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Chairman: Mr. Jiří NOSEK (Czechoslovakia).

AGENDA ITEM 44

Budget estimates for the financial year 1960 (A/4110, A/4170, A/4223, A/4228, A/C.5/776, A/C.5/777, A/C.5/782, A/C.5/783) (continued)

General discussion (continued)

1. Mr. GREZ (Chile) said that, like most of the previous speakers, he was gratified at the results achieved through the persevering efforts of the Secretary-General. In the first place, there seemed to be a general desire to adhere to a system of priorities, so as to ensure the best possible utilization of the resources at the Organization's disposal. Secondly, it had been decided not to increase the present professional establishment at Headquarters; the constantly increasing experience of the officers in the professional category made it possible to effect transfers, thus introducing flexibility into the employment of personnel. Thirdly, it was gratifying to know that the Advisory Committee on Administrative and Budgetary Questions could now examine the financial situation for the current year on the basis of the expenditure figures for 31 May, as that enabled Governments to take note of the Committee's observations in sufficient time to instruct the representatives before the opening of the Assembly's session. Fourthly, the new form of presentation of the budget estimates (A/4110) greatly facilitated their study. The foreword to the current year's estimates contained some very useful information, particularly in paragraphs 28 to 45, and the tables made for easy comparison with previous financial years. Lastly, his delegation was pleased to note that the volume of contractual printing outside the New York area had increased appreciably, and expressed satisfaction at the mutual understanding which evidently existed between the Secretary-General and the Advisory Committee.

2. The Chilean delegation endorsed many of the recommendations and observations of the Advisory Committee with regard to the desirability of keeping under constant review the administrative machinery of the United Nations and its subsidiary bodies, to ensure that programmes were carried out with the maximum efficiency and economy. It would support all the reductions recommended by the Advisory Committee, except those relating to section 10 (Economic Commission for Africa). It would give its reasons for that exception at a later stage.

3. With the various additions that would have to be made to the \$61,863,200 at present requested by the Secretary-General, the budget for 1960 would total a little over \$64 million, compared with the 1959 figure of \$66 million, which had included the supplementary estimates for the financial year 1958. Unforeseen circumstances apart, the actual sum needed would therefore be less than in 1959.

4. His delegation subscribed to the observations in paragraphs 34 to 38 of the Advisory Committee's report (A/4170), regarding the possibility of reducing the number of conferences and meetings, and was pleased to note that the Committee had approved increased appropriations for the regional headquarters of ECAFE and ECLA, since Chile attached the greatest importance to the work of the regional economic commissions. His delegation was firmly convinced by the arguments adduced by some delegations against the proposed reduction of \$213,300 in the appropriation for ECA. There was every reason to assume that the appropriations requested by the Secretary-General were essential to the satisfactory completion of the Commission's work programme for 1960, and the procedure proposed in paragraph 183 of the Advisory Committee's report would probably make it necessary for the Commission to request additional funds subsequently. He would like to hear the Controller's views on that point.

5. In conclusion, he expressed his delegation's gratitude to the Ford Foundation for its generous decision.

6. Mr. SICILIANI (Italy) expressed gratitude to the Secretary-General for his efforts to avoid increasing the Organization's expenditure, and congratulated the Advisory Committee on the detailed study it had made of the budget estimates in order to reduce the proposed appropriations by \$650,000.

7. It should be noted, however, that while expenditure had totalled \$50.5 million in 1956, it would amount to \$61.2 million in 1960, according to the Advisory Committee's estimate. Together with other supplementary expenditure which was now expected to arise, the budget total for 1960 would be about \$62.5 million. In five years, the budget had increased by 24 per cent—about 5 per cent a year. Furthermore, the expenses of other United Nations bodies were constantly increasing, and it was understandable that Italy should feel some apprehension on that score, the more so as it was one of the countries whose contribution had recently been raised. Certain items of expenditure were, of course, bound to increase, in view of the nature of the Organization, but a policy of strict economy should be pursued.

8. A glance at the budget estimates showed that part III (The Secretariat) alone accounted for about two-thirds of the appropriations requested. His delegation would not propose any reduction in the appropriations under that heading, as the result might be detrimental to the Organization's efficiency. He nevertheless believed that considerable economies could be effected

by reducing to an absolute minimum the assignment of staff to bodies which held their meetings away from Headquarters, and by reducing the travelling expenses of such staff; economical forms of transport could be used, with due regard for the status of the officer sent on mission. A graded system of allowances, based on a cost-of-living survey of the countries where meetings were held, could also result in an appreciable reduction in expenses. Lastly, his delegation proposed that the recruitment of new staff should be strictly limited and vacancies filled, where possible, by transfers.

9. Mr. NACVALAC (Czechoslovakia) said that the Fifth Committee's task was to see that budgetary appropriations were used to ensure the maximum results at the lowest possible cost, and were used only for tasks expressly provided for in the Charter of the United Nations.

10. Despite the criticisms made every year by the members of the Fifth Committee, the Secretary-General had once again submitted a budget that continued the ascending curve of United Nations expenditure. As was clear from paragraphs 8 and 9 of the Advisory Committee's report the 1960 budget estimates involved an actual increase of \$2 million over the appropriations for 1959. If account was taken of all the additional amounts envisaged for supplementary expenditure, unforeseen and extraordinary expenditure, a possible increase of the Working Capital Fund, and so forth, there seemed to be no limit to the Organization's expenditure. The increase over 1959 was all the more disturbing since the programme for 1960 was on a smaller scale than that for 1959, and did not include large items such as the second International Conference on the Peaceful Uses of Atomic Energy or the United Nations Observation Group in Lebanon. The arrears in contributions showed that many Member States had already reached the limit of their resources, and if there was to be no further deterioration in the financial position, it was high time to take decisive measures to curb the constant rise in expenditure.

11. Every year the Committee was presented with an increased manning table. In the case of ECA, which was in its formative stage, the increase in the number of established posts was fully justified, but the same could not be said of the seventy-five additional General Service posts requested for New York and Geneva. Nor did the Czechoslovak delegation hold with the excessive concentration of staff at Headquarters, where only the General Assembly and the Security Council held their sessions. The travel costs for staff attending meetings of the regional economic commissions, for example, were very high, and in that connexion his delegation had read with interest the Advisory Committee's observations in paragraph 171 of its report.

12. It was also difficult to see why considerable sums needed to be spent on activities which could more efficiently be undertaken by Member States themselves. He referred to paragraphs 53 and 54 of the Advisory Committee's report, concerning public information expenses, which instead of being reduced or kept at the same level, showed an increase of over \$100,000. His delegation would return to that question at the proper time, but it wished to say at once that it was by no means satisfied with the manner in which the Secretary-General had responded to the General Assembly's wishes.

13. Czechoslovakia would oppose all appropriations for activities that were not in accordance with the

Charter, such as those of the United Nations Special Representative on the Question of Hungary and the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK). Furthermore, there should be a reappraisal of the usefulness of special missions and organs established many years ago, with a view at least to changing their terms of reference, which in all likelihood no longer answered to present requirements.

14. The new form of the budget would be discussed in detail at the appropriate time, but it could already be stated that the expected advantages and economies had not materialized. Lastly, the Secretary-General should be even more persistent in calling the attention of all United Nations bodies to the need to concentrate on priority programmes.

15. The Czechoslovak delegation welcomed the proposal that the General Assembly should establish a group of experts to examine the whole administrative machinery of the Secretariat. Nevertheless, pending the outcome of such a survey, the rising curve of the United Nations budget should be checked. The Soviet proposal (712th meeting) to establish the budget for 1960 at a level 10 to 15 per cent below the budget for 1958 appeared to the Czechoslovak delegation perfectly reasonable and acceptable.

16. He would support all the reductions recommended by the Advisory Committee—which he considered very small—on the understanding that in the case of ECA what the Committee was recommending was not actually a reduction, but a different method of providing funds, which would not affect the rate of build-up of the Commission's secretariat. Czechoslovakia fully supported the emancipation movement of the peoples of Africa, and believed that ECA had a major role to play in that movement. With regard to geographical distribution, his delegation was not satisfied with the present position.

17. Mr. RYAN (Australia) considered that the general discussion would be more fruitful if it took place after, rather than before, detailed consideration of the budget estimates. Although admittedly the Committee was at present following the same procedure as most other deliberative bodies, he proposed that his suggestion, which he knew reflected the views of a number of representatives, should be included in the report on the Committee's work.

18. Mr. GANEM (France) said that all members of the Committee were devoted to the Organization and to the ideals it represented, and that moreover they all wished to see expenditure limited and even reduced. The budget estimates for 1960 were satisfactory inasmuch as they were lower than those for 1959, but as the Advisory Committee and the United Kingdom representative had pointed out, the difference was less real than it seemed, and the optimistic view expressed by the Secretary-General in his statement at the 711th meeting (A/C.5/782, para. 33) would not stand up to a critical analysis.

19. The Soviet representative considered that it was possible to reduce expenditure by 10 to 15 per cent; that was an undeniably attractive prospect, but somewhat problematical. For one thing, the administrative decentralization envisaged did not necessarily imply any saving.

20. It was conceivable to go further than the Advisory Committee in recommending reductions. Firstly, it

might be possible, as the representatives of Cuba and Italy had suggested, to effect savings on the travel costs of staff. Another source of savings might be the reorganization of some departments of the Secretariat; the Secretary-General had already submitted a report on changes in the Office of Public Information (A/4122), and furthermore, it already seemed at the present stage that the merger of the Technical Assistance Administration and the Department of Economic and Social Affairs would yield good results. Similarly, it might be possible in 1960 to include the Office for Public Administration in the unified Department of Economic and Social Affairs. Another administrative development that should lead to increased efficiency was the establishment of a small administrative management staff in the Office of Personnel.

21. The French delegation had other grounds for satisfaction, for example, the development of the regional economic commissions, especially the newly created ECA. It was natural that the difference of view that had arisen between the Secretary-General and the Advisory Committee with regard to the appropriations for ECA should have been a cause of concern to the representatives of the African countries. However, even if the funds available to ECA were limited, it was still free to recruit the necessary economists, statisticians and other experts, who were needed far more than persons who might be distinguished but less able. It was clearly necessary that the Commission should recruit Africans to the greatest possible extent.

22. With regard to the Organization's cash position, especially in relation to the regular budget, he said that in 1959 the United States of America and the Soviet Union had paid all or part of their contribution at a particularly opportune moment, and it was to be hoped that they would continue to do so. If that were done, it would not be necessary to increase the Working Capital Fund by almost \$6 million as the Secretary-General had requested. In addition, the Secretary-General, in consultation with the Advisory Committee and the Committee on Contributions, might seek means of ensuring that Member States paid their contributions earlier, as had been done in the specialized agencies, which did not have the same cash difficulties.

23. He approved of the new form of the budget, which made it easier to examine, and he paid a tribute to the Advisory Committee for its detailed analysis of the budget estimates.

24. Mr. EL HAKIM (United Arab Republic) assured the French representative that the African countries would not sacrifice their essential interests for personal motives and would present only highly qualified candidates for posts in the secretariat of ECA.

25. Mr. TISHCHENKO (Ukrainian Soviet Socialist Republic) said that the United Nations budget was governed by the financial situation of each of the Member States and it was therefore only right that the latter should be concerned, not merely with the total amount of the budget, but also with the use to which the appropriations made by the General Assembly were put. His delegation had examined the Secretary-General's draft budget in that light. In the first place, it had noted that the size of the budget had increased continuously since 1955, and particularly since 1957. In three years (1957-1959) it had risen by more than \$13 million, which represented an increase of more than 26 per cent. The Secretary-General's initial estimates

for 1960 exceeded the 1959 appropriation by \$1,060,000, but the real increase, as pointed out by the Advisory Committee in paragraph 9 of its report was of some \$1.9 million. Taking into account the Secretary-General's revised estimates resulting from decisions of the Economic and Social Council (\$551,600) (A/C.5/777) and the various increases which he had forecast in his statement at the 711th meeting (A/C.5/782), the total budget for 1960 might reach \$64 or \$65 million. In the circumstances, he wondered what the Secretary-General meant by a "policy of budgetary stabilization".

26. Counting the budgets of the specialized agencies and extra-budgetary expenditure (Expanded Programme of Technical Assistance, Special Fund, UNICEF, etc.), the over-all amount Member States would have to pay in 1960 would be \$235 million, which would presumably mean that the contributions of many States would be more than they could afford to pay.

27. If the reasons for the increase in costs were analysed and the 1960 budget estimates were compared with the 1959 budget, it would be found that the largest part of the increase was attributable to staff and other administrative costs (sections 6, 7, 8, 10, 13 and 14), whereas sections 1 and 2 showed a substantial decrease. The staff costs, which represented more than 70 per cent of the total budget, were much too high. His delegation regretted to have to say that the Secretary-General had done nothing in that field to effect savings by improving working methods. The amalgamation of the Technical Assistance Administration and the Department of Economic and Social Affairs, for example, had brought about no savings and the staff of the Department had even increased from 526 to 533. The administrative costs of that Department absorbed almost half of the funds allocated by the General Assembly for economic and social activities.

28. At the thirteenth session, several delegations, including his own, had requested a study of some earlier provisions concerning special missions and an inquiry to determine whether those missions still fulfilled a useful purpose. For example, the United Nations Conciliation Commission for Palestine (UNCCP) and UNCURK could be abolished, and considerable savings would be effected. Moreover, the Advisory Committee had stated in paragraph 33 of its report that there might be advantage in the General Assembly reviewing some of the older decisions and directives in that field.

29. That also applied to the field of public information, where the Secretary-General had not felt obliged to limit expenditure, despite the General Assembly's wishes [resolution 1335 (XIII)] and the proposals of the Committee of Experts on United Nations Public Information. In that connexion, he shared the view expressed in paragraph 54 of the Advisory Committee's report that the Secretary-General's proposals did not tend to stabilize expenditure and represented at best a possible slowing down of further increases.

30. The Secretary-General had announced at the 711th meeting that he would request an increase in the Working Capital Fund from \$23.5 million to \$30 million, giving as reasons the tardy payment of contributions by certain Members. In point of fact, the difficulty with regard to the cash position would be eliminated if the Working Capital Fund was not drawn upon for payment of certain UNEF expenses. If the Secretary-General obtained from the States which had insisted upon establishing the Force the necessary funds to

enable him to maintain it, there would be no need to raise the level of the Working Capital Fund which already represented almost 40 per cent of the total regular budget assessment.

31. He supported the USSR delegation's proposal to reduce the 1960 budget to a figure 10 to 15 per cent below that for 1958. In order to achieve that, his delegation proposed the following measures: first, a review

of the estimates under parts I and II and elimination of unnecessary missions or activities (that might produce a reduction of \$800,000); secondly a reduction in the establishment to bring the estimates to a figure 10 per cent below that for 1958; and, thirdly, a reduction of \$1 million in the estimates under part V.

The meeting rose at 12.55 p.m.