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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. HUSAIN (India) paid a tribute to the work done by the Acting Secretary-General since he had taken office and, in particular, commended the clear and detailed presentation of the 1963 budget estimates (A/5205). Similarly, the Advisory Committee on Administrative and Budgetary Questions had done its work with understanding, care and a sense of responsibility, as was demonstrated by the fact that the Acting Secretary-General was not contesting the reductions it had proposed.

2. Although there had been a few encouraging developments, the financial crisis still continued and the Acting Secretary-General could not even predict what the position would be three months hence. The Working Capital Fund could no longer be used to fill the gap created by the late payment of contributions and on 3 August 1962 the unpaid obligations of the United Nations had amounted to \$139.7 million as against net cash resources of \$33.3 million (A/C.5/925). Thus, the gap between receipts and expenditure was continuing to widen.

3. In the circumstances, the General Assembly should make a specific request to Member States to

pay their arrears in respect of contributions both to the regular budget and to the Working Capital Fund, because, despite repeated requests for payment, some of those contributions had been outstanding since 1957. With respect to the bond issue, although over \$72 million had been pledged by 1 August 1962, less than \$22 million had so far been paid by eighteen countries. As a result, the Secretary-General had been compelled to make substantial borrowings from special funds, but such borrowings could not remain outstanding indefinitely. It was therefore of the utmost importance that all Member States should pay their contributions to all United Nations accounts regularly so as to enable the Organization to carry out its functions.

4. The Special Account for UNEF and the *ad hoc* account for the expenses of the United Nations operation's in the Congo were of particular importance in that connexion. They raised a highly complex political problem which could be resolved only by lengthy negotiations within the General Assembly. Since agenda items 32, 63 and 64 dealt with the matter, his delegation would revert to it at the appropriate time.

5. For its part, India had paid its contributions to the regular budgets for 1961 and 1962 and was not in arrears in respect of previous years. Document A/C.5/920/Add.1 explained why the United Nations was holding the sum of \$140,000 in suspense account. India had also made its full contribution to the Working Capital Fund, the Special Account for UNEF and the *ad hoc* account for the Congo. In addition, it had decided to buy United Nations bonds in the amount of \$2 million.

6. The initial budget estimates for 1963 exceeded \$86.6 million, representing an increase of 5.5 per cent over the 1962 budget which, in turn, represented an increase of 3 per cent over the 1961 budget. The steady increase in the budget was a matter of serious concern, inasmuch as most Members of the Organization were now developing countries which found it increasingly difficult to meet the growing budgetary demands of the United Nations without curtailing some of their essential internal development projects. Consequently, in its own interest, the United Nations should adopt a policy of austerity and should carefully consider all possibilities of reducing expenditure. The alternative would be financial collapse, which would deal a shattering blow to the hopes of mankind for peace and progress.

7. The Indian delegation fully shared the Advisory Committee's concern at the increase in the number of conferences and meetings both at Headquarters and at Geneva (A/5207, paras. 22-27). It would revert to the matter in detail in connexion with agenda item 65, but would like at the present stage to stress its importance and to point out that General Assembly resolution 1202 (XII) should be brought into line with the conditions now prevailing.

8. The Acting Secretary-General had drawn attention to a certain amount of duplication, particularly with respect to information from Non-Self-Governing Territories. That was an area in which the co-operation of Member States in the Main Committees could help to avoid unnecessary expenditure.

9. He would not deal with the reductions proposed by the Advisory Committee on which the Fifth Committee had already taken a decision. Where section 3—Salaries and wages and section 4—Common staff costs, were concerned, however, he fully supported the view expressed by the Advisory Committee that, when the functions of posts had not yet been clearly formulated, it was preferable to recruit temporary staff rather than to create new permanent posts (*ibid.*, para. 123). It was also to be hoped that the staff of the Department of Trusteeship and Information from Non-Self-Governing Territories would be reduced, as envisaged by the Acting Secretary-General in paragraph 29 of the foreword to the 1963 budget estimates.

10. With regard to the salary scales for General Service staff in Geneva, the Indian delegation shared the view of the Advisory Committee (*ibid.*, para. 71). It was of the utmost importance that the tendency towards unilateral action and a disregard of objective judgements should be curbed and there should be a strongly constituted independent body to make judgements when problems arose in the administration of the common system.

11. The budget increase was largely the result of new economic and social activities. Those activities were necessary because the United Nations had to retain its dynamic character and expand its activities if it was to meet the needs of the many newly independent countries. It was, furthermore, the Member States themselves which proposed new urgent and important programmes every year such as the United Nations Development Decade, the African Development Bank, and activities relating to the peaceful uses of outer space. In view of the limited resources available to the United Nations, it was, however, essential to control that expansion. The Acting Secretary-General was therefore to be commended on the cautious manner in which he was implementing his policy of "controlled expansion". It was nevertheless still essential to give full weight to the Advisory Committee's recommendation (*ibid.*, para. 38) that new workloads should so far as possible be absorbed by existing staff before new posts were established.

12. Moreover, great importance should be attached to the recommendations made by the Advisory Committee in paragraphs 8 and 9 of its report on the revised estimates for 1963 (A/5243) and in paragraph 47 of its main report (A/5207): it was absolutely essential to establish a system of priorities, particularly with respect to decisions of the Economic and Social Council. Perhaps the decisions already taken by the Council, in particular, the establishment of a Special Committee on Co-ordination (resolution 920 (XXXIV)) and the adoption of resolution 909 (XXXIV), would facilitate the necessary process of elimination and co-ordination.

13. With regard to the additional expenditure of \$578,000 requested by the Acting Secretary-General in his revised estimates (A/C.5/919), the Indian delegation supported the reduction of \$90,000 recommended by the Advisory Committee (A/5243, para. 13) and its

proposal that its reports should be transmitted to the Economic and Social Council (*ibid.*, para. 11 (a)), which was partly responsible for the financial difficulties of the United Nations.

14. United Nations expenditure on public information activities had risen from about \$5 million to about \$6 million in two years, an increase of 20 per cent. The Indian delegation agreed with the Advisory Committee (A/5207, para. 29) that a continuation of the policy of stabilization was possible in that area and that a ceiling of \$6 million should be imposed on OPI expenditure in 1963. It also supported the recommendations made by the Advisory Committee in paragraphs 30-32 of its main report, but would submit further proposals when section 3—Salaries and wages—of the budget estimates was under consideration.

15. The supplementary estimates for 1962 had been very high and were likely to be even higher for the next financial year. The Indian delegation had accordingly already drawn the Committee's attention to paragraphs 18-20 of the Advisory Committee's main report and urged the need for compliance with financial regulation 13.1 and rule 154 of the rules of procedure of the General Assembly. It hoped that the letter from the Chairman of the Fifth Committee to the President of the General Assembly (A/C.5/927) would produce the desired result, and thought that attention should also be given to the application of rule 155 of the rules of procedure, which appeared to have become virtually a dead letter.

16. Where the question of the geographical distribution of the staff was concerned, the Secretariat should not be monopolized by a small number of Member States. The Acting Secretary-General had already taken some steps in the right direction and the Indian delegation would give careful study to the report he was to submit on the subject.

17. Lastly, the Indian delegation welcomed the fact that the Acting Secretary-General had accepted the Advisory Committee's recommendation for a reduction of \$1,966,050 in the budget estimates for 1963. It trusted that he would succeed in maintaining the Organization as an effective instrument of international co-operation.

18. Mr. SILVEIRA DA MOTA (Brazil) said that, although the general form of the budget estimates for 1963 was an improvement on that of previous budgets, some of the suggestions made by the Brazilian delegation at the sixteenth session were still valid. First, the budget should not contain items which did not fall under either income or expenditure, such as the establishment of new temporary or permanent posts. New posts should be established by resolutions of the General Assembly and the budget should reflect only the financial implications of such resolutions. Secondly, there should be a more logical classification of expenditure. At present, several different criteria were employed: for instance, expenditure under part V—Technical programmes—was classified according to a functional criterion; expenditure under part VII—Office of the United Nations High Commissioner for Refugees—was listed by administrative units and expenditure under part II—Staff costs and related expenses—by object of expenditure. It would be better if a classification by administrative units was applied to the whole budget and the remaining criteria utilized within each section. Similarly, there should be a more precise dividing line between administrative and operational expenditure. Lastly, a

more detailed analysis of expenditure would enable the General Assembly to vote separately on the different sub-divisions of sectors which at present were approved "en bloc". As to the supplementary estimates, it was to be hoped that the steps already taken by the Fifth Committee at the present session would remove most of the difficulties. His delegation offered its suggestions in a spirit of co-operation and not of criticism, for it appreciated the effort put into the presentation of the budget for 1963.

19. The fact that the Acting Secretary-General was not contesting any of the reductions recommended by the Advisory Committee was further evidence of the traditional wisdom and accuracy with which the Advisory Committee performed its role. While deploring the increase in the expenditure level for 1963 at a time when the Organization was faced with a financial crisis, the Brazilian delegation realized that the United Nations was a living organism which must grow and expand. The policy of "controlled expansion" proposed by the Acting Secretary-General seemed to be fully justified and, in any event, it was Member States themselves which asked for new activities, the United Nations Development Decade being a case in point. There was no reason why efforts to economize should be abandoned but, as the Acting Secretary-General had pointed out in document A/C.5/925, the United Nations must maintain a forward look and continue as a dynamic organization to which smaller nations could confidently turn for desperately needed assistance and support.

20. The decisions taken by Member States, for instance with regard to the United Nations Development Decade, would inevitably involve an increase in staff costs in such fields as industrialization, natural resources, economic projections and programming as well as in that of political affairs. For that reason, more emphasis than ever must be placed on the criterion of efficiency in the recruitment of additional staff. In its resolution 873 (XXXIII), the Economic and Social Council had recommended a strengthening of the Secretariat for industrial development purposes. Brazil would even have supported the creation of a new specialized agency; but, whatever the solution adopted, there would be an increased workload and therefore increased expenditure.

21. The Brazilian delegation was in favour of decentralization, but deplored the fact that for each new post in the regional economic commissions, an additional post was created at Headquarters. Decentralization should mean a modification of the relative powers of the commissions and Headquarters with respect to policy decisions and operations. The Brazilian delegation considered that the sixty-three new posts proposed by the Secretary-General should be redistributed, giving more attention to the needs of the regional commissions, particularly ECLA and ECAFE, which would have a role of growing importance in the Development Decade.

22. Mr. HASRAT (Afghanistan) expressed the fear that the extremely difficult financial position which the Organization was now facing might jeopardize its activities in various fields. The continuing rise in the budget level was a matter of concern to Afghanistan and to other small countries. In six years, it had risen from \$62.5 million to over \$86.6 million. That increase, which was large in itself, seemed enormous to countries whose limited resources were largely absorbed by urgent national projects. For

that reason, stabilization of the budget was of primary importance, but it must be done in a way which did not hamper the Organization's social, economic and humanitarian activities. The Afghan delegation felt, as it had at the sixteenth session, that the establishment of an order of priorities that would eliminate unnecessary expenditure would be a step towards stabilization.

23. The supplementary estimates imposed an additional burden on Member States. The Afghan and other delegations had repeatedly expressed the hope that they could be eliminated or at least reduced to a minimum. They had, on the contrary, increased. Nevertheless, the Afghan delegation appreciated the Secretary-General's efforts to improve the financial position of the Organization and the attention he was giving to the promotion of activities in the social, economic and cultural fields. It also had confidence in the Advisory Committee, particularly after reading its report (A/5207) and hearing the statement by its Chairman (A/C.5/926). In general, therefore, it supported that Committee's recommendations. Referring to section 2—Special meetings and conferences—he said that the Secretary-General should follow a more rational policy with regard to the financing of international conferences and the participation of Headquarters staff in meetings away from New York. With regard to section 4—Common staff costs, and section 5—Travel of staff, his delegation shared the views of the Advisory Committee and supported its recommendations, but felt that there was still room for further savings. In conclusion, he expressed the hope that the Secretary-General would be able to submit a more stable budget to the eighteenth session of the General Assembly.

24. Mr. VELA (Ecuador) noted that the Acting Secretary-General was recommending a policy of "expansion", although most delegations had consistently pressed for the establishment of a strict order of priorities for the work of the different bodies so as to achieve some stabilization of the budget and a planned growth of activities in certain fields without increasing the financial burden on Member States. It was true that delegations put the Secretary-General in a difficult position when they requested him both to stabilize the budget and to implement all the decisions of the General Assembly, the Economic and Social Council and other bodies, which inevitably involved financial implications.

25. Although the cash position of the Organization seemed to have improved temporarily, it was essential to strengthen the financial position of the United Nations before envisaging further expansion.

26. As was its custom, the Ecuadorian delegation would be guided by the Advisory Committee's recommendations in voting on the appropriations for the different sections of the budget. The reductions recommended by the Advisory Committee related mainly to the estimates for section 3—Salaries and wages, section 4—Common staff costs, section 5—Travel of staff, section 8—Permanent equipment and section 9—Maintenance, operation and rental of premises, which had increased substantially as a direct result of the admission of new Member States and of the resolutions adopted by the General Assembly and the Economic and Social Council. In addition to the figures for those sections in the budget estimates, there were the amounts included in the revised estimates resulting from decisions by the Economic

and Social Council to finance an expansion of activities in the fields of industrial development, natural resources and housing. General Assembly resolution 1710 (XVI) on the United Nations Development Decade also implied an increase in expenditure.

27. Although the budget estimates for the financial year 1963 (A/5205) were \$3,743,010 higher than the initial appropriations for 1962, the reductions recommended by the Advisory Committee (\$1,966,050) amounted to only 50 per cent of the supplementary estimates for 1962 submitted by the Secretary-General. The Ecuadorian delegation trusted that the Secretary-General would be able to meet the costs of the Organization without exceeding the figure recommended by the Advisory Committee and that he would not subsequently need to submit large supplementary estimates.

28. The Ecuadorian delegation was willing to consider, at the present session, the administrative and financial implications of a policy of controlled expansion of staff, but thought that all other solutions should be exhausted before such an expansion was envisaged.

29. Mr. MUŽIK (Czechoslovakia) deplored the fact that the high level of the 1962 budget, which had been disproportionately criticized by a number of delegations, would be exceeded by \$3,740,000 if the Secretary-General's proposals were accepted. If the increase continued at the present rate, the budget would have doubled in ten years. The Czechoslovak Government wished to protest most strongly against the present trend, which many Member States could not follow. It was true that the Organization had increased its activities in certain fields, which was to be welcomed, but the solution did not lie in increasing the staff and the budget, but in the maximum economy and the implementation of the resolutions on decentralization, which meant transferring functions and staff from Headquarters to the regional economic commissions. On the other hand, in the fields where there had been a slackening of United Nations activities, there had not been a proportionate decrease in the estimates, so that the budget had increased to a far greater extent than the activities of the Organization. Implementation of the decisions of the Economic and Social Council, improvement of Headquarters buildings and salary increases for General Service staff and manual workers also helped to swell the budget estimates. In addition, the approved expenditure for 1962 had been exceeded by the amount of the supplementary estimates. That completely untenable practice had been justly criticized during the debate in the Committee.

30. It was evident that the main reason for the increase in expenditure was the continuous growth of the Secretariat staff. The very detailed report of the Advisory Committee (A/5207) had proved that such an enormous increase was unwarranted and could be reduced by at least \$1,966,050. The report also revealed that the budget could be maintained at the same level, or even reduced, if the recruitment of new personnel were stopped. His delegation entirely endorsed the observations in paragraph 38 of the Advisory Committee's report and agreed that there should be a careful survey of the tasks and functions of staff in each department of the Secretariat. For example, the staff of the Statistical Office could be cut by eliminating some statistical surveys which did

not seem necessary. His delegation approved of the majority of the Advisory Committee's conclusions.

31. On the other hand, it could not endorse the estimates in part VI (Special missions and related activities) and recalled his delegation's view that it would be easier to control the budget and maintain it at a reasonable level if United Nations expenditure were divided into two categories: administrative expenditure and operational expenditure. Administrative expenditure could be fixed at a ceiling of some \$50 million. It would benefit both Member States and the United Nations technical assistance programme itself if the appropriations concerned were transferred to the budget of the Expanded Programme of Technical Assistance and the two programmes were combined; that would enable savings to be made in administrative costs. Moreover, contributions could then be made in national currencies, as in the case of the Expanded Programme. Czechoslovakia meant to increase its contributions to the Expanded Programme and to UNICEF; it was thus not seeking to restrict assistance to the developing countries, but on the contrary to rationalize both technical assistance and the regular budget of the United Nations.

32. The continuing failure to keep the Security Council informed of the financial implications of decisions relating to the maintenance of peace and security presented a grave problem. That was also true of the various political missions, and Member States that respected the Charter could not but be concerned at such repeated violations.

33. In connexion with the proposed improvements to the Headquarters premises, it would be appropriate to consider again the possibility of transferring United Nations Headquarters to another country where the members of delegations, particularly the representatives of socialist countries and the countries of Africa and Asia, would not be subjected to the racial, religious and political prejudices prevailing in the United States.

34. Another important problem facing the Committee was that of the geographical distribution of Secretariat posts. At present, the balance was weighted unfairly in favour of nationals of States belonging to Western military alliances. The practical results of the efforts which the Secretariat regularly promised to make were insignificant. The recruitment of staff from socialist countries had even slowed down as compared with 1961. The representation of neutralist countries was hardly more satisfactory. To correct that state of affairs, there must be a rapid change in the ratio of permanent to fixed-term contracts. It was not enough to create new posts; the existing ones must be distributed differently. Moreover, the principle of equitable geographical distribution should be applied to all United Nations bodies, for instance to the Technical Assistance Board, the Special Fund, the Office of the United Nations High Commissioner for Refugees, UNICEF and the Registry of the International Court of Justice. In the interests of the United Nations, it was necessary to put an end to the present imbalance so that the Secretariat reflected the genuine division of political forces in the world.

35. The Committee would also be called upon to consider the so-called financial crisis of the United Nations. That situation had resulted not from the normal expenditure of the Organization, but from the operations undertaken in the Congo and the Middle

East. The responsibility therefore rested with the Powers which had used the United Nations to fulfil colonialist objectives and to impose their will in violation of the Charter. The International Court of Justice had played an unhappy part in the matter. Although it was not competent to judge what was in fact a political dispute, it had adopted by 9 votes to 5 an Advisory Opinion (A/5161) contrary to the principles of the Charter.

36. At the Assembly's sixteenth session, the delegations of the socialist countries had criticized the working methods of the Committee on Contributions. It was clear from the report (A/5210) submitted by the Committee to the present session that it had not succeeded in improving the degree of comparability in its calculations of national incomes, that it had neglected to settle the important question of upper and lower "ceilings" and that it had failed to make a recommendation to guide the Fifth Committee. The Committee's report thus suffered from grave shortcomings. In the first place, the assessment of the State making the largest contribution had been reduced again at the expense of the other Member States, whereas the United States derived considerable advantage from the presence of United Nations headquarters and delegations in New York. Mr. Adlai E. Stevenson, speaking before the Committee on Foreign Affairs of the House of Representatives had himself admitted that if the criterion of "ability to pay" were applied, the United States share of the budget should be increased to 44 or 45 per cent. But the establishment of an upper limit for the United States contribution had not prevented that country's influence in the Secretariat from growing stronger. The way to correct that imbalance was not to reduce the United States contribution, but to apply the "troika" principle.

37. Turning to the question of Czechoslovakia's contribution, he recalled that his delegation had protested at the sixteenth session against the 36 per cent increase imposed on his country. The latest report of the Committee on Contributions (A/5210) showed that both the Committee and the Secretariat were well aware that the concept of national income as it applied in the socialist countries could not be identified with the United Nations definition. The Committee on Contributions had made the mistake of not following the work of the Western and socialist economists in that connexion. The discussions which had taken place at the Conference of European Statisticians at the beginning of 1962 at Geneva substantiated the protests of the socialist countries. The Committee on Contributions, which had taken production costs as a basis for its calculations, should have made them comparable by taking into consideration the factors to be subtracted; had they done so, the Czechoslovak contribution would not have been so unjustly increased. Czechoslovakia was not asking for special treatment, it was asking only to be assessed in accordance with its responsibilities and possibilities.

38. Mr. MARQUES SERE (Uruguay) noted with satisfaction that the Acting Secretary-General did not intend to oppose the recommendations of the Advisory Committee and congratulated the latter on its work. The capacity to pay of Member States was unfortunately increasing more slowly than the needs created by international co-operation. The only solution was to establish judiciously chosen priorities and to achieve co-ordination, which was indeed difficult at a time when so many new international bodies were coming into being.

39. The United Nations budget was growing from year to year, partly because of new admissions to its membership and partly as a result of decisions taken by the Member States themselves. It was their duty to accept the financial implications of the decisions they took. Certain expenditure, such as that relating to the strengthening of the regional economic commissions and the establishment of new information centres, was entirely justified and fruitful. The 1963 budget estimates would, it appeared, be followed by supplementary estimates. If the supplementary expenditure was really urgent, his delegation would not oppose it, for such expenditure was understandable in a world impatient to progress. Certain estimates, particularly those relating to the special missions, had raised objections of principle, but those activities had to be continued so long as the resolutions necessitating them remained in force.

40. Increased activity on the part of the United Nations was naturally to be welcomed, but the "controlled expansion" of which the Acting Secretary-General had spoken must not exceed the means of Member States. The budget must accordingly be the result of a collective choice. In conclusion, his delegation supported the recommendations of the Advisory Committee as a whole.

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

SECTION 20. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (A/5205, A/5207)

At the invitation of the Chairman, Mr. Urrutia, representative of the United Nations High Commissioner for Refugees, took a place at the Committee table.

41. The CHAIRMAN recalled that the estimate of \$2,494,000 submitted by the Secretary-General (A/5205) had been reduced by the Advisory Committee, which recommended an appropriation of \$2,400,000 (A/5207, para. 308).

42. Mr. HODGES (United Kingdom), speaking about both section 20 of the estimates and income section 2—Funds provided from extra-budgetary accounts expressed concern that some operational personnel paid out of project funds were being included in the regular establishment as posts in the latter became vacant, especially since the position regarding the grant-in-aid from the voluntary refugee funds was still unsatisfactory. The Advisory Committee had again emphasized (A/5207, para. 320) the need to clarify the basis upon which the grant-in-aid was determined, and it was to be hoped the situation would be clarified before the eighteenth session of the General Assembly and that the practice of including operational personnel in the regular establishment would cease.

43. Mr. URRUTIA (Office of the United Nations High Commissioner for Refugees) recalled first the Office's double responsibility towards "old" refugees, the victims of the two world wars, for whom a final aid programme had been prepared, and towards new groups of refugees whom the High Commissioner was attempting to help by making his good offices available to the Governments concerned with them.

*Resumed from the 921st meeting.

44. With regard to the point raised by the United Kingdom representative, he explained that a number of personnel had finally been included in the regular establishment because, although they were paid out of project funds, they had in fact long been carrying out administrative duties. There would be no danger of that continuing after the final major aid programme for "old" refugees had been completed.

45. It was necessary to establish a satisfactory standard formula for calculating the amount of the yearly grant-in-aid from the voluntary funds at the disposal of the High Commissioner. The \$650,000 grant paid to the United Nations in 1962 had, however, included \$580,000 from the regular contributions and \$70,000 from the contributions for North African refugees. The Office would, of course, receive no contribution for that purpose in 1963. However, it had increased the amount of the grant from regular contributions from \$580,000 to \$600,000, although its volume of expenditure had increased. The High Commissioner was greatly concerned with reducing administrative expenditures and, as indicated in paragraph 304 of the Advisory Committee's report (A/5207), some savings had already been made. The High Commissioner was no more in favour of additional estimates than the Fifth Committee. He would do everything possible to administer the programmes without exceeding the amount recommended by the Advisory Committee and would not ask for additional funds except in the event of unforeseen circumstances.

The Advisory Committee's recommendation (A/5207, para. 308) for an appropriation of \$2,400,000 under section 20 was approved on first reading by 65 votes to none, with 10 abstentions.

Mr. Urrutia, representative of the United Nations High Commissioner for Refugees, withdrew.

ESTIMATES OF INCOME (A/5205, A/5207, A/5243, A/C.5/919)

Income section 1. Staff assessment income

46. The CHAIRMAN recalled that a sum of \$28,000 was to be added to the Secretary-General's initial estimates of \$8,800,000 (A/5205) in respect of revised estimates resulting from decisions of the Economic and Social Council (A/C.5/919). The Advisory Committee had recommended a reduction of \$100,000 in the initial estimate (A/5207, para. 315). The Advisory Committee, therefore, recommended a total estimate of \$8,728,000.

47. Mr. SOKIRKIN (Union of Soviet Socialist Republics) proposed that income section 1 be considered at a later time, since the amount of the staff assessments would necessarily depend upon the Committee's decisions on section 3—Salaries and wages, which it had not yet considered in first reading.

It was so decided.

Income section 2. Funds provided from extra-budgetary accounts

48. The CHAIRMAN pointed out that the Advisory Committee had not recommended any reduction in the estimates of \$1,784,700 submitted by the Secretary-General.

The estimate of \$1,784,700 recommended by the Advisory Committee under income section 2 (A/5207, para. 322) was unanimously approved on first reading.

Income section 3. General Income

49. The CHAIRMAN recalled that the estimates of \$1,666,600 submitted by the Secretary-General had been increased by the Advisory Committee, which recommended the approval of \$1,750,000.

50. Mr. SOLTYSIAK (Poland) wished to know whether the Committee would receive, in 1962, itemized reports on the taxes of all kinds to which the United Nations was liable in all countries in which it had its offices, as expressly requested at the sixteenth session (902nd meeting) by the Polish delegation.

51. Mr. KIRKBRIDE (Secretariat) said that he did not have all the necessary reports at hand, but that they would be made available to the Committee at one of its next meetings.

The estimate of \$1,750,000 recommended by the Advisory Committee under income section 3 (A/5207, para. 329) was unanimously approved on first reading.

Income section 4. Sale of United Nations postage stamps (United Nations Postal Administration)

52. Mr. QUIJANO (Argentina) congratulated the Secretariat on the results of the campaign to promote sales of postage stamps at the United Nations.

53. In reply to a question from Mr. HODGES (United Kingdom), Mr. VAUGHAN (Director of General Services) confirmed that the values of the stamps had been changed to conform with the rise in postal rates.

The estimate of \$1,300,000 recommended by the Advisory Committee under income section 4 (A/5207, para. 333) was unanimously approved on first reading.

Income section 5. Sale of publications

The estimate of \$541,000 recommended by the Advisory Committee under income section 5 (A/5207, para. 339) was unanimously approved on first reading.

Income section 6. Services to visitors and catering services

54. Mr. WOLTE (Austria) said that he was concerned to note that the guided tours at Headquarters showed an even greater deficit than in 1962, and wondered whether that was a result of an increase in administrative expenditure or an actual rise in the number of visitors probably due to a greater number of group tours and therefore of admissions at a reduced price. Perhaps, in order to avoid that deficit, the price of tickets ought to be raised.

55. Mr. VAUGHAN (Director of General Services) said that the Secretariat, which followed the principle that the price of admission should be kept rather low because of the educational value of the guided tours, would bear in mind the Austrian representative's suggestion when it reviewed the question of the operation of the guided tours as a whole.

56. Mr. HODGES (United Kingdom) remarked that the operation of the catering services still showed a deficit and hoped that the Secretary-General would do everything possible to remedy the situation.

57. Mr. QUIJANO (Argentina) stressed the symbolic value and educational role of the guided tours and hoped that whatever measures were adopted to ensure the safety and facilitate the movements of representatives and staff would in no way interfere with visitors who desired to come and learn about the work of the international Organization and were certainly entitled to do so.

58. Mr. GANEM (France) suggested that photographs of the buildings housing United Nations services in other countries should be prominently displayed in the Organization's buildings in different parts of the world, so that visitors could have a better idea of its geographical unity and realize that it was present everywhere.

59. Mr. VAUGHAN (Director of General Services) assured the Argentine representative that the Secretary-General also hoped that a very great number of visitors would take a close interest in the Organization's work, but pointed out that the Secretary-General had, at the same time, to ensure that the numbers of visitors did not impede the normal activities of the representatives and staff.

60. He thanked the representative of France for his excellent suggestion which would certainly be borne in mind by the administration.

The estimate of \$731,500 recommended by the Advisory Committee under income section 6 (A/5207, para. 346) was unanimously approved on first reading.

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

61. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that the expenses listed under section 3 represented 56 per cent of the total budget. Under that section, the Secretary-General was asking for an appropriation of \$43,128,000, which the Advisory Committee had recommended should be reduced by \$369,000. In its report (A/5207), the Advisory Committee set forth in detail the reasons for the recommended reduction, including the administrative considerations which had prompted its decision.

62. The Advisory Committee recognized that the expansion in staff was largely due to the Organiza-

tion's increased activities, themselves a result of the decisions taken by the Main Committees of the General Assembly and by the Economic and Social Council. While, in the Fifth Committee, delegations were concerned at the increase in United Nations expenses, in other commissions and committees they unhesitatingly voted for resolutions which entailed additional expenditure at the very time when the Organization's financial situation called for a policy of austerity.

63. Nevertheless, the Advisory Committee believed that the judicious reassignment of certain staff members would enable the situation to be rectified. Some of the Secretariat's services were overloaded with work to such an extent that, in certain cases, the present situation could not last indefinitely, but in other services the volume of work was far less. It was therefore important to review work priorities, to direct staff towards new jobs and to eliminate some activities which were no longer needed or which duplicated others, so as to release personnel for urgent and important work. The Advisory Committee fully understood the reasons for the Secretary-General's estimate and had therefore recommended a reduction of only \$369,000, i.e., 0.85 per cent. In other words, the reductions recommended by the Advisory Committee for the various items under section 3 were reasonable and would not impede the execution of the work programmes drawn up by the various United Nations bodies. In saying that he would not challenge the Advisory Committee's recommendations, the Secretary-General had shown his sincere desire to spare Member States expenses which were not absolutely indispensable by practising a policy of greater austerity himself. The Secretary-General's courageous decision had relatively simplified the work of the Fifth Committee.

The meeting rose at 6 p.m.