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**GENERAL  
ASSEMBLY**

FOURTEENTH SESSION  
Official Records



**FIFTH COMMITTEE, 743rd  
MEETING**

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at 3.20 p.m.

**NEW YORK**

**CONTENTS**

	Page
Agenda item 54:	
Personnel questions ( <i>continued</i> )	
(b) Proportion of fixed-term staff . . . . .	177
(c) Other personnel questions . . . . .	177
Agenda item 45:	
Appointments to fill vacancies in the member- ship of subsidiary bodies of the General Assembly ( <i>concluded</i> )	
(c) Board of Auditors. . . . .	177
Agenda item 44:	
Budget estimates for the financial year 1960 ( <i>continued</i> )	
Form of the budget. . . . .	177

**Chairman:** Mr. Jiří NOSEK (Czechoslovakia).

*In the absence of the Chairman, Mr. Urabe (Japan),  
Vice-Chairman took the Chair.*

**AGENDA ITEM 54**

**Personnel questions (*continued*):**

**(b) Proportion of fixed-term staff (A/C.5/785)**

1. The CHAIRMAN observed that the draft resolution on geographical distribution of the staff of the Secretariat, adopted by the Committee at its 742nd meeting, dealt in part with the question of the proportion of fixed-term staff. He proposed that the Committee should note the Secretary-General's report (A/C.5/785).

*It was so decided.*

**(c) Other personnel questions (A/C.5/780)**

2. The CHAIRMAN proposed that the Committee should note the Secretary-General's report on definitions of dependency (A/C.5/780).

*It was so decided.*

**AGENDA ITEM 45**

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (*concluded*): \*

**(c) Board of Auditors (A/4120; A/C.5/L.580)**

*At the invitation of the Chairman, Mr. Hailemariam (Ethiopia) and Mr. Chaker (United Arab Republic) acted as tellers.*

\* Resumed from the 741st meeting.

*A vote was taken by secret ballot.*

Number of ballot papers:	60
Invalid ballots:	0
Number of valid ballots:	60
Abstentions:	0
Number of members voting:	60
Required majority:	31
Number of votes obtained:	
Colombia . . . . .	57

*The Auditor-General of Colombia having obtained the required majority, the Committee recommended that he should be appointed to the Board of Auditors for a three-year term beginning 1 July 1960.*

3. Mr. MORALES RIVAS (Colombia) thanked the delegations which had voted for his country for their renewed demonstration of confidence in the Auditor-General of Colombia. He also thanked the delegation of Pakistan for again deciding to withdraw the nomination of its Auditor-General in favour of the Auditor-General of Colombia.

**AGENDA ITEM 44**

Budget estimates for the financial year 1960 (A/4110,  
A/4228, A/C.5/776) (*continued*)

**Form of the budget (A/4228; A/C.5/776)**

4. Mr. SAHNI (India) recalled that during the general discussion of the 1960 budget estimates his delegation had drawn attention to the difficulties created by the new form of the budget. He had noted that even the Secretary-General was not entirely satisfied with it and that he considered that "a further improvement could be to supplement the present analyses of the estimates on the basis of (a) object of expenditure and (b) fields of activity, by an additional annex, which would show the tentative allocation of resources to each particular office location" (A/C.5/776, para. 15). His delegation's view was also shared, to a great extent, by the Advisory Committee on Administrative and Budgetary Questions which, after agreeing that the new form had proved satisfactory for the Secretary-General, i.e., from an operational and an administrative point of view, had stated that it was equally important that the new form should facilitate the understanding, review and control of the budget by the General Assembly and its budgetary organs (A/4228, para. 9). His delegation attached particular importance to that comment.

5. The Fifth Committee examined every year, within a necessarily very limited time, budget estimates in a very substantial amount. It was therefore essential that those estimates should be submitted to it in a form which would enable it to appreciate accurately the manner in which expenditures were incurred, the

purpose of the appropriations requested and the actual cost of the programmes carried out. Two years before, the Secretary-General had considered that the adoption of a new form of the budget would have a two-fold advantage; it would enable him, on the one hand, to administer the staff of the Secretariat and the funds appropriated by the Assembly more flexibly, and, on the other, to provide the most accurate information possible concerning the main fields of activity. As to the first objective, his delegation noted that, thanks to the new budget form, the Secretary-General had indeed been able to introduce more flexibility into the administration of the staff and the appropriations, and to make savings which would otherwise have been impossible. On the second point, it was also true that the current budget estimates supplied useful information on the various heads of expenditure. The Secretary-General's foreword was much more detailed than formerly; yet it might perhaps be usefully supplemented by figures which would provide an explanation of the variations in estimated costs. Unfortunately, the situation was less satisfactory with regard to the budget estimates properly so called, and the information annexes.

6. In paragraph 5 of its report the Advisory Committee said that the choice of a particular form for the budget of the United Nations must be governed, *inter alia*, by the following consideration: the form chosen must facilitate "the understanding, review and basic control of the budget by the General Assembly and its budgetary organs". The form adopted two years previously did not facilitate the consideration of the budget, and in fact, in voting credits of several million dollars, the Fifth Committee had often performed an act of faith rather than an act of understanding.

7. India, which like many countries long subject to colonial rule, had experienced before attaining its independence, budgets presented in such a way that no very clear idea could be gained of all the activities undertaken, had become especially demanding on that point. Returning to the subject of the United Nations budget, he observed that it was practically impossible to obtain an idea of certain expenditures which appeared under a single item in the 1957 budget. Nor was it easy to evaluate the results obtained in certain fields and to find out, for example, what effect the decision taken by the General Assembly in 1958 to reduce the amount of documentation (resolution 1272 (XIII)) had had in the various units and organizational segments, or to determine what part of the general expenses, amortizations, etc. corresponded to the operation of the television, restaurant and cafeteria services, so that one might be in a position to conclude that the receipts from those activities actually covered their costs. In the same way, the expenditures at present grouped in section 6 had been divided in 1957 among several sections and it had been possible to ascertain the staff costs incurred in each department or organizational segment.

8. It would be advantageous if the information annexes included analyses of budget proposals by field of activity. The Advisory Committee was also of that opinion (A/4228, paras. 10 and 12); it recommended that more detailed information annexes be included "showing analyses of budget proposals and estimates by organizational segment and by location", in the hope that that would "facilitate a closer and more

meaningful analysis of future estimates by field activity".

9. Sir John CARMICHAEL (United Kingdom) said that the question of the form of the budget, however academic it might seem, was none the less very important for the Committee, which desired to have the best basis for evaluation before expressing an opinion on the estimated costs. The current presentation of the budget should be maintained because of its advantages to the Secretariat from the administrative standpoint. But it was possible to improve it further. In that connexion, his delegation approved the recommendations of the Advisory Committee (A/4228, para. 10); the budget estimates should include more detailed information annexes "showing analyses of budget proposals and estimates by organizational segment and location". When the Committee had studied the operation of the Office of Public Information, it had felt that, lacking details it had not been able to obtain a sufficiently clear idea of the Office's expenditures. That criticism was equally valid for other branches of activity. Unfortunately, the existing internal accounting system did not facilitate the analysis of expenditures under general headings. The study correlating main fields of activity with actual expenditures for the period 1956 to 1958, mentioned in paragraph 7 of the Secretary-General's report (A/C.5/776) should have useful and valuable results.

10. In conclusion, with reference to the question he had already raised during the general debate, he asked the Controller to reconsider the place of revenue-producing activities in the budget. It might be preferable to account for such activities separately, regarding the relevant account as a trading account.

11. Mr. BANNIER (Netherlands) recalled that the Committee had already presented observations on the form of the budget at earlier sessions. The Netherlands delegation had then expressed the hope that, with the new form of the budget, what was lost in the figures would be won back in explanatory information. The Committee had asked that the direction, priority and cost of programmes approved by the United Nations should be shown very clearly in the budget. The Secretary-General and the Advisory Committee should be given time to study those observations; it was also necessary to await the outcome of the study on the distribution of actual expenditures by main fields of activity.

12. The new form of the budget offered certain advantages from the administrative standpoint. For example, section 6 was so designed as to enable the Secretary-General to utilize staff resources with the greatest flexibility. Moreover, the suggestions made by the Secretary-General in his report (A/C.5/776, paras. 14 and 15) were most valuable. The form of the budget was still quite novel, but it was not too early to say that further information annexes were essential.

13. The Advisory Committee had said that it would be appropriate "... to undertake, in the financial year for which estimates had already been submitted, the new projects only to the extent that they could be accommodated within those estimates, and to defer the balance of the work... until the year following" (A/4228, para. 14). He considered that the Secretary-General should be given the opportunity to revise his requests for funds, and he shared the Advisory Committee's view "that it might be useful to advance the time-

table for the submission and review of the budget estimates" (*ibid.*, para. 15).

14. To sum up, the past experimental period had shown the importance and value of the new form of the budget, but it was still somewhat early to arrive at a final opinion. It would therefore be preferable to prolong that experimental period by two more years.

15. Mr. EL HAKIM (United Arab Republic) shared the view that it would be premature to pass judgement on the new form of the budget at the present stage and that it would be preferable to wait another two years before deciding whether it should be adopted permanently. But that would not reduce the need for supplementing the budget estimates by more detailed information annexes.

16. Mr. KITTANI (Iraq) said that the new form of the budget had clearly proved satisfactory to the Secretary-General. The crux of the matter had been explained by the Advisory Committee, which had stated (*ibid.*, para. 4): "Clearly, no one of these or other forms of presentation would give a complete picture of budgetary proposals". The representative of India had just pointed out that there had been certain advantages in the earlier form of the United Nations budget. An effort should now be made to incorporate in the new form those elements of the earlier form which deserved retention. The new form of the budget perhaps facilitated the task of the Secretariat more than that of the Committee; it was therefore necessary to make still further improvements in it—especially by adding information annexes—and for that purpose it would be advisable to extend the experimental period.

17. Mr. TISHCHENKO (Ukrainian Soviet Socialist Republic) agreed that the new form of the budget had proved satisfactory for the Secretariat. However, as the Advisory Committee had stated, "it was equally important that the new form should facilitate the understanding, review and control of the budget by the General Assembly and its budgetary organs" (*ibid.*, para. 9). In his opinion, the new method of presentation did not meet that latter requirement; on the contrary, it was now more difficult for the Assembly to understand and control expenditures, especially those under part III (the Secretariat). The savings which one had been entitled to expect had not been made, and the fact that the Secretary-General had had to ask for the establishment of seventy-five additional General Service posts showed that he had not been able to utilize staff resources with the flexibility which was suppose to have resulted from the new form of the budget.

18. The working material available to the Committee should be not only clear, but also comparable with the data for preceding years. If the new form of the budget was kept for an additional period, it would be necessary to amplify it by means of information annexes which met the needs of the Committee. Lastly, he endorsed the recommendation of the Advisory Committee (*ibid.*, para. 14) to the effect that "it would be appropriate to undertake, in the financial year for which estimates had already been submitted, the new projects only to the extent that they could be accommodated within those estimates and to defer the balance of the work, unless it was of major and urgent importance, until the year following".

19. Mr. HASRAT (Afghanistan) considered that it would be desirable to elaborate and supplement the

information provided in the present budget estimates. He supported the Netherlands representative's proposal that the experimental period should be extended for two more years.

20. Mr. KWEEDJIEHOO (Indonesia) believed that the new form of the budget offered valuable opportunities for savings. Any administration should be in a position to adapt its working material to the needs of the moment; from the standpoint of execution and administration, that was one of the advantages of the new form of the budget, since the Secretary-General was able to make more flexible use of staff resources.

21. He noted with satisfaction that the Secretary-General and the Advisory Committee were aware of the imperfections which still existed. In the conviction that they would endeavour to improve the present form of the budget still further, he thought that it would be desirable to extend the experimental period by two years.

22. Mr. H. P. MARTIN (Union of South Africa) considered that the present form of the budget had advantages over the earlier form. It had facilitated the task of the Secretariat but it required further improvements to facilitate understanding by the Committee and the exercise of control. It was to be hoped that the improvements suggested by the Secretary-General in paragraphs 14 and 15 of his report would be incorporated in the budget estimates for 1961. While he fully understood the reasons for the Advisory Committee's recommendation that the date for submitting the budget estimates should be advanced, he feared that budget estimates submitted too early in the year would not be sufficiently complete. A compromise had to be found between those two requirements—presentation of a budget which was as complete and exact as possible, and its submission in good time to the organs of the General Assembly which were concerned. He would support the proposal of the Netherlands representative.

23. Mr. TURNER (Controller) said that the Secretary-General was in complete agreement with the views expressed in the report of the Advisory Committee. The question of the form of the budget had been studied by the Secretariat in close collaboration with the Advisory Committee and, on the whole, the suggestions for possible further improvements put forward by that Committee corresponded in every respect to the aims and intentions of the Secretary-General. Moreover he was happy to note, on examining the constructive observations and proposals made by the Fifth Committee, that the great majority of delegations were in agreement on the general line to be followed in the future in attempts to improve the presentation of the budget.

24. Certain representatives had expressed serious doubts as to whether the new form was really that most calculated to facilitate the review and control of the budget by the General Assembly and its budgetary organs. He recalled that it was largely due to the initiative of the Advisory Committee itself that the new method of presentation had been adopted on an experimental basis. At the time, the consideration that the new form would have certain advantages from the operational and administrative standpoint—which had proved to be true—had undoubtedly been one of the factors taken into account; but the Advisory Committee's main thought had been that, with time, the new form

would make a more meaningful and effective evaluation of the budget estimates possible both for itself and for the Fifth Committee. The progress made during the first two years, and commented on both by the Advisory Committee and by the Secretary-General, was only a beginning, and there was no doubt that much remained to be done before the budget came to contain all the details and information annexes which the Advisory Committee and the General Assembly desired for the best possible discharge of their tasks.

25. Several delegations had expressed keen disappointment that the budget, in its new form, had not produced the savings in staff costs which they had expected. In the Secretary-General's opinion that criticism was unjustified, because, if the budget estimates for 1960 had been presented in the old form, the staff costs would undoubtedly have been much higher. Stabilization of the establishment of the professional staff, except in the case of ECA, would have been impossible; moreover, with the old form, any decision to undertake new programmes or new activities inevitably, because of the rigidity of the system, involved new budgetary credits, which had obviously not been the case during the past two years. Paragraph 6 of the Advisory Committee's report and paragraph 13 of the Secretary-General's report both explained, in a way which seemed to him convincing, the disadvantages of the old form and the advantages of the new.

26. The representative of India had spoken of the speed with which the Committee reviewed and voted the budget each year. But while the Committee devoted little time to certain sections, it made a lengthy examination of others. He himself strongly deprecated the growing disproportion between the time spent on the preparation, review and voting of the budget, which extended over a period of some seven months, and that devoted to its administration and implementation, which raised important problems on which very little time could be spent.

27. Three main points of view seemed to have emerged from the discussion. Certain delegations found the new form satisfactory, apart from the improvements which could still be made in it; others had very definite reservations about it and thought that, all things considered, the old form offered more advantages; others, again, took the middle view that the new form should be retained, subject to possible further improvements providing for amplified information annexes which would give details of the grouping of expenditures by main fields of activity, by organizational segments and, if necessary, by office location. It would of course be foolish to expect spectacular results; but the Secretariat, now steadily gaining in experience, could make progress from year to year in the direction indicated by the Advisory Committee and the Fifth Committee. The Secretary-General was prepared to spare no effort to that end, within the limits of available resources, and particularly staff resources which were obviously restricted. He would take steps, in conjunction with the Advisory Committee, to select from available data and grouping possibilities—theoretically unlimited—those which he thought likely to facilitate the work of the General Assembly. It was confidently hoped

that it would be possible to present budget estimates for 1961 which would satisfy the great majority of delegations.

28. In reply to the question raised by the representative of the United Kingdom, he observed that, perhaps with one or two exceptions like the Gift Centre, the revenue-producing activities were not properly speaking activities of a trading nature, in the sense that they were not primarily intended to make money. However, that did not preclude the possibility of improving the present method of presenting those activities, and the matter was receiving the attention of the Secretariat, which would discuss it with the Advisory Committee in connexion with the budget estimates for 1961.

29. Mr. SAHNI (India) said that the fact that the relevant services of the Secretariat devoted several months to the preparation of the budget estimates was an added reason for supplying the Fifth Committee, which was pressed for time, with a document sufficiently detailed to enable it to assess the results of those efforts easily, and itself to work on more constructive lines. His delegation had not proposed any radical change in the present form of the budget; having no wish to impose over-rigid directives on the Secretary-General, it had simply made a few general suggestions indicating the direction which the Committee would like future efforts to take. Nevertheless, if the Committee was going to arrive at a formal decision—as the representative of the Netherlands had proposed—to retain the new form of budget for two years more, his delegation thought that it should at the same time recommend the inclusion of more detailed annexes, based more or less on those appearing in the budgets of the years preceding the adoption of the new form, thus endorsing the opinion expressed by the Advisory Committee that the new form of the budget should facilitate "the understanding, review and control of the budget by the General Assembly and its budgetary organs" (A/4228, para. 9). He would like to make an addition to that effect to the Netherlands representative's proposal.

30. Mr. BANNIER (Netherlands) thought there was no reason why the decision of the Committee, which in his opinion did not necessitate the adoption of a draft resolution and could simply be included in the report, should not be accompanied by the points made by the representative of India, since they reflected the views of the Committee in general.

31. Mr. KITTANI (Iraq) remarked that it might be sufficient to refer to the improvements recommended by the Advisory Committee, as set forth in paragraph 12 of its report.

32. The CHAIRMAN said that he would ask the Rapporteur to indicate in the draft report, which would also contain an account of the suggestions and observations made during the debate, that the Committee had decided to retain the present form of the budget for a second experimental period of two years, on the understanding that the Secretary-General would endeavour to make in it the improvements suggested by the Advisory Committee.

*It was so decided.*

The meeting rose at 5.35 p.m.