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Chairman: Mr. Mario MAJOLI (Italy).

AGENDA ITEM 49

Supplementary estimates for the financial year 1960
(A/4492, A/4508)

1. The CHAIRMAN pointed out that in his report (A/4492) the Secretary-General had submitted revised estimates for 1960 involving additional appropriations of \$1,978,250. At the same time, an increase of \$32,500 was anticipated in income other than from staff assessment and an increase of \$246,000 in income from staff assessment. In its report (A/4508, para. 13), the Advisory Committee on Administrative and Budgetary Questions recommended that the 1960 appropriations should be increased by \$1,949,250; that sum covered the additional estimates as submitted by the Secretary-General with the exception of the estimate for section 4—Special missions and related activities—where the Advisory Committee recommended a reduction of \$29,000 in the figure proposed by the Secretary-General. In paragraph 14 of its report the Advisory Committee recommended approval of the revised income estimates submitted by the Secretary-General.

2. Members would have noted from paragraphs 2 and 3 of the Secretary-General's report, and from paragraph 8 of the Advisory Committee's report, that the supplementary estimates now under consideration did not cover certain costs which would be reported on separately.

3. Mr. ROSHCHIN (Union of Soviet Socialist Republics) observed that, according to the Secretary-General's report, the additional requirements leading to the revised estimates amounted to \$2,480,400 (A/4492, para. 4). A sum of such magnitude called for careful scrutiny by the Fifth Committee, in relation to both the expenditure incurred and the circumstances by which it had been necessitated. Moreover, that figure was not final: the changes in post classifications proposed by the Secretary-General would require an additional budgetary provision of some \$340,000 (A/4508, para. 8 (b)), and other causes of additional expenditure were indicated in paragraphs 2 and 3 of the Secretary-General's report. The Assembly would thus have to examine at the current session supplementary estimates many times larger than those approved at the fourteenth session. The

Secretary-General had then requested^{1/} an additional sum of \$955,800, of which only \$340,300 had related to sections of the regular budget. As a result, many members of the Fifth Committee had hoped that there would be a continuing trend towards reducing the volume of supplementary appropriations, and possibly—where ordinary expenses were concerned—towards their total elimination.^{2/} Unhappily, those hopes had not been realized.

4. On close analysis, it was evident that by no means all the additional expenditure incurred had been unavoidable. His delegation felt that the Secretary-General had not done enough to keep down additional expenditure and, in some instances, had initiated measures entailing considerable expenditure for which no provision had been made in the budget. Far from all the expenditure incurred under General Assembly resolution 1444 (XIV)—totalling \$1,137,350—could genuinely be described as unforeseen and extraordinary expenses, as immediately necessary, or as relating to urgent economic rehabilitation. For example, under section 4, chapter I, (viii), the total cost of United Nations activities in Laos during 1960 was estimated at \$260,000 (A/4492, para. 19 (d)). It was difficult to understand why the co-ordination of United Nations activities in Laos should require a staff of twenty-eight, considering that the value of the assistance planned for Laos in 1960 was only \$213,000. His delegation was in favour of assistance to under-developed countries, but could not agree that United Nations funds should be spent on maintaining large and expensive administrative staffs. The disproportion between the two sums he had quoted cast doubt upon the motives of the United Nations and its Secretary-General and raised the question whether, under the guise of economic and technical assistance, the Secretary-General was not perhaps pursuing other ends in Laos.

5. The supplementary estimates submitted by the Secretary-General for the financial year 1959 had included a similar item: an appropriation of \$39,300 had been requested for the Special Representative of the Secretary-General in Guinea,^{3/} who had been appointed to discharge co-ordinating functions in that country. That official, like the Special Consultant to the Secretary-General for the co-ordination of United Nations activities in Laos, had his own staff. He also had a Cadillac; in providing United Nations officials with expensive cars it was forgotten that the extravagant outlay of United Nations funds only weakened the Organization's authority and created dissatisfaction among the Members States which financed it. The appropriation of \$39,300 had apparently been incurred merely to enable the Special

^{1/} See Official Records of the General Assembly, Fourteenth Session, Annexes, agenda item 43, document A/4198.

^{2/} *Ibid.*, document A/4327, para. 7 (a).

^{3/} *Ibid.*, document A/4198, para. 4 (b) (iv).

Representative of the Secretary-General to conclude that Guinea needed no special assistance from the United Nations but should be assisted through the normal channels available to under-developed countries. It might be thought that that negative conclusion had been reached because the Special Representative, a Netherlands national, had not been in sympathy with the progressive policy of the young Republic of Guinea. In that connexion, it seemed to his delegation wrong that all four United Nations staff members sent to Guinea should have been nationals of countries parties to the North Atlantic Treaty to the exclusion of the countries of Africa and Asia, the socialist and the neutral countries. The United Nations was now represented in Guinea by an official of the Technical Assistance Board, at a cost of \$56,000; a figure which was unduly large in relation to the planned expenditure of \$131,000 on assistance to Guinea in 1960.

6. In his delegation's view, the Committee of Experts on the Review of the Activities and Organization of the Secretariat should examine the administrative aspects of United Nations technical assistance with a view to making the necessary improvements. Funds provided for technical assistance to under-developed countries should be spent for that specific purpose alone.

7. Furthermore, the General Assembly resolution concerning unforeseen and extraordinary expenses should not be construed as entitling the Secretary-General to appoint special or personal representatives as he had done in the cases of Guinea and Laos. The Advisory Committee had had some pertinent remarks to make on that subject at the fourteenth session,^{4/} but it should express stronger criticism of the Secretary-General's improper action in sending his special representatives to various countries and of the unsatisfactory situation with regard to the cost of those representatives and of the provision of technical assistance. It was to be regretted that the Advisory Committee had made no reference to the Special Consultant in Laos; his delegation objected to the inclusion of an appropriation for that purpose.

8. It also objected to the proposal to finance the United Nations Representative on Hungary (A/4492, para. 19 (c)). The appointment of that representative had stemmed from political manoeuvres by certain Powers interested in preserving the cold war, and merely represented a source of income to the individuals involved. The USSR delegation would vote against the supplementary appropriation requested for that purpose, and considered that the post in question should be abolished.

9. The United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK)—another United Nations organ designed to keep the cold war in being—had cost the United Nations some \$2.5 million over the past ten years. UNCURK's role had been to maintain the division of Korea, and to confer United Nations sanction upon the reactionary régime of Syngman Rhee. Although recent events in South Korea had compromised UNCURK's activities, the Secretary-General was again proposing an increase in the current appropriation for its maintenance; the USSR delegation strongly objected to any such increase.

^{4/} Ibid., document A/4221, para. 13.

10. The supplementary estimates for the regular budget sections forced his delegation to the regretful conclusion that the Secretary-General had made insufficient effort to keep total expenditure within the limits of the appropriations and to absorb additional expenditure that was genuinely unavoidable by savings under other budget sections. The Secretary-General had contributed little to the saving of \$500,000 referred to in paragraph 4 of his report (A/4492). The saving of \$213,300 on the original appropriation for the Economic Commission for Africa merely impeded the normal development of the Commission's activities by depriving it of the necessary qualified personnel. The sum of \$50,000 which had been saved on major maintenance and capital improvement at Headquarters represented merely a postponement of expenditure, not a genuine saving.

11. The largest source of additional expenditure under the regular budget—"Expenses arising from the application of the staff rules and regulations"—amounted to \$615,050 (A/4492, para. 4 (d)). There was no denying the year-by-year rise in the cost of living in places where the United Nations had its offices, especially in New York, and it would be wrong to deny the staff the pay increases due to them on that account. That did not mean, however, that the increased outlay must necessarily be met from supplementary appropriations. The appropriation of \$41,837,200 approved by the General Assembly at its fourteenth session (resolution 1443 (XIV)) to maintain the Secretariat in 1960 was large enough, if wisely used, to absorb such increases. With better planning and stricter control of expenditure, some sources of additional expenditure—especially salary increments for staff and recruitment, transfer and separation expenses—could either have been avoided altogether or kept to a minimum. In the quarter of the current financial year still remaining, the Secretary-General should carefully re-examine his budgeting and reduce or postpone any non-essential items; he should thus achieve considerable savings.

12. His delegation had come to the conclusion that the economy of the United Nations required detailed scrutiny; it would be the Fifth Committee's task to exercise stricter supervision over the organization of the Secretariat's operations, and over the expenditure by the Secretary-General of the funds provided by Member States.

13. Mr. KESZTHELYI (Hungary) said that his delegation opposed in principle the Secretariat's regular annual practice of presenting revised estimates in respect of budgetary items for which appropriations had been voted at the previous session. Sound budgetary practice demanded, on the one hand, more careful financial planning and, on the other, a greater effort to remain within authorized appropriations. Although the General Assembly had adopted a record budget of more than \$63.1 million for 1960, the Secretary-General had asked for a net increase which would raise the total appropriation for 1960 to approximately \$65.4 million. The supplementary estimates now presented—quite apart from those still to come—were two and a half times as large as those approved for 1959 and could scarcely be regarded as justified in view of the record size of the 1960 budget.

14. Savings could, he believed, be achieved under section 6—Salaries and wages, and section 7—Com-

mon staff costs, in particular the figures for temporary assistance and for overtime and night differential seemed excessive. New and unforeseen expenses should, in principle, be offset by savings; changes in the work of the Trusteeship Council and of the corresponding Department of the Secretariat provided an opportunity to give effect to that principle.

15. Under section 4, his delegation opposed the proposed appropriation of \$260,000 for United Nations activities in Laos, the revised estimate for UNCURK, and the proposed appropriation for the United Nations Representative on Hungary. On the last-mentioned item his delegation had made its views abundantly clear to the General Assembly, and had protested against the adoption of resolution 1454 (XIV), which constituted illegal interference in his country's domestic affairs. That resolution violated the Charter and any expenditure arising out of it was unacceptable to his delegation. The money which the Representative in question drew from the United Nations obviously encouraged him to keep alive the dead issue known as the "Question of Hungary"; those who sought to finance him must share the responsibility for maintaining that issue in being.

16. The Assembly could not hope to keep the United Nations budget under control if, year after year, it was asked to approve additional sums for expenses which were not genuinely unforeseen and extraordinary but should have been covered by the regular budget. Where a substantial part of the sum requested in a revised estimate had already been spent, the General Assembly was left with little choice; his delegation would support any proposal designed to ensure that increased appropriations were confined to expenditure arising out of unforeseen developments that required urgent action.

17. Mr. RYBAR (Czechoslovakia) pointed out that the record-breaking budget for 1960, amounting to over \$63 million, had placed a great financial burden on Member States. Despite that fact, the Fifth Committee was now expected to approve supplementary estimates totalling almost \$2 million, and the Advisory Committee made it plain (A/4508, para. 8) that requests for further supplementary appropriations were to follow.

18. The revised estimates included proposed appropriations for activities incompatible with the Charter and purposes of the United Nations. For example, the United Nations Representative on Hungary and the United Nations Commission for the Unification and Rehabilitation of Korea were engaged in illegal activities serving cold war interests and directed against understanding among nations; they damaged the prestige of the United Nations, and abused the Organization in the interests of imperialist elements seeking to poison the atmosphere in various parts of the world and in the United Nations itself. His delegation would oppose any appropriation for those items and, unless the relevant estimates were rejected, would vote against the supplementary estimates as a whole.

19. Apart from unforeseen and extraordinary expenses, the Secretary-General requested approximately \$1.4 million to cover increased expenditure under the regular budget. The criticism already made of the practice of presenting supplementary estimates in respect of regular budget sections was particu-

larly cogent in view of the ever-increasing size of the budget. It was true that many items included in the supplementary estimates could not have been foreseen when the original budget estimates were presented; but a total of \$63 million should provide enough leeway for savings to offset them. Automatic approval by the Fifth Committee of whatever supplementary estimates the Secretariat might present did not make for sound fiscal policy or for strict economy in the administration of all parts of the budget throughout the financial year.

20. Mr. ARRAIZ (Venezuela) said that the care with which the Advisory Committee scrutinized United Nations expenditure was well known. If that Committee recommended that the supplementary estimates should be approved with a reduction of only \$29,000, it seemed to him that that recommendation should be accepted without further discussion. The estimates related to expenditure which was inevitable and which resulted from the continuous growth of the United Nations and the constantly changing world situation.

21. His delegation approved the Advisory Committee's recommendation with regard to the change in the post classifications for the United Nations Headquarters in New York and the United Nations Office at Geneva. Little proof was needed that there had been increases in living costs in the two cities concerned; members of delegations had had ample opportunity to experience those increases at first hand. The New York local cost-of-living index had already reached 132.7 in 1959 as compared with 100 at Geneva in January 1956, and the proposed reclassification from 1 January 1960 would, in effect, provide retroactive compensation for the staff at Headquarters.

22. With regard to the question of the unobligated balance of the 1960 appropriation towards the cost of construction of the United Nations building in Santiago, Chile, his delegation agreed with the Advisory Committee's proposal (A/4508, para. 15) to defer any recommendation until after it had had an opportunity to review the progress report, to be submitted by the Secretary-General provided that such postponement would not in any way prejudice the completion of a project which was of such importance for the Latin American countries.

23. Mr. CUTTS (Australia) said that his delegation had always been second to none in its concern for rigid budgetary economy and it consequently shared the misgivings of the USSR and other representatives regarding the unprecedented size of the supplementary estimates for the current financial year. Supplementary appropriations on that scale indicated an undesirable trend in the fiscal policy of the Organization and he shared with the USSR representative the hope that, in the future, the trend would be towards diminution and ultimately even disappearance. Nevertheless, the Committee's task was to examine the specific estimates submitted by the Secretary-General. His delegation accepted the argument that the expenditure involved was of an unforeseen and urgent character and would therefore have to be met. As the Venezuelan representative had pointed out, the Advisory Committee had examined the estimates in detail and had recommended a modest reduction of \$29,000.

24. He asked the Chairman of the Advisory Committee to enlarge on the statement in paragraph 9 of its report (A/4508) that "opportunities for savings under a number of headings might well arise during the remaining months of the year". He would like an assurance that any saving effected under section 4 would not entail a reduction in United Nations activities in Laos.

25. Some delegations had indicated their opposition to specific items in the supplementary estimates. Admittedly, there were differences of opinion between Members of the United Nations concerning certain of the Organization's activities but the Fifth Committee was not the place to debate their merits.

26. Mr. QULJANO (Argentina) said that the supplementary estimates submitted by the Secretary-General covered only part of the expenditure for which supplementary appropriations would have to be made. It was clear from paragraphs 2 and 3 of the Secretary-General's report (A/4492) that the total figure would be extremely high and that the position was even worse than in 1958, when the supplementary estimates had been over \$6 million.

27. His delegation fully supported the growth in United Nations activities and would be the last to object to new programmes if the majority of Members felt them to be useful and constructive. It had complete confidence in the Secretary-General in the execution of programmes and in the administration of the Organization. Nevertheless, in the interest of Governments, it was necessary to examine the supplementary estimates with great care.

28. On the basis of the information presented by the Advisory Committee and the Secretary-General, his delegation had no alternative but to accept the conclusion that the expenditure involved was inevitable and related to activities which could not be postponed. It would, therefore, support the Advisory Committee's recommendation (A/4508), but hoped that, in the future, the United Nations would firmly resist any expenditure not covered by the regular budget, with the exception, of course, of essential expenditure relating to the maintenance of international peace and security or to urgent measures of economic assistance.

29. The current financial year was probably not an ideal one in which to attempt to introduce radical changes, since much of the supplementary expenditure was due to the increase in United Nations activities resulting from the influx of a large number of new Member States and, more particularly, to the fact that the Security Council had again been called upon to exercise its function as the primary organ responsible for the maintenance of peace and security. However, the Committee and the Secretariat should endeavour to draw up a budget for 1961 which would cover all expenditure to be incurred by the Organization in the next financial year, with the exception of that due to unforeseeable changes in the international situation.

30. Mr. BENDER (United States of America) regretted that political issues had been raised in the Committee. The criticisms some delegations had made of certain items in the supplementary estimates amounted to an attack on the Organization itself, to which his delegation took strong exception. The Fifth Committee currently faced unusually difficult prob-

lems. He hoped that the Committee would concentrate its efforts on the problem of finding funds to preserve peace and security and to aid those countries in need of United Nations assistance. On the substance of the issue before the Committee, his delegation supported the views expressed by the Venezuelan, Australian and Argentine delegations.

31. Mr. SERBANESCU (Romania) felt that the submission of supplementary estimates was becoming a standard practice of the Secretariat. The budget estimates were drawn up on the basis of past experience and with due regard for the possibility of unforeseen expenditure. Supplementary estimate should, therefore, be small. His delegation had always been in favour of providing funds for United Nations activities which were essential and could not have been foreseen at the time the budget was approved. It considered, however, that supplementary estimates totalling \$1,978,250 were unreasonable. There were certain aspects of the supplementary estimates which were open to criticism besides those indicated in the Advisory Committee's report (A/4508). His delegation was opposed to the allocation of funds for the so-called United Nations Representative on Hungary; United Nations funds should be employed for useful purposes and not to promote the cold war. The same applied to the illegally constituted United Nations Commission for the Unification and Rehabilitation of Korea which supported the partition of Korea and a corrupt Government hated by the people. Apart from the fact that expenditure on the Commission could not be justified, it should be noted that the appropriation for 1960 had been used, among other things, to camouflage the faked elections in South Korea. Nor could his delegation support the Secretary-General's activity in Laos and the expenditure which it entailed. By voting against the inclusion of those items, his delegation would stress its desire for the effective use of United Nations funds and for the elimination of needless expenditure on unjustifiable activities.

32. Mr. SAHNI (India) said that he was glad to note that the Secretary-General had continued to follow the suggestion his delegation had made at the thirteenth session that he should consult the Advisory Committee before entering into any new commitments. Generally speaking, therefore, his delegation accepted the Advisory Committee's recommendations. There were two points, however, he would like to make. First, he wished to know what steps had been taken to secure a better utilization of staff and thus avoid the need for supplementary expenditure. Secondly, it seemed to him that it might be possible to effect economies under the section concerning special missions and related activities; he did not wish to discuss the merits of particular missions, but he thought that such missions, once established, might tend to be perpetuated by inertia.

33. Mr. GANEM (France) said that his delegation had always supported a policy of reasonable economy. It had suggested earlier that a ceiling should be imposed on the amount of supplementary estimates, but that idea had not met with general approval.

34. The comments on the supplementary estimates, which had been made by the delegations of Australia and Argentina had the general support of his own delegation.

35. The USSR delegation had criticised the United Nations Commission for the Unification and Rehabilitation of Korea and the supplementary estimates submitted by the Secretary-General for that Commission. His delegation deemed such criticism inappropriate, as it considered that the Commission had rendered signal service to the United Nations. At the fourteenth session, his delegation had shared to some extent the concern expressed by the Advisory Committee regarding the appropriation requested by the Secretary-General for the Office of the Special Representative of the Secretary-General in Guinea, which no longer existed, but had raised no objection as the Secretary-General had appeared confident that his proposal was justified.

36. Some criticism had been made of the geographical distribution of staff in certain United Nations missions in Africa. It should be borne in mind, however, that the possibilities open to the Secretary-General were limited in view of the need to appoint experts who were not only technically qualified, but also had a knowledge of French which was necessary for communication in the part of the world concerned.

37. While his delegation recognized the importance of United Nations offices even in the smaller countries, the proposed provision for the office of the Special Consultant to the Secretary-General in Laos was perhaps excessive. It might be desirable for the Committee, in its report, to request the Secretary-General to investigate whether further economies could not be achieved in the staffing of such missions, without however proposing a specific figure.

38. The remaining items covered by the supplementary estimates submitted by the Secretary-General were unavoidable and his delegation had no objection to them.

39. The security measures which had been taken in connexion with the fifteenth session of the General Assembly might have an unfortunate effect on the income from guided tours and the sale of United Nations postage stamps. In that connexion, he asked the Controller whether the estimate of income for 1960 might not have been over-optimistic.

40. His delegation wished to suggest to the Rapporteur that, in the interests of convenience, a single report should be prepared covering the supplementary estimates at present before the Committee and the further supplementary estimates to be dealt with at a later stage.

41. Mr. RYBAR (Czechoslovakia) expressed surprise at the explanation given by the French representative for the composition of certain United Nations missions. His delegation wished to point out, in that connexion, that the Secretary-General had seen fit to send three citizens of the United States of America as his representatives to the Republic of the Congo (Leopoldville).

42. Mr. CAMARA (Guinea) said that the Secretary-General had obviously made an effort to reduce the amount of the supplementary estimates for 1960.

43. His delegation hoped that the admission to membership of a large number of African States would make it possible for Africans to play a greater role in the Secretariat and that a more equitable geographical distribution might be achieved. The benefit to be derived from the recruitment of Afri-

cans would be twofold: experience gained by Africans in the Secretariat would ultimately be of benefit to their Governments, while their presence in the Secretariat would greatly contribute to the effectiveness of United Nations action in the African continent. It had become quite clear that it was useless to send to the new African countries representatives who sought to impose their views on the Governments they were intended merely to assist. The African countries were faced with many problems on which they had their own views, views which the United Nations experts should respect. Furthermore, it was improper to make excessive financial provision for the staff of missions to countries where great poverty prevailed.

44. With that reservation, his delegation approved the supplementary estimates submitted by the Secretary-General. It hoped that the additional expenditure might be partly offset by economies achieved during the remainder of the year.

45. Mr. EKRA (Ivory Coast) said that the representative of Guinea had covered many of the points he himself had intended to raise. His delegation wished, however, to draw attention to the fact that the facilities provided for delegations attending the General Assembly appeared to be largely based upon the assumption that those delegations were familiar with the English language. In view of the admission of a large number of new French-speaking African States, he hoped that any measures taken to achieve economies would not be at the expense of facilities for French-speaking delegations.

46. Mr. CZARKOWSKI (Poland) said that the Secretary-General's request for supplementary appropriations in the amount of \$1,978,250 caused his delegation serious concern. At the fourteenth session, his delegation had warned the Assembly that if the persistent rise in the budget and in the supplementary estimates were not checked, the burden might become intolerable for Member States. Other delegations had pointed out that the systematic submission of supplementary estimates had the effect of nullifying the decisions taken by the Fifth Committee on the regular budget. At the fourteenth session, the hope had been expressed that no supplementary appropriations would have to be requested following the approval of a record budget of \$63,149,700. Those hopes had now proved vain and the Committee was now considering only a partial estimate of the total supplementary appropriations which would ultimately be requested.

47. Additional sums had been requested for such activities as those of UNCURK and the United Nations Representative on Hungary, as well as for United Nations activities in Laos. His delegation had demonstrated on previous occasions that such activities were not in accordance with the spirit and letter of the Charter. If the provisions for them were maintained in the supplementary estimates, his delegation would be compelled to vote against them, particularly since a number of representatives had expressed the view that the amounts proposed were excessive.

48. Mr. PUPLAMPU (Ghana) recalled that, at the fourteenth session, the appropriation initially requested for the Economic Commission for Africa had been approved, notwithstanding a proposal for its reduction based on the alleged difficulty of recruiting staff. His delegation was surprised to note that

the Secretary-General now proposed that the 1960 appropriation of \$1,013,300 should be revised downwards to \$800,000, the figure originally recommended by the Advisory Committee at the fourteenth session.^{5/} It wished to know what were the grounds for that modification.

49. Mr. EL HAKIM (United Arab Republic) said that his delegation was always prepared to approve appropriations required to enable the United Nations to carry out its task of ensuring peace and assisting economic development. It recognized the need for and would approve the additional appropriations for the Secretariat arising out of increasing costs in New York and Geneva and the rise in wage rates in New York.

50. The supplementary appropriations requested at the fourteenth session had been approved almost in full, and it had been hoped that no requests such as those made in the Secretary-General's report (A/4492) would have to be approved in 1960. In that connexion, he wished to draw the Secretariat's particular attention to the provisions of General Assembly resolution 1449 (XIV).

51. It was his delegation's understanding that any savings on the provision voted in 1959 for the Economic Commission for Africa were to be refunded and not used for other purposes. It appeared that that decision was not being implemented.

^{5/} *Ibid.*, Fourteenth Session, Supplement No. 7, para. 184.

The meeting rose at 1 p.m.