

UNITED



NATIONS

**ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS**

**FIRST REPORT TO THE
TENTH SESSION
OF THE GENERAL ASSEMBLY**

GENERAL ASSEMBLY

OFFICIAL RECORDS : TENTH SESSION

SUPPLEMENT No. 7 (A/2921)

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New York, 1955

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates reference to a United Nations document.

TABLE OF CONTENTS

	<i>Page</i>
FOREWORD	v

Part One

REPORT TO THE GENERAL ASSEMBLY ON THE BUDGET ESTIMATES FOR 1956 AND THE WORKING CAPITAL FUND

<i>Chapter</i>	<i>Paragraphs</i>	<i>Page</i>
I. APPRAISAL OF THE BUDGET ESTIMATES FOR 1956	1-30	1
Appraisal of the estimates.....	1-6	1
Basis of the Advisory Committee's budget examination.....	7-8	3
Review of the structure and organization of the Secretariat.....	9-10	3
Form of the budget.....	11	4
Personnel policy of the United Nations.....	12-13	4
Composition of the Secretariat.....	14	5
Work of the Secretariat.....	15	5
Revenue-producing activities	16-21	5
Inclusion of advertisements in United Nations publications.....	22-26	6
Appropriation resolution	27	6
Working Capital Fund.....	28-30	6
Comparative table of appropriations as proposed by the Secretary-General and recommended by the Advisory Committee.....		7
Appendix I. Draft appropriation resolution for the financial year 1956		9
Appendix II. Draft resolution relating to unforeseen and extraordinary expenses		11
Appendix III. Draft resolution relating to the Working Capital Fund		11
II. DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES	31-216	13
Part I. Sessions of the General Assembly, the Councils, Commissions and Committees: sections 1 to 4.....	32-50	13
Part II. Special missions and related activities: sections 5 and 5a.	51-52	15
Part III. Headquarters, New York: sections 6 to 17.....	53-166	15
Part IV. European Office of the United Nations: sections 18 and 19	167	30
Part V. Information centres (exclusive of the Information Centre at Geneva): section 20		
Part VI. Secretariats of the regional economic commissions (other than the Economic Commission for Europe): sections 21 and 22		
Part VII. Representation and hospitality expenses: sections 23 and 24	168-170	30
Part VIII. Contractual printing: section 25.....	171-183	31

<i>Chapter</i>		<i>Paragraphs</i>	<i>Page</i>
II.	DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES (<i>continued</i>)		
<i>Part IX.</i>	Technical programmes: sections 26 to 29.....	184-194	33
<i>Part X.</i>	Special expenses: sections 30 and 31.....	195-199	34
<i>Part XI.</i>	Joint Staff Pension Board and United Nations Staff Pension Committee: section 32.....	200-205	34
<i>Part XII.</i>	The International Court of Justice: section 33.....	206-210	35
	Estimates of miscellaneous income.....	211-216	35

Part Two

OTHER BUDGETARY AND FINANCIAL QUESTIONS

Consideration of the reports of the Board of Auditors on the 1954 accounts	217-227	37
Index		39

FOREWORD

The functions of the Advisory Committee on Administrative and Budgetary Questions are defined by the General Assembly in resolution 14 (I) of 13 February 1946.

The members of the Committee are:

Mr. Thanassis Aghnides (*Chairman*);
Mr. Rafik Asha;
Mr. Carlos Blanco;
Mr. E. Carrizosa;
Mr. I. V. Chechetkin;
Mr. Arthur H. Clough;
Mr. André Ganem;
Mr. William O. Hall;
Mr. G. R. Kamat.

The Committee decided early in 1955 that its spring and summer sessions should this year be combined. In consequence, at the time of writing, the Committee has held only one session, from 1 June to 18 July 1955, at which the following were among the items considered:

- (a) The budget estimates of the United Nations for 1956;
- (b) The audit reports on the 1954 accounts of the United Nations, the United Nations Children's Fund (UNICEF), and the United Nations Refugee Emergency Fund;
- (c) Possible economies in the publication of the *Treaty Series*;
- (d) Revenue-producing activities of the United Nations.

The observations of the Advisory Committee on items (a) and (b) are included in the present report or, in the case of the UNICEF audit, are submitted in a separate report (A/2922). Items (c) and (d) will be the subject of later reports when the Advisory Committee receives, during its next session, the definitive proposals of the Secretary-General.

The Committee is again indebted to the Secretary-General for his valuable assistance and unfailing co-operation. It is fitting also that, among so many of the Secretary-General's associates to whom the Committee's thanks are due, special reference should be made to Mr. H. C. Andersen, the retiring Controller, who during eight years greatly assisted the task of the Committee.

Valuable counsel was again given during the past twelve months by the Chairman of the Board of Auditors, and the Committee pays tribute to the services which he has rendered and continues to render to the United Nations.

It gives me pleasure, on behalf of the Committee, to acknowledge the contribution of our Secretary to its work. Aided by his able assistants, he has given us, as in previous years, invaluable service. His competence and loyalty, linked with an unusual sense of self-sacrifice, have won our admiration and our gratitude. As Chairman of the Committee, I feel particularly in his debt.

Th. AGHNIDES
Chairman

21 July 1955

PART ONE

REPORT TO THE GENERAL ASSEMBLY ON THE BUDGET ESTIMATES FOR 1956 AND THE WORKING CAPITAL FUND

CHAPTER I

APPRAISAL OF THE BUDGET ESTIMATES FOR 1956

APPRAISAL OF THE ESTIMATES

1. The budget which the Secretary-General proposes in respect of the year 1956 (A/2904)¹ amounts on a gross basis² to \$46,278,000. Miscellaneous income is estimated at \$6,873,600, leaving a net expenditure figure of \$39,404,400.

2. As the Secretary-General points out in his budget foreword, the net figure for 1956 is the lowest initial net budget request to be submitted since 1949, when the corresponding sum in respect of 1950 was \$39,297,873. It does not, however, necessarily follow that the net total for assessment on the Members of the United Nations will show a decrease, by comparison with 1955. The cost of supplementary items of expenditure, which may be substantial, must be taken into account. Such items include the holding during August 1955 of the International Conference on the Peaceful Uses of Atomic Energy, estimated, on a purely tentative basis, at approximately \$1,500,000, comprising \$1 million as a possible charge to the 1955 budget, with the balance to be included in the 1956 estimates.

3. Apart from the above-mentioned possible savings, the Board of Auditors has certified a balance on 1954 appropriations of \$18,971. In accordance with financial regulation 5.2 a sum of \$228,722, made up of the following items, will be available as a credit against the 1956 assessments on Members:

¹ See *Official Records of the General Assembly, Tenth Session, Supplement No. 5*.

² Throughout the present report, unless otherwise specified, figures are shown on a gross basis.

	1956 \$	Corresponding figures on 1955 assessments \$
Savings on 1954 appropriations.	18,971	576,898
Savings in 1954 in liquidating prior years' obligations (\$406,361 less \$300,828 applied against 1955 con- tributions)	105,533	66,172
Excess of miscellaneous income cred- ited for 1954 over the approved estimate	104,218	249,172
TOTAL	\$228,722	\$892,242

4. The table on next page shows the estimated expenditure for 1956 of the United Nations and the eight specialized agencies,³ compared with the 1955 appropriations and actual expenses in each of the years 1951 to 1954. As in the case of the United Nations, certain of the agency budgets have still to be approved by the assembly or other legislative organ of the agency concerned. It is probable, however, that the total of the appropriations which the States members of the nine organizations will be called upon to make in respect of 1956 may be in the neighbourhood of \$88 million. The budgets of the eight specialized agencies will be the subject of a separate report of the Advisory Committee, to be submitted to the General Assembly during its tenth session.

³ ILO, FAO, UNESCO, ICAO, UPU, WHO, ITU, WMO.

	1951 Actual expenses \$	1952 Actual expenses \$	1953 Actual expenses \$	1954 Actual expenses \$	1955 Appropriations \$	1956 Appropriations or estimates \$	1956 Increase or decrease by comparison with 1955 \$	Percentage increase or decrease by comparison with 1955
United Nations.....	48,628,383	50,270,153	49,292,522	48,510,009	46,963,800	46,278,000 ^a	(-685,800)	(-1.72)
International Labour Organisation.....	5,834,589	6,389,539	6,509,775	6,754,878	7,082,913	7,487,729	404,816	5.72
Food and Agriculture Organization.....	4,581,456	4,830,334	5,064,399	5,500,268 ^b	6,000,000	7,021,000 ^a	1,021,000	17.02
United Nations Educational, Scientific and Cultural Organization ^c	7,989,102	8,726,107	7,972,937	9,019,408	9,819,353	10,786,477	967,124	9.85
International Civil Aviation Organiza- tion.....	3,171,819	3,191,748	3,150,032	3,086,747	3,223,100	3,313,451	90,351	2.80
Universal Postal Union.....	354,098	416,978	435,413	432,702	484,252	499,439 ^a	15,187	3.14
World Health Organization ^d	6,259,247	7,938,850	8,112,605	8,134,514	9,500,000	10,203,084	703,084	7.40
International Telecommunication Union ^e	1,643,240	1,591,875	1,455,733	1,327,292	1,447,844	1,698,476 ^a	250,632	17.31
World Meteorological Organization....	185,755	179,259	271,911	326,922	420,330	399,026	(-21,304)	(-5.07)
GRAND TOTAL	\$78,647,689	\$83,534,843	\$82,265,357	\$83,092,740	\$84,941,592	\$87,686,682	\$2,745,090	3.23

The following rates of exchange have been used in the above table: Canadian dollar at Canadian \$1.05=\$US1.00 for 1951, at par for subsequent years. Swiss francs: Sw. frs. 4.28=\$US1.00 for 1951, Sw. frs. 4.33=\$US1.00 for 1952, Sw. frs. 4.28=\$US1.00 for subsequent years.

^a Estimate only. For FAO, \$50,000 out of 1956 estimate will be carried forward to 1957 for 1957 Conference.

^b Excluding \$125,138 carried over to 1955 and \$19,345 transferred to Repatriation Grant Equalization Fund.

^c Figures for 1955 and 1956 are annual estimates based on two-year appropriation of \$20,605,830 and exclude undistributed reserve: 1955: \$480,265; 1956: \$531,735.

^d Excluding undistributed reserve: 1955: \$1,499,360; 1956: \$1,871,060.

^e Ordinary and extraordinary budgets.

5. Apart from the obligatory expenses listed in the foregoing table, Member States will be invited to make voluntary contributions to a number of programmes financed by extra-budgetary funds. These include the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Korean Reconstruction Agency, the United Nations Refugee Fund and the

Expanded Programme of Technical Assistance. Details regarding such extra-budgetary programmes will be submitted in information annex II to the 1956 estimates (A/2904/Add.1).

6. The Secretary-General's estimates for 1956 are almost \$686,000 less than the total appropriated for 1955. A comparison of the two years by parts of the budget follows:

				1956 Increase or decrease by comparison with 1955 \$
	Budget parts	1955 \$	1956 \$	
I.	Sessions of the General Assembly, the Councils, Commissions and Committees.....	867,700	593,000	(—274,700)
II.	Special missions and related activities.....	2,260,100	2,196,000	(—64,100)
III.	Headquarters, New York.....	28,770,150	28,184,900	(—585,250)
IV.	European Office of the United Nations.....	5,406,000	5,555,000	149,000
V.	Information centres.....	905,100	940,000	34,900
VI.	Secretariats of the regional economic commissions (other than the Economic Commission for Europe)...	2,121,600	2,173,300	51,700
VII.	Hospitality and representation expenses.....	70,000	70,000	—
VIII.	Contractual printing.....	1,416,100	1,400,000	(—16,100)
IX.	Technical programmes.....	1,779,600	1,779,600	—
X.	Special expenses.....	2,649,500	2,649,500	—
XI.	Joint Staff Pension Board and United Nations Staff Pension Committee.....	117,600	108,000	(—9,600)
XII.	The International Court of Justice.....	600,350	628,700	28,350
	TOTAL	\$46,963,800	\$46,278,000	(—685,800)

BASIS OF THE ADVISORY COMMITTEE'S BUDGET EXAMINATION

7. The Secretary-General points out in his foreword that "the reorganization proposed by the Survey Group report should not be regarded as unchangeable; it must be tested by experience and kept under review in the light of changing requirements of work programmes". With this approach, the Advisory Committee is in full agreement. In addition, the Secretary-General expects to submit revised proposals for part IV (European Office), part V (Information centres) and part VI (Regional economic commissions) of the 1956 estimates as soon as the relevant recommendations of the Survey Group, which early in 1955 visited a number of United Nations offices away from Headquarters, have been considered.

8. In view of these circumstances, the Advisory Committee based its budget examination on two main premises: (a) that it would be pointless, in advance of the Secretary-General's conclusions on the Survey Group's findings, to review parts IV, V and VI of the 1956 budget; and (b) that, even as regards the Headquarters estimates, its recommendations, for the most part, would be submitted only in provisional form. This latter premise applies with especial force to the Departments of Economic and Social Affairs and of Public Information, the structure of which, as well as the established strength at Headquarters, may call for modification in the light of decisions yet to be taken in respect of overseas offices. Accordingly, in the supplementary budget report to be submitted during the forthcoming session of the General Assembly, the Advisory Committee will make, as appropriate, a further review of the Headquarters estimates, and submit definitive recommendations on the 1956 estimates as a whole.

REVIEW OF THE STRUCTURE AND ORGANIZATION OF THE SECRETARIAT

9. In so far as the 1956 estimates for part III (Headquarters, New York) are concerned, target figures both as regards the money provision and the number of established posts were the subject of lengthy discussion in the Fifth Committee during the last session of the General Assembly, when the Secretary-General informed the Committee of his expectation that "it would be possible so to organize recruitment policies as to ensure that the 1956 budget estimates would, to all intents and purposes, reflect the target manning tables, subject, of course, to such changes in programme and other developments as could not at this time be foreseen" (A/2884, paragraph 33).⁴ The Secretary-General further stated his belief that the reorganization plan,

Part III		\$
1954: Original appropriation (excluding \$565,000 in respect of improvements to premises) adjusted to changes in the budget arrangement.....		29,736,130
		\$
1956: Estimated expenditure.....	28,184,900	
Deduct in respect of Visitors' Service and Arabic Translation Section.....	500,000	
	27,684,900	
Add in respect of Narcotic Drugs Division (transferred to European Office).....	225,000	27,909,900
Reduction compared with 1954.....		\$ 1,826,230

⁴ See *Official Records of the General Assembly, Ninth Session, Annexes*, agenda item 53.

when fully carried out, would lead to a saving of \$2 million by comparison with the 1954 appropriations (A/2886, paragraph 10).⁵ In the budget foreword, the Secretary-General, in referring to the financial consequences of the reorganization of the Secretariat at Headquarters, offers a useful analysis, of which the table on the preceding page (right-hand column) is a tabular summary.

⁵ *Ibid.*, agenda item 38.

The Secretary-General adds that, were account taken of the unavoidable effect of increments over the two years, the reduction would doubtless reach the target figure of \$2 million.

10. The position in regard to established posts is illustrated in the following table showing by department and by category the total number of posts authorized for 1954 and 1955 and proposed for 1956:

ESTABLISHED POSTS AT HEADQUARTERS: DISTRIBUTION BY CATEGORIES, 1954, 1955, 1956
(excluding the Technical Assistance Administration, Visitors' Service and Pension Board secretariat)

	1954			1955			1956		
	D ^a	P ^a	GS ^a	D	P	GS	D	P	GS
Offices of the Secretary-General.....	19	117	145	21	111	138	20	104	131
Office of Under-Secretaries without Department.....	—	—	—	2	2	3	2	4	5
Department of Political and Security Council Affairs.....	9	48	32	8	42	28	8	33	21
Secretariat of the Military Staff Committee.....	—	10	10	—	8	7	—	8	7
Department of Economic and Social Affairs ^b	21	281	185	18	262	177	17	237	157
Department of Trusteeship and Information from Non-Self-Governing Territories.....	5	72	37	5	64	35	5	54	31
Department of Public Information ^c ...	10	145	133	9	133	130	9	125	120
Department of Conference Services...	5	450	491	6	447	466	6	444	466
Library.....	1	36	48	1	34	50	1	34	49
Office of General Services.....	5	50	453	5	47	428	5	47	425
<i>Comparison (1954 : 1956)</i>									
Total:									
Director category.....	75				73				
Professional category.....	1,209						1,090		
General Service category.....				1,534					
							1,412		

^a The following abbreviations are used:

D=category of Under-Secretary (and equivalent posts), Director and Principal Officer;

P=Professional category;

GS=General Service category.

^b Excluding Narcotic Drugs Division.

^c 1956 figures exclude 6 posts transferred to Visitors' Service.

FORM OF THE BUDGET

11. As compared with 1955, no change is proposed in the form of the 1956 budget, a matter to which further reference is made in paragraph 27 below. The text is commendably concise, and thus fully meets the requirements of the General Assembly with respect to economy in documentation. It may nevertheless prove possible, without materially increasing the number of text pages of future budgets, to follow a uniform pattern in the presentation of manning tables: in the case of sections 9 and 10, for example, these are submitted on a departmental basis, whereas in sections 8, 11 and 12, a separate manning table is shown for each bureau or division within the department.

PERSONNEL POLICY OF THE UNITED NATIONS

12. By resolution 782 C (VIII) of 9 December 1953, the General Assembly requested the Secretary-General to submit, in a report to be considered at its tenth session, a "review both of the principles and standards progressively developed and applied by the Secre-

tary-General in his implementation of the Staff Regulations and of the Staff Regulations themselves". The Assembly further requested the Advisory Committee to present its comments on that report, and invited both the Committee and the Secretary-General to make recommendations concerning such further action as might be required of the Assembly.

13. The Secretary-General reported to the Committee during its summer session in the following sense:

(a) Although the text of General Assembly resolution 782 C (VIII) was comprehensive enough to embrace a review of the Staff Regulations as a whole, it was clear from the circumstances in which the resolution was adopted that the Assembly was primarily concerned with the principles and standards progressively developed and applied by the Secretary-General when relying on the new grounds for termination of permanent appointments established by resolution 782 A (VIII);

(b) The assumption that sufficient experience would have been gained by 1955 for a detailed formulation of

such principles and standards had not proved correct. During 1954, the Special Advisory Board had considered and reported upon only two cases under the amended staff regulation 9.1 (a) and, while the Board was considering at its second session (May-June 1955) a few additional cases, none had been completed at the date of the Secretary-General's report to the Advisory Committee (31 May 1955);

(c) As sufficient experience for the development of widely applicable principles and standards was not yet available, a report submitted at the present stage would be of very limited value; and

(d) The Secretary-General accordingly suggested that the review in question should be deferred until the twelfth (1957) session of the General Assembly.

COMPOSITION OF THE SECRETARIAT

14. The Advisory Committee has had occasion, in the course of its budget review, to inquire into the geographical composition of the Secretariat in a number of departments, a matter which has continuously engaged the attention of the Fifth Committee. The recruitment policy and, indeed, the pattern of organization of the Secretariat are of necessity inspired by the twin principles mentioned in Article 101, paragraph 3, of the Charter, which reads:

"The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible."

These general principles were invoked before the Fifth Committee during 1954, in connexion with the Secretary-General's proposals for a review of the structure and organization of the Secretariat, at which time the "view was widely expressed that while maintenance of the highest standards of efficiency, competence and integrity necessarily constituted a paramount consideration in the employment of staff, this consideration was not inconsistent with a more satisfactory geographical distribution, especially in the higher levels of the Secretariat". (A/2884, paragraph 36)⁶

WORK OF THE SECRETARIAT

15. The prospects of a more flexible use of staff to which the Secretary-General referred during 1954 in connexion with the structural review are now being fulfilled to an increasing degree, and the Advisory Committee has been pleased generally to observe a progressive improvement in the work and organization of the Secretariat.

REVENUE-PRODUCING ACTIVITIES

16. During 1954, the Advisory Committee commented as follows on the revenue-producing (commercial-type) activities of the United Nations:

"Some of these activities already yield an appreciable revenue to the United Nations. But whatever may be the position in this respect or the arrangements for the conduct of such operations, since they are undertaken in the United Nations Building public opinion will inevitably regard them as an integral part of the activities of the United Nations and will ascribe re-

sponsibility accordingly. The Committee therefore considers not only that there should be a reasonable measure of consistency in their management but also, and even more important, that their financial operations should be brought annually under the scrutiny of the General Assembly." (A/2724, paragraph 9)⁷

17. The Secretary-General has accordingly submitted to the Advisory Committee a preliminary report on the revenue-producing activities of the Organization, in which attention is focused on two main problems which such activities raise:

(a) A problem of achieving budgetary and accounting consistency among such activities;

(b) A problem of management, namely, whether there is advantage in bringing all such activities under the direct management of the United Nations.

18. The Advisory Committee concurs, in broad outline, in the proposals submitted by the Secretary-General, which, if approved by the General Assembly, would serve to give a clearer picture than is at present available of the direct and indirect expenses to which a particular revenue-producing activity gives rise.

19. The Secretary-General is of the opinion that, at least for the present, no change should be made in the management arrangements under which certain of the activities are operated directly by the United Nations, while others are managed on its behalf by independent contractors. It is true, as the Secretary-General points out, that the different management arrangements have resulted in differing budgetary and accounting arrangements of the various activities, but this problem can assuredly be overcome within the present management arrangements.

20. As regards point (a) above, the Secretary-General is of the opinion that neither the nature nor the size of the commercial activities of the United Nations warrants their segregation from the regular budget or the introduction of wholly commercial accounting practices. Instead, the Secretary-General suggests that it would be sufficient, at least for the next few years, to adopt a less complicated system by which:

(a) The United Nations budget appropriations would exclude the direct and clearly identifiable costs of the operations concerned, but the estimates of miscellaneous income would include a figure for the net revenue from each activity;

(b) These net revenue figures would be supported by information annexes to the budget in the form of memorandum statements showing the estimated income and expenditure for each activity;

(c) Accounts for each activity would be maintained on the lines of the information annex material, the net revenue on the account being dealt with as provided in (a) above;

(d) The memorandum statements mentioned in (b) above could contain indications of the estimated indirect costs of the activity, that is, the estimated share of costs (common staff and common services costs) borne on the regular United Nations budget and attributable to the activity. These costs would not be accounted for separately. The statements would be an integral part of the budget document and would come under review by the

⁶ See *Official Records of the General Assembly, Ninth Session, Annexes*, agenda item 53.

⁷ See *Official Records of the General Assembly, Ninth Session, Annexes*, agenda item 36 (a).

Advisory Committee. The Committee and the General Assembly would be able to exercise a much greater degree of supervision and control than is now possible;

(e) In any cases where contractual arrangements necessitated an assessment on an activity in respect of indirect costs, the assessed amount would be treated as miscellaneous income derived from the furnishing of supplies and services and a corresponding charge made in arriving at the net revenue of the activity.

21. The Advisory Committee will offer detailed comment as soon as the above proposals are submitted in definitive form.

INCLUSION OF ADVERTISEMENTS IN UNITED NATIONS PUBLICATIONS

22. The Advisory Committee considered a report of the Secretary-General on the question of increasing revenue by the sale of advertising space in United Nations publications. The Committee also had before it a detailed working paper on the subject, as well as a preliminary report which the Secretary-General had submitted during April 1954.

23. The question had its origin in the Fifth Committee at the eighth (1953) session of the General Assembly,⁸ at which time the Secretary-General acceded to a proposal that the matter should be studied and his findings reported to the Advisory Committee and to the General Assembly.

24. The question has two aspects: the one purely financial and the other related to policy. When detailed study was first proposed in the Fifth Committee in 1953, the primary purpose was that of increasing revenue. Essentially, therefore, the question is whether, provided that considerations of policy can be satisfactorily met, the acceptance of advertisements in United Nations publications offers any serious possibility of increasing revenue.

25. The Secretary-General's conclusion, as set out in paragraph 8 of his report, is that "for the present, however, the prospects of securing sufficient revenue to offset costs, particularly in view of the special policy problems of the United Nations as an international organization, are not sufficient to justify the solicitation and acceptance of advertising in United Nations publications".

26. While the Advisory Committee is inclined to believe that, by a proper choice of advertisers and advertisement material, the special policy problems referred to by the Secretary-General might be resolved, it nevertheless concurs in the Secretary-General's conclusion that the financial possibilities, at any rate for the time being, are unattractive.

APPROPRIATION RESOLUTION

27. There is attached as appendix I to the present chapter a draft appropriation resolution to give effect to the Advisory Committee's recommendations on the various parts and sections of the 1956 budget estimates. In so far as paragraph 1 is concerned, the reductions in estimates which the Committee recommends are shown in the comparative table preceding the draft resolution.

⁸ See *Official Records of the General Assembly, Eighth Session, Fifth Committee*, 390th meeting, paragraphs 38, 42, 45.

In paragraph 2, the Committee recommends, for the reasons given in paragraphs 211 to 216 below, that miscellaneous income should be entered at the figure of \$6,942,600, as compared with \$6,873,600 proposed by the Secretary-General. As regards the remaining paragraphs of appendix I, the Committee concurs in the text proposed by the Secretary-General. It notes, however, from the foreword to the budget estimates (A/2904)⁹ that it is the intention of the Secretary-General to submit proposals for changes in the form of the budget before the 1957 estimates are prepared, and that these may affect, among other things, the conditional power of transfer between sections which is recommended under paragraph 3 (ii). The Committee accordingly prefers to await the Secretary-General's proposals before commenting on, or recommending any change in, the transfer authority, which has been included in the present form in each appropriation resolution since the year 1946.

WORKING CAPITAL FUND

28. For 1956, the Secretary-General proposes that the Working Capital Fund should be maintained at the level of \$21,500,000, to which it was raised by successive increases totalling \$1,500,000 during the years 1951 and 1952.¹⁰ The date of payment of Members' contributions is a factor of importance in determining the appropriate level of the Fund and, while the trend during the first four months of 1955 was slightly less favourable in this regard than in 1954 (15.45 per cent as against 16.66 per cent), the situation at 30 June 1955 showed an appreciable improvement, with 30.35 per cent of the year's contributions paid as against 23.81 per cent as of the corresponding date in 1954. As compared with the years 1952 and 1953, there has been an appreciable alleviation of the pressure on the cash position of the Organization. This improvement, which is due both to the earlier collection of contributions and to the receipt of certain arrears, is reflected in the following table:

Year	<i>Working Capital Fund, 1951-1955</i>		
	<i>Date on which lowest balance was reached</i>	<i>Amount of the balance</i>	<i>Principal of the Fund</i>
1951	31 March.....	4,409,229	20,000,000
1952	30 June.....	2,978,363	21,239,203
1953	31 May.....	2,740,638	21,500,000
1954	30 June.....	5,478,431	21,500,000
1955	30 June.....	5,766,807	21,500,000

29. The Committee has reached the conclusion that, in view of the improved cash position, it would be reasonable to reduce the size of the Working Capital Fund for the year 1956 by \$500,000, to the figure of \$21 million. A draft resolution to give effect to this recommendation is accordingly submitted in appendix III.

30. The Secretary-General further proposes that, as in previous years, provision for unforeseen and extraordinary expenses should be made in a separate resolution. The Committee, concurring in this proposal, submits in appendix II to the present chapter a draft resolution, the text of which shows no change from that presented by the Secretary-General.

⁹ See *Official Records of the General Assembly, Tenth Session, Supplement No. 5*.

¹⁰ See General Assembly resolutions 585 (VI) of 21 December 1951 and 676 (VII) of 21 December 1952.

COMPARATIVE TABLE OF APPROPRIATIONS AS PROPOSED BY THE SECRETARY-GENERAL
AND RECOMMENDED BY THE ADVISORY COMMITTEE

	Secretary-General's budget estimates for 1956 \$	Advisory Committee's recom- mendations \$	Decrease \$
A. UNITED NATIONS			
PART I. Sessions of the General Assembly, the Councils, Commissions and Committees			
<i>Section</i>			
1. The General Assembly, Commissions and Committees.....	373,000	366,500	6,500
2. The Security Council, Commissions and Committees.....	—	—	—
3. The Economic and Social Council, Commissions and Committees.....	103,600	100,000	3,600
3a. Permanent Central Opium Board and the Drug Supervisory Body.....	29,400	29,400	—
3b. Regional economic commissions.....	37,000	37,000	—
4. The Trusteeship Council, Commissions and Committees.....	50,000	50,000	—
	593,000	582,900	10,100
PART II. Special missions and related activities			
<i>Section</i>			
5. Special missions and related activities.....	1,650,000	1,650,000	—
5a. United Nations Field Service.....	546,000	546,000	—
	2,196,000	2,196,000	
PART III. Headquarters, New York			
<i>Section</i>			
6. Offices of the Secretary-General.....	2,038,100	2,037,100	1,000
6a. Office of Under-Secretaries without Department.....	111,800	111,800	—
7. Department of Political and Security Council Affairs.....	555,200	555,200	—
7a. Secretariat of the Military Staff Committee.....	107,500	107,500	—
8. Department of Economic and Social Affairs.....	3,240,400	3,240,400	—
9. Department of Trusteeship and Information from Non-Self-Governing Territories.....	735,000	735,000	—
10. Department of Public Information.....	2,488,600	2,488,600	—
10a. Visitors Service.....	428,600	400,000	28,600
11. Department of Conference Services.....	6,261,400	6,241,400	20,000
11a. Library.....	483,500	483,500	—
12. Office of General Services.....	3,034,600	3,000,000	34,600
13. Temporary assistance and consultants.....	510,000	470,000	40,000
14. Travel of staff.....	1,150,000	1,150,000	—
15. Common staff costs.....	3,169,500	3,138,100	31,400
16. Common services.....	3,690,700	3,645,700	45,000
17. Permanent equipment.....	180,000	165,000	15,000
	28,184,900	27,969,300	215,600
PART IV. European Office of the United Nations			
<i>Section</i>			
18. ^a European Office of the United Nations (excluding direct costs, chapter III, joint secretariat of the Permanent Central Opium Board and the Drug Supervisory Body).....	4,813,630	4,813,630	—
Chapter III, joint secretariat of the Permanent Central Opium Board and the Drug Supervisory Body.....	56,370	56,370	—
19. ^a Office of the United Nations High Commissioner for Refugees...	685,000	685,000	—
	5,555,000	5,555,000	—
PART V. Information centres			
<i>Section</i>			
20. ^a Information centres (other than the information services, European Office of the United Nations).....	940,000	940,000	—

^a Section not yet reviewed by the Advisory Committee.

COMPARATIVE TABLE OF APPROPRIATIONS AS PROPOSED BY THE SECRETARY-GENERAL
AND RECOMMENDED BY THE ADVISORY COMMITTEE (*continued*)

	Secretary-General's budget estimates for 1956 \$	Advisory Committee's recommen- dations \$	Decrease \$
A. UNITED NATIONS (<i>continued</i>)			
PART VI. Secretariats of the regional economic commissions (other than the Economic Commission for Europe)			
<i>Section</i>			
21. ^a Secretariat of the Economic Commission for Asia and the Far East	1,158,200	1,158,200	—
22. ^a Secretariat of the Economic Commission for Latin America	1,015,100	1,015,100	—
	2,173,300	2,173,300	—
PART VII. Representation and hospitality expenses			
<i>Section</i>			
23. Special payments under annex I, paragraph 2, of the Staff Regulations	50,000	50,000	—
24. Hospitality	20,000	20,000	—
	70,000	70,000	—
PART VIII. Contractual printing			
<i>Section</i>			
25. Contractual printing (excluding chapter I, article (v), Permanent Central Opium Board and the Drug Supervisory Body	1,390,560	1,375,000	25,000
Chapter I, article (v), Permanent Central Opium Board and the Drug Supervisory Body	9,440		
	1,400,000	1,375,000	25,000
PART IX. Technical programmes			
<i>Section</i>			
26. Technical Assistance Administration	386,700	386,700	—
27. Economic development	479,400	479,400	—
28. Social activities	768,500	768,500	—
29. Public administration	145,000	145,000	—
	1,779,600	1,779,600	—
PART X. Special expenses			
<i>Section</i>			
30. Transfer of the assets of the League of Nations to the United Nations	649,500	649,500	—
31. Amortization of the Headquarters construction loan	2,000,000	2,000,000	—
	2,649,500	2,649,500	—
PART XI. Joint Staff Pension Board and United Nations Staff Pension Committee			
<i>Section</i>			
32. Joint Staff Pension Board and United Nations Staff Pension Committee	108,000	106,000	2,000
B. THE INTERNATIONAL COURT OF JUSTICE			
PART XII. The International Court of Justice			
<i>Section</i>			
33. The International Court of Justice	628,700	620,000	8,700
Recapitulation:			
Secretary-General's estimates		\$46,278,000	
Advisory Committee's recommendations		\$46,016,600 ^b	
Total reduction recommended by the Advisory Committee		\$ 261,400 ^c	

^a Section not yet reviewed by the Advisory Committee.^b Subject to review during the Advisory Committee's autumn session, 1955; includes figures for parts IV, V, VI as submitted by the Secretary-General.^c Subject to review during the Advisory Committee's autumn session, 1955.

APPENDIX I

Draft appropriation resolution for the financial year 1956 (submitted by the Advisory Committee)*The General Assembly*

Resolves that for the financial year 1956:

1. Appropriations totalling \$US46,016,600 are hereby voted for the following purposes:

A. UNITED NATIONS		
PART I. <i>Sessions of the General Assembly, the Councils, Commissions and Committees</i>		
<i>Section</i>	<i>Amount in US dollars</i>	
1. The General Assembly, Commissions and Committees.....	366,500	
2. The Security Council, Commissions and Committees.....		
3. The Economic and Social Council, Commissions and Committees.....	100,000	
3a. Permanent Central Opium Board and the Drug Supervisory Body.....	29,400	
3b. Regional economic commissions.....	37,000	
4. The Trusteeship Council, Commissions and Committees.....	50,000	
	TOTAL, PART I	582,900
PART II. <i>Special Missions and Related Activities</i>		
<i>Section</i>		
5. Special missions and related activities.....	1,650,000	
5a. United Nations Field Service.....	546,000	
	TOTAL, PART II	2,196,000
PART III. <i>Headquarters, New York</i>		
<i>Section</i>		
6. Offices of the Secretary-General.....	2,037,100	
6a. Office of Under-Secretaries without Department.....	111,800	
7. Department of Political and Security Council Affairs.....	555,200	
7a. Secretariat of the Military Staff Committee.....	107,500	
8. Department of Economic and Social Affairs.....	3,240,400	
9. Department of Trusteeship and Information from Non-Self-Governing Territories.....	735,000	
10. Department of Public Information.....	2,488,600	
10a. Visitors Service.....	400,000	
11. Department of Conference Services.....	6,241,400	
11a. Library.....	483,500	
12. Office of General Services.....	3,000,000	
13. Temporary assistance and consultants.....	470,000	
14. Travel of staff.....	1,150,000	
15. Common staff costs.....	3,138,100	
16. Common services.....	3,645,700	
17. Permanent equipment.....	165,000	
	TOTAL, PART III	27,969,300
PART IV. <i>European Office of the United Nations</i>		
<i>Section</i>		
18.* European Office of the United Nations (excluding direct costs, chapter III, joint secretariat of the Permanent Central Opium Board and the Drug Supervisory Body).....	4,813,630	
Chapter III, joint secretariat of the Permanent Central Opium Board and the Drug Supervisory Body.....	56,370	
19.* Office of the United Nations High Commissioner for Refugees.....	685,000	
	TOTAL, PART IV	5,555,000
PART V. <i>Information centres</i>		
<i>Section</i>		
20.* Information centres (other than the information services, European Office of the United Nations).....	940,000	
	TOTAL, PART V	940,000
	Carried forward	37,243,200

A. UNITED NATIONS (<i>continued</i>)		Amount in US dollars
<i>Brought forward</i>		37,243,200
PART VI. Secretariats of the regional economic commissions (other than the Economic Commission for Europe)		
<i>Section</i>		
21. ^a	Secretariat of the Economic Commission for Asia and the Far East.....	1,158,200
22. ^a	Secretariat of the Economic Commission for Latin America.....	1,015,100
TOTAL, PART VI		2,173,300
PART VII. Representation and hospitality expenses		
<i>Section</i>		
23.	Special payments under annex I, paragraph 2 of the Staff Regulations.....	50,000
24.	Hospitality.....	20,000
TOTAL, PART VII		70,000
PART VIII. Contractual printing		
<i>Section</i>		
25.	Contractual printing (excluding chapter I, article (v), Permanent Central Opium Board and the Drug Supervisory Body).....	1,375,000
	Chapter I, article (v), Permanent Central Opium Board and the Drug Supervisory Body.....	
TOTAL, PART VIII		1,375,000
PART IX. Technical programmes		
<i>Section</i>		
26.	Technical Assistance Administration.....	386,700
27.	Economic development.....	479,400
28.	Social activities.....	768,500
29.	Public administration.....	145,000
TOTAL, PART IX		1,779,600
PART X. Special expenses		
<i>Section</i>		
30.	Transfer of the assets of the League of Nations to the United Nations.....	649,500
31.	Amortization of the Headquarters construction loan.....	2,000,000
TOTAL, PART X		2,649,500
PART XI. Joint Staff Pension Board and United Nations Staff Pension Committee		
<i>Section</i>		
32.	Joint Staff Pension Board and United Nations Staff Pension Committee.....	106,000
TOTAL, PART XI		106,000
B. THE INTERNATIONAL COURT OF JUSTICE		
PART XII. The International Court of Justice		
<i>Section</i>		
33.	The International Court of Justice.....	620,000
TOTAL, PART XII		620,000
GRAND TOTAL		\$46,016,600

^a Section not yet reviewed by the Advisory Committee.

2. The appropriations voted by paragraph 1 shall be financed by contributions from Members after adjustment as provided by the Financial Regulations, subject to the provision of paragraph 1 of the resolution relating to the Working Capital Fund. For this purpose, miscellaneous income for the financial year 1956 is estimated at \$US6,942,600.

3. The Secretary-General is authorized:

(i) To administer as a unit the following appropriations:

(a) Provisions under section 3a; section 18, chapter III; and section 25, chapter I, article (v);

(b) Provisions under section 10; section 18, chapter II; section 20 and section 25, chapter IV;

(ii) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to transfer credits between sections of the budget.

4. In addition to the appropriations voted by paragraph 1, an amount of \$US13,000 is hereby appropriated for the purchase of books, periodicals, maps and library equipment, from the income of the Library Endowment Fund, in accordance with the objects and provisions of the endowment.

APPENDIX II

Draft resolution relating to unforeseen and extraordinary expenses (submitted by the Advisory Committee)

The General Assembly

Resolves that, for the financial year 1956, the Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions and subject to the Financial Regulations of the United Nations, is authorized to enter into commitments to meet unforeseen and extraordinary expenses; provided that the concurrence of the Advisory Committee shall not be necessary for:

(a) Such commitments not exceeding a total of \$US2 million, as the Secretary-General certifies relate to the maintenance of peace and security or to urgent economic rehabilitation;

(b) Such commitments, as the President of the International Court of Justice certifies relate to expenses occasioned by:

(i) The designation of *ad hoc* judges (Statute, Article 31), not exceeding a total of \$24,000;

(ii) The appointment of assessors (Statute, Article 30), or by the calling of witnesses and the appointment of experts (Statute, Article 50), not exceeding a total of \$25,000;

(iii) The holding of sessions of the Court away from The Hague (Statute, Article 22), not exceeding a total of \$75,000;

(c) Such commitments, not exceeding a total of \$18,000, as may be required in the event of the coming into force during 1956 of the Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and Use of Opium.

The Secretary-General shall report to the Advisory Committee and to the General Assembly, at its next regular session, all commitments made under the provisions of the present resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the General Assembly in respect of such commitments.

APPENDIX III

Draft resolution relating to the Working Capital Fund (submitted by the Advisory Committee)

The General Assembly

Resolves that:

1. The Working Capital Fund shall be established for the financial year 1956 at the amount of \$US21 million to be derived:

(a) As to \$20 million, from cash advances by Members in accordance with the provision of paragraphs 2 and 3 of the present resolution;

(b) As to \$739,203, from the surplus for the year 1950. The remaining balance of this surplus, amounting to \$500,000, shall be applied against Members' assessments for 1956 in accordance with the scale adopted by the General Assembly for contributions to the seventh annual budget;*

(c) As to \$260,797, from the balance of the surplus for the year 1951 which has not been applied against Members' assessments.

* I.e., the scale which would have been applied had the surplus been surrendered at the normal time under the Financial Regulations, and on the basis of which credits to Members were established at the time the transfer to the Working Capital Fund took place.

2. Members shall make cash advances to the Working Capital Fund as required under paragraph 1 (a) above in accordance with the scale adopted by the General Assembly for contributions of Members to the eleventh annual budget;

3. There shall be set off against this new allocation of advances the amounts paid by Members to the Working Capital Fund for the financial year 1955, under General Assembly resolution 892 (IX) of 17 December 1954, provided that, should such advance paid by any Member to the Working Capital Fund for the financial year 1955 exceed the amount of that Member's advance under the provision of paragraph 2 hereof, the excess shall be set off against the amount of contributions payable by that Member in respect of the eleventh annual budget, or any previous budget;

4. The Secretary-General is authorized to advance from the Working Capital Fund:

(a) Such sums as may be necessary to finance budgetary appropriations pending receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for the purpose;

(b) Such sums as may be necessary to finance commitments which may be duly authorized under the provisions of the resolution relating to unforeseen and extraordinary expenses. The Secretary-General shall make provision in the budget estimates for reimbursing the Working Capital Fund;

(c) Such sums as, together with net sums outstanding for the same purposes, do not exceed \$125,000, to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities. Advances in excess of the total of \$125,000 may be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions. The Secretary-General shall submit, with the annual accounts, an explanation of the outstanding balance of the revolving fund at the end of each year;

(d) Loans to specialized agencies and preparatory commissions of agencies to be established by inter-governmental agreement under the auspices of the United Nations to finance their work, pending receipt by the agencies concerned of sufficient contributions under their own budgets. In making such loans, which shall normally

be repayable within two years, the Secretary-General shall have regard to the proposed financial resources of the agency concerned, and shall obtain the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions for any cash issues which would increase the aggregate balance outstanding (including amounts previously advanced and outstanding) at any one time to an amount in excess of \$1,500,000 and for any issue which would increase the balance outstanding (including amounts previously advanced and outstanding) in respect of any one agency to an amount in excess of \$500,000;

(e) Such sums not exceeding \$35,000 as may be required to finance payments of advance insurance premiums where the period of insurance extends beyond the end of the financial year in which payment is made. This amount may be increased with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions. The Secretary-General shall make provision in the budget estimates of each year, during the life of the related policies, to cover the charges applicable to each such year.

CHAPTER II

DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES

31. The comments offered in the present chapter, which are related to the various appropriation sections of the 1956 estimates, are subject to the reservations made in paragraph 8 above: (a) that parts IV, V and VI of the budget have not yet been reviewed by the Advisory Committee; and (b) that, even as regards the Headquarters estimates, the Committee's recommendations are, for the most part, submitted in provisional form, and are subject to possible revision in the light of decisions yet to be taken in regard to offices away from Headquarters.

PART I. SESSIONS OF THE GENERAL ASSEMBLY, THE COUNCILS, COMMISSIONS AND COMMITTEES

Section 1. The General Assembly, Commissions and Committees

	\$
Estimate submitted by the Secretary-General	373,000
Estimate recommended by the Advisory Committee	366,500
1954 (actual expense)	391,577
1955 (appropriation)	495,700

32. The estimate of \$373,000 submitted by the Secretary-General for 1956 is \$122,700 lower than the 1955 appropriation. Of this decrease, \$100,000 represents the cost, as originally estimated, of the commemorative celebration at San Francisco, \$15,400 the appropriation for the special United Nations fund for economic development, while the balance of \$7,300 arises under chapter IV, International Law Commission, for which the 1955 appropriation covered a session of ten weeks' duration, as compared with the period of eight weeks on which the present estimate is based. Chapters II, III, V and VI show no change between the two years.

33. In form of presentation the estimate for chapter IV, International Law Commission, departs from previous practice. For the years 1949 to 1955 the Secretary-General's original budget submission provided for a session at Headquarters, New York, which is the seat of the Commission.¹¹ Although for each of those years, with the exception of 1949, the Commission subsequently proposed the transference of its session to Geneva, the Advisory Committee considers that, in accordance with the terms of General Assembly resolution 694 (VII)

¹¹ Article 12 of the Statute of the International Law Commission reads: "The Commission shall sit at the Headquarters of the United Nations. The Commission shall, however, have the right to hold meetings at other places after consultation with the Secretary-General."

of 20 December 1952,¹² sessions of this and all other Headquarters-based bodies should, in the absence of a contrary decision of the General Assembly, be shown on a New York basis.

34. Apart, however, from the procedural aspect, the Advisory Committee considers that there are solid grounds of an administrative and financial character for recommending that the Commission normally should meet at Headquarters. These grounds have been developed in previous reports of the Committee,¹³ and are therefore now presented in summary:

(a) The 1956 session, if held at Geneva, will mark the seventh successive occasion on which the Commission's annual session has been held away from its seat. The character of the Commission as a Headquarters-based body is thus transformed, a fact which appears to have prompted the Commission's decision of 14 June 1955 to recommend an amendment of article 12 of its Statute to provide that "the Commission shall sit at the European Office of the United Nations at Geneva . . .".

(b) For the seven years 1950 to 1956 the additional cost of holding these sessions at Geneva will have exceeded \$100,000. In the Advisory Committee's opinion, this is an item of avoidable expenditure.

(c) The Statute of the Commission provides that the right to hold sessions away from Headquarters shall be subject to prior consultation with the Secretary-General. This restrictive clause serves an essential purpose by affording to the Secretary-General, as the sole officer authorized to assign staff to any of the activities or offices of the United Nations, the right to determine the manner in which available services and facilities of the Organization should be used to the best advantage. It follows that only an exceptional and compelling reason can justify a disregard of representations made by the chief administrative officer of the United Nations. The Advisory Committee is informed that, in the course of such consultations, the Secretary-General has repeatedly urged the Commission, on budgetary and administrative grounds, not to transfer its session to Geneva.

(d) From a substantive point of view, there are obvious disadvantages in a meeting-place far distant from the competent Division of the Headquarters Secretariat. While, in so far as conference services are concerned, the Committee has received evidence from the Secretary-

¹² The resolution provides that, with stated exceptions, sessions of all Headquarters-based bodies should be held at New York and sessions of all Geneva-based bodies should be held at Geneva. The subordinate and permissive clause, reading "The International Law Commission would meet in Geneva only when its session could be held there without overlapping with the summer session of the Economic and Social Council", is clearly not intended to derogate from that provision but merely to ensure that if, after consultation with the Secretary-General, the Commission is authorized by the General Assembly to meet at Geneva, its session should not result in avoidable administrative expense.

¹³ See, in particular, *Official Records of the General Assembly, Ninth Session, Annexes*, agenda item 38, document A/2766.

General's representatives showing, in terms of cost and output of the language services, the adverse effect of sessions held away from Headquarters.

35. Following the preparation of the Secretary-General's 1956 estimates, the International Law Commission provisionally decided, on 9 June 1955, to recommend to the General Assembly that its eighth (1956) session should be held at Geneva for a period of ten weeks. The Advisory Committee understands that the Secretary-General thereupon informed the Commission of his view that, both for budgetary reasons and for reasons of principle, the session should be held at Headquarters.

36. On the basis of what is said above, the Advisory Committee recommends that the provision for chapter IV should be limited to the amount required for a Headquarters session, with a consequent reduction of \$6,500 in this chapter ((item ii), travel and subsistence of staff) and the elimination of the item of \$12,000 for temporary assistance in section 18 (European Office of the United Nations). The extension of the session from eight weeks, on which the Secretary-General's estimate is based, to ten weeks will necessitate a supplementary estimate of \$7,350, on the assumption that the session will be held at Headquarters.

37. The requirements for other chapters in section 1 appear to be reasonably estimated, and an appropriation of \$366,500 is accordingly recommended, representing a reduction of \$6,500 in the figure proposed by the Secretary-General.

Analysis of reductions recommended

Chapter IV (ii). Travel and subsistence of staff \$ 6,500

Section 2. The Security Council, Commissions and Committees

	\$
Estimate submitted by the Secretary-General	—
Estimate recommended by the Advisory Committee	—
1954 (actual expense)	58,652
1955 (appropriation)	—

38. Expenditure will be incurred during 1956 under this section—as distinct from other sections in which provision is made for substantive and other services to the Security Council and its commissions and committees—only if the council or any of its subsidiary bodies meets away from Headquarters. Actual expenses for 1954 amounted to \$58,652, while the corresponding 1955 figure, relating to the London session of the Disarmament Sub-Commission, is estimated at approximately \$85,000. The latter item will be the subject of a supplementary 1955 estimate.

Section 3. The Economic and Social Council, Commissions and Committees

	\$
Estimated submitted by the Secretary-General	103,600
Estimate recommended by the Advisory Committee	100,000
1954 (actual expense)	120,807
1955 (appropriation)	143,100

39. The Secretary-General's estimate of \$103,600 for section 3, which provides for the 1956 sessions of the Economic and Social Council and certain of its commissions and committees, shows by comparison with 1955 a decrease of \$39,500, due principally to the fact that fewer sessions of functional commissions are planned for 1956. In addition, the 1955 figure included certain special conferences for which provision is not required in 1956.

40. The item of \$31,950 under chapter I is based on a Geneva session of four weeks' duration. The Advisory Committee is not in a position to determine the extent, if any, to which a return to the previous system of an undivided spring session (Council resolution 578 (XIX) of 20 May 1955) may lead to a possible extension of the summer session such as is already contemplated for the current twentieth session. As regards the number of substantive staff assigned from Headquarters, the Committee takes note of the progressive reduction to the recommended level of twenty-five (1954: 31; 1955: 27; 1956: 25). Any further economy in this area must therefore be sought mainly in the careful planning of the agenda, so that the period during which staff detailed from Headquarters in connexion with particular items remain in travel status may be reduced to the minimum.

41. The estimate for chapter III, Commission on Narcotic Drugs, is based in form on a Headquarters session. With the transference, however, of the Narcotic Drugs Division to Geneva, which has already taken place, a session at New York would entail expenditure for travel and subsistence of staff. Consequently, the estimate, as presented, in fact reflects the cost of a Geneva rather than a New York session. Pending a decision in this matter by the Council, the Advisory Committee is not able to make a firm recommendation on this chapter.

42. The Committee considers that the sum of \$100,000 would constitute a reasonable provision for this section as a whole. The reduction of \$3,600 thus recommended might, in its opinion, be applied mainly to chapters I and XII, by means of a strict scheduling of the attendance of substantive staff at the Geneva sessions of the Council and its functional commissions (chapter XII). The appropriation of \$100,000 accordingly recommended for section 3 is subject to the observations made in paragraph 40 above.

Analysis of reductions recommended

Section 3. Global reduction (to be applied principally to chapters I and XII) \$3,600

Section 3c Permanent Central Opium Board and the Drug Supervisory Body

	\$
Estimate submitted by the Secretary-General	29,400
Estimate recommended by the Advisory Committee	29,400
1954 (actual expense)	19,848
1955 (appropriation)	27,200

43. The 1956 estimate of \$29,400, as submitted by the Secretary-General, exceeds by \$2,200 the 1955 appropriation, and by some \$9,500 the actual 1954 expenditure. In the last-named year, however, no amount was payable in respect of the honoraria to members of the

two bodies which were voted by the General Assembly at its 1954 session.¹⁴ For 1956 the amount required on this account is estimated at \$4,800.

44. The Advisory Committee recommends on appropriation at the figure submitted by the Secretary-General, \$29,400.

Section 3b. Regional Economic Commissions

Estimate submitted by the Secretary-General	\$ 37,000
Estimate recommended by the Advisory Committee	37,000
1954 (actual expense)	44,829
1955 (appropriation)	101,700

45. The reduction of almost \$65,000 in the Secretary-General's estimate for this section, as compared with the 1955 appropriation, arises mainly under chapter III. Under the programme of biennial sessions adopted by the Economic Commission for Latin America, a full-scale session of the Commission will not be held during 1956. Instead, the Committee of the Whole will meet at the headquarters of the Commission without additional cost to the United Nations.

46. Similarly, the Economic Commission for Asia and the Far East, though again meeting away from its headquarters, will incur lower expenses for staff travel to New Delhi than in 1955, when the session was held at Tokyo.

47. As regards the 1956 sessions of three ECAFE sub-committees, for which provision is proposed under chapter II, the Advisory Committee understands that the choice of meeting-place is largely dictated by technical reasons. Thus, the Railways Sub-Committee, which is charged with a study of the problem of concrete railway sleepers (ties), will hold its session in India, in order to undertake an on-the-spot inspection of the railway system of that country, with particular reference to the project assigned to the sub-committee.

48. The remaining items in this section do not call for special comment, and the Advisory Committee recommends an appropriation at the figure of \$37,000 proposed by the Secretary-General.

Section 4. The Trusteeship Council, Commissions and Committees

Estimate submitted by the Secretary-General	\$ 50,000
Estimate recommended by the Advisory Committee	50,000
1954 (actual expense)	50,110
1955 (appropriation)	100,000 ¹⁵

49. In accordance with the approved conference programme, the 1956 sessions of the Trusteeship Council will be held at Headquarters and, as a result, no provision is requested under chapter I. An estimate of \$45,400 for the printing of the Official Records of the Council is submitted separately in section 25, chapter I (iv).

¹⁴ See General Assembly resolution 875 C (IX) of 4 December 1954.

¹⁵ The 1955 appropriation provides for the regular Visiting Mission and for the Special Visiting Mission to the two Trust Territories of Togoland under British and French administration.

Detailed recommendations on the budget estimates

50. The Trusteeship Council had not at the date of the Advisory Committee's budget review decided on the arrangements and itinerary for the 1956 Visiting Mission. The estimate of \$50,000 under chapter II of section 4 is, therefore, a provisional figure and the Advisory Committee proposes to review this estimate at its next session in the light of whatever actual requirements can then be foreseen. A provisional appropriation of \$50,000 is accordingly recommended for section 4.

PART II. SPECIAL MISSIONS AND RELATED ACTIVITIES

Section 5. Special missions and related activities

Estimate provisionally submitted by the Secretary-General	\$ 1,650,000
Estimate provisionally recommended by the Advisory Committee	1,650,000
1954 (actual expense)	1,793,037
1955 (appropriation)	1,776,200

51. As in past years the Advisory Committee prefers, before making firm recommendations on section 5 of the estimates, to await the decisions to be taken during the autumn of 1955 by the General Assembly and the Security Council on the number, size and scope of the various special missions. Meanwhile, an estimate of \$1,650,000 is provisionally entered by the Advisory Committee, in order to assist the Members of the United Nations in determining the probable total of 1956 requirements.

Section 5a. United Nations Field Service

Estimate provisionally submitted by the Secretary-General	\$ 546,000
Estimate provisionally recommended by the Advisory Committee	546,000

Budget amounts (departmental total)

\$ 475,388 ¹⁶	1954	Posts authorized	103
(actual expense)			
484,000	1955	Posts authorized	119
546,000	1956	Posts provisionally requested	119
546,000	1956	Posts provisionally recommended by the Advisory Committee ..	119

52. Considerations similar to those advanced in paragraph 51 apply with equal force to section 5a of the estimates, which will be reviewed by the Advisory Committee in the course of its 1955 autumn session. A provisional appropriation of \$546,000 is meanwhile recommended for approval.

PART III. HEADQUARTERS, NEW YORK

Section 6. Offices of the Secretary-General

Estimate submitted by the Secretary-General	\$ 2,038,100
Estimate recommended by the Advisory Committee	2,037,100

53. The following is a comparison between the target establishment recommended by the Survey Group and the number of posts proposed for 1956, in each of the Offices of the Secretary-General:

¹⁶ Includes \$20,401 in respect of temporary assistance.

	Target establishment	Posts proposed for 1956
Executive Office.....	31	28
Office of Legal Affairs.....	49	49
Office of the Controller.....	86	86
Office of Personnel.....	60	62 ¹⁷
Internal Audit Service.....	18	18
Health Service.....	12	12
	<u>256</u>	<u>255</u>

Chapter I. Executive Office of the Secretary-General

	\$
Estimate submitted by the Secretary-General	298,100
Estimate recommended by the Advisory Committee	298,100

Budget amounts (total for chapter)

\$			
310,647	1954	Posts authorized	34
(actual expense)			
320,700	1955	Posts authorized	32
298,100	1956	Posts requested	28
298,100	1956	Posts recommended by the Advisory Committee.....	28

54. The establishment which the Secretary-General proposes for his Executive Office during 1956 represents a reduction of four posts when compared with 1955, and of three posts by comparison with the approximate target strength. However, two of these posts (Staff Counsellor and secretary) will be transferred to the Office of Personnel, as the Secretary-General no longer requests the maintenance within the Executive Office of the Social Service Unit which had been authorized for 1955 on an experimental basis. A post of Director (Social Counsel), is accordingly proposed for abolition.

55. The holder of the post of Director for the co-ordination of the publications programme, which is again included in the manning table of this Office, serves both as Chairman of the Publications Board and as Chief Editor of the United Nations. Comment on the organizational arrangements for editorial control, which is subject to his policy guidance, is offered in paragraph 109 below.

Chapter II. Office of Legal Affairs

	\$
Estimate submitted by the Secretary-General	409,800
Estimate recommended by the Advisory Committee	409,800

Budget amounts (total for chapter)

\$			
415,799	1954	Posts authorized	54
(actual expense)			
407,200	1955	Posts authorized	50
409,800	1956	Posts requested	49
409,800	1956	Posts recommended by the Advisory Committee ...	49

56. The 1956 estimate for this Office shows little variation from the amount appropriated for the current year. As is indicated in the explanatory material appended to table 6-2, the number of established posts accords with the recommendation of the Survey Group,

¹⁷ The excess of two posts, which is offset by a corresponding reduction in the Executive Office, is explained in paragraph 60 below.

although, as regards classification, there is a divergence in respect of three posts—two in the Professional category and one in the General Service category.

57. The Committee has heard with some concern of the tendency on the part of departments to place on this Office a progressively larger burden of work. It is clearly proper that matters having legal implications or in which legal issues are thought to arise should be referred in the first instance to the Legal Office for authoritative ruling. There is also the obvious consideration that it is the function of that Office to build up a case law based on the Charter, resolutions and other instruments, and to ensure its consistent application to every activity of the United Nations. For those reasons a dividing line between what may and what may not be so referred is not easily drawn, and particularly as the law is still in process of development. The Committee has given attention to this problem, which essentially comes within the Secretary-General's administrative competence, solely because of its budgetary aspects, and because a costly tendency to shift executive responsibility to the legal branch is not unknown in other administrations.

58. On the question of the classification of posts, evidence before the Committee indicated that it is the aim of the Secretary-General to achieve a better distribution of Professional posts in this Office by classification levels. As may be noted in table 6-2, the twenty-two posts in that category include only one at the Assistant Officer, and two at the Associate Officer, levels, to which junior staff entering on a career service would normally be appointed. In the Committee's opinion, this matter merits attention so that, to the extent possible, adjustments may be made progressively over the next few years.

Chapter III. Office of the Controller

	\$
Estimate submitted by the Secretary-General	638,000
Estimate recommended by the Advisory Committee	638,000

Budget amounts (total for chapter)

\$			
684,852	1954	Posts authorized	94
(actual expense)			
665,850	1955	Posts authorized	91
638,000	1956	Posts requested	86
638,000	1956	Posts recommended by the Advisory Committee ...	86

59. Compared with 1955, there is a reduction of \$27,850 in the estimate, reflecting a decrease of five established posts, all in the Professional category. The staffing of the Office remains within the target envisaged under the Secretary-General's reorganization proposals.

Chapter IV. Office of Personnel

	\$
Estimate submitted by the Secretary-General	481,000
Estimate recommended by the Advisory Committee	480,000

Budget amounts (total for chapter)

\$			
487,857	1954	Posts authorized	67
(actual expense)			
504,900	1955	Posts authorized	65
481,000	1956	Posts requested	62
480,000	1956	Posts recommended by the Advisory Committee ...	62

60. On a strictly comparable basis there is a decrease of five established posts over the period 1955-1956, as the sixty-two posts proposed for 1956 include two posts (Staff Counsellor and secretary) which in 1955 were provided for in the Executive Office of the Secretary-General (see paragraph 54 above). The staffing pattern otherwise follows in general the recommendations of the Secretary-General's Survey Group.

61. Together with the Secretariat-wide reorganization, certain new procedures have been introduced with a view to more effective and prompt personnel administration. They include the physical deployment of personnel officers to work directly with the larger departments. It has been represented to the Committee that, while this measure imposes heavier responsibilities on the personnel officers, it lends clarity to the division of work as between the personnel officer and the departmental executive officer, thus serving to obviate any duplication of personnel work on the part of the latter officer and his assistants. In terms of staffing, this arrangement has also resulted in reductions in departmental executive offices, although, as shown in the manning table for the Office of Personnel, some posts of personnel officer have had to be reclassified upwards to First Officer level. Pending a review, after sufficient experience is gained, of the working of these new arrangements, the Advisory Committee concurs in the proposed establishment for this office.

62. The Committee has inquired into the progress of the work of the Review Board appointed by the Secretary-General to review the appointments of staff members. On an approximate estimate, 1,050 cases will be considered by the Board in 1955; in 1956 the number will be 850, of which about one-half relate to the quinquennial review of permanent appointments and the balance to the initial review connected with such appointments. In subsequent years, a slight decrease is expected in the total number of cases, with initial review arising in only a small number of cases. The initial appraisal of qualification for permanent appointment to the Secretariat is more difficult and takes longer than the subsequent quinquennial review. Consequently, with the completion (anticipated by the end of 1955) of the majority of cases of initial review, the continuing workload will be relatively light, covering for the most part cases of periodic review and some cases of newly recruited staff. A reduction of \$1,000 in the estimate of \$15,000 for this item is therefore recommended.

Chapter V. Internal Audit Service

Estimate submitted by the Secretary-General	\$138,600
Estimate recommended by the Advisory Committee	138,600

Budget amounts (total for chapter)

\$138,553	1954	Posts authorized	19
(actual expense)			
142,900	1955	Posts authorized	19
138,600	1956	Posts requested	18
138,600	1956	Posts recommended by the Advisory Committee	18

63. By resolution 871 (IX) of 29 October 1954, the General Assembly decided to postpone until its forthcoming tenth session a review of audit procedures of the United Nations and the specialized agencies. Pending such a review, the outcome of which will also affect the

arrangements for internal audit, the Secretary-General proposes the same establishment as in 1955, subject to the suppression of one vacant General Service post.

64. Attention was drawn in the Advisory Committee's report on the 1953 budget estimates (A/2157, paragraphs 19-20¹⁸) to the need for effective steps to ensure adequate performance of the function of administrative inspection and review. Subsequently responsibilities in respect of management (organization and methods) studies were transferred to the then Bureau of Finance (now Office of the Controller). Nevertheless, in the interest of eliminating unnecessary expenditure, there is a continuing need for a review of day-to-day financial procedures to be carried out by the Internal Audit Service *pari passu* with its examination of accounts.

Chapter VI. Health Service

Estimate submitted by the Secretary-General	\$72,600
Estimate recommended by the Advisory Committee	72,600

Budget amounts (total for chapter)

\$74,404	1954	Posts authorized	13
(actual expense)			
75,200	1955	Posts authorized	13
72,600	1956	Posts requested	12
72,600	1956	Posts recommended by the Advisory Committee	12

65. As recommended by the Survey Group, there is a net reduction of one post in the 1956 manning table for the Health Service, two clerical posts at the intermediate level of the General Service category being proposed for abolition, and one post of nurse for establishment at the principal level in that category. Provision is included in section 13 for part-time consultants, to whom a large proportion of the medical work of this service is assigned. Expenditure on that account amounted to approximately \$22,800 in 1954, of which \$2,460 was charged to other organs using these facilities.

66. On the basis of what is said above, the Advisory Committee recommends an appropriation for section 6 as a whole of \$2,037,100, representing a reduction of \$1,000 in the estimate submitted by the Secretary-General.

Analysis of reductions recommended

Chapter IV (v). Review Board	\$1,000
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Section 6a. Office of Under-Secretaries without Department

Estimate submitted by the Secretary-General	\$111,800
Estimate recommended by the Advisory Committee	111,800

Budget amounts (departmental total)

\$—	1954	Posts authorized	—
(actual expense)			
76,650	1955	Posts authorized	7
111,800	1956	Posts requested	11
111,800	1956	Posts recommended by the Advisory Committee	11

¹⁸ See *Official Records of the General Assembly, Seventh Session, Supplement No. 7.*

67. Compared with 1955, the estimated requirements for this Office show an increase of \$35,000, due to the proposed addition of two Professional posts (at the Senior Officer and First Officer levels) and two General Service posts.

68. The Office was established early in 1955 for the purpose of advising and assisting the Secretary-General on special problems, and particularly on those that do not fall clearly within the competence of any one of the substantive departments. In addition, certain matters of an inter-departmental nature are entrusted to the two Under-Secretaries in charge of the Office.

69. As regards the method of staffing, it was contemplated in 1954 that, in addition to a nucleus of established posts specifically authorized for this Office, professional staff would need to be transferred temporarily from departments for the purpose of assisting the Under-Secretaries on particular assignments. During the current year, staff have also been engaged on a temporary basis and charged to appropriation section.¹³

70. The Advisory Committee is informed that, apart from the continued use of departmental staff on temporary assignment, it is hoped to attract to the work of this Office experienced members of national services who, though not desirous of a permanent career in the United Nations, might welcome an appointment limited to two or three years. It is also thought that, in view of the comprehensive nature of the problems with which it deals, this Office is likely to prove a valuable training ground for professional staff at the junior levels. There is merit in both systems, which would, of course, be applied concurrently and be supplemented, as necessary, by temporary staff loans from departments, the latter source being, in the Committee's opinion, of importance as a means of obviating the expansion of the strength of the Office beyond what is strictly necessary for the requirements of the work.

71. The Secretary-General's estimate of \$111,800 is recommended for approval.

Section 7. Department of Political and Security Council Affairs

Estimate submitted by the Secretary-General	\$ 555,200
Estimate recommended by the Advisory Committee	555,200

Budget amounts (departmental total)

\$ 669,118	1954	Posts authorized	39
(actual expense)			
657,300	1955	Posts authorized	78
555,200	1956	Posts requested	62
555,200	1956	Posts recommended by the Advisory Committee ...	62

72. The 1956 estimate of \$555,200 for section 7 represents a reduction of \$102,100 by comparison with the amount authorized for 1955. A reduction in the number of established posts is proposed from seventy-eight in 1955 to sixty-two in 1956, the sixteen posts to be abolished comprising nine in the Professional and seven in the General Service categories. With these reductions, the staffing and plan of organization of the department will correspond to those envisaged under the Secretary-General's reorganization proposals.

73. The estimate now presented assumes "that there will be no substantial change in the requirements of the

organs serviced by the Department". The Committee believes that the accepted policy of a flexible use of the department's staff without narrow reference to divisional or sectional functions should enable the department to absorb normal fluctuations in its workload without affecting the number or classification levels of its staff.

74. An appropriation at the figure of \$555,200 submitted by the Secretary-General is recommended for approval.

Section 7a. Secretariat of the Military Staff Committee

Estimate submitted by the Secretary-General.	\$ 107,500
Estimate recommended by the Advisory Committee	107,500

Budget amounts (departmental total)

\$ 114,905	1954	Posts authorized	20
(actual expense)			
109,200	1955	Posts authorized	15
107,500	1956	Posts requested	15
107,500	1956	Posts recommended by the Advisory Committee ...	15

75. For 1956, the Secretary-General proposes an appropriation for section 7a of \$107,500, or \$1,700 less than the amount authorized for 1955. Although the number of established posts remains unchanged at fifteen, no monetary provision is requested for two of the posts, one Administrative Officer post at Second Officer level and one mimeograph operator post at the General Service intermediate level, which are at present unfilled. At the same time, the fact that no further deduction is made for turnover of staff accounts for the relatively small decrease in the estimate by comparison with 1955. The number of established posts proposed exceeds by three posts—two in the Professional and one in the General Service categories—the target strength recommended by the Secretary-General's Survey Group.

76. In previous reports the Advisory Committee has drawn attention to a basic question of principle: that both from the point of view of the fundamental unity of the Secretariat as a main organ of the United Nations and as a matter of economical and orthodox administration, the language and other conference staff servicing the Military Staff Committee secretariat should form part of the Department of Conference Services. The Military Staff Committee has, however, held to the view that under the terms of the (provisional) rules of procedure of that Committee, its secretariat must remain an independent and separate unit.

77. At its last session the Fifth Committee was informed¹⁹ that as the Military Staff Committee was anxious that its secretariat should be kept fully employed, discussions to that end would be held with the Secretary-General. The Advisory Committee recognizes the efforts that have accordingly been made to ensure a more productive employment for this secretariat. The following statement for the first half of 1954 and 1955 illustrates the progress made:

¹⁹ See *Official Records of the General Assembly, Ninth Session, Fifth Committee, 452nd-meeting, paragraph 50.*

	1 January–30 June 1954	1955
Number of Military Staff Committee and related meetings serviced	45	44
Pages of documentation issued	1,902	2,160
Pages of documentation translated in the four languages used by the Committee:		
(a) For the Committee	1,603	1,645
(b) For other departments	88	753
Pages of typing and calligraphy for other departments	—	1,156
Man-days of other services provided to other departments by loan of personnel	124	273

As regards the last item, two Professional officers and one clerk have been on virtually full-time loan to other departments.

78. In spite of the increased output to which the above figures bear evidence, there remains scope for the fuller employment of the staff of this secretariat. The Advisory Committee accordingly renews its previous recommendation that steps to this end should be taken without delay.

79. Subject to the reservation of principle stated in paragraph 76 above, and to the comment in paragraph 78, the Advisory Committee recommends an appropriation for section 7a of \$107,500, the figure submitted by the Secretary-General.

Section 8. Department of Economic and Social Affairs

	\$
Estimate submitted by the Secretary-General	3,240,400
Estimate recommended by the Advisory Committee	3,240,400

Budget amounts (departmental total)

\$			
3,797,757 ²⁰	1954	Posts authorized	487
3,485,000	1955	Posts authorized ..	457
3,240,400	1956	Posts requested	411
3,240,400	1956	Posts recommended by the Advisory Committee ..	411

80. The Secretary-General has submitted for the Department of Economic and Social Affairs an estimate of \$3,240,400, or a decrease, as compared with the 1955 appropriation, of approximately \$245,000 after adjustments are made in respect of the transfer in July 1955 of the Narcotic Drugs Division to the European Office (section 18). This decrease reflects the abolition of forty-six established posts, twenty-six in the Professional category and twenty in the General Service category, marking a further stage in the reorganization of the unified department.

81. It is expected that the conclusions emerging from the survey of the Technical Assistance Administration (TAA) and the regional economic commissions will have a bearing on the organizational structure of the Department as well as on its relationship with those units. The manner in which a possible merger of TAA with the Department may be achieved with maximum advantage will also call for careful study. The objective should be twofold: at Headquarters, a more integrated and economical arrangement for central planning and direction, and at the regional and field level a greater measure of

co-ordination in the implementation of projects. The Advisory Committee will revert to this question and make a further review of the 1956 estimates for the relevant sections during its autumn session, when it will have before it the results of the Secretary-General's survey of TAA and the overseas offices. Meanwhile, the Committee suggests that any shift in emphasis from the Headquarters to the regional offices, with a consequent strengthening of the latter establishments, should necessarily be accompanied by corresponding economies at Headquarters.

82. The Committee's projected review will also take account of decisions taken by the Economic and Social Council at its current session in respect of the 1956 work programmes in the economic and social fields. It is understood that certain of the Council's functional commissions have been critical of the measures of reorganization in the secretariat units servicing those commissions. The proposals for reorganization were formulated by the Secretary-General, as the chief administrative officer, in the light of his best judgment as to the organizational structure and staff resources required for the effective and economical performance of tasks assigned by the several organs of the United Nations. These proposals were considered and generally approved by the General Assembly during its ninth session. More specifically, a similar general approval was given by the Economic and Social Council to the Secretary-General's review of the economic and social work of the Secretariat (E/2598).²¹ While it is important to ensure that they are promptly and effectively implemented, it is also necessary to leave to the Secretary-General, subject to such decisions as the General Assembly may take, the responsibility for necessary and appropriate staffing arrangements.

83. The same consideration has led the Advisory Committee to examine the departures that have been made from the proposals resulting from the Secretary-General's survey and broadly approved last year by the General Assembly in respect of the structure of the Bureau of Economic Affairs. These departures, which are reflected in the text under table 8-2 of the budget estimates, represent a certain re-alignment of the functions of the Bureau and were implemented in June-July 1955. Without reference to the merits of the new structure, on which the Committee is not at present in a position to pass judgment, it doubts the administrative soundness of embarking on revisions without a sufficient testing of the original proposals, which were arrived at after a long and detailed survey and which were subsequently approved in general terms by the Assembly. It may also be thought that any such revisions should at least await the further possible changes that may shortly result from the survey of TAA and the regional economic commissions.

84. On the details of the estimates, the Committee does not raise objection to the proposed up-grading to Principal Officer level of the post of Chief of the Demographic and Social Statistics Branch. Work in this field has assumed increasing importance because of the interest shown by Governments in the measurement of standards and levels of living, as well as in the improvement and collection of social statistics. The preparatory work on the large number of population censuses that are scheduled for 1960-1961 is also a relevant consideration.

²⁰ Including expenditures for the Narcotic Drugs Division. The 1955 figure is approximately adjusted to exclude that Division. Figures for established posts also exclude that Division for all years.

²¹ See *Official Records of the Economic and Social Council, Eighteenth Session*, agenda item 29.

85. The Transport and Communications Division still appears to be overstaffed, considering especially that, except for preparatory work relating to the projected Inter-governmental Maritime Consultative Organization, the competence of the United Nations in this field is limited. Here again, the Committee will await the proposals to be submitted by the Secretary-General on the appropriate organization and other arrangements.

86. Subject to whatever recommendations the Advisory Committee may make in the light of the review which it proposes to undertake during its autumn session in 1955, the estimate of \$3,240,400 submitted by the Secretary-General is provisionally recommended for approval.

Section 9. Department of Trusteeship and Information from Non-Self-Governing Territories

	\$
Estimate submitted by the Secretary-General ..	735,000
Estimate recommended by the Advisory Committee	735,000

Budget amounts (departmental total)

\$		
877,458	1954	Posts authorized
(actual expense)		
859,200	1955	Posts authorized
735,000	1956	Posts requested
735,000	1956	Posts recommended by the Advisory Committee ...

87. For 1956, the Secretary-General proposes an appropriation for section 9 of \$735,000, or \$124,200 less than the amount authorized for 1955. This reduction, which is due to the proposed abolition of fourteen posts (ten in the Professional and four in the General Service categories), represents a further stage of reorganization based on recommendations of the Survey Group.

88. The Advisory Committee commented in its report on the 1955 estimates on the top-heavy structure of this department. While no change is proposed in the number of officials at the Director and Principal Officer levels, the 1956 estimates reflect a reduction of two posts of Senior Officer. Although this and other reductions in established posts represent a commendable effort towards an economical and effective use of departmental resources, there is, in the Committee's view, further scope for the flexible use of the staff of the department as a whole. In this, as in other areas, consideration might be given to the possibility of a section chief's also acting as deputy to the divisional director or *vice versa*, wherever there is at present a deputy without direct charge of a section.

89. Subject to the foregoing observations, the Advisory Committee recommends an appropriation for section 9 at the figure of \$735,000 submitted by the Secretary-General.

Section 10. Department of Public Information

	\$
Estimate submitted by the Secretary-General ..	2,488,600
Estimate recommended by the Advisory Committee	2,488,600

Budget amounts (departmental total)

\$		
2,561,875	1954	Posts authorized
(actual expense)		
2,534,000	1955	Posts authorized
2,488,600	1956	Posts requested
2,488,600	1956	Posts recommended by the Advisory Committee ..

90. For 1956, the Secretary-General has submitted in respect of the Department of Public Information an estimate of \$2,488,600, which, compared with the 1955 appropriation (as adjusted by the two factors mentioned below), shows an effective reduction of about \$28,400. The first of these factors is the inclusion in the 1955 appropriation of approximately \$35,000 for six posts which are proposed for transfer in 1956 to section 10a, Visitors Service, of the budget; the second is the fact that, whereas the 1955 figure covered only the net cost of television activities (\$18,000 after deduction of estimated revenue), a sum of \$36,000 included in the 1956 estimate represents the gross cost of these activities, the corresponding revenue being included in the estimates for miscellaneous income.

91. By comparison with 1955, there is a decrease of twelve in the number of established posts. Six other posts, the functions of which are largely related to the Visitors Service, are, as indicated above, proposed for transfer. Over the three-year period of reorganization, 1954-1956, there is an effective decrease of twenty-eight established posts from a 1954 figure of 282 posts.²² While the reorganization of the Headquarters Secretariat is expected to be fully implemented during 1956 with a saving, as compared with the 1954 budget level, of almost \$2 million, its impact on this Department, as contrasted with certain of the substantive departments, appears proportionately lighter. Having regard to the fact that information activities are in essence subordinate to the substantive work of the Organization, and indeed largely dependent on the nature and volume of such work, the question arises whether in the reorganization of this Department all possible sources of economy consistent with efficiency have in fact been tapped.

92. The proposed establishment exceeds by six posts the target recommended on the basis of the Secretary-General's survey. While it is true that these six posts are retained in the 1956 budget by reason of a policy decision taken by the Secretary-General in regard to certain language broadcasts, this fact would not by itself appear to invalidate the point suggested in the preceding paragraph.

93. In previous reports²³ the Advisory Committee has submitted two principal considerations on the basis of which an appropriate level for the information activities of the Organization may, in its opinion, be determined. First, expenditure for this purpose should reflect a reasonable balance between the function of information and other substantive activities, so that the limited resources of the Organization may be concentrated on tasks of the highest importance. Secondly, a system of priorities should be applied as strictly to information activities as to substantive work in other fields. Thus, in the economic and social work of the Organization,

²² Excluding the six posts now transferred to the Visitors Service.

²³ See, in particular, *Official Records of the General Assembly, Seventh Session, Supplement No. 7*, document A/2157, paragraphs 165-178.

priorities based on carefully developed criteria are set up annually by a legislative organ relying on the close co-operation and the specific recommendations of the Secretary-General. In the field of public information, where the Secretary-General's mandate is expressed in general terms and the work programme is drawn up by the Secretariat itself subject only to broad policy directives from the General Assembly, the development by the Secretariat of an order of priority based on appropriate criteria (to govern both media and activities) is a matter of even greater importance.

94. During 1954 the Advisory Committee was assured (A/2688, paragraph 104²⁴) that, in the course of the present year, a system of priorities would be brought fully into effect, covering every phase of the Department's activities. Although the Committee is not in a position, on the basis of available information, to judge the extent to which this has been done, the 1956 budget estimates do not visibly reflect any system of priorities. The Committee has, however, received a preliminary and tentative indication of the major areas of activity that are expected to claim special attention during 1956. These include the peaceful uses of atomic energy, disarmament problems, and economic development with special reference to technical assistance.

95. The Advisory Committee recognizes the difficulties inherent in the application to media of information of priorities which not only vary as between regions and countries but even within the same area are by no means certain to remain constant. But these difficulties do not appear insuperable, and the Committee suggests, as a primary requirement, the development of a high degree of flexibility in the application of the system of priorities. Equally necessary is the faculty of imaginative planning in order that the various parts of the departmental machinery may be shifted, as appropriate, from less essential work to more important new projects as they arise without proportionately increased expenditures. Every new activity should not entail an expansion in organization and expenditure; existing resources and facilities should be adapted to changing needs.

96. It is by no means easy to specify any particular level of expenditure as the right and proper one, as in this field more than in any other the appropriate level of expenditure is largely a matter of judgment. Nevertheless, in the light of the considerations set out in the preceding paragraphs, the Advisory Committee believes that the present level of total expenditure on public information activities, estimated at more than \$5,117,000²⁵ in 1956, is definitely on the high side, when viewed in relation to the aggregate cost of other activities. The same considerations lead the Committee to the conclusion that in the present circumstances a maximum figure of about \$4,500,000 would be more appropriate. It is not suggested that the reductions which this figure implies can be achieved forthwith; they are, rather, a target to be attained over a period of some three years by means of gradual and progressive adjustments.

97. The Committee recognizes that, as efforts are being made to rationalize activities in this area, time must be allowed for the study and adoption of policies that take account of the concern generally expressed in the Assembly over the high rate of information expendi-

tures. For that reason the Committee refrains from recommending at the present time any specific cut in the appropriation requested by the Secretary-General for section 10. It trusts, however, that serious consideration will be given during the coming months to the matters here raised, so that the 1957 budget estimates may reflect a clearly defined order of priorities and represent a step toward the achievement of the target mentioned above.

98. Subject to the reservations expressed above, the Advisory Committee recommends an appropriation for section 10 of \$2,488,600, the figure submitted by the Secretary-General.

Section 10a. Visitors Service

	\$
Estimate submitted by the Secretary-General.	428,600
Estimate recommended by the Advisory Committee	400,000

Budget amounts (departmental total)

\$		
—	1954	Posts authorized
(actual expense)		—
—	1955	Posts authorized
428,600	1956	Posts requested
400,000	1956	Posts recommended by the Advisory Committee — ²⁶

99. The Visitors Service was brought under the direct management of the United Nations on 1 June 1955, or two months later than the date of 1 April 1955 on which the General Assembly, during December 1954, had based an appropriation of \$290,000 under section 10a of the 1955 budget (covering the nine months April to December 1955), as well as the estimate of \$525,000 in respect of 1955 revenue from this service.

100. Because of this postponement, experience of the new arrangements was not available at the time of the Advisory Committee's review of the 1956 estimates; nor did the Committee have before it all the data necessary for a detailed analysis of the present estimate. Consequently, the Committee prefers to offer in the following paragraphs an approximate comparison of budgetary arrangements respectively under the 1954 system of management and under that projected for 1956, and to confine itself at the present stage to a preliminary recommendation on the requested provision. It may, however, be noted that the Secretary-General's forthcoming proposals concerning the budgetary and accounting treatment of revenue-producing activities, will, if approved by the General Assembly, result in future years in a clearer picture of the direct and indirect expenses of the service and of the net revenue which it yields.

101. The table on next page shows, on a comparative basis, the actual revenue and expenditure figures for 1954 together with the corresponding items as estimated for 1956.

102. In two respects the data provided in this table are incomplete:

(a) No figure is, or indeed can be, entered in the 1956 column in respect of the guide-internship programme. For 1955, \$32,000 was appropriated under section 15 for an additional group of internes who would be assigned on an intermittent and experimental basis

²⁴ See *Official Records of the General Assembly, Ninth Session, Supplement No. 7*.

²⁵ For the details of this figure see *Official Records of the General Assembly, Tenth Session, Supplement No. 5A, information annex II to the 1956 estimates*.

²⁶ The number of posts will be affected by the decision of the Secretary-General in regard to the cut recommended.

1954 <i>American Association for the United Nations management (actual expenses)</i>		1956 <i>United Nations management (estimated)</i>	
	\$		\$
I. Salaries and related expenses.....	338,750 ^a	I. Salaries and related expenses including common staff costs.....	411,800
Salaries of staff charged in 1954 to Department of Public Information, but for 1956 included in section 10a.....	35,000		
		II. Other costs (section 10a, chapter II).....	36,800
II. Other costs (comparable with 1956 items in section 10a, chapter II)...	373,750	III. Other costs.....	— ^b
	35,000	IV. Indirect expenses:	
III. Other costs (not comparable with items in section 10a):		Cost of opening Assembly Building at week-ends.....	85,000 ^d
Stationery and office supplies, telephone expenses, furniture and fixtures, audit fees, etc...	16,000		
		TOTAL	533,600
TOTAL	424,750		
Net receipts from AAUN (after deduction of staff costs charged to United Nations budget (see I above)).....	156,433 ^c	Estimated gross revenue.....	600,000
Deduct			
Indirect expenses:		NET BALANCE	\$ 66,400
Cost of opening Assembly Building at week-ends.....	85,000 ^d		
NET BALANCE	\$ 71,433		

^a Salary increases were granted by AAUN as from 1 May 1954. The figure of \$338,750 represents an adjustment of actual expenditure (\$318,750) to a full-year basis.

^b The 1956 estimate for section 10a is presented on the basis that the requirements of the Visitors Service for supplies, service and equipment *in general use* in the Secretariat will be met from sections 16 and 17 of the budget, except that expenditure for office supplies and furniture and fixtures, if specifically identifiable with the character of the Visitors Service, may be charged to chapter II of section 10a. Certain of the 1954 items of expenditure (e.g. audit fees) will not be incurred during 1956.

^c The actual revenue received amounted to \$176,433. For the purpose of the present comparison, however, an adjustment

corresponding to that mentioned in note ^a above is necessary.

^d The 1956 figure is purely tentative, being dependent (a) on the number of visitors at week-ends; and (b) on the extent to which it may prove possible, through the use of temporary assistance, to introduce a system of shifts, with a consequent reduction in overtime payments to security personnel, etc. It should also be noted (a) that, independently of the Visitors Service, the Assembly Building would remain open, at any rate on Saturdays, during certain periods of the year, e.g. during the Assembly session of some eleven to twelve weeks; and (b) that the Postal Administration counter maintained in that Building at an annual cost of \$6,500 produces offsetting revenue of some \$35,000.

to the Visitors Service. In the 1956 submission for section 15 (chapter IV (iii)) the Secretary-General states his intention of reporting on the programme to the General Assembly at its next session and of making such recommendations as experience may at that time indicate. Pending a study of that report, the Committee has no means of assessing the extent to which the additional internship programme, if continued in 1956, would contribute to the Visitors Service and affect the 1956 provision for salaries and wages of guides. Furthermore, funds were appropriated for the additional programme on the understanding that, initially at least, it would remain separate from the Visitors Service. It was implicit in this understanding that the United Nations internship programmes generally are intended to provide practical experience in the work of the Secretariat in various fields, and that, as a corollary, it would not be consistent with that purpose to merge a part of those programmes with the Visitors Service; it was, however, agreed that internes might as suitably be assigned to that service as to any other Secretariat activity.

(b) Although the application of the staff assessment plan to staff in the Visitors Service will produce revenue estimated for 1956 at \$60,000, this item has not been taken into account, in view of the possibility that an offsetting provision for the reimbursement of national income taxes may be called for.

103. As regards the estimate submitted for 1956, the item for salaries and wages (chapter I) includes \$155,800 in respect of thirty-five established posts proposed for the administration of the service, including eight posts for the Public Inquiries Unit. Certain of the functions of the latter unit might in general be considered within the sphere of the Department of Public Information—for example, “requests by correspondence and by telephone for information about the United Nations and the work of the Organization”. The Committee understands, however, that on a rough estimate (an exact record not being available) more than 70 per cent of the inquiries are stimulated by visits of the public to the Headquarters premises. On that ground the inclusion of all eight posts in this section may be justified.

104. A lump-sum provision is also made in chapter I in respect of the salary costs of the guides. The figure of \$230,000, representing the salary equivalent of seventy full-time guides, is an approximate estimate which, though based on past experience, is subject to wide variation and to adjustment to the actual number of visitors. As indicated in paragraph 102 above, the additional internship programme may in certain circumstances serve to reduce this item of cost.

105. The Advisory Committee recommends an appropriation of \$400,000 for section 10a, or \$28,600 less

than the sum proposed by the Secretary-General, the reduction to be applied principally to the established posts estimate. This is, however, a provisional recommendation, which the Committee will review during its autumn session in the light of the Secretary-General's report on the internship programme and of whatever further data on the Visitors Service may then be available.

Analysis of reductions recommended

Section 10a. Global reduction, to be applied principally to chapter I(i) \$28,600

Section 11. Department of Conference Services

\$

Estimate submitted by the Secretary-General. 6,261,400

Estimate recommended by the Advisory Committee 6,241,400

Budget amounts (departmental total)

\$			
6,110,160	1954	Posts authorized	946
(actual expense)			
6,236,600	1955	Posts authorized	919
6,261,400	1956	Posts requested	916
6,241,400	1956	Posts recommended by the Advisory Committee ..	916

106. The estimate of \$6,261,400 submitted by the Secretary-General is \$24,800 higher than the 1955 appropriation, the increase, which occurs under item (i), being due mainly to a rise in the salary rates of manual workers.

107. The number of established posts proposed for 1956 corresponds to the target figure of 909 recommended during 1954 by the Survey Group. Ten posts for the Arabic Section were added during 1955, in accordance with paragraph 2 of General Assembly resolution 878 (IX) of 4 December 1954, for a total of 919 posts. In 1956 it is proposed to transfer three posts of Translator (two French and one Spanish) from Headquarters to the European Office, leaving a net total of 916 posts. One additional post requested for the Printing Section will be offset by the proposed abolition of a post in the Verbatim Reporting Section.

108. The manning table for the Office of the Under-Secretary includes, as in 1955, a post of Deputy Under-Secretary. The provision for this post was approved by the General Assembly in the 1955 budget on the understanding that the post would be filled only if the Secretary-General, after further study and in consultation with the Under-Secretary, decided in favour of that step and secured the prior concurrence of the Advisory Committee. Such a decision has not been taken, as it is the view of the Secretary-General that it is still too early to determine, in the light of departmental needs, whether or not an appointment should be made. While concurring in the maintenance of the post for one more year, the Advisory Committee wonders whether the related money provision might not in these circumstances be omitted. As the concurrence of the Advisory Committee is a prior condition of filling the post, the Secretary-General would have an opportunity of discussing with the Committee ways and means of financing the post, if required. A reduction of \$20,000 is accordingly recommended in the item for established posts (chapter I, item (i)).

109. The new arrangements for the exercise of editorial control within the Secretariat, on which the Advisory

Committee commented during 1954 (A/2688, paragraph 209²⁷), provide that the Editorial Control Unit within the Office of the Under-Secretary shall function as an integral part of the Department and report, in respect of administrative matters, to the Under-Secretary. Where substantive work is concerned, however, it is provided that the Chief of the Unit shall, on the one hand, receive policy guidance and direction from the Chief Editor in the Executive Office of the Secretary-General, and, on the other, inform the latter official of matters on which agreement with the authors of manuscripts cannot be reached.

110. As these arrangements came into force only at the end of April 1955, it would be premature to attempt an appraisal of their efficacy. The Committee has therefore confined its present inquiry to the following point: whether, in view of the mass of documentation emanating from the various organs, the necessary control of quality and volume can be exercised by a staff of seven professional officers. It is true that important categories of documents do not pass through the hands of this Unit, and that unified editorial control has not yet been fully realized. But even in regard to the classes of documents with which the Unit is concerned, it is evident that the available staff is not, by itself, in a position to edit every item submitted, and must of necessity resort to a method of sampling. Furthermore, since recruitment in this field calls for the utmost care, an appreciable increase in strength is not immediately feasible, although it is the view of the Committee that steps can be taken, through the engagement during the coming months of competent staff, to ensure that the Unit is at authorized strength on 1 January 1956.

111. The Advisory Committee has also taken note of a plan now under consideration which is calculated to meet a part of the deficiency in editorial coverage. This tentative plan, which can in any case come into effect only when the Editorial Control Unit is brought up to full strength, provides for members of the Unit to be detached to substantive departments so that they may (a) participate, directly and at each successive stage, in the planning of projects involving documentation, (b) afford guidance to the substantive staff throughout the execution of such projects, and (c) undertake the editorial revision of final texts.

112. If adopted, the plan would in the first instance be applied experimentally. It would in no sense imply a relaxation of the function of central editorial control; on the contrary, its success would be measured by the extent to which the interested departments accepted and actively promoted the principle of control as the source of higher standards of quality and economy. Where the latter consideration is concerned, it suffices, in order to demonstrate how profitable an investment editorial control may be, to give a simple illustration: on the basis of the output quoted on page 48 of the 1956 budget document, six pages cut out of the original text of a document represent an economy of one man-day's work in at least two, and in some cases in three or even four, of the Translation Sections, apart from related savings on typing, mimeographing and printing. The Committee believes that, subject to the above reservations, the adoption of the plan in question might offer considerable advantage.

113. Concern was expressed during the last session of the Fifth Committee over the slow progress made in

²⁷ See *Official Records of the General Assembly, Ninth Session, Supplement No. 7.*

the liquidation of the arrears of translation of the Official Records in the Chinese, Spanish and Russian languages. In so far as the first two languages are concerned, the distinct improvement that has occurred during the past year is illustrated in the following comparative table:

	<i>Arrears liquidated during twelve-month period ended</i>		<i>Balance outstanding for liquidation at 15 May 1955</i>
	<i>15 May 1954</i>	<i>15 May 1955</i>	
	<i>Pages</i>	<i>Pages</i>	<i>Pages</i>
Chinese	3,000	3,898	19,857
Russian	—	1,005	15,445
Spanish	—	2,672	9,828

It is expected that, with the aid of the Spanish translating staff at the European Office, the Spanish arrears may be liquidated by the end of 1956, and those in the Chinese language about one year later. To this end, the Advisory Committee has authorized a transfer of funds between 1955 appropriation sections for the purchase of dictation and transcribing equipment²⁸ for the Chinese Translation Section. In addition, five posts of Chinese calligrapher, to be charged to temporary assistance, together with two posts on loan from the secretariat of the Military Staff Committee, have been added to its strength.

114. As regards the Russian Translation Section, the slow rate of progress in the liquidation of arrears is due primarily to the heavy demands made by the Russian-speaking delegations for current documentation, and in particular for that relating to the Trusteeship Council and the functional commissions of the Economic and Social Council. There is moreover a tendency on the part of the delegations in question to request that the translation into Russian of most of the main supplements of the General Assembly should be so planned that the supplements shall be available at the same moment as they are issued in the working languages (English, French and Spanish). Finally, the Russian Section has experienced some difficulty in the recruitment of translators, although efforts are being made to fill the seven vacancies, which at present exist, with qualified candidates.

115. Other requirements for this Department also appear to be reasonably estimated, and the Advisory Committee accordingly recommends that the sum of \$6,241,400 should be appropriated for section 11. This figure represents a reduction of \$20,000 in the provision proposed by the Secretary-General.

Analysis of reductions recommended

Chapter I (i). Established posts \$20,000

Section 11a. Library

	\$
Estimate submitted by the Secretary-General	483,500
Estimate recommended by the Advisory Committee	483,500

²⁸ The experimental use of the mechanical dictating and transcribing equipment during a three months' period in 1954-1955 resulted in an increase in output of approximately 20 per cent, even though the staff concerned had had no previous experience of the equipment. The cost of the equipment authorized for purchase (16 sets) amounted to \$12,000, while the annual cost of the additional calligraphers is estimated at \$18,000.

Budget amounts (departmental total)

\$487,552	1954	Posts authorized	85
(actual expense)			
489,000	1955	Posts authorized	85
483,500	1956	Posts requested	84
483,500	1956	Posts recommended by the Advisory Committee ...	84

116. The estimate of \$483,500 submitted by the Secretary-General for 1956 is \$5,500 less than the amount authorized for 1955. In addition to the salary costs and contractual services estimated in this section, related items are proposed in other sections, as follows:

Section 16. Common services

Chapter V (iii). Periodicals and newspapers 15,900

Section 17. Permanent equipment

Chapter II. Library books and equipment..... 37,000

Section 25. Contractual printing

Chapter I (ix). Indices to proceedings..... 2,500

117. The recommendations arising out of the Secretary-General's survey of the organization and work of the Library have been further implemented by the centralization in the Library of the legislative abstracting and indexing service, which was previously performed by several divisions in other departments of the Secretariat. The Advisory Committee notes that a "rearrangement of the functions involving a slight modification in the internal structure of the Library has allowed the absorption of this additional work without any increase in established posts". Furthermore the centralization of this service in the Library will in effect release three posts in the General Service category in the Department of Economic and Social Affairs.

118. The estimate for section 11a reflects a net reduction of one (junior level) General Service post. In the Professional category, one Senior Officer post is downgraded to First Officer and two Second Officer posts are downgraded respectively to Associate Officer and Assistant Officer. The Advisory Committee believes that these reclassifications result in a more appropriate staffing pattern at the Professional levels. In the General Service category, apart from the abolition of one junior level post, two other posts are reclassified, one at the senior and the other at the intermediate level, in order to meet the needs of the legislative indexing service.

119. Besides the salary costs of established posts, the estimate also covers the employment of five manual workers (stack attendants, etc.), provision for two of whom was previously included in the temporary assistance funds in section 13. Three additional manual workers are required, as the increased workload of the indexing service will preclude the use of General Service staff at the junior level for the stack attendance work which they were previously doing.

120. The Advisory Committee has inquired into the problem of available space in the Library which, as agreed at the last session of the Fifth Committee,²⁹ will be the subject of a report by the Secretary-General to the tenth session of the General Assembly. Steps have already been taken to ensure a restrictive policy of acquisition, combined with the prompt and regular withdrawal of non-active material. It is also expected that, through a rearrangement of space in the Library Build-

²⁹ See *Official Records of the General Assembly, Ninth Session, Fifth Committee*, 454th meeting, paragraph 32.

ing, approximately 1,370 square feet of additional floor space, capable of accommodating shelving with a capacity of 14,500 volumes, will shortly become available. Further additional space may become available if and when alternative accommodation in the Secretariat Building can be found for the Military Staff Committee, which at present occupies the sixth floor of the Library Building. Finally, the situation might be further eased by a policy of transferring to the European Office such permanent material as is not normally needed at Headquarters.

121. The Advisory Committee is informed that, as a result of the above-mentioned measures, the space problem is not likely to become acute for a period of five or six years.

122. On the basis of the above observations, the Advisory Committee recommends an appropriation of \$483,500 for section 11a, as proposed by the Secretary-General.

Section 12. Office of General Services

Estimate submitted by the Secretary-General.	\$ 3,034,600
Estimate recommended by the Advisory Committee	3,000,000

Budget amounts (departmental total)

\$ 3,147,366	1954	Posts authorized	521
(actual expense)			
2,975,950	1955	Posts authorized	480
3,034,600	1956	Posts requested	477
3,000,000	1956	Posts recommended by the Advisory Committee	477

123. The Secretary-General's estimate in respect of the Office of General Services, including the United Nations Postal Administration, is \$58,650 higher than the 1955 appropriation. This increase in the money provision, in spite of a reduction of three posts in establishment, is largely attributable to wage increases for manual workers. Further comments on the general question of the budgetary provision for manual workers are offered in paragraph 125 below.

124. The number of established posts proposed for 1956 reflects, with some minor variations in grading, the recommendations of the Secretary-General's Survey Group regarding a target establishment for this Office, which thus shows a decrease of six posts, excluding the Postal Administration, for which three additional posts are proposed.

125. Apart from established posts, lump-sum provisions to a total of \$715,990 are included in respect of about 164 manual workers (the approximate 1955 figure). Compared with 1955, this latter estimate shows an increase of over \$50,000, due, as stated above, to wage increases as from 1 January 1955 which adjust the emoluments of the manual workers to the best rates prevailing for similar work in the Headquarters area. While the authority of the Secretary-General to grant such increases is beyond question,³⁰ it seems to the Advisory Committee that, where possible, prior notification to the General Assembly or otherwise to the Committee itself would be desirable in a matter of substantial budgetary significance. A similar consideration applies to the award of permanent appointments to manual

workers, a decision which potentially may involve the Organization in long-term liabilities. In the latter connexion, it seems reasonable to suggest that, while the broad principles of personnel policy embodied in the Staff Regulations are applicable to the entire staff of the Organization, in the detailed implementation of those principles there should be scope for variation between the different categories of posts. Indeed, such a variation appears implicit in the authority to adjust the remuneration of specified categories. Furthermore, the addition of a large number of manual workers to the permanent strength will tend to reduce the flexibility with which the Organization can meet changing needs in the fields covered by this type of personnel. It is accordingly recommended that, where manual workers are employed on permanent appointments, their number should be restricted to a minimum corresponding to the more important continuing tasks, and that other needs should be met by casual or temporary employment.

126. Chapter II includes provision for the Postal Administration which, for administrative purposes, is attached to the Communications and Records Division. The Secretary-General proposes to establish three posts which are at present charged to temporary assistance funds, on the ground that these posts meet continuing full-time needs of the Postal Administration. The Advisory Committee agrees to this proposal, which reflects a sound policy of confining temporary assistance to its true purpose, to the exclusion of charges for continuing requirements. The Committee cannot, however, concur in the further proposal of the Secretary-General to upgrade the two professional posts respectively to First Officer and Second Officer levels. A proposal to reclassify the post of Chief of the Administration has previously been considered, and, upon further review, the Committee remains of the opinion that the duties and responsibilities attaching to the post are not such as to justify a reclassification. In dissenting from the proposed reclassifications the Committee takes account of the fact that a number of high officials are available in the Office of General Services and the administrative services generally to decide matters of policy connected with the Postal Administration.

127. Revenue from the sale of stamps in 1954 amounted to \$377,971, as compared with an estimate for that year of \$435,000, and a revenue figure of \$372,201 in 1953. In accordance with a suggestion made by the Advisory Committee in 1954 (A/2688, paragraph 249),³¹ the Secretary-General entered into negotiations with the Swiss authorities regarding a possible extension to the European Office of the postal system now in force at Headquarters. The Committee understands (a) that the Swiss authorities have expressed doubts, based on the proceedings of the Brussels Congress of the Universal Postal Union in 1952, whether UPU would concur in a proposal to extend the United Nations postal system to other international organizations or to other countries; and (b) that referral of the matter to UPU is a prior condition of any action on the part of the Swiss Government. While a favourable decision by UPU must depend both on policy considerations arising out of the Postal Convention and on the attitude of countries represented at the UPU Congress, a large number of which are Members of the United Nations, the Advisory Committee sees some advantage in the alternative arrangements that are now

³⁰ See General Assembly resolution 590 (VI) of 2 February 1952, annex I, paragraph 7.

³¹ See *Official Records of the General Assembly, Ninth Session, Supplement No. 7*.

being considered by the Secretary-General. These would provide for (a) the issuance by the Swiss postal authorities of a separate series of Swiss stamps for the United Nations and for each specialized agency located in Geneva; (b) the sale of these stamps at the Swiss Post Office in the Palais des Nations both for philatelic and for postal purposes; and (c) a United Nations share in the profits from philatelic sales.

128. In other areas arrangements have been made for an extension of Headquarters sales of stamps for philatelic purposes through the use of Information Centres as collecting agents and clearing-points for orders, which may be placed in currencies other than United States dollars.

129. From a philatelic point of view, attractiveness of design has long been recognized as a factor of considerable importance and, in view of its direct bearing on publicity for the Organization and on the volume of sales, the Committee does not doubt that, where new stamp issues are projected, close attention will continue to be given to this aspect, so that the high standard of United Nations stamps, and particularly of the earliest issues, may be maintained.

130. On the basis of what is said above, the Advisory Committee recommends an appropriation for section 12 of \$3,000,000, or a reduction of \$34,600 in the Secretary-General's estimate, to be applied, as to \$34,200 to the provision for manual workers (chapter I, tables 12-3, 12-4) and as to \$400 to chapter II in respect of the up-grading of the two Professional posts (paragraph 126 above).

Analysis of reductions recommended

Chapter I. Salaries and wages	\$34,200
Chapter II. Established posts	400
TOTAL	\$34,600

Section 13. Temporary assistance and consultants

	\$
Estimate submitted by the Secretary-General	510,000
Estimate recommended by the Advisory Committee	470,000
1954 (actual expense)	657,021
1955 (appropriation)	510,000

131. As in 1955, this section consolidates the estimated requirements in respect of temporary assistance and consultants at Headquarters excluding those of the secretariat of the Joint Staff Pension Board and the United Nations Staff Pension Committee. The relevant provision for that secretariat, as well as for various overseas offices, is made in the respective budget sections.

132. The Secretary-General's estimate of \$510,000 for this section is identical with that approved for 1955. In recent years, expenditure for temporary assistance has progressively declined, largely because of determined efforts, wherever possible, to meet the needs of the Organization by interchanges of staff. A contributory factor of importance has been the centralization in the Office of the Controller of the administration of funds allocated for this purpose, a measure which implies that control is exercised on the basis of an over-all assessment of the situation existing at any time in the secretariat as a whole. Wherever possible, therefore, temporary peaks in the workload must be met not merely by within-department adjustments of staff but, to the extent practicable, by inter-departmental assignments. Such an arrangement calls for a considerable degree of central plan-

ning in the matter of leave schedules, in order to avoid the possibility that staff who might be spared by one department may be absent on leave at the moment when their services could be used to advantage by another department. While various practical considerations (among which is the need to relate leave schedules to a department's work programme) limit the application of such a policy, the Advisory Committee has been assured of the Secretary-General's intention to make the fullest possible use of the system of staff interchanges.

133. Exceptionally, temporary assistance funds are utilized to finance the salary costs of staff on permanent appointment who are performing work of a continuing nature; more recently such funds have also been used to meet the salaries of staff "redundant" on reorganization, for short periods during which appropriate reassignment or other action is studied. Although temporary assistance funds may, in certain circumstances and as an interim measure, legitimately be devoted to such purposes, the Committee suggests that, as a general rule, they should be used solely as a means of meeting temporary peaks in the workload which, even with staff interchanges, cannot be met with the normal establishment.

134. In general, consultants are engaged for professional work whereas the bulk of temporary assistance relates to clerical and secretarial functions. It is, however, often difficult, at the professional levels, to draw a clear line between the two types of employment. As a normal rule, consultants must be used where the work is of a specialized nature for which fully qualified staff is not available in the regular establishment; conversely, temporary assistance at the professional levels must be largely confined to language staff required during peak conference periods. Efforts are continuously being made in the Secretariat to improve administrative procedures in this field, and the Advisory Committee is confident that they will lead to a more rational use of the funds. In this connexion, it is also suggested that in no case should commitments for the engagement of consultants or temporary staff be made without specific reference to the Controller and the Director of Personnel.

135. The Advisory Committee has drawn attention in the past (A/2688, paragraph 133²²) to the need for a review of the scale of remuneration for consultants. The Committee is informed that such a review will shortly be made; meanwhile, a few payments, indicating unduly high rates of remuneration, have been noted in 1954.

136. In the light of the considerations set forth above, the Advisory Committee believes that further savings can reasonably be expected in the expenditures under this section. The Committee accordingly recommends an appropriation of \$470,000, or a reduction of \$40,000 in the estimate submitted by the Secretary-General.

Analysis of reductions recommended

Section 13. Global reduction	\$40,000
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Section 14. Travel of staff

	\$
Estimate submitted by the Secretary-General	1,150,000
Estimate recommended by the Advisory Committee	1,150,000
1954 (actual expense)	1,160,485
1955 (appropriation)	994,500

²² See *Official Records of the General Assembly, Ninth Session, Supplement No. 7.*

137. As for 1955, this section, which is related solely to Headquarters, groups together the three items: (i) Travel on appointment, transfer and repatriation; (ii) Travel on home leave; and (iii) Travel on official business. The proposed provision of \$1,150,000 represents an increase of \$155,500 over the 1955 appropriation figure; this latter figure is, however, exclusive of the costs of the Secretary-General's trip to Peking early in 1955, which were financed from the Working Capital Fund. Furthermore, the increase occurs almost entirely in home leave costs which, because of the uneven incidence of such leave in any two successive years, show a sharp rise in even years. For 1956, the item for travel on home leave, based on actual entitlement less a deduction of 25 per cent in respect of deferment of leave and other factors, accounts for \$850,000, or \$205,000 more than the 1955 figure. As regards the remaining items (Travel on appointment, transfer and repatriation; Travel on official business), the former is \$69,500 below the 1955 figure, the latter \$20,000 in excess.

138. The Advisory Committee concurs in the Secretary-General's proposals under items (i) and (ii)—Travel on appointment, transfer and repatriation and travel on home leave. In accordance with a suggestion made by the Committee in 1954 (A/2688, paragraph 137³³) the question of the uneven incidence of home leave has been studied with a view to determining whether remedial action can be taken immediately and, if so, if it would offer any advantage. The following are salient points of the study: the question has two aspects—(a) cost; and (b) man-power availability. An analysis, based on present staff in respect of the two-year cycle 1955-1956, shows that approximately 40 per cent of the staff is entitled to home leave, 17 per cent in uneven years and 23 per cent in even years. As these proportions roughly correspond to the monetary provision made in the respective years, it is probable that, were an adjustment possible whereby about 20 per cent of the staff took home leave in each year, expenditure on this account could also be virtually equalized. A further analysis by department, based on the assumption that annual absence from duty is on the average six weeks longer in a home-leave year, shows that an equal distribution of home leave between two successive years would yield in most departments an insignificant addition to available man-weeks of staff resources in the uneven years. While the problem may be more serious in certain sections, as distinct from the department as a whole, in general the man-power situation can be adequately controlled (a) by limiting, where appropriate, the period of continuous absence; and (b) by endeavouring, through a better distribution of leave over the calendar year, to obviate an excessive depletion of staff at any given time. There are, of course, practical limits to such action, especially as there is need to relate leave patterns to conference programmes. On the question of the incidence of cost, the Secretary-General doubts that the variation (some \$250,000) in the budgetary provision is sufficiently large in relation to the total budget to warrant corrective action. While the Advisory Committee concurs generally in these conclusions, it trusts that attention will be paid in the scheduling of annual and home leave to the need for reducing temporary assistance expenditure to a minimum (see paragraph 132 above).

139. The estimate of \$100,000 for travel on official business comprises \$80,000 for normal departmental

purposes and \$20,000 for travel by the Secretary-General or his representatives "for purposes related to the special responsibilities of the Secretary-General". It is further proposed that no part of the latter credit should be diverted to departmental travel without the prior concurrence of the Advisory Committee.

140. The Committee has observed an occasional tendency to authorize somewhat costly journeys for the limited purpose of formal representation at conferences. Where officials are assigned to substantive functions at such conferences, the attendance of an additional official for the sole purpose of carrying out representational duties seems an unnecessary expense which might be avoided if such duties were entrusted to one of the officials whose travel could be justified on substantive grounds alone. While travel in the essential interest of the Organization is unobjectionable, care should be taken to keep to a minimum the number of Headquarters staff assigned to meetings away from New York. The Committee notes with appreciation that the Secretary-General will continue to make a personal review of all proposed journeys on official business and will permit only such travel as is in the interest of the Organization. On this basis, the Advisory Committee concurs also in the Secretary-General's estimate under item (iii)—Travel on official business.

141. The important question of staff interchanges between Headquarters and the regional economic commissions continues, the Committee is informed, to engage the attention of the Secretary-General. The fact that the cost of travel on transfer is budgeted in a number of different sections (sections 14, 18, 21, 22) might in certain circumstances prove a limiting factor when transfers to or from the commissions are being considered. Administrative action to obviate such a contingency may be thought advisable.

142. Subject to the foregoing observations, the Advisory Committee recommends an appropriation for section 14 at the figure of \$1,150,000 submitted by the Secretary-General.

Section 15. Common staff costs

	\$
Estimate submitted by the Secretary-General	3,169,500
Estimate recommended by the Advisory Committee	3,138,100
1954 (actual expense)	5,131,972 ³⁴
1955 (appropriation)	3,437,400

143. The estimate submitted by the Secretary-General for 1956 in respect of common staff costs shows a decrease of \$267,900 by comparison with the 1955 appropriation. An appreciable part of this decrease, which arises under chapter I—Pension and retirement costs, reflects the reduced total of pensionable remuneration following the attainment of the target establishment under the reorganization. Minor decreases also occur under chapter II—Installation and separation costs (again as a corollary to the process of reorganization), and under chapter IV—Training and welfare, where the reduction is due to the omission for the time being of provision for the combined guide-internship programme, to which reference is made in paragraph 102(a) above.

144. As regards item (i) of chapter II—Installation payments, the Secretary-General proposes a figure

³⁴ Includes \$1,650,000 for reimbursement of national income taxation.

³³ *Ibid.*

of \$50,000, or \$2,000 above the 1955 appropriation and almost \$5,000 more than the actual expenditure of 1954. A reduction of \$5,000 in the 1956 estimate seems appropriate on two grounds: first, that recruitment will be limited in the period immediately following the process of reorganization, and secondly, that, as previously suggested by the Committee, there is a case for adjusting the rates of payment to particular needs and particular areas, to a greater extent than is possible under the present rule whereunder installation payments are based on applicable rates of travel subsistence.

145. The proposed provision under item (ii) of chapter III—Medical insurance contributions—exceeds the 1955 appropriation by almost \$20,000. The reason for this increase (reflecting the current level of contributions) is stated to be the less favourable refund experience for 1954. While the reduction in the total establishment may lead to some decrease in the number of participants and consequently in the Organization's contributions, the Committee has been assured that any refund relating to the year 1955 will be used to adjust the charge on the budget in respect of this item. Subject to this understanding, the increased provision appears to be in order.

146. On item (iii) of the same chapter—Compensatory payments, the amount requested (\$52,000) does not accord with the experience of 1954, when expenditure totalled \$28,235. Nor does it appear consistent with the fact that continuing annual payments under existing liabilities amount only to \$16,000. In view of the impossibility of estimating new liabilities, provision for this item can be based solely on past experience, which admittedly has varied, and on continuing requirements as at present known. The Advisory Committee recommends a reduction of \$17,000 in this item, to the figure of \$35,000.

147. In this connexion, provisional rules to govern the compensation payable to, or in respect of, staff members in the event of death, injury or illness attributable to the performance of official duties, have been in force since May 1950. These rules, which are based on the 1949 recommendations of the Committee of Experts on Salary, Allowance and Leave Systems, have been further considered by the Administrative Committee on Co-ordination and appreciable progress has been made in the uniform application of similar provisions in the several specialized agencies. Sufficient experience must have been gained during the past few years to permit of the codification of these rules and their submission to the General Assembly for appropriate action. A similar consideration applies also to compensation in respect of military observers and other auxiliary personnel. As regards members of commissions, committees and similar bodies, the General Assembly, by resolution 458 (V) of 16 November 1950, determined the basic points for a compensation plan; it remains, therefore, merely to frame administrative rules based on current practice.

148. As regards chapter IV—Training and welfare, a reduction of \$1,000 in the item for staff welfare is recommended in the light of the 1954 experience. Item (ii) of the same chapter includes \$27,000 for language training. With the exercise of greater discretion in the matter of admissions to language classes—especially in languages other than the working languages—it should be possible to curtail expenses. A reduction of \$1,000 is accordingly recommended.

149. The Secretary-General has again proposed under this section a grant of \$7,400 as a subsidy to the Interna-

tional School. While not questioning the factual basis for this item—that the financial position of the school continues to be precarious—the Advisory Committee remains of the opinion expressed in previous reports that, inasmuch as such payments have in the past been authorized solely on a year-to-year basis, a specific decision of the General Assembly should precede any recommendation in respect of the year 1956. Meanwhile, attention is drawn to the statement in the budget text that further proposals regarding this budgetary item may be submitted in the light of such recommendations as the International Civil Service Advisory Board may make on the subject of the education of the children of international officials.

150. The total of the reductions proposed in paragraphs 144 to 149 above amounts to \$31,400 and the Advisory Committee accordingly recommends an appropriation of \$3,138,100 for section 15.

<i>Analysis of reductions recommended</i>		\$
Chapter II	(i). Installation payments	5,000
Chapter III	(iii). Compensatory payments	17,000
Chapter IV	(i). Staff welfare	1,000
	(ii) (a). Language training	1,000
Chapter V	(v). Grant to the International School ...	7,400
		TOTAL 31,400

Section 16. Common services

	\$
Estimate submitted by the Secretary-General	3,690,700
Estimate recommended by the Advisory Committee	3,645,700
1954 (actual expense)	3,756,869
1955 (appropriation)	3,625,000

151. The Secretary-General's estimate for 1956 in respect of common services is \$65,700 higher than the 1955 appropriation. The increases—partially offset by decreases elsewhere in the section—occur mainly in chapter II—Rental and maintenance of premises (\$57,500), and chapter V—Other supplies and services (\$22,700), and are largely attributable to such factors as the growing influx of public visitors to the premises, an increase in the internal printing programme, a rise in local wage rates and higher charges for certain services. These budgetary increases are, however, accompanied by an expansion of \$75,000 in estimated revenue from the Visitors Service (section 10a), and by savings estimated at \$16,000 on contractual printing (section 25).

152. This section provides for a variety of items that are subject to differing degrees of administrative control. While contractual services, once reasonable standards have been set, are virtually beyond the scope of day-to-day administrative adjustments, other items such as expenditure for supplies of various kinds are susceptible of a substantial measure of control. A further category of items, such as telephones, communications and utilities, to which fixed rates apply, offer a certain, though limited, scope for administrative control. In all cases, the experience already gained in the maintenance and operation of the new premises clearly affords considerable guidance in meeting housekeeping and related needs with economy and subject only to such fluctuations as unforeseen factors, for example variations in wage rates, may produce.

153. On this basis, the Advisory Committee considers that some reductions may be possible in the estimate

submitted, and particularly in areas amenable to administrative control. These are the Committee's recommendations:

	Reduction recommended	
	\$	\$
Chapter I		
(i) Telephone services	4,000	
		4,000
Chapter II		
(ii) Supplies for maintenance of premises.	10,000	
(v) Alterations to premises	10,000	
		20,000
Chapter III		
(i) Stationery and office supplies	5,000	
		5,000
Chapter IV		
(i) Telecommunications supplies	10,000	
		10,000
Chapter V		
(ii) Miscellaneous supplies and services ..	4,000	
		4,000
Chapter VI		
(i) <i>Ex gratia</i> payments	2,000	
		2,000
		45,000

154. The reduction in chapter I in respect of telephone services could be effected mainly on installation and removal charges and on tolls and long-distance calls. The Committee believes that alterations to premises and, as a corollary, the installation and removal of telephone instruments, should be held to a minimum now that the pattern of utilization of the premises has been reasonably well established. Moreover, such costs as are incurred by the concurrent transfer of telephone extensions upon transfer of staff members to other offices can be avoided without administrative inconvenience. The reduction of \$10,000 recommended in item (v) of chapter II is prompted not only by what is stated above, but by the further consideration that rearrangements of office space should arise infrequently in the period following completion of reorganization of the Secretariat. The remaining reduction in chapter II, to an amount of \$10,000, is linked with the purchase of operational supplies in item (ii), and more particularly of supplies for painting and general maintenance. The Advisory Committee recognizes that the increase of \$47,500 in the total estimate of \$1,300,000 for contractual services for the maintenance of premises is due to factors largely beyond the Secretary-General's control.

155. The strict control on stationery and office supplies which was exercised in 1954 might usefully be continued, with a consequent reduction of \$5,000 in item (i) of chapter III. As regards chapter IV, a reduction of \$10,000 in telecommunications supplies seems possible, largely because of the fact that the purchase of a tape duplication machine (see section 17, chapter I (iii)) will permit the distribution of certain recorded radio programmes on tape rather than discs. A subsidiary cut may reasonably be called for in the item for the components for conference, radio and television equipment.

156. Chapter V provides for insurance of various types and for miscellaneous supplies and services. In so far as the former item is concerned, the increased number of visitors to the premises, and the consequent rise in the rates for public liability coverage are determining factors. On the item relating to miscellaneous supplies and services, however, some scope for economy exists. The reduction of \$4,000 might be applied principally to

items such as ash trays, layout pads and fees for credit reference agencies.

157. As regards *ex gratia* payments, the Advisory Committee recognizes that financial regulation 10.3^{as} presents a problem of interpretation and application. Although discretion in making such payments is vested, under the regulation, in the Secretary-General, the budgetary power of the General Assembly indirectly limits the area within which such discretion may be exercised. Furthermore, as the Board of Auditors has pointed out in a separate memorandum to the Advisory Committee on the 1954 accounts, it is sometimes difficult to establish where authority to pay under a regulation or rule ends and reliance on financial regulation 10.3 commences. The Board has also commented on the lack of clarity which has existed in this regard generally and, specifically, in the matter of the delegation of authority to approve such payments. The Committee is informed that this matter has engaged the attention of the Secretary-General and that, as a first step, an interpretative opinion on the definition of *ex gratia* payments has been provided by the Legal Counsel for uniform use by all officials concerned. This and other parallel measures aimed at defining the categories of cases in which an *ex gratia* payment may be considered appropriate will doubtless tend to reduce the somewhat large expenses to which this item has in the past given rise. On that basis the Advisory Committee recommends a reduction of \$2,000.

158. In connexion with its examination of the estimate for cable, telegraph and wireless charges under chapter I, the Committee has inquired into the extent of financial savings that are expected to accrue from the introduction of the new United Nations radio link between New York and Geneva. As part of the 1954 appropriation for section 19—Permanent Equipment, and section 20—European Office of the United Nations, the General Assembly approved credits of \$10,100 and \$51,000^{sa} respectively required in New York and in Geneva for the acquisition of the necessary radio transmitters and auxiliary equipment. The new arrangements came into full operation early in 1955, and, as compared with actual expenses during 1954, when contractual arrangements were in force, there will be a combined net saving to the United Nations and its relief agencies of over \$27,000 in 1956.

159. On the basis of the observations in paragraphs 152 to 157 above, and while recognizing that it may not be possible in every case to effect the specific cuts suggested, the Advisory Committee recommends an appropriation for section 16 of \$3,645,700, or a reduction of \$45,000 in the estimate submitted by the Secretary-General.

Section 17. Permanent equipment

	\$
Estimates submitted by the Secretary-General	180,000
Estimate recommended by the Advisory Committee	165,000
1954 (actual expense)	174,590
1955 (appropriation)	171,600

^{as} The regulation reads: "The Secretary-General may make such *ex gratia* payments as he deems to be necessary in the interests of the Organization, provided a statement of such payments shall be submitted to the General Assembly with the annual accounts."

^{sa} \$27,900 of this amount was surrendered and re-appropriated in the 1955 appropriation resolution.

160. The Secretary-General's estimate of \$180,000 for section 17 exceeds by \$8,400 the 1955 appropriation. It is, for the most part, destined for the replacement of various items of equipment.

161. At its 1954 session the Fifth Committee was informed of the Secretary-General's intention to submit during 1955 a programme for the gradual replacement of furniture and equipment.³⁷ Although the proposals in question are not yet available, the Committee has considered certain aspects of the problem on which the Board of Auditors has commented in its report on the 1954 accounts of the United Nations (A/2901, paragraph 13).³⁸ The Committee's observations appear in paragraph 220 below.

162. In his foreword to the 1956 budget document, the Secretary-General states that the amount of \$180,000 requested under section 17 falls short of the amount which would be required on a long-term basis for the periodic replacement of all the equipment in use. Pending, however, the receipt of the proposals referred to in the previous paragraph, the Advisory Committee necessarily confines itself to the immediate requirements for the year 1956, and its recommendations are, for the same reason, of a provisional character. It thus considers that, without prejudice to whatever long-term programme may be approved, the provision for replacement in the coming year might well be scaled down in three areas.

163. First, where chapter I is concerned, the Committee suggests that in regard to such items as carpeting, draperies, upholstery material, and certain types of office equipment, and particularly typewriters, an extended use might be achieved through a careful policy of relocation and interchange with less-used equipment or furnishings in different parts of the Headquarters premises. A reduction of \$10,000 is accordingly recommended in the estimate for chapter I.

164. Secondly, the Committee is informed that an amount of \$3,745 out of the \$4,000 proposed under chapter III is intended for the purchase of certain specialized equipment for the Department of Public Information. In view of the considerable outlay made in this account during the past few years, the provision for additional equipment in 1956 might appropriately be cut by \$2,000, and expenditure limited to essential items.

165. Thirdly, as regards chapter IV—Other permanent equipment, expenditure since 1952 has totalled about \$111,000, of which almost \$63,000 has been incurred for miscellaneous equipment. A slower rate of replacement and a more conservative policy in the acquisition of special types of tools and equipment are called for. The Committee recommends a reduction of \$3,000.

166. Accordingly, the Advisory Committee recommends an appropriation of \$165,000 for section 17, or a reduction of \$15,000 in the estimate submitted by the Secretary-General.

Analysis of reductions recommended

Chapter I. Furniture, fixtures and equipment	\$10,000
Chapter III. Information services equipment	2,000
Chapter IV. Other permanent equipment	3,000
TOTAL	\$15,000

³⁷ See *Official Records of the General Assembly, Ninth Session, Fifth Committee*, 455th meeting, paragraph 23.

³⁸ *Ibid.*, Tenth Session, Supplement No. 6.

PART IV. EUROPEAN OFFICE OF THE UNITED NATIONS

Section 18. European Office of the United Nations

Estimate submitted by the Secretary-General 4,870,000 \$

Section 19. Office of the United Nations High Commissioner for Refugees

Estimate submitted by the Secretary-General 685,000 \$

PART V. INFORMATION CENTRES (exclusive of the Information Centre at Geneva)

Section 20. Information centres

Estimate submitted by the Secretary-General 940,000 \$

PART VI. SECRETARIATS OF THE REGIONAL ECONOMIC COMMISSIONS

(other than the Economic Commission for Europe)

Section 21. Secretariat of the Economic Commission for Asia and the Far East

Estimate submitted by the Secretary-General 1,158,200 \$

Section 22. Secretariat of the Economic Commission for Latin America

Estimate submitted by the Secretary-General 1,015,100 \$

167. As indicated in paragraphs 7 and 8 above, appropriation sections 18 to 22 inclusive will be examined by the Advisory Committee in the course of its autumn session in 1955.

PART VII. REPRESENTATION AND HOSPITALITY EXPENSES

Section 23. Special payments under annex 1, paragraph 2 of the Staff Regulations

Estimate submitted by the Secretary-General . . .	50,000 \$
Estimate recommended by the Advisory Committee	50,000
1954 (actual expense)	—
1955 (appropriation)	50,000

168. By resolution 887 (IX) of 17 December 1954 the General Assembly amended paragraph 2 of annex 1 to the Staff Regulations of the United Nations, to provide as follows:

"The Secretary-General is authorized, on the basis of appropriate justification and/or reporting, to make additional payments to Under-Secretaries and officials of equivalent rank at Headquarters to compensate for such special costs as may be reasonably incurred, in the interest of the Organization, in the performance of duties assigned to them by the Secretary-General. The maximum total amount of such payments is to be determined in the annual budget by the General Assembly."

169. For 1956 the Secretary-General estimates requirements under this provision of the regulations at \$50,000 (the figure authorized for 1955), and the Advisory Committee recommends an appropriation to that

amount. Its recommendation is, however, qualified to the extent that there has not been sufficient time in which to test the system of special payments financed out of the present section, or to determine whether the total of such payments should be fixed at \$50,000 or some lesser sum. A full year's working of the system seems the minimum necessary for those purposes.

Section 24. Hospitality

	\$
Estimate submitted by the Secretary-General . .	20,000
Estimate recommended by the Advisory Committee	20,000
1954 (actual expense)	18,080
1955 (appropriation)	20,000

170. The provision proposed by the Secretary-General under this section is intended to cover the official hospitality expenses of the Organization, including reimbursement to staff members not in receipt of representation (or comparable) allowances for hospitality expenses duly authorized in advance by the Secretary-General. The Advisory Committee recommends an appropriation of \$20,000.

PART VIII. CONTRACTUAL PRINTING

Section 25. Contractual Printing

	\$
Estimate submitted by the Secretary-General	1,400,000
Estimate recommended by the Advisory Committee	1,375,000
1954 (actual expense)	1,439,365
1955 (appropriation)	1,416,100

171. In previous years this part of the budget, which is related to the printing expenses of the Organization (excluding those incurred by the International Court of Justice or those connected with the printing of United Nations postage stamps and material for the Visitors Service), has comprised two sections, the one covering the Official Records and the other covering the publications programme. For 1956 the Secretary-General proposes to combine the two sections. The Advisory Committee concurs in this proposal, which in effect merely represents an extension of the authority, hitherto included in the annual appropriation resolution, to administer the two sections as a single unit.

172. The total provision requested by the Secretary-General under the combined section is \$1,400,000, or \$16,000 less than the sum appropriated for 1955, and \$39,000 less than the actual expenses of 1954. As the 1954 budget did not, however, provide for Arabic printing, the 1956 estimate shows, on a true comparison with 1954, an effective decrease of \$50,000.

173. The 1956 requirements, as estimated under the several chapters, amount to an aggregate of \$1,429,000, or \$29,000 more than the figure of \$1,400,000 proposed for section 25 as a whole. As certain of the items listed will, however, be reproduced internally, a cut in the printing bill at least equivalent to the difference between the two figures is expected.

174. The problem of controlling and limiting the documentation of the United Nations has for some years been the subject of lengthy consideration in various organs of the United Nations, and of a series of resolu-

tions of the General Assembly and the Economic and Social Council.³⁹ The Secretary-General has himself given proof of his direct interest in the two principal aspects of this problem—the one budgetary, and the other substantive—by laying special emphasis on the importance of enhancing the quality and reducing the volume of documentation prepared by the Secretariat. Specifically, these desiderata were, as he pointed out during 1954 (E/2598, paragraph 27),⁴⁰ implicit in many of the proposals which he submitted to the Economic and Social Council on the subject of work programmes in fields within its competence.

175. One may also cite, as more recent examples of that interest, the initiative taken by the Secretary-General during April 1955 in regard to the quality and size of the Human Rights Yearbook,⁴¹ as well as his successful initiative of May 1955, which has resulted in a Council decision suspending publication of the *Transport and Communications Review*. These two contrasted cases appear to lend support to the view previously expressed by the Advisory Committee that economy can be served and the quality of output raised only if there is a concerted and joint endeavour on the part of delegations and Secretariat. Any decision by a Council, commission or committee that is adverse to economy must necessarily find its reflection in the printing estimates. It is, therefore, no less obvious that a reduction in those estimates largely depends on the extent to which delegations pressing for budgetary cuts in the Fifth Committee are prepared to take parallel and co-ordinated action in every organ of the United Nations. The responsibility of delegations for the control of documentation is in that sense directly engaged.

176. The Advisory Committee wishes to record its appreciation of the work done by the Publications Board, whose Chairman also serves as Chief Editor of the United Nations. The Committee has received a direct assurance that the work of editorial control and of co-ordination of the publications programme of the United Nations has the strong personal support of the Secretary-General.

177. Reference is made in the Secretary-General's foreword to the budget estimates (A/2904, foreword, paragraph 20)⁴² to three areas in which an appreciable economy beyond that proposed may be achieved. These are (a) the substitution in selected cases of internal reproduction for external printing; (b) a reduction in the volume of material included in the *Treaty Series*; and (c) a simplification of the existing system of summary records. The first of these matters is at present the subject of a detailed inquiry intended to determine, among other things, to what extent the transference of items in section 25 to near-printing is technically and adminis-

³⁹ See, in particular, General Assembly resolutions 593 (VI) of 4 February 1952 and 789 (VIII) of 9 December 1953; Economic and Social Council resolutions 497 D (XVI) of 29 July 1953 and 557 A (XVIII) of 5 August 1954.

⁴⁰ See *Official Records of the Economic and Social Council, Eighteenth Session*, agenda item 29.

⁴¹ This was foreshadowed in 1954 when the Secretary-General, in reviewing the work of the Secretariat in the economic and social fields, suggested that "it should be possible to reduce the bulk of the Human Rights Yearbook without diminishing its usefulness, by the elimination of certain material and by the stricter selection of items to be included in it". (E/2598, paragraph 25).

⁴² See *Official Records of the General Assembly, Tenth Session, Supplement No. 5*.

tratively feasible or financially advantageous. As noted in paragraph 173 above, the 1956 schedule provides for such a measure in connexion with a limited number of the items entered in chapters II and III. In principle, however, this process may also embrace chapter I and particularly the less bulky volumes of the Official Records; indeed, during the current year, certain of the supplements⁴³ to those records have been reproduced internally, in what appears to the Committee an acceptable form. The Committee will give close attention to the Secretary-General's reports both on this matter and on a simplified system of summary records. The potential savings in the latter area are large, but they are dependent on an amendment of the rules of procedure of the General Assembly and other organs.

178. Where the *Treaty Series* is concerned, the Advisory Committee has considered a preliminary report of the Secretary-General submitting tentative suggestions for reducing the volume of material for inclusion in the series. This question was studied by the Fifth Committee during its 1954 session⁴⁴ upon review of an estimate of \$103,600 for the printing during 1955 of forty-eight volumes of the *Treaty Series*. The provision proposed for 1956 under section 25 amounts to \$71,600, in respect of forty-eight volumes and, as in 1955, includes substantial arrears. It may, however, be noted that even when the arrears are liquidated and the flow of material stabilized (possibly at thirty-five volumes per year), the printing bill of \$52,000 will still represent only one-quarter of the total annual expenditure to be incurred on this account; the related cost of translation, typing and distribution is estimated at more than \$150,000. The detailed comments of the Advisory Committee will be offered upon receipt of the Secretary-General's definitive proposals. It is, however, already manifest that, but for the comprehensive scope of the regulations established by the General Assembly in resolution 97 (I) of 14 December 1946, a part of the material now included would have no place in the series. Agreements, for example, of an extremely limited interest or of such a character that when submitted for registration they are already obsolete, clearly cannot justify the high cost of translation and printing.

179. The Advisory Committee has also inquired into the policy of placing a part of the printing orders of the United Nations in currencies other than dollars (United States and Canadian) or Swiss francs. The results of this policy are reflected in the following comparative table:

Distribution of printing orders

<i>Dollars (US and Canadian) or Swiss francs (percentage)</i>	<i>Other currencies (percentage)</i>
1953	80
1954	76.5
	20
	23.5

In accordance with established practice, the currency factor is properly subordinated to the factor of cost; in no case is preference given to a soft currency bid if higher than those submitted by printers in hard currency countries. To the extent therefore that printing costs in soft currency countries have either risen of recent years or have continued to be prohibitively high, the use of such currency for the printing programme is restricted in scope. But, within those limits, advantageous con-

tracts, in respect both of price and currency, may still be negotiated. It is thus expected that, for 1955, \$380,000 worth of printing orders will be placed in soft currency countries through the European Office alone, as compared with the 1954 figure of \$237,000.

180. The urgency with which certain material has to be prepared is also, of course, a limiting factor in the programme of soft currency printing. But it is not always an unavoidable factor; with adequate planning and a stricter adherence to due dates, the element of urgency could in many cases be eliminated. This is a matter of some importance, inasmuch as the punctual submission of material affords sufficient time not only for editorial revision but for the preparation of clean printer's copy, which in turn facilitates the programme of soft currency printing. Where the arrears of Official Records are concerned, the Publications Board rightly takes the position that urgency cannot be invoked in the case of the 1946-1949 printing backlog of Chinese, Russian and Spanish records. On that ground the relevant estimate in section 25 (chapter I (vi)) is \$20,000 lower than in 1955, even though the translation work, and especially that connected with the Chinese and Spanish records, will be accelerated during 1956. The decrease in the money provision discounts a fuller use of soft currency facilities for these items.

181. A related source of potential economy is the limitation now imposed on author's alterations. An analysis of invoices available at Headquarters shows that such alterations accounted in 1954 for \$41,000 or 17 per cent of the composition bill. The Publications Board has recently applied a maximum of 6 per cent, which, if strictly adhered to, will yield, on an equivalent bill, a saving of no less than \$27,000.

182. In the foregoing paragraphs the Advisory Committee has touched upon certain points of policy and procedures which, in its opinion, call for special notice in connexion with the printing programme. No attempt has been made at an exhaustive treatment of those points, nor has reference been made to a number of subsidiary, if important, matters with which the Publications Board is actively concerned—for example, the free distribution list, the ratio of revenue to production costs, and standards of quality for printing and paper. Clearly, however, the general problem of United Nations documentation is a long-term problem, the adequate solution of which should accordingly be sought on a similar basis. The success of the Secretary-General's efforts in this field cannot therefore be measured by his budget proposals for a single financial year, which in any case affords no index to quality. Those efforts can in fact be judged only over a period of years and on evidence showing to what extent the Secretariat, on the one hand, recognizes the cardinal importance of the control and editorial function and, on the other hand, representatives or members in the various organs of the United Nations, in considering proposals involving documentation, give heed to such representations as the Secretary-General, under general or specific authority,⁴⁵ may make.

⁴³ The specific authority may be found in General Assembly resolution 789 (VIII) of 9 December 1953, which reads in parts:

"The General Assembly

"Invites all organs of the United Nations likewise to scrutinize their existing documentation and effect such reduction therein as may be feasible, and to co-operate with the Secretary-General in his efforts to reduce the volume and at the same time to improve the quality of the documentation of the United Nations."

⁴⁴ See, for example, *Official Records of the General Assembly, Tenth Session, Supplement No. 6D*.

⁴⁵ See *Official Records of the General Assembly, Fifth Committee, 457th meeting*.

183. In so far as the year 1956 is concerned, the Advisory Committee considers that, having regard principally to the progress to be expected in the substitution of internal reproduction for contractual printing, the sum of \$1,375,000 representing a reduction of \$25,000 in the provision proposed by the Secretary-General should prove sufficient. An appropriation to that amount is accordingly recommended in respect of section 25.

Analysis of reductions recommended

Section 25. Global reduction \$25,000

PART IX. TECHNICAL PROGRAMMES

Section 26. Technical Assistance Administration

Section 27. Economic development

Section 28. Social activities

Section 29. Public administration

	\$
Estimate submitted by the Secretary-General	1,779,600
Estimate recommended by the Advisory Committee	1,779,600
1954 (actual expense)	1,779,600
1955 (appropriation)	1,779,600

184. Provision is made in part IX for lump-sum contributions from the regular budget towards the technical assistance activities of the Organization. The funds thus appropriated will be merged with funds made available to the Organization from the Special Account of the Expanded Programme of Technical Assistance.

185. A total of \$1,779,600, the amount appropriated in previous years, is proposed for 1956. It is distributed among the sections as follows:

	\$
Section 26. Technical Assistance Administration 386,700
Section 27. Economic development 479,400
Section 28. Social activities 768,500
Section 29. Public administration 145,000

186. The Advisory Committee considers the amounts proposed under sections 27 to 29 to be accepted as fixed grants out of the regular budget of the United Nations towards the cost of technical assistance activities. Accordingly, the Committee's recommendation in regard to sections 27, 28 and 29 constitutes no more than formal budgetary action.

187. As regards the appropriation proposed under section 26, the Advisory Committee has two specific responsibilities: (a) to examine in terms of paragraph 1 of General Assembly resolution 594 (VI) of 4 February 1952, the administrative expenses incurred by the United Nations in relation to the United Nations programmes for technical assistance as a whole; and (b) to ensure that the administrative organization and procedures of technical assistance are properly integrated with those of the Secretariat as a whole. This latter responsibility extends to the programme in its entirety, and is exercised through the medium of the Committee's annual examination of the audit report on the Organization's expenditures in respect of technical assistance.

188. The detailed estimates submitted in section 26 accordingly include information on the total cost of administrative and operational services connected with the

Organization's technical assistance programme, and not merely on that part which is financed from the regular budget. The presentation of the 1956 estimates is based on new definitions, recently approved by the Technical Assistance Board and the Administrative Committee on Co-ordination (E/2728),⁴⁶ of costs chargeable to the Special Account. These definitions and related questions will be examined by the Advisory Committee during its autumn session in connexion with the report which the Economic and Social Council, in terms of General Assembly resolution 831 D (IX) of 26 November 1954, will submit on the Committee's earlier report on the Expanded Programme of Technical Assistance (A/2661).⁴⁷ For present purposes, the Committee has examined the proposals under section 26 from a general budgetary point of view.

189. Account has also been taken of the fact that the results of the Secretary-General's survey of the Technical Assistance Administration will be available during the Committee's autumn session. The survey will no doubt include a study of the manner in which a merger of TAA with the Department of Economic and Social Affairs may be achieved with maximum efficiency and advantage.

190. The estimates for 1956 in respect of "administrative" costs and "operational services" requirements are based on the assumption that the Organization's technical assistance activities in 1956 will at least reach the 1954 level of approximately \$6 million net of staff assessment. The estimates comprise \$404,000 (\$339,000 net of staff assessment) for "administrative" costs and \$1,058,260 (\$911,000 net) for "operational services", totalling \$1,462,260 (\$1,250,000 net). The table below shows the costs proposed for 1956 as compared with those for 1953, 1954 and 1955:

Year	Administrative costs (gross) \$	Operational services costs (gross) \$	Total (gross) \$
1956.....	404,000	1,058,260	1,462,260
1955.....	419,750	916,250	1,336,000
1954.....	398,205	920,842	1,319,047
1953.....	491,450	1,147,550	1,639,000

191. While "administrative" costs show a decrease as compared with 1955, the apparent increase in "operational services" costs arises from the fact that the 1956 estimate includes an amount of \$139,760 for posts directly servicing a series of projects or fields of activity which in previous years were apportioned among individual project budgets. The new arrangement reflected in the 1956 figure follows a review of the functions assigned to these posts in the light of the revised definitions of the various types of costs.

192. As reported in past years, TAA has a number of posts in addition to established posts, which are financed from temporary assistance funds. In 1955 and prior years, a few of these posts were charged to project funds in view of their direct relation to projects. A comparative statement showing the staffing situation in the four years 1953-1956 is given on the following page.

⁴⁶ See *Official Records of the Economic and Social Council, Twentieth Session*, agenda item 4.

⁴⁷ See *Official Records of the General Assembly, Ninth Session, Annexes*, agenda item 26.

	1953	1954 (original)	1955	1956
Established posts.....	182	162	135	135
Temporary posts.....	18	17	12	10
Detailed posts paid from temporary assistance funds.....	23	23	19	18
Project posts ⁴⁸	24	22	18	18

193. The Advisory Committee recognizes that considerable efforts have been made, particularly since 1954, to reduce administrative expenditures. Early in that year the number of established posts was in fact reduced to 135 and savings were achieved during the same year to an amount of \$229,000. It is further expected that additional savings to the extent of \$30,000, as recommended by the Advisory Committee (A/2688, paragraph 228)⁴⁹ will materialize during 1955. The Committee nevertheless considers that there is some scope for further reductions both in administrative and operational services costs, if account is taken of the growing emphasis on country programming and the use that must be made of the regional economic commissions and the offices of Resident Representatives of the Technical Assistance Board. Country programming would prove a costly experiment if the reduced emphasis on the role of agency headquarters in planning programmes of assistance were not to be reflected in economies in headquarters establishments.

194. Subject to the above observations, and pending proposals resulting from the Secretary-General's survey of TAA and the regional economic commissions, the Advisory Committee recommends appropriations for the under-mentioned sections at the figures submitted:

	\$
Section 26	386,700
Section 27	479,400
Section 28	768,500
Section 29	145,000
TOTAL, PART IX	\$1,779,600

PART X. SPECIAL EXPENSES

Section 30. Transfer of the assets of the League of Nations to the United Nations

	\$
Estimate submitted by the Secretary-General	649,500
Estimate recommended by the Advisory Committee	649,500
1954 (actual expense)	649,466
1955 (appropriation)	649,500

195. The Advisory Committee recommends an appropriation for section 30 of \$649,500, to cover the payment during 1956 of the sixth of fifteen equal annual instalments in accordance with paragraph 1(a) of General Assembly resolution 250 (III) of 11 December 1948.

196. These instalments, which will continue until 1965, are related to the credits due to certain Member

⁴⁸ These posts, which in 1955 and prior years were charged to project funds, will in 1956 form part of operational services and be paid out of temporary assistance funds in section 26. Six of these posts relating to the industrial production project were transferred, as from 1 July 1953, from WHO to TAA.

⁴⁹ See *Official Records of the General Assembly, Ninth Session, Supplement No. 7*.

States in respect of the transfer to the United Nations of the permanent capital assets of the League of Nations.

197. The balance remaining for payment under the terms of that resolution during the nine years 1957 to 1965 will amount to \$5,845,160.

Section 31. Amortization of the Headquarters construction loan

	\$
Estimate submitted by the Secretary-General	2,000,000
Estimate recommended by the Advisory Committee	2,000,000
1954 (actual expense)	1,500,000
1955 (appropriation)	2,000,000

198. The proposed appropriation of \$2,000,000 for section 31, in which the Advisory Committee concurs, covers the sixth annual instalment in repayment of the loan of \$65,000,000 advanced by the Government of the United States of America towards the construction of the United Nations Headquarters. The Agreement in respect of this loan provides for repayment of the outstanding balance by 1 July 1982, according to a graduated scale of annual instalments:

	\$
1956 to 1959	2,000,000
1960 to 1975	2,500,000
1976 to 1981	1,500,000
1982	1,000,000

199. The balance due for repayment during the sixteen years 1957 to 1982 will amount to a total of \$56,000,000.

PART XI. JOINT STAFF PENSION BOARD AND UNITED NATIONS STAFF PENSION COMMITTEE

Section 32. Joint Staff Pension Board and United Nations Staff Pension Committee

	\$
Estimate submitted by the Secretary-General	108,000
Estimate recommended by the Advisory Committee	106,000

Budget amounts (section total)

	\$		
93,156	1954	Posts authorized	7
(actual expense)			
117,600	1955	Posts authorized	8
108,000	1956	Posts requested	8
106,000	1956	Posts recommended by the Advisory Committee	8

200. As was done for 1955, the combined estimates for the Joint Staff Pension Board and the United Nations Staff Pension Committee, which are served by a single secretariat, are presented in a separate section of the 1956 budget. Under the terms of article XXVII of the regulations of the Joint Staff Pension Fund, as amended by General Assembly resolution 772 (VIII) of 27 November 1953, administrative expenses incurred by the Board are chargeable to the Fund, while expenses incurred by the Staff Pension Committee of a member organization are included in the general budget of the organization concerned. Following a review of the actual duties performed by the joint secretariat, it is proposed to distribute net staff costs in the same propor-

tions as for 1955: two-thirds in respect of the Board and one-third in respect of the United Nations Committee. Other costs under section 32 can be identified by their purpose and readily apportioned. In addition, certain costs chargeable to the Fund arise under other sections of the budget.

201. The estimates are some \$9,700 lower than the 1955 appropriation, largely because of a reduction in travel expenses connected with the meetings of the Board, whose annual session will in 1956 be held at New York. In addition, two factors contribute to a slight decrease in the item for consultants: a smaller provision for actuarial services; and new, and more favourable, contractual arrangements for investment services. As compared with 1955, the expected growth of about \$7 million in the assets of the Pension Fund will not be reflected in a proportionate increase in the cost of the investment services. Based on the new arrangements, 1956 expenditure on this item is estimated at \$29,500, as compared with about \$35,000 under the previously existing arrangements.

202. No adjustment for turnover of staff has been provided in the estimated cost of established posts, and while the small number of posts involved is a relevant consideration, a deduction of \$2,000, to which the Secretary-General's representative has assented, seems reasonable.

203. On the basis of this reduction of \$2,000 in the figure submitted by the Secretary-General, the total of the 1956 expenses which will be chargeable to the Fund is estimated at \$86,890.

204. In examining during 1954 the cost of the annual sessions of the Joint Staff Pension Board, the Advisory Committee suggested (A/2688, paragraph 237)⁵⁰ that there might be a case for a reduction in the frequency of sessions of the Board or in the membership of the United Nations Staff Pension Committee. A proposal has now been put before the Board by a member organization for a reduction in the number of representatives of the various organizations attending sessions of the Board. Detailed recommendations in this regard will be considered at the 1956 session of the Board.

205. The Advisory Committee recommends an appropriation for section 32 of \$106,000, representing a reduction of \$2,000 in the estimate submitted by the Secretary-General.

Analysis of reduction recommended

Chapter I. Established posts \$2,000

PART XII. THE INTERNATIONAL COURT OF JUSTICE *Section 33. The International Court of Justice*

	\$
Estimate submitted by the Secretary-General	628,700
Estimate recommended by the Advisory Committee	620,000
1954 (actual expense)	557,656
1955 (appropriation)	600,350

206. The estimated expenditure for 1956 under this section shows, by comparison with the 1955 appropriation, an increase of \$28,350, distributed as follows: chapter I, \$16,450; chapter II \$8,900; chapters III and IV, \$3,000.

⁵⁰ See *Official Records of the General Assembly, Ninth Session, Supplement No. 7.*

207. The provision of \$26,200 for pensions to former members of the Court and other beneficiaries entitled to a pension under General Assembly resolution 86 (I) of 11 December 1946 accounts for the larger part (\$12,450) of the increase in chapter I. It includes a token sum of \$10 in respect of the special fund for the financing of such pensions, which was considered at the last session of the General Assembly but deferred for the time being. The amount recommended by the Advisory Committee does not comprise any such token provision.

208. As regards chapter II, Salaries, wages and expenses of the Registry, no change is proposed in the number or grading of the twenty-nine established posts, the increase of \$4,400 under item (i), Established posts, being due solely to salary increments. The Committee considers, however, that it would be reasonable to apply a 5 per cent deduction in respect of staff turnover to this section of the budget. A reduction of \$7,500 in chapter II is accordingly recommended.

209. On chapter IV, the Committee recommends that the total for permanent equipment should be cut back to \$4,800, preferably by deferring a part of the purchase of recording machines (item (i)).

210. The effect of the above recommendations is to reduce the estimate submitted by \$8,700 to \$620,000.

Analysis of reductions recommended

Chapter II (i). Established posts	\$7,500
Chapter IV (i). Furniture and installation of additional fittings	1,200
TOTAL	8,700

ESTIMATES OF MISCELLANEOUS INCOME

	\$
Estimate submitted by the Secretary-General	6,873,600
Estimate recommended by the Advisory Committee	6,942,600
1954 (actual revenue)	6,864,218
1955 (approved estimate)	6,832,600

211. The estimates of miscellaneous income present especial difficulty. In the first place there is an intrinsic difference between most of the items of which the estimates are comprised—for example, between item (i), Assessments on salaries and allowances, which is automatic in character and can be calculated with reasonable precision, and item (xi)—Revenue from sale of stamps, which on the contrary is governed by a number of variable factors including the adequacy of promotional activities, the artistic appeal of the stamp designs and, more generally, the publicity which the Organization as a whole is receiving at a given time through various media of information. In the second place one may cite, between these extreme instances, an item such as interest on investments, the amount of which must largely depend on extraneous factors that cannot be foreseen with any degree of accuracy six to eighteen months in advance of the period of earning.

212. The estimates submitted by the Secretary-General amount to a total, in respect of all United Nations offices, of \$6,873,600, of which the item for assessments on salaries and allowances accounts for some 60 per cent (\$4,200,000). The balance of \$2,673,600 includes the following principal items (on next page).

Item	\$
(ii) Rental income (space charges)	317,800
(iii) Reimbursement for staff and services furnished to specialized agencies and others ...	381,000
(iv) Interest on investments and other interest	164,100
(v) Sale of used office, transportation and other equipment	15,000
(viii) Contributions from non-member States	141,600
(ix) Revenue from film distribution and television services	41,000
(x) Sale of Official Records and publications	325,000
(xi) Sale of stamps	500,000
(xii) Revenue from guided tours	617,000
(xiii) Revenue from the United Nations Gift Centre	85,000

213. The Advisory Committee recommends the following increases in the estimates submitted by the Secretary-General:

Item	(iii)	\$
"	(v)	5,000
"	(ix)	19,000
"	(x)	20,000
"	(xii)	15,000
"	(xiii)	5,000

214. Many, though not all, of the recommended increases are prompted by the following considerations:

(a) In those areas of the revenue estimates where skilful and assiduous effort can influence the volume of the returns, it seems administratively desirable to set a

target figure that errs, if at all, on the high side, and which thus serves as stimulus to the officials in charge of the related activities. Among such areas special reference may be made to (i) the sale of Official Records and publications and to the possibility of increasing the ratio of revenue from sales agents in relation to receipts from the Bookshop; (ii) television services, which it may be found both possible and advantageous to expand by means of a limited re-distribution of resources allocated for public information; (iii) the Visitors' Service at Headquarters, the returns from which may with adroit management be capable of expansion as well as on the basis of the further consideration which is developed below;

(b) The Committee has noted a broadening of interest in United Nations affairs, and believes that this interest will have its counterpart in many of the revenue-producing activities of the Organization, sale of publications, Visitors' Service, Gift Centre, sale of postage stamps, etc.

215. While not at this stage recommending an increase in item (viii), Contributions from non-member States, the Committee suggests that the possibility of charging a flat fee for associate members of the regional economic commissions would merit attention.

216. On the basis of the above observations, the Advisory Committee recommends that the total of miscellaneous income for 1956 should be approved at the figure of \$6,942,600, an increase of \$69,000 in the estimate submitted by the Secretary-General.

PART TWO

OTHER BUDGETARY AND FINANCIAL QUESTIONS

CONSIDERATION OF THE REPORTS OF THE BOARD OF AUDITORS ON THE 1954 ACCOUNTS

AUDIT OF THE 1954 ACCOUNTS OF THE UNITED NATIONS

217. In accordance with its terms of reference, the Advisory Committee has given consideration to the report of the Board of Auditors on the 1954 accounts of the United Nations (A/2901).⁵¹

218. In paragraphs 4 to 8⁵² inclusive the Board of Auditors expresses doubt, on two grounds, as to the regularity of certain transfers of credit between appropriation sections of the 1954 budget which were effected during February 1955 with the concurrence of the Advisory Committee. Although the Committee does not itself entertain such a doubt, it wishes in the circumstances of the case to call the attention of the General Assembly to this matter.

219. As regards the Headquarters construction project, to which the Board of Auditors refers in paragraph 11, the Advisory Committee is informed that the Secretary-General's views on the establishment of a "completion" date for the project will be submitted in a separate report to the General Assembly during its tenth session.

220. On the question of the replacement of equipment and furnishings, to which the External Auditors refer in paragraphs 12 and 13, the Advisory Committee inclines to the view that the suggested alternative plan—under which fixed sums would annually be appropriated to a replacement reserve—might in the first instance be applied to the Palais des Nations at Geneva. As is noted, however, in paragraph 161 above, the Secretary-General's proposals concerning a replacement programme are still awaited.

221. The Board of Auditors draws attention in paragraphs 14 and 15 to the possibility that additional income might be earned for certain special accounts if investments were not restricted to "short-term" periods. With

a view to clarifying the pertinent authority, the Secretary-General has suggested to the Advisory Committee the following amendment of financial regulation 9.2:

Existing regulation

9.2 The Secretary-General may make long-term investments of monies standing to the credit of Trust Funds, Reserve and Special Accounts as may be provided by the appropriate authority in respect of each such Fund or Account.

Suggested amendment

9.2 The Secretary-General may, after consultation with the Investments Committee, make long-term investments of monies standing to the credit of Trust Funds, Reserve and Special Accounts, except as may be otherwise provided by the appropriate authority in respect of each such Fund or Account and having regard to the particular requirements as to the liquidity of funds in each case."

The Advisory Committee concurs in the suggested amendment.

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

222. The Advisory Committee has also considered the report of the Board of Auditors on the accounts relating to the Expanded Programme of Technical Assistance (United Nations portion) for the year ended 31 December 1954 (A/2901, pages 59 and 60).

223. The Committee was disturbed to note that the United Nations Technical Assistance Administration had incurred during 1954 an excess of obligations over available funds to an amount of \$201,000. Accordingly, the Committee draws attention to the comments of the Board of Auditors (A/2901, pages 59 and 60; paragraphs 3 and 4). Assurances have been given to the Committee that measures are being taken to obviate a recurrence of such a situation.

AUDIT OF THE 1954 ACCOUNTS OF THE UNITED NATIONS REFUGEE EMERGENCY FUND

224. In addition, consideration has been given to the audit report on the 1954 accounts of the Refugee Emergency Fund (A/2900, pages 10-12).⁵³

⁵¹ See *Official Records of the General Assembly, Tenth Session, Supplement No. 6*.

⁵² The references are to paragraphs in the audit report.

⁵³ See *Official Records of the General Assembly, Tenth Session, Supplement No. 6D*.

225. The statement of income and expenditure during that period shows the following position:

<i>Income</i>	<i>Dollars (US)</i>	<i>Dollars (US)</i>
Contributions in cash from:		
Governments.....	332,996	
Private and non-governmental sources.....	<u>97,291</u>	430,287
Miscellaneous cash receipts.....		<u>8,580</u>
Total income		<u>438,867</u>
<i>Expenditure</i>		
Items listed in schedule B (A/2900, page 7).....		<u>400,673</u>
Excess of income over expenditure		<u>38,194</u>

226. The Advisory Committee has taken note of the observations offered by the Board of Auditors in paragraph 6, pages 10 and 11, of its report. No other items in the accounts or in the audit report call for special comment.

SCOPE OF THE 1955 AUDITS

227. Under the provisions of financial regulation 12.2, the Board of Auditors has consulted the Advisory Committee on the scope of the several audits of the 1955 accounts. The Committee has suggested a number of items in the accounts as subjects for special inquiry.

INDEX

(Except where otherwise indicated, references are to paragraph numbers)

A

Advertisements in United Nations publications, Inclusion of	22-26
Advisory Committee on Administrative and Budgetary Questions: Composition and functions.....	Foreword
Appropriation resolution 1956:	
Draft resolution submitted by the Advisory Committee	Appendix I
Observations	27
Audit reports on the 1954 accounts:	
Refugee Emergency Fund.....	224-226
United Nations	217-223

B

Budget estimates for 1956:	
Appraisal	1-6
Basis of Advisory Committee's examination.....	7-8
Form of presentation	11
Reductions recommended by the Advisory Committee	30

C

Common services (Headquarters—section 16).....	151-159
Common staff costs (Headquarters—section 15)....	143-150
Conference Services, Department of (section 11)...	106-115

E

Economic and Social Affairs, Department of (section 8)	80-86
Economic and Social Council, Commissions and Committees (section 3)	39-42
Economic Commission for Asia and the Far East, Secretariat of (section 21)	167
Economic Commission for Latin America, Secretariat of (section 22)	167
Economic commissions, Regional—sessions (section 3b)	45-48
European Office of the United Nations (section 18)	167

F

Field Service, United Nations (section 5a).....	52
---	----

G

General Assembly, Commissions and Committees (section 1)	32-37
General Services, Office of (section 12)	123-130

H

Headquarters construction loan, Amortization of (section 31)	198-199
Hospitality (section 24)	170

I

Information centres (section 20)	167
International Court of Justice (section 33).....	206-210

L

League of Nations, Transfer of assets of (section 30)	195-197
Library (section 11a)	116-122

M

Military Staff Committee, Secretariat of (section 7a)	75-79
Miscellaneous income	Appendix I, 211-216
Missions, Special and related activities (section 5) ..	51

P

Pension Board, Joint Staff and United Nations Staff Pension Committee (section 32)	200-205
Permanent Central Opium Board and Drug Supervisory Body—sessions (section 3a).....	43-44
Permanent equipment (Headquarters—section 17) ..	160-166
Personnel policy	11-13
Political and Security Council Affairs, Department of (section 7)	72-74
Printing, contractual (section 25)	171-183
Public Information, Department of (section 10)....	90-98

R

Refugees, Office of the High Commissioner for (section 19)	167
Revenue-producing activities	16-21

S

Secretariat of the United Nations:	
Composition of	14
Structure and organization of	9-10
Work of	15
Secretary-General, Offices of (section 6) :	
Controller, Office of the	59
Executive Office	54-55
Health Service	65
Internal Audit Service	63-64
Legal Affairs, Office of	56-58
Personnel, Office of	60-62
Security Council, Commissions and Committees (section 2)	38
Special payments under annex I, paragraph 2 of the Staff Regulations (section 23)	168-169

T

Technical programmes (technical assistance—sections 26-29)	184-194
Temporary assistance and consultants (section 13) ..	131-136
Travel of staff (section 14).....	137-142
Trusteeship and Information from Non-Self-Governing Territories, Department of (section 9)....	87-89
Trusteeship Council, Commissions and Committees (section 4)	49-50

U

Under-Secretaries without Department, Office of (section 6a)	67-71
Unforeseen and extraordinary expenses:	
Draft resolution submitted by the Advisory Committee	Appendix II
Observations	30

V

Visitors Service (section 10a).....	99-105
-------------------------------------	--------

W

Working Capital Fund:	
Draft resolution submitted by the Advisory Committee	Appendix III
Observations	28-29

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