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Agenda item 46

## HEADQUARTERS OF THE UNITED NATIONS

Report of the Fifth Committee

Rapporteur: Mr. Rafik ASHA (Syria)

1. In accordance with the allocation of agenda items approved by the General Assembly at its 342nd plenary meeting on 13 November 1951, the Fifth Committee, on 17 January 1952, considered the question of the permanent Headquarters of the United Nations.
2. For this purpose the Committee had before it document A/1895 submitted by the Secretary-General pursuant to General Assembly resolution 461 (V) adopted on 12 December 1950, under which the Secretary-General was requested to report on the progress of construction of the Headquarters and to submit tentative plans and methods of financing the construction of a delegation building. In his report, the Secretary-General transmitted the conclusions reached by a sub-committee of the Headquarters Advisory Committee to the effect that any architectural planning relating to the construction of a delegation building which involved the expenditure of any sizeable amount of funds would not be justified under existing circumstances, and that further planning for such a building should therefore be postponed for the time being. The Secretary-General also presented, for the Committee's consideration, a draft resolution taking note of his report, continuing the Headquarters Advisory Committee with the existing membership and requesting him to report to the General Assembly at its seventh session on the progress of Headquarters construction.

3. The Fifth Committee also received from the Secretary-General a supplementary report (A/1895/Add.1) containing an analysis and justification of the increased expenditure beyond that for which provision had initially been made and which, in his opinion, would be necessary for the completion of the planning, construction and furnishing of the permanent Headquarters. It was reported by the Secretary-General that, in spite of adjustments in plans and, in some instances, the substitution of cheaper materials, it had not proved possible to absorb altogether the considerable increase in construction costs that had occurred since 1947, and particularly since January 1949 when the construction programme was being accelerated and the major contracts were being negotiated. In the light of prevailing conditions, he therefore estimated that total requirements would amount to \$68,000,000, or \$3,000,000 in excess of the figure approved by the General Assembly in resolution 182 (II) of 20 November 1947. In these circumstances, the Secretary-General proposed that this anticipated deficit should be financed as follows:

- (a) That \$1,000,000 be voted as a supplemental budget item;
- (b) That authorization be given to draw upon the Working Capital Fund, as required, in a total amount not exceeding \$2,000,000.

4. The Committee noted that the Headquarters Advisory Committee had considered the supplementary report of the Secretary-General and had adopted, by 13 votes to 2, the following resolution:

"The Headquarters Advisory Committee,

"Having heard the reports of the Secretary-General and the Director of Planning on the progress of construction of the permanent Headquarters and on the financial aspects of such construction,

"Considering the shortages of labour and material and the rapid increase of building costs since the commencement of construction,

"1. Expresses its satisfaction with the progress of construction and with the efforts of the Secretary-General to effect economies, resulting in a final total cost which will represent a relatively small increase above the original estimate of 1947;

"2. Endorses the request of the Secretary-General for authorization to make any necessary additional expenditure not exceeding \$3,000,000 to complete the permanent Headquarters".

5. The Secretary-General's request was reviewed also by the Advisory Committee on Administrative and Budgetary Questions, which, in its twelfth report of 1952 (A/2065) recommended the provision of \$1,000,000 under a separate new section of the 1952 budget, together with a corresponding reduction in the appropriation approved under section 33, and that, in addition, the Secretary-General should be authorized to advance from the Working Capital Fund amounts not exceeding \$2,000,000 in total.

6. The Fifth Committee, in its consideration of the Secretary-General's proposal, took note of the assurances given on his behalf to the effect that the amount of \$3,000,000 requested represented a final and maximum figure of the additional financial outlay under the Headquarters construction programme, and that the proposed advances from the Working Capital Fund would, on present showing, be made during a twelve-month period running from July 1952.

7. Concern was expressed by several delegations as to the possibility of the Organization's financial stability being endangered by additional inroads on the Working Capital Fund. Fear was also expressed that, in the event of obligations entered into under the authorization requested having to be met during the early part of 1953 when the state of the Working Capital Fund was expected to be somewhat critical, the General Assembly might find itself faced with a further request for an increase in the size of the Fund. In reply to these observations the Assistant Secretary-General for Administrative and Financial Services stated that by 1953 certain surpluses would doubtless have been paid into the Working Capital Fund, in addition to which certain advances would have been repaid. The proposal under consideration, moreover, had been taken into account in the general appraisal of the situation given earlier to the Committee when the question of the amount of the Working Capital Fund was under discussion. The extent to which, in the course of 1952 and 1953, the position of the Fund might become difficult would depend primarily on arrears in the payment of the contributions of Member States. The Secretary-General was of the opinion that his proposal to advance from the Fund additional amounts needed for completing the permanent Headquarters did not involve any excessive risks, nor was it likely to create a critical situation so far as the Working Capital Fund was concerned.

8. The representative of the Union of Soviet Socialist Republics expressed the opinion that Member States had no proper financial control over the Headquarters

construction programme. The information before the Committee indicated that the considerable funds placed at the disposal of the responsible officials concerned had been extravagantly expended with the result that further appropriations amounting to approximately 5 per cent of the original budget were now being sought. Accordingly, he proposed that the Headquarters Advisory Committee be invited to revise the plans for the uncompleted construction projects with a view to their simplification and reduction in cost and that, in addition, the Secretariat be requested to undertake negotiations with the United States Government for a further loan on the same terms as the original loan of \$65,000,000.

9. A number of other delegations expressed the view that, building costs in the New York area having risen by an average of 19.4 per cent since the approval of the plans for the permanent Headquarters in December 1947, it was not surprising that the original appropriation had proved inadequate. The fact that the additional funds requested amounted to less than 5 per cent of the original estimate was, in itself, convincing evidence of the care and prudence with which the programme had been carried forward.

10. In the course of replying to a number of questions relating to construction plans and progress, the Director of Headquarters Planning informed the Committee that all conference rooms and facilities necessary for the next session of the General Assembly would be ready by 15 September 1952.

11. The representative of Canada proposed that the recommendations of the Advisory Committee concerning the additional expenditure to be incurred should be modified as follows:

(a) That there should be provided under a new section of the budget a sum of not less than \$1,000,000 or such larger sum as might be available under the appropriation originally approved for section 33; and

(b) That the Secretary-General should be authorized to advance from the Working Capital Fund amounts not exceeding the difference between the over-all requirements of \$3,000,000 and the amount appropriated under the new section referred to in (a) above.

12. Following the conclusion of the general discussion, the Committee approved, by 34 votes to 5, with no abstentions, the resolution presented by the Secretary-General in his report (A/1895)

13. The proposal of the Union of Soviet Socialist Republics was rejected by 32 votes to 5, with 3 abstentions.
14. The Committee then approved, by 35 votes to 5, with 1 abstention, the recommendations of the Advisory Committee with respect to the additional funds requested, as amended by Canada.
15. The Fifth Committee therefore recommends to the General Assembly the adoption of the following resolution:

HEADQUARTERS OF THE UNITED NATIONS

The General Assembly

1. Takes note of the report of the Secretary-General on the permanent Headquarters of the United Nations;
2. Decides that the Headquarters Advisory Committee, established by General Assembly resolution 182 (II) of 20 November 1947, shall be continued with the existing membership;
3. Requests the Secretary-General to report to the General Assembly at its seventh session on the progress of construction of the Headquarters.

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