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MEETING**

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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/C.5/919, A/C.5/925, A/C.5/926, A/C.5/L.726) (continued)

General discussion (continued)

1. Mr. CURTIS (Australia) said that it was necessary to recognize from the outset that there were practical limitations on the extent to which the general discussion could directly or decisively influence the form and content of the budget estimates submitted for the Committee's approval. While members of the Committee had an opportunity to consider and criticize details of the budget sections during the first reading, they had no real chance to exert any influence on the structure of the budget or the priorities and emphasis which it reflected. That was because the budget estimates had been worked out in the course of the year as a result of continuous consultations between the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, and the potential areas of difference between the Secretary-General and at least the majority of Member States had been reduced to a minimum. Moreover, when—as was the case with the budget estimates for the financial year 1963 (A/5305)—the Secretary-General indicated in advance his willingness to accept the Advisory Committee's recommendations, the possibilities of disagreement were reduced even further. Accordingly, the points on which delegations might criticize the estimates would probably be minor and marginal, and the Advisory Committee's recommendations would usually reflect the wishes of the majority in the Committee. That was as it should be, since the complicated task of preparing the budget estimates could be undertaken only through a specialized group like the Advisory Committee with a thorough knowledge of the subject and an awareness of the main currents of thought among Member States. The main purpose of the gen-

eral debate was to provide Governments with an opportunity to state their views on the broad financial and administrative policies which the Secretary-General was pursuing or should pursue and which decision-making organs should take into account. Through that debate, the Assembly could express its views not merely on trends of policy but on the areas which, in its view, merited special attention.

2. In the opinion of the Australian delegation, the budget of the United Nations should not be examined without reference to the current financial situation of the Organization or to the obligations of Governments in connexion with the activities of other members of the United Nations family or voluntary aid programmes. The United Nations budget in fact reflected only a part of the expenses of the Organization, which were in turn only a part of the much larger expenses arising from the activities of the United Nations family as a whole.

3. The United Nations itself was in a state of acute financial crisis: by the end of 1962, its unpaid obligations would be in the vicinity of \$224 million, while the cash reserves available to meet them might not exceed \$140 million. That critical situation had to be borne in mind in considering proposals for expansion and staff increases and in evaluating future prospects. The question arose whether it was practical, realistic or responsible to discuss a regular budget of some \$86 million without taking into account the fact that the Organization owed more than \$100 million, that there were no immediate prospects of clearing that debt and that the debt arose from activities which, if allowed to continue during 1963 at the present level, could amount to a sum considerably higher than the regular budget itself. Clearly, questions such as the proper budget level and the most appropriate budgetary policy must be examined in relation to the prospects of reducing that enormous debt.

4. The Australian Government, like many other Governments, was concerned at the growing size of its financial contributions to the United Nations family of organizations. Their combined budgets for the current year amounted to nearly \$200 million, which, with the addition of the sum of approximately \$150 million required for the main voluntary programmes, gave a total of \$350 million, exclusive of peace-keeping costs. The agency budgets were also substantially higher in 1963 than in 1962, the increase in one case being as high as 25 per cent. Consequently, Governments should be excused if they concerned themselves as much with the broad context in which the United Nations budget was presented as with the budget itself.

5. The responsibility for placing the United Nations on a sound financial footing lay with each individual Member State, large or small, rich or poor. It was not a responsibility that belonged mainly or exclu-

sively to any group of Member States, to the Secretary-General or to some impersonal entity called the United Nations; it was a collective responsibility. The current financial crisis could not be solved unless each Member State accepted that fact.

6. Some representatives found the picture he had presented too gloomy and were inclined to argue that the money would be found somehow, that the big nations needed the United Nations as much as the small developing countries and would therefore not let it collapse. That view was not only foolish and dangerous; it was quite wrong. A point had now been reached when Member States could no longer proceed on the assumption that, for some unexplained reason, contributions would pour in at the eleventh hour to relieve some of them of their responsibility for putting the Organization on its feet. Moreover, it was no longer simply a question of working out arrangements to help those in arrears to pay; it was as much a problem of persuading countries which had scrupulously fulfilled their obligations in the past that they should continue to assume an extra financial burden because other countries, while not hesitating to benefit from what the Organization had to offer, had made it clear that they did not intend to meet their commitments. When he spoke of countries in arrears, he was not referring to all countries which owed money to the Organization. Some were in debt as a result of circumstances beyond their control. Perhaps a majority of the countries which had not contributed to certain activities had declined to pay because they believed that they had no obligation to do so. However, there was another group, fortunately a small one, which had made it clear that they did not intend to pay whatever the circumstances and whatever the decision of the Assembly. Their attitude was an affront to the United Nations, a breach of the Charter and a threat to the Organization's future. Australia hoped that the members of the Fifth Committee would recognize that a solution to the problem of the Organization's financial difficulties could not be found if they adopted an approach designed exclusively or even mainly to provide such Governments with a means of evading their responsibilities under the Charter.

7. The 1963 budget estimates had reached a record level. Although, with the reductions recommended by the Advisory Committee, the increase over the initial appropriations for 1962 would be held to about 3.1 per cent, there was little doubt that, after the inclusion of revised estimates yet to be submitted, the increase would be much greater. Indeed, the trend of expenditure over the past three years had been a rising one, expenditure in 1962 having been approximately 10 per cent higher than in 1961. That pattern could surely not be described as one of "stabilization", which was the word used by the Acting Secretary-General (A/C.5/925). However, it would be pointless to quibble about the meaning of such words; the Committee should look at the facts and figures rather than at the words used to describe them.

8. The Australian delegation was prepared to accept the Secretary-General's estimates for 1963 and the Advisory Committee's recommendations. It was now too late to make any significant changes in the level or structure of the 1963 budget beyond those recommended by the Advisory Committee. However, in adopting that position, he wished to make it clear that his delegation was not endorsing a policy of expansion.

Indeed, a policy of staff expansion at the present time must be open to serious question. Australia wanted a strong United Nations capable of responding to the growing demands made upon it. It agreed with the Acting Secretary-General that a dynamic rather than a static approach was needed and that the Organization should "maintain a forward look" (A/C.5/925). It would not support the idea of an arbitrarily imposed budget ceiling, since that would result in excessive rigidity. Until, however, the current financial difficulties were resolved, the practical possibilities of giving effect to long-term policies of expansion must be very limited. On the other hand, the Australian delegation fully appreciated the heavy burden which rested on the Secretariat. The Acting Secretary-General had done all that he could be expected to do to keep expenses within reasonable limits while providing for the implementation of decisions and requests already approved. However, despite those pressures, the only realistic approach to budgetary planning in present conditions was one based on the need for economy and stability rather than expansion. It was to be hoped that such an approach would be reflected in the implementation of the 1963 budget, in the preparation of the 1964 estimates and in the actions of the principal decision-making organs.

9. With the vast expansion in the range of United Nations activities and the growing pressure for further expansion, the working out of practical and effective arrangements for the control of priorities had become one of the most important administrative tasks confronting the United Nations in the economic and social fields. The problem was more difficult where the programming and financial responsibilities were separated, as was the case with the Economic and Social Council. First, it was difficult to decide on priorities without knowing in advance what resources were available. Then, the priorities to be given to Council requests, for example, might depend on the priorities already assigned to other work programmes outside the Council's immediate preoccupations. It was not only necessary to draw up a list of priorities, but also to eliminate and scale down activities which no longer served a useful purpose. It was not enough to ask bodies to produce reports indicating an order of ill-defined fields of activity or to talk vaguely about implementing programmes and recommendations so as to ensure the most effective use of available resources. The proposed Conference on Travel and Tourism was a case in point: what was required was a decision assigning a low priority to the project before the Secretary-General was required to budget for it. Ideally, the decision should be made by the organ concerned, but the manner in which the Economic and Social Council considered the financial implications of its decisions was clearly very unsatisfactory. The Advisory Committee's suggestions (A/5207, para. 47) were therefore certainly worth bringing to the attention of the Council together with those made in paragraph 11 of its report on the revised estimates for 1963 (A/5243). Those suggestions should also be brought to the attention of the Special Committee of Eleven established by the Council at its thirty-fourth session to consider the priorities relating to the United Nations Development Decade. He hoped that the Advisory Committee would have an opportunity to comment on the Special Committee's recommendations before they came before the Council. If, despite those proposals, the situation

did not improve, it might be necessary to consider whether the Advisory Committee itself should be asked to look into the question further and to exercise a more direct influence over priorities.

10. The Australian delegation agreed with the emphasis which the Chairman of the Advisory Committee had placed on the importance of uniform administrative standards for all United Nations agencies and shared his concern regarding recent developments pointing to a departure from that principle. While Australia recognized that each member of the United Nations family was autonomous and had its own governing body responsible for establishing priorities and administrative standards, it felt that the time had come when all members of that family must realize that the adoption of common administrative standards was not only urgently necessary, but was consistent with their autonomy. He hoped that every effort would be made to overcome what the Advisory Committee had described as "a tendency towards unilateral action and a disregard of objective judgments" (A/5207, para. 71).

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

SECTION 10. GENERAL EXPENSES (A/5205, A/5207, A/5243, A/C.5/919) (continued)

11. Mr. SOKIRKIN (Union of Soviet Socialist Republics) said that his delegation could not support the proposed estimate for section 10 and considered that it could be further reduced, particularly where activities at Headquarters were concerned.

12. The USSR delegation took exception to the fact that the proposed provision for the Office of Public Information (OPI) under the budget as a whole exceeded the \$5 million ceiling established by the General Assembly in its resolution 1405 (XIV). It objected to the emphasis placed by OPI on the collection of information rather than on the dissemination of information concerning United Nations activities among Member States; that was a distortion of the real purpose of OPI as a United Nations service. With regard to the specific expenditure on OPI under section 10, the USSR was opposed to the continued publication of the press review *Coup d'œil*, to the broadening of television programmes emanating from Headquarters and to the expansion of the film programme. It would be desirable for OPI to concentrate for the time being on more accessible and less expensive media of communication than television and films, bearing in mind that its objective should be not to replace, but to supplement national information activities. Moreover, before funds were allocated for a broad film programme, all aspects of such a programme should be considered: it was significant that many films produced by OPI had never been shown anywhere or had been presented mainly at international film festivals.

13. The USSR delegation agreed with the Advisory Committee's views on the purchase of publications for the library (A/5207, para. 236). It also strongly objected to the fact that purchases were made mainly in the United States of America. It further considered that the increased expenditure on communications was unjustified and resulted from a lack of strict controls.

14. The estimate for section 10 should be established realistically and in conformity with the rules of strict economy. His delegation considered that it

should not exceed the 1962 figure and accordingly proposed that the figure of \$3,952,000 recommended by the Advisory Committee (A/5207, para. 237 and A/5243, para. 13) should be reduced to \$3,659,800.

15. The USSR delegation was also concerned with expenditure relating to technical assistance activities, an item appearing under almost every section of the budget. It requested the Secretariat to prepare a memorandum on such expenditure, showing the total provision included in the 1963 budget for technical assistance and related activities.

16. Mr. HODGES (United Kingdom) said that his delegation shared some of the views expressed by the USSR representative. Comparison between the 1963 and 1962 budget estimates showed that expenditure under section 10 was rising steeply. Yet, such costs were particularly amenable to administrative control. If the Fifth Committee too readily assumed that it must accept the Advisory Committee's recommendations concerning section 10, it might be failing in its duty to help the Secretary-General exercise stricter control over general administrative expenditure. The Fifth Committee should perhaps give more thought to the problem at the present session and provide a specific incentive for control in that area. In view of the Secretary-General's statement to the Committee (A/C.5/925), in which he had expressed some misgivings concerning the size of the reductions recommended by the Advisory Committee, the United Kingdom delegation was not prepared to support the very large reduction proposed by the USSR. It would be inclined, however, to support any proposal for a reduction of \$100,000 in the figure recommended by the Advisory Committee.

17. Mr. KIRKBRIDE (Secretariat) pointed out that the 1963 estimates for section 10 submitted by the Secretary-General showed an increase of \$287,181 over the adjusted 1961 expenditure (A/5205, table 10-2). If the Advisory Committee's recommendation was adopted, the increase over the adjusted 1961 expenditure would be only some \$100,000. Of that sum, \$64,000 was attributable to the transfer of costs for OPI telecommunications services from section 9—Maintenance, operation and rental of premises—to section 10. The increase for 1963 was, therefore, very modest. It should also be noted that the expenses of the Economic Commission for Africa (ECA) had been under-estimated in 1962 and that five new information centres were to be opened in Africa in 1963.

18. Mr. KOUTOBLINA (Togo) said that his delegation was concerned at the continued increase in the estimates for section 10 and supported the Advisory Committee's recommendation for a reduction. Referring to the Advisory Committee's comments concerning the impact of conferences and meetings on general expenses (A/5207, para. 27), he suggested that a rational organization of conferences and meetings would permit substantial savings in that section.

19. Mr. NOLAN (Ireland) said he understood that the total appropriations, initial and supplementary, for section 10 in 1962 had been approximately \$4 million. The figure recommended by the Advisory Committee for 1963—\$3,952,000—thus appeared to be lower than the 1962 appropriations. If the Secretariat confirmed his conclusion, he would support the Advisory Committee's recommendation.

20. Mr. KIRKBRIDE (Secretariat) said that the revised estimate for 1962, \$4,147,200, had been reduced (917th meeting) to \$4,132,200 by the application of \$15,000 of the global reduction recommended by the Advisory Committee (A/5234). That figure was higher than the figure recommended by the Advisory Committee for section 10 in 1963.

21. Mr. AHMED (Sudan) wished to know whether the reduction proposed by the USSR would affect expenditure on the new information centres in Africa and on ECA.

22. Mr. KIRKBRIDE (Secretariat) replied that such a substantial reduction would have to be distributed pro rata among the chapters of section 10.

23. Mr. ROMANOV (Ukrainian Soviet Socialist Republic) said that, while the senior officials of the Secretariat had all paid lip-service to the need for limiting the budget, they seemed reluctant to reorganize expenditure. In the case of section 10, the Secretary-General's estimate for 1963 was 13 per cent higher than the 1962 appropriation. The Advisory Committee had recommended a lower figure, but had not exhausted the possibilities for reductions, as was apparent from paragraphs 234 to 237 of its report (A/5207). His delegation therefore supported the USSR proposal.

24. Mr. FEKKES (Netherlands) recalled that during the discussion of the supplementary estimates for 1962 many delegations had objected to the size of those estimates. As the representative of Ireland had pointed out, the amount recommended by the Advisory Committee for 1963 was less than the revised appropriation for 1962. Thus, if the Committee adopted the USSR proposal, it would have to face requests for substantial supplementary appropriations in 1963. His delegation, therefore, would support the Advisory Committee's recommendation.

25. Mr. SOKIRKIN (Union of Soviet Socialist Republics) assured the Sudanese representative that the adoption of the USSR proposal would not necessitate a reduction in the expenditure on information centres. The estimate for those centres accounted for a very small part of the total 1963 estimate for section 10—\$234,600 out of \$4,136,000. The reduction proposed by the USSR could easily be applied to the estimate of \$2,978,800 for Headquarters. As the United Kingdom representative had said, the expenses covered by section 10 were amenable to administrative control by the Secretariat. For example, the number and length of cables might be restricted by organizational procedures. He was not convinced that the 1962 appropriations should be taken as a standard, especially where general expenses were concerned. The 1962 estimates for section 10 had not been established with sufficient care.

26. Mr. VAUGHAN (Director of General Services) assured the members of the Committee that stringent control was exercised over cables. They could be signed only by authorized heads of section and were reviewed by the editors of the Cable and Telephone Section, who sought to limit their length. The Secretariat was making a sincere effort to reduce expenditure while maintaining the necessary services.

27. Mr. ALLOTT (United States of America) said that his delegation was in general agreement with the views on economy presented by the Australian representative. Where section 10 in particular was con-

cerned, the United States felt that the recommendations of the Advisory Committee should be followed, as the Secretary-General had indicated that even the reductions recommended by the Advisory Committee might place him in a difficult position. His delegation felt that the new information centres fulfilled a need and it would not be in favour of any reduction in the provision for that purpose. The provision which the Advisory Committee recommended for the section in 1963 was lower than the total appropriations for 1962, and his delegation was not prepared to support any further reduction.

28. Mr. MARQUES SERE (Uruguay) said that his delegation could not support so large a reduction as the one proposed by the USSR representative. He would therefore vote for the figure recommended by the Advisory Committee.

29. Mr. MUZIK (Czechoslovakia) said he had been impressed by the Australian representative's strong appeal for economy. The Committee should take account of relevant paragraphs of the Advisory Committee's report, which indicated that further savings could be made. He agreed with the USSR representative that the publication of the press review Coup d'œil involved unnecessary expenditure and that television and films were not suitable media for publicizing the United Nations. He would therefore support the Soviet proposal.

30. Mr. SOLTYSIAK (Poland) drew attention to paragraph 229 of the Advisory Committee's report (A/5207), in which it was stated that the press review Coup d'œil was partly responsible for the increased cable charges and that the publication had been established on the understanding that there would be no additional expenditure. It was therefore obvious that the continued need for the press review should be reconsidered. His delegation also concurred with the suggestions in paragraphs 30 to 32 of that report, and particularly endorsed the suggestion in paragraph 32 that greater attention should be given to the joint sharing of costs with specialized agencies in the case of projects undertaken on their behalf or with their co-operation.

31. Mr. HODGES (United Kingdom) said he could not support the USSR proposal, since his delegation had had in mind a much more modest reduction, which would bring the estimate down to the adjusted figures for 1961. If the Advisory Committee's suggestion was adopted, he hoped that the Fifth Committee's report would reflect the hope that control would be exercised effectively and that no supplementary appropriations would be sought for section 10 in 1963.

32. Mr. SANU (Nigeria) said he shared the misgivings of the Sudanese representative. He would support the figure proposed by the Advisory Committee, in the belief that any further cut would involve the Secretariat in difficulties.

33. The CHAIRMAN put to the vote the USSR proposal for an appropriation of \$3,659,800 under section 10.

The proposal was rejected by 43 votes to 10, with 15 abstentions.

The Advisory Committee's recommendation (A/5207, para. 237 and A/5243, para. 13) for an appropriation of \$3,952,000 under section 10 was approved on first reading by 58 votes to none, with 10 abstentions.

SECTION 11. PRINTING (A/5205, A/5207, A/5243, A/C.5/919)

34. Mr. SOLTYSIAK (Poland) drew attention to footnote a/ on page 93 of the budget estimates for 1963 (A/5205), which referred to a certain sum as the United Nations contribution to the cost of publishing the Economic Survey of Latin America, which was to become a publication of the Organization of American States. He asked whether the Survey had previously been published by ECLA, at what cost, why the Organization of American States had taken over the publication and why the United Nations made a contribution.

35. It was stated in the estimates that the cost of contractual printing in the New York area had risen by 5 per cent and that a further rise was in prospect. The Polish delegation would suggest that serious consideration should be given to the possibility of having printing done in an area, either in the United States or abroad, where the costs were not so high.

36. Finally, he pointed out that the Secretary-General had no direct control over the number of documents printed and that a reduction in printing costs depended on the co-operation of delegations in adopting a rational pattern of conferences.

37. Mr. HODGES (United Kingdom) said he would support the Advisory Committee's recommendations. He agreed with the Polish representative that it would be possible to reduce printing costs if all Member States co-operated in evolving a more rational pattern of meetings and conferences. Furthermore, the Secretariat should carry out the review of recurrent publications which the Advisory Committee recommended in paragraphs 250 and 251 of its report (A/5207).

38. Mr. KITTANI (Iraq) observed that praiseworthy efforts had been made to control printing costs. Over the past few years, the Advisory Committee's recommended figures had coincided with the Secretary-General's estimates; that seemed to suggest that the Committee was satisfied that everything possible was being done to curtail expenditure under section 11. His delegation would, however, support the Advisory Committee's recommendation for a small cut.

39. Mr. TEMPLETON (New Zealand) said that he, too, would support the Advisory Committee's recommendation. He also agreed with the Advisory Committee that, in view of rising printing costs, a more selective approach should be adopted in deciding which conference documents should be issued in printed form. It was most regrettable that a certain major conference had by-passed the Publications Board, which should be consulted on all matters relating to printing.

40. Mr. KIRKBRIDE (Secretariat), replying to the Polish representative, said that the Economic Survey of Latin America had previously been a United Nations publication and had been included in past budgets at an estimated cost of \$11,500 and that arrangements had been made through ECLA to transfer the publication to the Organization of American States. The provision of \$5,000 in section 11, chapter II (ix) (b), of the budget estimates for 1963 (A/5205) in that regard was to enable the United Nations to obtain copies of the publication for official distribution purposes, particularly to meet the needs of the Economic and Social Council.

41. With regard to contractual printing, he said that about 60 per cent of the total dollar value of the programme was undertaken outside the New York area and that continuous efforts were made to increase that percentage. He also pointed out that all official records of the regular sessions of the General Assembly were printed on the premises and that if there was any decrease in the volume of such records that would be reflected in section 11, chapter VII—Deduction for internal reproduction.

42. Mr. SOKIRKIN (Union of Soviet Socialist Republics) said he could not vote for the Advisory Committee's recommendation. Certain organs of the United Nations were taking inadmissible decisions to print documents in violation of General Assembly resolution 1449 (XIV), which enjoined them to consider ways and means whereby new projects might be deferred until suitable provision for them could be made in the main budget estimates for a subsequent financial year, unless they were of major and urgent importance. The time had come for the Advisory Committee to look into the substance of publications and to decide whether or not they were worth printing.

43. Mr. JATOI (Pakistan) said he would vote in favour of the Advisory Committee's recommendation. He had been particularly glad to hear that the Organization's internal printing facilities were being fully utilized.

The Advisory Committee's recommendation (A/5207, para. 256 and A/5243, para. 13) for an appropriation of \$1,440,750 under section 11 was approved on first reading by 58 votes to none, with 10 abstentions.

AGENDA ITEM 61

Supplementary estimates for the financial year 1962 (A/5223, A/5239, A/C.5/L.728) (continued)*

44. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) suggested that the fourth sentence of the fifth paragraph of the Chairman's letter (A/C.5/L.728) to the President of the General Assembly on the question of the implementation of rule 154 of the rules of procedure of the General Assembly should be amended as follows:

"Careful consideration should be given to as precise a definition as possible of their terms of reference; to the tasks such bodies would be required to perform; and, in so far as possible, the work programmes and duration of such bodies."

He also suggested that the second phrase of the next sentence should be altered to read "...what the scope and limits of the required travel and what the servicing requirements should be, since demands in this respect have recently been unduly heavy; furthermore...". Finally, the words "the second part of" should be inserted before "rule 154" at the end of that paragraph.

45. The CHAIRMAN suggested that the Committee should consider those amendments at its next meeting.

It was so agreed.

The meeting rose at 1.5 p.m.

*Resumed from the 918th meeting.