



UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/C.5/783  
29 September 1959

ORIGINAL: ENGLISH

Fourteenth session  
FIFTH COMMITTEE  
Agenda item 44

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1960

Statement by the Chairman of the Advisory Committee on  
Administrative and Budgetary Questions at the 711th  
meeting of the Fifth Committee

1. Thank you, Mr. Chairman, for giving me this opportunity, by way of introducing the Advisory Committee's report on the budget estimates for 1960, to say a few words both on those estimates and on certain related matters.
2. The function of budget review in which you and your colleagues of this Fifth Committee are about to engage is central to the work of the General Assembly. There is indeed very little that comes out of the work of the organs of the United Nations which is not reflected in some form or other in the budget of the Organization and, consequently, in the work of the Fifth Committee. It is the task of the Advisory Committee on Administrative and Budgetary Questions, over which I have the honour to preside, to assist the General Assembly - specifically the Fifth Committee - in its important function of considering the budget estimates submitted by the Secretary-General and arriving at appropriate decisions in regard to them.
3. The report of the Advisory Committee which is now before you in document A/4170 is the result of a careful, painstaking and detailed examination of the Secretary-General's estimates.
4. The budget of the Organization, I beg to submit, cannot stand in isolation from the programmes which it desires to undertake. The budget is the financial

reflection of these programmes; it is also something more than that. It constitutes the financial framework, or blue-print, which would guide and control the execution of the programmes. That is to say, the budget, in addition to being a translation of programmes into the costs of fulfilling them, must also provide a guide for the wise spending of funds.

5. The funds available to the Organization are not without limit. But, even if they were, it would still be a wise and desirable thing to establish a hierarchy among the numerous elements in the work programme of the Organization, in order to ensure a maximum return on expenditure. When, in addition, available resources are limited - as is the case in international organizations - the task of assigning priorities to programmes becomes not merely desirable but essential.

6. The primary responsibility for working out a system of priorities and for applying that system to proposed programmes clearly rests with the programme bodies of the Organization. The Advisory Committee has reflected this thought in paragraph 27 of its report where it states, and I quote,

"This task can only be accomplished through the conscious and concerted efforts of all programme organs as well as of the Secretariat. Since by far the largest segment of current expenditures in the United Nations is related to the economic, social and human rights fields, the commissions and committees in which programmes in these fields originate have a special responsibility in regard to the application of priorities."

7. As I have just indicated, the Secretariat also has responsibility in this matter. And here I am happy to say that, in the view of the Advisory Committee, the Secretary-General has facilitated the work of the various organs in regard to the application of priorities, by bringing to their attention ways and means of streamlining the work of the Organization in their areas of interest. He has also assisted them in a continuing process of detailed examination of their work programmes, with a view to a deferral of projects that are less urgent and elimination of others which have ceased to be of importance. As may be seen from document E/3274, the Secretary-General again this year submitted to the Economic and Social Council and its subsidiary bodies specific observations and suggestions with regard to the work programmes in their respective fields.

The Advisory Committee hopes that the Secretary-General will continue his efforts in this regard and that these efforts will receive fuller support from the inter-governmental bodies to which they are directed.

8. In addition to facilitating the application of priorities at the time of formulation of programmes, the Secretary-General has a further responsibility in assigning priorities to the work of the Secretariat after practical work plans have been developed. A number of factors and situations are bound to arise in the course of the actual administration of programmes, which would require a continuing exercise of judgement in regard to specific work plans. The Advisory Committee has received evidence to indicate that the Secretariat is alive to this need.

9. Let me now turn to the Secretary-General's budget estimates for 1960. His initial estimates are contained in document A/4110 and amount to a gross total of \$61,863,200. The Advisory Committee, after having reviewed these estimates in detail, has recommended a total appropriation of \$61,213,300, which represents a reduction of some \$650,000 in the amount requested by the Secretary-General.

10. May I say at this point that the basic interest of the Advisory Committee as of the Secretary-General - and indeed of the General Assembly - is to provide the Secretariat with adequate resources to carry out duly approved programmes of the utmost importance and urgency with maximum effectiveness and economy. Why then, it may be asked, does the Advisory Committee's recommendation differ from the estimates submitted by the Secretary-General?

11. The reason for this, I submit, Mr. Chairman, lies in the somewhat differing approaches - and I repeat approaches, not the basic position - which the Secretary-General and the Advisory Committee take in regard to budgetary matters. The Secretary-General's estimates have as their initial basis proposals submitted by the spending departments and offices of the Secretariat. It is but natural that spending departments, however careful and prudent they may be, would seek to ensure that they have resources which are comfortably adequate to their needs. I know of course that the proposals submitted by the departments are subjected to

close scrutiny and some pruning by the Secretary-General or, under his authority, by the Controller. Nevertheless, the estimates that result are the estimates of the executive arm of the Organization and there is a limit of caution against difficulty and strain beyond which no executive would normally go.

12. I would like at this point to inject another thought. The degree of conservatism which guides the various segments of the Organization in putting forth their requirements naturally varies from segment to segment. The Secretary-General himself and his senior officials charged with budgetary matters are, of course, keenly aware of the need for economy consistent with effectiveness. What is equally important is that this sense of economy should pervade the entire Secretariat at all levels. I am sure that we have made considerable progress in this regard; I am equally confident that I will not be contradicted when I say that this is a continuing process in which there is always scope for improvement.

13. The Advisory Committee's approach to budgetary matters is somewhat different from that of the executive. The Advisory Committee is an emanation of the General Assembly and, as such, it must look at the Secretary-General's estimates primarily from the point of view of the General Assembly, that is to say, of the eighty-two States Members of the Organization. In its consideration of the estimates, the Advisory Committee, if it is to serve the collective interests of Member States faithfully and realistically, has to take account of the over-all financial burden which international activity within the ambit of the United Nations places upon Member States. The Advisory Committee also believes that the provision of adequate resources - but without a margin for comfortable adequacy - would continuously encourage efficiency as well as a constant examination of the urgency of the various items of work and of the effectiveness of the procedures followed in the Secretariat. This approach would help the Secretariat to avoid the possibility of accumulating or preserving uneconomical work or procedures. It would also serve as a gentle brake on areas of expenditure where costs may have a natural tendency to rise.

14. Having said this, Mr. Chairman, I want to assure the Secretary-General and the representatives sitting in the Fifth Committee that the present situation in the Secretariat gives ground for satisfaction in this regard. There is fresh evidence of this again this year in the fact that the total of the reductions recommended by the Advisory Committee is only some \$650,000 in a budget of nearly \$62,000,000, or just a little above one per cent.

15. I have listened with close attention to the observations which the Secretary-General has just made on the reductions recommended by the Advisory Committee. Those observations - as indeed the other comments made by the Secretary-General - will no doubt be subjected to serious and careful study on the part of the distinguished representatives in this Fifth Committee, in the light of the relevant comments and recommendations of the Advisory Committee given in detail in its report. As usual, Mr. Chairman, I will hold myself ready and available for any further information or comments on these detailed recommendations when we come to them.

16. I should like at this stage, however, to refer to three or four budget sections, to which, I believe, the Secretary-General has also invited specific attention.

17. The first of these is section 6 which constitutes by far the most significant single section of the budget, since it includes provision for the salaries and wages of practically the entire Secretariat. Both in its main budget report (A/4170) and in its report on the revised estimates resulting from decisions of the Economic and Social Council (A/4223), the Advisory Committee has welcomed the Secretary-General's policy of not requesting any additional professional posts for 1960 (with the exception of the needs relating to the Economic Commission for Africa), pending a review of the utilization of the present establishment. The Secretary-General has, however, found it necessary to request some seventy-five additional established posts in the General Service category, apart from an increase in the local level staff at ECAFE, ECLA and information centres. The cost of these additional requirements would amount to some \$460,000 under section 6 (Salaries and wages) and some \$90,000 under section 7 (Common staff costs). The Advisory Committee has concurred, in substantial measure, in the Secretary-General's proposals. At the

same time, since the Committee was not entirely convinced that the available secretarial and clerical complement of staff was being utilized to maximum advantage, it has recommended limiting the number of additional posts in the General Service category to fifty instead of the seventy-five requested by the Secretary-General. It is my understanding that the Secretary-General does not contest this particular recommendation.

18. A second element in the Advisory Committee's recommendation under section 6 relates to the question: How much money will in fact be required to maintain the authorized establishment subject, of course, to the practical factors relating to movements of staff, which arise in any establishment? The Advisory Committee recognizes that it is not easy to compute the anticipated cost of the establishment: there are a great number of imponderables in this situation, factors which do not readily lend themselves to precise anticipation and evaluation. Nevertheless, the Advisory Committee believes that the total effect of these factors could well be assumed at the current level unless there was evidence in the analysis of the several factors to indicate that their incidence would vary decidedly in the future. I should like here to refer to the fact that for 1959, according to the Secretary-General's report on the supplementary estimates, not only would the reduction recommended by the Advisory Committee on this account under section 6 of the initial 1959 budget and approved by the General Assembly be met but, in addition, there would be a further substantial saving. I do recognize that there might have been special reasons which might explain at least part of these savings. At the same time I believe, Mr. Chairman, that it would be safe to conclude that the Advisory Committee's recommendations in this regard with respect to 1960 are not unreasonable.

19. Turning now to section 8 - Travel of staff and of members of administrative bodies, I would first like to say that the Advisory Committee appreciates the efforts that have been made in the Secretariat to keep expenditures relating to travel on official business under close attention. At the same time this is one of the areas where expenditures have a natural tendency to rise unless constant care is taken.

20. If we consider for a moment the 1959 experience under this section, we find that as regards Chapters I and II, that is travel of staff to meetings and travel on other official business, savings of some \$33,000 are anticipated even after taking into account the incidence - no doubt small, perhaps some \$9,000, as regards these two particular chapters - of the reduction which was made in the initial estimates. This is indeed a happy situation, and while there might have been special reasons to explain some of the savings, I am inclined to assume that the close control of these expenditures which is exercised within the Secretariat has also been a contributory factor. The Advisory Committee is confident that the existing procedures for critical review will be strictly maintained, and the Committee hopes that this will lead to some savings in 1960 as well.

21. On the specific question of the number of staff assigned to meetings, it is true, of course, that this matter had been gone into in detail several years ago. At that time, the Advisory Committee had recommended that the number of substantive staff members assigned from Headquarters to the Geneva session of the Economic and Social Council should be limited to twenty-five. This target was almost attained in the years 1955-1956; however, the number has subsequently increased, and there were thirty-four substantive staff members assigned from Headquarters to the Council session in 1959. The Advisory Committee has examined this question again this year. The recent increases in regard to the Economic and Social Council are not wholly without justification, but they do point to the need and importance of giving close and year-by-year attention to a situation which, in the view of the Advisory Committee, offers scope for improvement.

22. As regards travel on home leave, the Advisory Committee would agree that the question here is basically one of estimating. Home leave being a statutory entitlement, expenditures arising from the exercise of this entitlement cannot be avoided. It was the Advisory Committee's belief that, in the light of the most recent "even-year" experience, and allowing for certain factors of variation between 1958 and 1960, as indicated in paragraph 169 of its report, the estimate for this purpose would permit of some reduction.

23. I now come to the third section to which I would like to invite attention. And that is section 13 in which is included provision for the general expenses of the Organization. The composition of these expenses does not vary significantly from year to year. On the other hand, they may change in amount depending, in large measure, on the contractual arrangements that are made. There is no substantial difference between the Secretary-General's position on this section and the Advisory Committee's recommendations. The Advisory Committee has taken into account the situation with regard to these expenses as it was known in the summer, including the Secretary-General's estimate at that time of the requirements under this section for 1959. In fact the amount recommended by the Advisory Committee for 1960 is practically the same as the most recent estimate of requirements in 1959. The Advisory Committee believes, especially where contractual arrangements are involved, that it would be unwise to provide in advance for possible variations in the terms of those arrangements. To so provide would not facilitate the negotiation of the best possible terms that could be secured. I believe that this principle, which we have followed in the past, would still be sound even when, in the best judgement of the Secretary-General, certain contractual increases may seem unavoidable. I believe also that this approach cannot be held to be inconsistent with the desire to keep supplementary estimates other than for unforeseen expenses to a minimum. Furthermore, it would encourage efforts to meet any necessary contractual increases, as far as possible, without an equivalent increase in the appropriation.

24. The last section on which I should like to offer comment at this stage is section 10 which relates to the Economic Commission for Africa. The reduction of some \$213,000 which the Advisory Committee has recommended under this section may appear to be substantial on the surface; but this reduction, Mr. Chairman, is not a reduction in the traditional sense. Normally when the Advisory Committee recommends a reduction in an estimate, and if that reduction is approved by the General Assembly, the Secretary-General is under an injunction to try to hold the particular programme or expenditure within the limit that is approved. In the present instance, however, the Advisory Committee fully supports the substance of the Secretary-General's proposals regarding the organization and staffing of the secretariat of the Economic Commission for Africa. What the Advisory Committee's

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recommendation means is that, in our present belief and judgement, the practical pace of building up the secretariat of the Commission in a sound manner might well turn out to be somewhat less rapid than is assumed in the estimates.

25. We had a similar situation in 1959. On the basis of the full cost of the authorized establishment for 1959, the estimates for that year amounted to some \$700,000. Nevertheless, the initial appropriation was limited to \$500,000 on the understanding that should additional funds prove necessary, the Advisory Committee would review the situation and concur in such additional expenditures. In the actual event, the 1959 expenses are likely to be below even the appropriated amount of \$500,000 - and that even after taking into account some \$50,000 of unforeseen expenses.

26. The Advisory Committee has merely recommended that the same approach be taken in regard to 1960. The Committee would indeed be gratified if the pace of building up the Commission Secretariat along sound lines - and consequently of placing the Commission on a full working basis - were to prove faster. Should the General Assembly approve the Advisory Committee's recommendation as it stands, it would be doing so on the clear understanding, as spelled out in paragraph 183 of the Committee's report, that "the Committee would review the situation during 1960 and authorize additional funds as necessary."

27. I have taken note that the Secretary-General accepts this approach. If, nevertheless, I have touched upon it at some length, it is both to underline the Advisory Committee's interest in the sound building-up of the Commission's activities and to explain the Committee's budgetary recommendation beyond doubt.

28. As you will have seen, Mr. Chairman, the Advisory Committee has invited attention in its report to a number of other matters which have a bearing on the budget. Indeed the Committee has tried, in chapter I of its report, to isolate and review the more important administrative and budgetary issues before the Organization at the present time.

29. I have already referred to the Advisory Committee's views on work programmes and priorities. These are set out in greater detail in paragraphs 27 to 33 of our report, while questions relating to the work and organization of the secretariat are dealt with in paragraphs 39 to 48.

30. On the organizational side, the Fifth Committee will, no doubt, wish to devote special attention to two major questions which were the subject of extensive discussion last year and on which the Secretary-General has submitted - or will present - separate reports. The first of these questions has to do with the administrative arrangements in the United Nations in regard to technical assistance activities; and the second relates to the public information activities of the Organization.

31. As regards the first - that is, technical assistance - a preliminary review of the situation, based on an interim report from the Secretary-General, is given in paragraphs 61 to 70 of the Advisory Committee's report. The Committee awaits with interest the further report of the Secretary-General on this subject.

32. On public information, the Advisory Committee has, in accordance with operative paragraph 2 of General Assembly resolution 1335 (XIII), confined its attention to the financial aspects of the report which the Secretary-General has submitted on this question. It will be seen from paragraphs 49 to 60 of our report that the Advisory Committee recognizes the budgetary policy for public information now enunciated by the Secretary-General as a step forward; at the same time, it is the Committee's view that a policy of stabilization could well have been related to a lower level of expenditure and that the Secretary-General's proposals represent, at best, a possible slowing down of further increases of expenditure on public information activities.

33. On the question of the form of the budget - a matter which is referred to in paragraph 14 of our report - the Advisory Committee will submit within the next three or four days its observations on the report (document A/C.5/776) which the Secretary-General has recently presented.

34. I believe that I should also invite the special attention of the representatives on the Fifth Committee to the sections in chapter I of the Advisory Committee's report, which have to do with common premises and services (paragraphs 71 to 74), capital improvement (paragraphs 75 to 79), liquidation of the United Nations Observation Group in Lebanon (paragraphs 80 to 85) and expansion of internal printing facilities (paragraphs 86 to 93).

35. While the Advisory Committee shares the Secretary-General's concern about the unsatisfactory situation that seems to have developed in regard to the

availability of cash resources to meet authorized expenditure, it has, as indicated in paragraph 97 of its report, postponed submitting any recommendation concerning the Working Capital Fund, pending the presentation of proposals by the Secretary-General.

Before concluding, I would like to refer to one other matter. We have just heard from the Secretary-General the happy news of the generous gift of more than six million dollars from the Ford Foundation to enable the United Nations to construct an adequate building to house its valuable library. Mr. Chairman, I join the Secretary-General in expressing, on behalf of the Advisory Committee, our deep-felt appreciation to the Ford Foundation for this munificent action.

It now remains for me, Mr. Chairman, to fulfil a very pleasant duty. And that is to convey to the Secretary-General, on behalf of the Advisory Committee and in my own name, our sincere gratitude for the invaluable assistance and co-operation which it has been our pleasure to receive from him at all times.

The Controller, Mr. Turner, has been our constant companion; naturally our association with him is very close and, if I may say so, almost a continuous one. I should like to voice the Advisory Committee's deep appreciation of the able and willing assistance which he has given us throughout the year.

There are two other senior officials on the administrative side of the Secretariat, who are also frequently associated with our work, and I refer to Mr. Hamilton, Director of Personnel, and Mr. Vaughan, Director of the Office of General Services. To them I likewise extend the Advisory Committee's thanks.

Lastly, I wish to take this opportunity of placing on record the Advisory Committee's appreciation of the services of their Secretary.

We are fortunate in having with us this very able, loyal and hard-working official. He, his assistant and the secretarial staff have served the Committee effectively and devotedly and I take this opportunity of thanking them.

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