of employees performing similar functions outside the Organization and, if an increase appeared to be necessary, it was the Secretary-General's responsibility to decide on the amount and the timing. Salaries for Professional staff were determined in a different manner: once the relationship of the duty station to Geneva (at the base rate) had been established, changes in the post adjustment were made according to variations in the local cost of living. The two systems were thus entirely independent of each other. The Staff Association had informed the Secretary-General that the General Service staff had been deeply disappointed by the announcement of a uniform increase of \$240 and would have preferred an across-the-board increase of 5 per cent for all levels. But the latter measure would have resulted in a more substantial increase at the top of the scale than at the bottom, and the survey made by the Secretary-General had shown that it was more necessary to raise the salaries of staff at the G-1 and G-2 levels than to increase those of staff at the higher levels.

35. Mr. SOKIRKIN (Union of Soviet Socialist Republics) recalled that, in its main report to the General Assembly at its fourteenth session, the Advisory Committee had indicated the then existing ratio, in New York and at Geneva, between secretaries and stenographers on the one hand and Professional staff on the other. The figures had then been 280 stenographic staff for 858 Professional staff, which the Advisory Committee had not regarded as an "unduly difficult situation".^{1/} He would be interested to know what the ratio was at the present time.

36. Mr. HODGES (United Kingdom) thanked the Controller for his explanations, which had conclusively shown that for 1963 the establishment would be 1,974 Professional posts and 2,301 General Service posts. He was aware that the saving achieved by reducing the number of posts to 1,970 and 2,300 respectively would be relatively smaller, but he had suggested that reduction for more general reasons and did not agree that that would be a "questionable budgetary procedure". In view of the Controller's reply, however, he would withdraw his proposal.

37. Mr. ARBOLEDA (Colombia) thanked the Controller for having answered his question. On the other hand, he regretted that the Under-Secretary for Public Information had not replied to another question which he had previously raised, in regard to the number of professional journalists employed in OPI. He noted with satisfaction that the Secretary-General was carefully studying the views of the staff representatives, and hoped that he would take the fullest account of them. It would be a mistake if, in order to effect very minor savings, decisions were taken which would have a baneful effect on the morale of the staff and might therefore result, later on, in much more substantial loss.

The meeting rose at 12.40 p.m.

^{1/} Official Records of the General Assembly, Fourteenth Session, Supplement No. 7, para. 137.