



**ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS**

**FIFTH REPORT TO THE
GENERAL ASSEMBLY
AT ITS EIGHTEENTH SESSION**

GENERAL ASSEMBLY
OFFICIAL RECORDS : EIGHTEENTH SESSION
SUPPLEMENT No. 7 (A/5507)

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UNITED NATIONS
New York, 1963

NOTE

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

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FOREWORD

1. 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 as follows:

“(a) To examine and report on the budget submitted by the Secretary-General to the General Assembly;

“(b) To advise the General Assembly concerning any administrative and budgetary matters referred to it;

“(c) To examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with such agencies;

“(d) To consider and report to the General Assembly on the auditors’ reports on the accounts of the United Nations and of the specialized agencies.”

The members of the Committee are:

Mr. Thanassis Agnides (*Chairman*);

Mr. Mohamed Abdel Magid Ahmed;

Mr. Albert F. Bender, Jr.;

Mr. André Ganem;

Mr. James Gibson;

Mr. A. Grez;

Mr. Ismat T. Kittani;

Mr. Raúl Quijano;

Mr. E. Olu Sanu;

Mr. Dragos Serbanescu;

Mr. Agha Shahi;

Mr. A. F. Sokirkin.

2. The Advisory Committee held its summer session in New York from 7 May to 8 July 1963. Among its most urgent tasks was an examination of the 1963 cost estimates for the United Nations Operation in the Congo, upon which it reported to the fourth special session of the General Assembly (A/5421).

3. The Committee then proceeded to examine and prepare reports for the eighteenth session of the General Assembly on:

(a) The financial reports and accounts for 1962 and reports of the Board of Auditors relating to the several United Nations programmes and activities (A/5434-A/5437);

(b) The budget estimates of the United Nations for 1964, the Committee’s report on which is contained in the present document;

(c) The pension scheme for Members of the International Court of Justice (A/5440);

(d) The introduction of mechanical means of voting in the General Assembly (A/5442);

4. The Advisory Committee also examined a number of *ad hoc* questions of an administrative and budgetary character.

5. The Advisory Committee wishes to acknowledge with gratitude the un-failing co-operation and assistance it has received from the Secretary-General and his associates who have greatly facilitated its task.

6. The Committee is also indebted to the Chairman of the Board of Auditors and his colleagues for their valuable counsel.

7. Lastly it gives me pleasure to place on record the Committee’s appreciation of the competence, diligence and vigour of its Secretary. Thanks to his untiring efforts and the devoted services of his Assistant and the secretarial staff, it has been possible to complete the work within the same length of time as in previous years, in spite of the difficulties due to the concurrent fourth special session of the General Assembly.

Th. AGHNIDES,
Chairman

8 July 1963

REPORT TO THE GENERAL ASSEMBLY ON THE BUDGET ESTIMATES FOR 1964

CHAPTER I

APPRAISAL OF THE BUDGET ESTIMATES FOR 1964

GENERAL

1. A gross expenditure budget of \$96,611,350 is proposed by the Secretary-General for 1964,¹ an increase of \$2,500,300 over the gross level at present approved for 1963.

2. Of the total estimated income of \$14,765,200 for 1964, income from staff assessment (for distribution to Member Governments as credits through the Tax Equalization Fund) is calculated at \$9,300,000, and

¹ Official Records of the General Assembly, Eighteenth Session, Supplement No. 5 (A/5505).

income from all other sources (for deduction from gross appropriations for purposes of the assessment of contributions) at \$5,464,200. After deduction of estimated income, the net expenditure level for 1964 would be \$81,847,150, an increase of \$3,183,600 over the approved net level for 1963.

3. These estimates make no provision for the several known or anticipated supplementary items which are listed in paragraphs 14 to 18 below.

4. The Advisory Committee, for reasons set forth later in this report, recommends reductions in the expenditure estimates totalling \$1,112,570. These, together with certain recommended adjustments in the

Table 1

	1959 Actual expenses \$	1960 Actual expenses \$	1961 Actual expenses \$	1962 Actual expenses \$	1963 Appropriations \$	1964 Appropriations or estimates \$	1964 increase or (decrease) by comparison with 1963 \$	1964 Percentage increase or (decrease) by comparison with 1963
United Nations	61,946,442	65,772,849	71,096,378	84,452,350	93,911,050	96,611,350	2,700,300	2.88
International Labour Organisation	9,096,049	9,583,933	10,646,592 ^a	12,737,507	14,577,834	16,977,156	2,399,322	16.46
Food and Agriculture Organization of the United Nations	10,530,182	10,591,953	11,105,665	14,368,342	16,816,658	19,446,470 ^b	2,629,812	15.64
United Nations Educational, Scientific and Cultural Organization	12,590,916	13,507,868	16,058,525 ^c	18,189,035 ^c	19,177,302	19,822,698	645,396	3.37
International Civil Aviation Organization	4,497,238	4,620,290	4,793,188	5,503,010	5,827,028	5,907,926	80,898	1.39
Universal Postal Union	619,154	646,552	708,657	731,598	899,537	1,346,528	446,991	49.69
World Health Organization	15,378,981	17,121,583 ^d	19,201,885 ^d	24,164,650 ^d	30,394,100 ^d	34,065,100 ^d	3,671,000	12.08
International Telecommunication Union	2,695,818	2,313,270	2,789,050	3,409,693	4,103,006 ^e	3,926,329	(176,677)	(4.31)
World Meteorological Organization	502,432	621,525	643,278	771,166	935,439 ^f	1,267,599 ^g	332,160	35.51
Inter-Governmental Maritime Consultative Organization	163,611	284,307	270,979	471,100 ^h	421,250	— ⁱ	— ⁱ	— ⁱ
International Atomic Energy Agency	4,494,610	5,158,145	6,030,557	6,446,139	7,337,500	7,444,500	107,000	1.46
TOTAL	122,515,433	130,222,275	143,344,754	171,244,590	194,400,704	206,815,656^j	12,836,202^j	6.62^j

NOTE: The following rates of exchange have been used in the above table: Canadian dollars at par; Swiss francs—4.34 = \$US 1.00 in 1959, 4.30 = \$US 1.00 in 1960-1961, 4.32 = \$US 1.00 in 1962-1964.

^a Including \$232,314 met by withdrawal from the Working Capital Fund, subject to reimbursement through 1964 budget.

^b 1964 part of the Director-General's proposed budget for 1964-1965.

^c Including an advance (1961: \$162,666; 1962: \$1,024,000) from the Working Capital Fund authorized by the Executive Board in relation to the construction of additional Headquarters premises and increases in staff salaries and allowances.

^d Excluding undistributed reserves—1960: \$1,195,060; 1961: \$1,333,900; 1962: \$1,683,140; 1963: \$2,149,570; 1964: \$2,223,130.

^e Budget for 1963 includes additional credits of \$249,188 approved by the Administrative Council at its eighteenth session in March-April 1963, raising the gross budget from \$3,853,818 to \$4,103,006.

^f By resolution 44 (EC-XIV) the Executive Committee authorized the original budget appropriation of \$814,378, but also provided for the re-appropriation of the 1962 budgetary surplus to 1963 (\$25,061). A further supplementary estimate of \$96,000 was approved by members by correspondence to cover new urgent projects.

^g First year of the fourth financial period (1964-1967) for which the total appropriations are \$5,373,581.

^h Appropriations.

ⁱ Data not available to Advisory Committee.

^j Excluding IMCO.

income estimates, would reduce the net² expenditure level for 1964 from \$81,847,150, as proposed by the Secretary-General, to \$80,575,380.

5. Member Governments contributing to the budgets of other organizations in the United Nations family may wish to know the broad context within which the 1964 estimates for regular activities of the United Nations are presented. Comparative figures for the years 1959 to 1964 are given in table 1 (see p. 1). It will be seen that, with the 1964 budget estimates submitted by the Secretary-General for the United Nations, the aggregate which States members of the various organizations would be asked to appropriate for the year 1964 would amount to \$206,815,656.³

6. Apart from the regular budget of the United Nations, the General Assembly has established special *ad hoc* accounts for the United Nations Emergency Force (UNEF), and the United Nations Operation in the Congo (ONUC). At its fourth special session, the General Assembly decided, on 27 June 1963, to appropriate an amount of \$33 million for ONUC and \$9.5 million for UNEF for the second six months of 1963.

7. In addition to the foregoing, Member Governments are currently urged to contribute to the following voluntary programmes: the Expanded Programme of Technical Assistance; the United Nations Special Fund; the United Nations Children's Fund; the voluntary funds of the High Commissioner for Refugees; the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In 1962, the total contributions paid or pledged by Governments towards these programmes amounted to approximately \$167.8 million. Pledges announced or foreseen for the same purposes in 1963 will amount to some \$185.2 million.

NATURE AND SCOPE OF THE ADVISORY COMMITTEE'S BUDGET EXAMINATION

8. In its review of the 1964 estimates, the Advisory Committee has examined the budget justifications in detail, it has taken into account extensive oral and additional written information received from the Secretary-General and his representatives, and has given attention to administrative practices affecting the estimates.

9. As will be seen in the relevant parts of the present report, the Committee had uppermost in its mind the critical financial situation⁴ confronting the Organization. In arriving at its recommendations it was consequently guided by a policy of austerity and a desire to limit expenditure in 1964 to the minimum required for the implementation of the Organization's programme having regard to available resources.

10. Detailed comments on the individual budget sections, together with a number of observations on related administrative matters, are to be found in chapter II, which contains the specific recommendations of the Committee concerning appropriation amounts. Draft resolutions for the 1964 budget, unforeseen and extra-

ordinary expenses, and the Working Capital Fund are provided at the end of the present chapter.

11. The remainder of this chapter is devoted to a general comparison of the 1964 estimates with the 1963 appropriations, including the form and presentation of the estimates, and to a number of selected matters which arose in the course of the Committee's review and which the Committee believes to be deserving of special comment.

COMPARISON OF 1964 ESTIMATES WITH 1963 APPROPRIATIONS

12. The estimates submitted by the Secretary-General for 1964 compare, by parts of the budget, with the 1963 appropriations as indicated in table 2.

13. The Committee wishes to stress, however, that both the 1964 initial estimates and the 1963 appropriations are subject to change as a result of decisions by the General Assembly at its eighteenth session.

14. In his foreword to the budget estimates, the Secretary-General has stated that the total credits for 1963 will certainly be affected by commitments entered into under the terms of General Assembly resolution 1862 (XVII) dealing with unforeseen and extraordinary expenses. These obligations will have been incurred in most cases with the prior concurrence of the Advisory Committee or, if otherwise covered by the resolution cited, will have been notified to that Committee. Specifically, the 1963 budget contained no provision for the following expenditures:

(a) The expedition of the work of the United Nations Conciliation Commission for Palestine under the terms of General Assembly resolution 1856 (XVII);

(b) The activities of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples established under General Assembly resolution 1654 (XVI);

(c) The provision of experts for the training of local military and police forces in Rwanda and Burundi under the terms of paragraph 6 of General Assembly resolution 1836 (XVII);

(d) Expenses related to the holding of a meeting of the Scientific and Technical Sub-Committee of the Committee on the Peaceful Uses of Outer Space at Geneva; and

(e) The acceleration of the work of the Office of the High Commissioner for Refugees with respect to the programme of indemnification of refugees persecuted under the national socialist régime by reason of their nationality.

15. Other items which, in the opinion of the Secretary-General, will affect the level of regular budgetary expenditures are the increase, effective 1 March, and the possible second increase, effective 1 September 1963, in the salary payments to general service and manual worker staff at Geneva and an increase in salaries for manual worker staff at Headquarters. Increases for general service staff at other offices, together with some adjustments in post classifications, might also be warranted later in 1963.

16. The Secretary-General also foresees additional expenditures for temporary assistance and overtime

² Throughout the remainder of this report, figures are, unless otherwise stated, given on a gross basis.

³ Excluding IMCO for which no data were available to the Advisory Committee.

⁴ See paras. 25-30 below.

Appraisal of the budget estimates for 1964

and night differential due to unavoidable delays in the recruitment of staff to fill vacancies in the establishment and for general expenses due to increases in rates for services and wages of contractual staff which cannot be absorbed within the lower level of funds approved for 1963.

17. Total additional expenses, the major portion of which relate to unforeseen and extraordinary items, are, on the basis of the foregoing, estimated by the Secretary-General at \$800,000 gross. However, these expenses may be partially offset by a lower level of expenditure under other headings of the budget than that provided for in the approved estimates for 1963.

18. With regard to 1964, the Secretary-General has stated in his foreword to the budget estimates that they are subject to later revision in the light of additional items of expenditure which may need to be provided for as a result of:

(a) Decisions to be taken by the Economic and Social Council at its thirty-sixth session, including estimates for the United Nations Conference on Trade and Development and for the Economic Commission for Africa in connexion with its sub-regional offices;

(b) Such action as the General Assembly may take at its eighteenth session with respect to any further alteration and improvement of the premises and conference facilities at Headquarters;

(c) Consideration by the Assembly at its eighteenth session of plans and cost estimates for the third International Conference on the Peaceful Uses of Atomic

Energy to be held in 1964 in terms of General Assembly resolution 1770 (XVII), and future meetings of the Eighteen-Nation Committee on Disarmament;

(d) Increases in salaries of general service staff and manual workers at Geneva, and manual workers at Headquarters; and

(e) Any sale of United Nations bonds beyond the amount sold or pledged as at 30 April 1963.

19. A number of matters concerning supplementary estimates are discussed in paragraphs 31-37, and the more general question of rationalization of the over-all budget cycle in paragraphs 38-51.

20. The more significant differences between the 1964 initial estimates and the 1963 approved appropriations are accounted for by:

(a) An increase of rather more than \$1 million in staff costs and related expenses;

(b) An increase of some \$2 million for buildings, equipment and common services;

(c) An increase of nearly \$3 million for Special Expenses relating to interest charges on, and annual instalment repayment of the principal amount of, United Nations bonds.

21. A reduction of expenditure of \$3.5 million is shown under the heading of special meetings and conferences. This is, however, more apparent than real, seeing that estimates have not yet been submitted for some of the main conferences.

Table 2

Budget posts	1964 \$	1963 \$	1964 increase or (decrease) by comparison with 1963 \$
I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences.....	1,417,700	4,830,500	(3,412,800)
II. Staff costs and related expenses.....	57,942,000	56,807,500	1,134,500
III. Buildings, equipment and common services.....	15,848,750	13,807,750	2,041,000
IV. Special expenses.....	7,712,800	4,845,000	2,867,800
V. Technical programmes.....	6,400,000	6,400,000	—
VI. Special missions and related activities.....	3,954,300	3,856,000	98,300
VII. Office of the United Nations High Commissioner for Refugees.....	2,371,200	2,450,000	(78,800)
VIII. International Court of Justice.....	964,600	914,300	50,300
	96,611,350	93,911,050	2,700,300
Less: Income other than staff assessment.....	5,464,200	6,146,500	(682,300)
	91,147,150	87,764,550	3,382,600
Income from staff assessment for credit to Member States through the Tax Equalization Fund.....	9,300,000	9,101,000	199,000
Net expenditure level.....	81,847,150	78,663,550	3,183,600

FORM AND PRESENTATION OF THE ESTIMATES

22. The form and presentation of the 1964 budget estimates generally follow the pattern adopted in the two previous years as a result of the endorsement by the General Assembly of a number of refinements suggested by the Advisory Committee.

23. The Committee appreciates the efforts which have been made to provide more detailed supporting in-

formation, both by way of text and in the form of tables. In particular, it welcomes the Secretary-General's response to the suggestion it made last year that the table giving the distribution of established posts by category and level in section 3 of the estimates provide, in addition, a breakdown by organizational unit for each department.

24. While expressing satisfaction with the general form and presentation of the estimates, the Committee

wishes to question the inclusion of the Study and interim programme in chapter VII of section 10 (General expenses). Leaving aside the question of substance, the Committee would consider it more appropriate to include such estimates in one or other of the sections of the budget as suggested in paragraph 254.

SPECIAL QUESTIONS

FINANCIAL POSITION OF THE ORGANIZATION

25. When the seventeenth session of the General Assembly came to a close on 20 December 1962, the deficit between the Organization's available cash resources and its current liabilities amounted to \$74.1 million. The situation deteriorated further during the first six months of 1963, and the Secretary-General estimated that the deficit had reached \$109.7 million on 31 May and \$111.7 million on 30 June 1963.

26. The General Assembly by resolution 1854 B (XVII) adopted on 19 December 1962, re-established and enlarged to a membership of 21 the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations and charged it with the task of studying methods for financing peace-keeping operations involving heavy expenditures such as those for the Middle East and the Congo, including a possible special scale of assessments. The Working Group was also requested to study the situation arising from the arrears of some Member States in the payment of contributions for those operations and to recommend arrangements designed to bring such payments up to date. The Working Group was requested to submit its report no later than 31 March 1963.

27. The General Assembly decided by resolution 1866 (XVII) to convene a special session prior to 30 June 1963 for the purpose of considering, in the light of the report of the Working Group, the financial situation of the Organization.

28. At its fourth special session, which convened on 14 May 1963, the General Assembly had before it the report of the Working Group on the Examination of the Administrative and Budgetary Procedures of the United Nations, established under General Assembly resolution 1854 B (XVII) of 19 December 1962 (A/5407 and Corr. 1) and related papers (A/AC.113/1-27) together with reports by the Secretary-General on the Organization's financial position and prospects (A/C.5/974) and on the cost estimates for 1963 for ONUC (A/5416) and UNEF (A/5187), these costs estimates being accompanied by related reports of the Advisory Committee (A/5421 (ONUC), A/5274 (UNEF)).

39. After consideration by the Fifth Committee of the above-mentioned reports, the General Assembly adopted, on 17 June 1963, upon the recommendation of that Committee, seven resolutions as follows:

In resolution 1874 (S-IV), the Assembly laid down general principles to serve as guidelines for the sharing of the costs of future peace-keeping operations involving heavy expenditures by the United Nations;

In resolution 1875 (S-IV), the Assembly decided on arrangements for the financing of the United Nations Emergency Force in the Middle East (UNEF) for the second half of 1963;

In resolution 1876 (S-IV), the Assembly decided on arrangements for the financing of the United Nations Operation in the Congo (ONUC) for the second half of 1963;

In resolution 1877 (S-IV), the Assembly made an appeal for the payment of arrears in contributions to the special accounts for UNEF and ONUC;

In resolution 1878 (S-IV), the Assembly decided to extend the time limit for the sale of United Nations bonds until the end of 1963;

In resolution 1879 (S-IV), the Assembly voted for a study of the desirability and feasibility of a United Nations Peace Fund, to be made up of voluntary contributions from Member States, as well as organizations and individuals;

In resolution 1880 (S-IV), the Assembly decided to continue the Working Group of twenty-one members.⁵

30. Pending receipt of the report which the Secretary-General is to present to the General Assembly at its eighteenth session in the light of developments which follow the adoption of the above-mentioned resolutions, the Advisory Committee limits itself at this stage to noting the serious financial position of the Organization which calls for a policy of strict austerity.

SUPPLEMENTARY ESTIMATES

31. As has been stated in paragraph 17, the Secretary-General anticipates that total credits for 1963 will have to be increased by some \$800,000. The principal commitments for which these additional credits are to be requested have already been entered into, in the course of 1963, under the General Assembly resolution relating to unforeseen and extraordinary expenses, and with the prior concurrence of the Advisory Committee as laid down in that resolution.

32. In its report to the seventeenth session of the General Assembly, the Advisory Committee questioned the desirability of continuing the practice of treating such items as "unforeseen and extraordinary expenses". It ventured to suggest that many of them were not unforeseen but that it was rather their detailed character and the amount of the expenditures involved which did not lend themselves, under current practices, to precise estimation.⁶

33. The Advisory Committee feels obliged to bring this question once again to the special attention of the General Assembly. It is only with reluctance that it has concurred in some of the requests submitted to it in 1963, because it was by no means convinced that the expenses in question could reasonably be considered "unforeseen". In other cases, whereas it could be argued that they were "unforeseen", there was little doubt

⁵ The Working Group was requested:

"(a) To recommend a special method for the equitable sharing of the costs of future peace-keeping operations involving heavy expenditures to the extent not otherwise covered by agreed arrangements;

"(b) To consider suggestions regarding other sources of financing future peace-keeping operations;

"(c) To explore ways and means of bringing about the widest possible measure of agreement among all Member States on the question of the financing of future peace-keeping operations."

⁶ *Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207), para. 18.*

in the Committee's mind that they were not "unforeseeable".

34. The Advisory Committee has again in 1963 been confronted with a request, made under the resolution relating to "unforeseen and extraordinary expenses", resulting from a decision taken by a committee of the General Assembly without having complied with financial regulation 13.1, which requires that "no council, commission or other competent body shall take a decision involving expenditure unless it has before it a report from the Secretary-General on the administrative and financial implication of the proposal".

35. The Advisory Committee was most reluctant to entertain the specific request seeing that it was only after the decision to set up a subsidiary organ had been taken that the Secretary-General was given the information he had requested for the purpose of calculating the probable cost of the task to be performed by the subsidiary organ.

36. After careful consideration of the circumstances of the case, the Advisory Committee decided to give its concurrence, as a unique exception.

37. The Committee recommends that the General Assembly once again call the attention of the councils, commissions and committees to the necessity for strict compliance with these regulations.

RATIONALIZATION OF THE ORGANIZATION'S ACTIVITIES

38. The need to rationalize the over-all activities of the Organization has been a matter of concern to the General Assembly since the early days of the Organization and, although attempts have been made from time to time to bring greater order and discipline into the establishment of its work programme, the basic problems, in the opinion of the Advisory Committee, remain unresolved.

39. In its report to the second session of the General Assembly,⁷ the Advisory Committee stated that it had no doubt that a great weakness in the United Nations financial system was the fact that projects could be approved by bodies other than the General Assembly, which was the only appropriating authority. The problem consequently was to devise methods of control over the policy decisions of the councils and main committees of the General Assembly. This resulted in the adoption by the General Assembly, upon the recommendation of the Advisory Committee, of a new Financial Regulation 38 (which has now become regulations 13.1 and 13.2) providing that:

"*Regulation 13.1:* No council, commission or other competent body shall take a decision involving expenditure unless it has before it a report from the Secretary-General on the administrative and financial implications of the proposal.

"*Regulation 13.2:* Where, in the opinion of the Secretary-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the General Assembly has made the necessary appropriations, unless the Secretary-General certifies that provision can be made under the conditions of the resolution of the General Assembly relating to unforeseen and extraordinary expenses."

40. The General Assembly also adopted a new rule of procedure worded as follows:

"Rule 154

"No resolution involving expenditure shall be recommended by a committee for approval by the General Assembly unless it is accompanied by an estimate of expenditures prepared by the Secretary-General. No resolution in respect of which expenditures are anticipated by the Secretary-General shall be voted by the General Assembly until the Administrative and Budgetary Committee has had an opportunity of stating the effect of the proposal upon the budget estimates of the United Nations."

41. The Advisory Committee believes that the foregoing provisions did much to bring the programme of activities of the Organization under more effective control.

42. There remained, however, the problem of reconciling competing requests of the councils and various commissions and committees and of insuring the necessary advance planning in order that the programme should have reasonable flexibility and, at the same time, be commensurate with available resources. The Committee stated its belief that the schedule of meetings and the range of projects were already so extensive that there was a serious risk that, in terms of achievement, a law of diminishing returns might operate. It was also felt that the various councils, commissions and committees were individually taking decisions involving considerable expenditure on activities without proper co-ordination, more particularly in the rapidly expanding economic and social field.

43. Various ways and means of meeting this problem were discussed by the General Assembly at its second, third and fourth sessions. A number of solutions were proposed, but nothing concrete emerged and such slight measure of success as has so far been achieved with the question of priorities and co-ordination is attributable to the restraint exercised by decision-making bodies themselves from year to year. The basic problem remained, as is evidenced by General Assembly resolution 1797 (XVII) requesting the Economic and Social Council to establish an order of priorities for activities to be included in the work programme and to review these priorities regularly in the light of new or more urgent needs and the resources likely to be available to meet them.

44. In this connexion the Advisory Committee has taken cognizance of the useful suggestions presented by the Secretary-General (E/3702)⁸ with a view to assisting the Economic and Social Council in giving effect to the General Assembly's request, and of the Council resolution 936 (XXXV) calling, *inter alia*, upon its commissions and committees "to review their programmes of work and priorities in the light of needs, of available resources, and of their suitability for effective United Nations action". The Committee urges the Council to give serious consideration to the Secretary-General's suggestions.

45. The facts are that, in any given year, the various commissions and committees of the Council draw up their programmes piecemeal for the following year and

⁷ *Ibid.*, Second Session, Supplement No. 7 (A/336), para. 26

⁸ Report of the Secretary-General concerning the work of the Council in 1963, which is to be considered by the Council at its thirty-sixth session.

it is not until July that they are considered by the Council. Thus, although the initial budget estimates are submitted to the Advisory Committee in May-June, an important segment of the total United Nations programme cannot be properly forecast at that time, and is the subject of no provision or only a *pro memoria* provision in the budget estimates. The Secretary-General is consequently obliged to submit revised estimates later in the year with the result that it is not until the closing months of the year that Member Governments are able to obtain a complete picture of the programme and budget for the following year and to determine the extent of the financial contribution they will be called upon to make to the budget. This delay in the submission of the total estimates is clearly inconvenient to Member Governments⁹ and is also detrimental to the proper functioning of the Organization.

46. Nor are these revised estimates really final. Over the past years, it has always been found necessary to add to the approved work programme in the course of the fiscal year a number of activities which have been financed initially under a resolution adopted annually by the General Assembly relating to "unforeseen

⁹ The United Nations practice is all the more confusing to Member Governments by virtue of the fact that their own approved budgets are usually lower than the estimates initially submitted.

and extraordinary expenses" and submitted to the General Assembly at the end of the year as supplementary estimates.

47. Table 3 illustrates the complete budget cycle for 1960, 1961, 1962 and the partial cycle for 1963, the difference between the initial estimates and the total appropriation amounting to approximately \$4 million for 1960 and 1961, \$12 million for 1962, and \$7 million for 1963, this latter figure not including supplementary estimates, the exact amount of which will not be known until the end of 1963. Leaving aside supplementary estimates, the table shows that between the month of July, when the Advisory Committee completes its examination of the budget estimates for the following year, and the month of December, when the General Assembly approves the appropriation for the following year, some \$1.2 million were added to the budget for 1960, \$5.5 million for 1961, \$8.5 million for 1962 and \$7.3 million for 1963. These additions to the initial estimates were the result, in part, of decisions taken by the General Assembly itself towards the end of the year, and, in part, of decisions taken by the Economic and Social Council at its summer session. Additions relating to new or increased activities in the economic and social field, approved on the very eve of the financial year amounted to \$521,100 for 1960, \$2,578,500 for 1961, \$2,050,650 for 1962, and \$1,886,100 for 1963:

Table 3

	1960 \$	1961 \$	1962 \$	1963 \$
Secretary-General's initial estimates	51,863,200	67,453,750	73,533,500	86,649,500
Advisory Committee's recommendation	61,213,300	66,510,900	72,402,850	84,683,450
Appropriation approved by General Assembly following submission by Secretary-General of revised estimates	63,149,700	72,969,300	82,144,740	93,911,050
Supplementary estimates	2,585,200	(1,320,000)	3,673,480	800,000 ^a
Total appropriation	65,734,900	71,649,300	85,818,220	94,711,050

^a This figure is an estimate as of June 1963 and, to this extent, the figure for the total appropriation for that year is also an estimate.

48. As regards the 1964 programme in the economic and social field, the Advisory Committee has noted with concern that a large number of projects are to be discussed by ECOSOC at its thirty-sixth session in July 1963, that there is as yet no provision in the 1964 budget estimates for these projects, and that, unless the Council exercises the utmost restraint, there will be revised estimates of considerable magnitude added to the 1964 budget,¹⁰ not to mention an increased burden on the Secretariat whose resources are already strained to the limit. Apart from the Conference on Trade and Development—the venue, provisional agenda, date and structure of which will not be known before mid-July—activities which are likely to call for substantial additions to the 1964 estimates include industrial development, water resources development, cartography, housing, building and planning, a variety of research pro-

jects concerning economic and social development planning and the establishment of new sub-offices of the Economic Commission for Africa.

49. The Advisory Committee would not wish to suggest that essential activities for the promotion of economic and social development should be restricted solely on budgetary grounds. It recognizes that the economic and social development of the newly emerged nations must be a very high priority in the work programme of the United Nations but, at the same time, it is convinced that the task is so vast and complex in relation to available resources that only by long-term planning and greater concentration will results justify the effort and expenses involved. The Committee considers it essential that the programme of all foreseeable activities should be completed in time for their inclusion in the initial budget estimates; any foreseeable activity which could not be thus included would be deferred until the following year. It was with this in mind that the General Assembly adopted resolution 1449 (XIV), as follows:

¹⁰ These revised estimates would be still further increased in respect of any conferences, such as the Third International Conference on the Peaceful Uses of Atomic Energy, for which there is no specific provision in the initial 1964 budget estimates.

"The General Assembly,

"Recalling its resolution 1096 (XI) of 27 February 1957 on the submission of revised estimates,

"Desiring to restrict to a minimum additions to a total programme of work which has already been formulated for a given year and reflected in the main budget estimates submitted by the Secretary-General,

"Requests all organs of the United Nations to consider ways and means whereby new projects might be deferred until suitable provision for them can be made by the Secretary-General in the main budget estimates for a subsequent financial year, unless they are of major and urgent importance or unless they can be accommodated within approved expenditure levels by the postponement of projects of relatively low priority."

50. The Advisory Committee realizes that the responsibility in this matter rests with Member Governments since it is they who initiate and decide upon the work of the Organization. It believes, however, that the fundamental problem of priorities and co-ordination will be resolved only if the actions of decision-making bodies are subject to certain disciplines within the framework of a rational budgetary process. Only if the programme and budget of the Organization are presented in good time and as a coherent whole can they be the subject of detailed appraisal by Member Governments, the Advisory Committee and the General Assembly, in the light of the objectives and the resources available for their effective attainment.

51. The Advisory Committee strongly recommends that the General Assembly and the councils, commissions and committees give serious thought to the foregoing observations when considering future work programmes. It recommends, in particular, that the Economic and Social Council undertake a comprehensive review of its entire programme cycle, including the meetings schedule of its commissions and committees, with a view to adopting such measures as are necessary to ensure that the complete programme in the economic and social field for a given year is drawn up in time for its inclusion in the Secretary-General's budget estimates for that year.

PROGRAMME OF CONFERENCES AND MEETINGS

52. In its report on the 1963 budget estimates¹¹ the Advisory Committee expressed its concern at the continuing increase in the number of meetings convened by United Nations bodies and serviced by the United Nations Secretariat. Despite the Committee's urgent call for restraint and greater rationalization of the pattern of conferences and meetings, the situation in 1963 is, in its opinion, still far from satisfactory and evidence suggests that, unless drastic measures are taken with respect to 1964, demands will be far in excess of available facilities.

53. The following table illustrates the rapid growth of conference and meetings activity during 1960, 1961 and 1962 at New York and Geneva:

Year	Number of meetings	
	Headquarters	Geneva
1960	1,489	1,280
1961	2,052	1,556
1962	2,219	2,012

¹¹ *Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207), paras. 22-27.*

54. The full significance of these increases is apparent only if they are set against the background of action taken in recent years by the General Assembly, the Economic and Social Council and the Secretary-General with a view to achieving a greater degree of rationalization of the programme of conferences and meetings.

55. By resolution 1202 (XII) of 13 December 1957, the General Assembly established certain principles to govern the planning and financing of meetings and conferences for the period 1958-1962 in order that the most rational and economical use might be made of the resources of the Organization and the effective participation of Members facilitated.

56. In December 1962, the Secretary-General submitted a report¹² to the General Assembly in which he referred *inter alia* to the growth in the number of conferences and meetings related to economic and social activities, and drew the General Assembly's attention to the burden imposed upon the Secretariat by the necessity to provide conference services. The Secretary-General stated: "There appears to be a growing concern within the General Assembly, as well as within the principal organs, at the level of the conference programme. The time allowed for substantive preparation is so short as to endanger the productive results of the conferences and the financial consequences are considerable. Furthermore, with such a concentration of meetings between regular sessions of the Assembly, serious difficulties are encountered in scheduling the submission of reports of subsidiary bodies to their parent organs and thus in adhering to the rules of procedure in this regard." After referring to the initiation of certain actions—including Economic and Social Council resolution 909 (XXXIV) on the "concentration, rationalization of conference schedules, and coordination of survey missions"—which might, in some measure, alleviate the situation, and to certain special problems that would arise in 1964 as a result of the major reconstruction programme at Headquarters, the Secretary-General suggested that it might be of advantage to revert to the question of the pattern of conferences at the eighteenth session of the General Assembly.

57. The Advisory Committee concurred in the Secretary-General's suggestion and recommended that the provisions of resolution 1202 (XII), with one or two modifications regarding the meetings of specific bodies, be extended until 31 December 1963.

58. The General Assembly, by resolution 1851 (XVII), adopted this recommendation, and invited the Secretary-General to bring to the attention of the competent organs the importance and urgency of the alleviating measures outlined in paragraph 11 of his report, as well as the need for moderation on their part in fixing their programmes of meetings in New York for 1964.

59. In December 1962, prior to the adoption by the General Assembly of resolution 1851 (XVII), the Secretary-General had suggested to the Economic and Social Council that it should re-examine the schedule of meetings of its functional commissions, regional commissions and subsidiary bodies with a view to rationalizing the number and frequency of such meetings (E/3702, paras. 9-13). He stated that:

¹² *Ibid.*, Annexes, agenda item 65, document A/5317.

"the suggestions of the Secretary-General with respect to the number and frequency of meetings are prompted largely by the fact that, apart from the difficulty of providing conference facilities, the resources which have to be devoted to the preparation of formal documentation for the meetings in many cases have come to encroach on those available for carrying out the research and evaluation studies which are of basic importance for the formulation of policy decisions by the Council's subsidiary bodies, the Council itself and the General Assembly, as well as for the support of operational activities".

60. Following the adoption of resolution 1851 (XVII) by the General Assembly, the Secretary-General submitted a further report to the Council (E/3741) calling the latter's attention to some of the major considerations which would have an impact upon the conference programme for 1964. The Secretary-General concluded that, on account of the lack of conference services and facilities in 1964, both at Headquarters and Geneva, there was no alternative to the recommendation made by the Advisory Committee in 1960¹³ that the biennial pattern of sessions be extended to those functional commissions and other subsidiary bodies of the Economic and Social Council which did not follow that pattern. The Secretary-General then offered a number of specific suggestions for consideration by the Council, which if adopted, would greatly ease the situation in 1964, and if projected into the future, would represent an important step towards the rationalization of the total programme of conferences and meetings.

61. By resolution 936 (XXXV), the Economic and Social Council decided that it would consider the Secretary-General's proposals at its thirty-sixth session, to be held in Geneva in July 1963. At the same time, the Council requested the regional economic commissions, the functional commissions and the standing committees of the Council to review the number and timing of their meetings and those of their subsidiary bodies with a view to eliminating all those which were not essential and to reducing the frequency of others.

62. The Advisory Committee noted with regret that, despite repeated exhortations over the past five years urging rationalization and restraint, the practical results are less than encouraging. Further, the postponement of any decision by the Council concerning its 1964 programme of meetings and those of its subsidiary organs until its thirty-sixth session in July 1963 renders it impossible for the Secretary-General to give Member Governments full details of his 1964 budget estimates until the session of the Council is concluded, that is to say, in August 1963. For the reasons stated earlier in this report, the Advisory Committee considers this to be a most unsatisfactory situation.

63. The Advisory Committee further observed that the Social Commission, after having taken note of the Secretary-General's report recommending the cancellation of its 1964 session (E/3741, para. 12), and of the Council's resolution 936 (XXXV) of 11 April 1963, referred to above, decided on 9 May 1963 to reaffirm its desire to continue to hold annual sessions and to propose that its 1964 session be held in Geneva, or else-

where if it were not possible for it to meet in Geneva (E/CN.5/280). In addition it decided to recommend that the Council set up yet another *ad hoc* planning group to meet in 1964 prior to the proposed annual session of the Social Commission. The Advisory Committee noted that the newly created Committee on Industrial Development meets twice a year and holds inter-session meetings as well. The Commission on Human Rights and the Commission on the Status of Women have both expressed their desire to meet in 1964, and the former is seeking an alternative location in view of the fact that neither Headquarters nor Geneva is likely to be able to accommodate the meeting.

64. The foregoing are but illustrations of the tendency of subsidiary bodies to press their parent organs not merely to maintain, but to add to, an already overcrowded schedule of meetings. The Advisory Committee believes that the time has come for parent organs to exercise control over the programme of meetings of their subsidiary bodies.

65. The Advisory Committee, while recognizing that the structural changes to be made both at Headquarters and in Geneva in 1964 are a major factor in the curtailment of conference facilities during that year, nevertheless believes that the situation so created merely emphasises the absolute necessity for urgent and energetic action if the programme of conferences and meetings is to be a realistic one, and if its essential aims are to be achieved.

66. As the Advisory Committee pointed out in its first report to the fifteenth session of the General Assembly¹⁴, the true impact of conferences and meetings cannot be measured merely by the cost of servicing them. The success of a conference or meeting depends to a large extent upon the quality of the preparatory work; such work requires much careful study by the Secretariat and there comes a time when its volume is such that it can be undertaken only at the price of serious disruption of regular work. If, in the Secretary-General's opinion, a meeting cannot be adequately prepared or serviced, either because the necessary facilities or services are not available, or because the provision of such facilities or services would seriously jeopardise other work of major importance to the decision-making bodies themselves, the Committee believes that the latter should have no hesitation in deferring or cancelling the proposed meeting.

67. The proliferation of conferences and meetings also creates serious problems for individual Member Governments. Some have pointed to their difficulties in arranging for adequate participation, and to the financial and administrative burden it entails. Others have stated that they are overwhelmed by the mass of documents they have to study in preparation for meetings.

68. The Committee has noted the tendency of late to arrange for conferences and meetings to be held at locations other than Headquarters or Geneva or one of the regional offices. Whereas this undoubtedly relieves congestion in the main areas of activity, the problems of servicing the meetings remain just as acute. The servicing capacity of the Secretariat is limited and needs can be met only by having recourse to temporary assistance. In 1960, expenditure by the United Nations for such temporary assistance amounted to some

¹³ *Ibid.*, Fifteenth Session, Supplement No. 7 (A/4408), para. 44.

¹⁴ *Ibid.*, para. 42.

\$477,350; in 1961, to \$763,500; in 1962, to \$739,750. However, it must be borne in mind that, even if the necessary funds are voted by the General Assembly, there is but a limited reservoir of qualified temporary staff (e.g. interpreters, revisers, translators, précis-writers) and that the United Nations is in competition for their services with the specialized agencies and other inter-governmental and non-governmental bodies whose meeting schedules run parallel to those of the United Nations. Given the limited number of conference-servicing staff available, the Advisory Committee considers that, unless the demands made on them are drastically reduced, the acceptance of a lower standard of servicing will be unavoidable.

69. Mention should also be made of documentation, some of which forms part of the preparatory work, and some of which is printed during or after a meeting in the form of working papers, reports and summary records of proceedings. The volume of documentation has increased over the years to an even greater extent than the number of conferences and meetings with the result that the capacity of the Secretariat has been exceeded and there is a serious accumulation of arrears. Apart from the capacity of the Secretariat to produce the necessary documentation, it is evident that unless such documentation is made available to Member Governments well in advance of the meeting, their representatives are unable to have the necessary consultations and prepare their position before proceeding to the meeting. The Advisory Committee was informed that the documentation for the thirty-sixth session of ECOSOC amounted to some 8,000 pages, less than one-half of which had been distributed within the time-limit laid down by the Council.

70. The Committee would recall that, in accordance with Financial Regulation 13.1, the decision-making body must, before authorizing a meeting involving expenditure, have before it a report from the Secretary-General on the administrative and financial implications of the proposal. It is clear that, if the Secretary-General is to be in a position to advise the decision-making body on the total implications of the proposal, and its feasibility in the light of available resources, he must be given precise information as to, *inter alia*, the location of the meeting, its duration, the need for subsidiary bodies such as preparatory committees or advisory groups, the number of participants, the facilities and servicing staff required, the nature and extent of documentation. The Committee has noted with regret that the above-mentioned Regulation has not always been observed.

71. The Advisory Committee is convinced that the proposed programme of meetings for 1964 is considerably in excess of the resources, both material and human, available to the Secretariat and that, even if it were found possible to hold some of the meetings at places other than New York and Geneva, the Committee would question the desirability of holding them in the absence of adequate preparation and servicing. The Committee also has reason to believe that a substantial number of Member Governments would be unable to meet all the demands which the over-all schedule of meetings would make upon them. While responsibility for the pattern of meetings of ECOSOC itself must rest with the Council, the Advisory Committee strongly urges the Council to accept the suggestions offered by the Secretary-General in paragraph

12 of his report (E/3741). The adoption of these suggestions would be an important step towards rationalization of the work of the Organization.

72. Whereas the curtailment of the programme of meetings in 1964 would bring temporary relief both to the Secretariat and to Member Governments, the Advisory Committee is of the firm opinion that only if decision-making bodies are prepared to take a rational approach to future programmes, exercising the utmost restraint and making sacrifices where necessary, will meetings and conferences continue to be fully effective within the Organization's overall activities. It is, indeed, essential that they ensure that the available resources are directed to a carefully elaborated programme of priorities rather than being dispersed over an ever-expanding *ad hoc* schedule of meetings, the preparation for which, both by the Secretariat and by Member Governments, would be inadequate, the servicing of which would be unsatisfactory, and the effectiveness incommensurate with the efforts deployed and the costs incurred.

73. It is not possible either for the Secretary-General or the Advisory Committee to apply priority or selection criteria so as to confine the total number of conferences and meetings in a year to a fixed number. Perhaps, however, if the Assembly were to establish limits as to the absolute number of main meetings, the Economic and Social Council would then feel able to make such choices annually. Admittedly, the first years of a decade which has been designated by the General Assembly itself as a Decade of Development may appear to be difficult ones in which to apply austere measures of this sort. However, in the view of the Advisory Committee, the achievement of the aims of the Decade of Development does not depend upon the number of meetings held. If the Assembly wishes to reconcile individual actions with the general strictures it has laid down in resolution 1851 (XVII), however, it must find a way to establish a basis on which the tendency to provide for meetings can be in some measure restrained. The alternative would be to carry out an analysis of all meetings, by field of activity, and determine whether a basis for their consolidation might be worked out.

74. Whereas the Advisory Committee's comments on the rationalization of the programme of conferences and meetings are directed more specifically to the situation in the United Nations, the Committee believes that the underlying principles are not without relevance to the Specialized Agencies seeing that the latter compete for the same facilities and skilled servicing staff. The Advisory Committee consequently counts on the decision-making bodies of the specialized agencies to co-operate to the fullest extent in rationalizing the over-all programme of conferences and meetings in the United Nations family of organizations.

STAFF RESOURCES

75. In its seventh report to the General Assembly at its seventeenth session, the Advisory Committee observed that the 1963 budget estimates provided for significant increases in several units of the Department of Economic and Social Affairs and for the regional commissions. These increases were described by the Secretary-General as being "an initial measure of controlled expansion of staff" in keeping with "the ex-

pressed will of the overwhelming majority of Member Governments for continued expansion of activities."¹⁵

76. In urging the General Assembly to give most careful consideration to the proposed change from a policy of stabilization to one of controlled expansion of staff, the Advisory Committee recommended that there should be no staff expansion—controlled or otherwise—unless it was clear that it was beyond the capacity of existing staff to absorb additional workloads resulting from new decisions of the various United Nations organs.¹⁶ The Committee recognized that the Secretary-General could not be held responsible for the implications of decisions of these organs, and in particular ECOSOC, calling for an increase or intensification of activities, but it felt unable to endorse a policy of staff expansion unless it were satisfied, on the basis of a thorough survey, that existing resources were utilized to the maximum extent. At the same time, the Committee agreed to certain staff increases on an *ad hoc* basis and according to their merits, without prejudice to the basic policy issue.¹⁷

77. The Advisory Committee notes that the Secretary-General is not asking for any addition to the number of established posts for 1964. He explains that he "has taken this decision within the context of the policy of controlled expansion as stated in his foreword to the budget estimates for the financial year 1963 and as subsequently elaborated on in his statement to the Fifth Committee on 4 October 1962. In particular, the Secretary-General feels obliged to satisfy himself that the total staff resources available to him, including the new posts approved by the General Assembly for 1963, are first fully utilized before seeking any further staff increases to meet new or expanding programmes. Pending the recruitment of qualified candidates to the new posts referred to above and the completion of current studies of staff utilization, particularly in the economic and social area, as called for by the General Assembly at its seventeenth session, he is not in a position to indicate that this condition has been met."¹⁸ The Secretary-General goes on to state that he "has considered it pertinent, however, to deal in a subsequent part of the present chapter with the workload trends in the main areas of Secretariat activity, on which the possibility of maintaining a policy of controlled expansion in future years depends. In doing so, he would hope once again to illustrate that much depends, in turn, on the extent to which Member States themselves are prepared to exercise a certain discipline in the establishment of work programmes, in the more precise determination of the order of priority for the implementation of such programmes and in the adoption of a more reasonable approach to the setting of deadlines for the completion of studies and reports and the scheduling of conferences."¹⁹ The Committee wishes to give its strong endorsement to this appeal.

78. Notwithstanding the Secretary-General's expressed desire to keep the number of established posts to their 1963 level, the Committee notes that it is pro-

posed to supplement them by about 60 "temporary posts" at an additional cost of \$400,000. The Committee's detailed comments on this matter are set forth in paras. 150 to 153.

79. The Committee is concerned that, apart from the substantial increase requested by the Secretary-General for temporary assistance, there are a number of references in chapter I of section 3 of the 1964 budget estimates (Established posts) to various needs for significant staff increases the extent of which will emerge more clearly in the light of reports to be considered by the Council at its thirty-sixth session in July 1963. Such increases are foreseen (i) in connexion with possible acceleration, expansion or intensification of work in the fields of industrial development, development and demineralization of water resources, economic planning, housing and urban development; (ii) in the preparation of various handbooks and manuals; and (iii) in connexion with the establishment of new sub-regional offices of the Economic Commission for Africa.

80. The Committee notes that staff and other increases resulting from the decisions to be taken by the Council in July are to be reflected in revised estimates which will be submitted to the General Assembly at its eighteenth session.

81. The Advisory Committee considers that there are strong reasons why the Council should avoid decisions at its July session, which would require such increases. In the light of the Secretary-General's declared policy of "consolidation and containment", and pending completion of the studies of staff utilization in the economic and social field called for by the General Assembly, the Advisory Committee would find it difficult to recommend any expansion of activities which would not be offset by the curtailment of projects of lower priority or by other economies, resulting in the release of the necessary resources, both human and financial.

PUBLIC INFORMATION ACTIVITIES

82. In its resolutions 1335 (XIII) and 1405 (XIV) dealing with the public information activities of the United Nations, the General Assembly laid down certain guiding policies, including "a policy of budgetary stabilization". This policy, as defined by the Secretary-General in his report of 16 June 1959,²⁰ provided for:

(a) Stabilization at the current level of professional staff employed in public information activities;

(b) Outposting of additional professional staff within the above level for the execution of field production projects;

(c) Utilization, to the maximum extent possible and wherever operationally feasible, of combined Secretariat staff resources, including TAB staff, to meet additional demands in the operation of information centres;

(d) Stabilization of the amount of operational funds (radio, motion picture, photographic and television supplies and contractual printing) at the total amounts presently approved, except for such increases as might be offset by additional revenue;

¹⁵ *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), para. 36.

¹⁶ *Ibid.*, para. 38.

¹⁷ *Ibid.*, para. 41.

¹⁸ *Ibid.*, Eighteenth Session, Supplement No. 5 (A/5505), page 19.

¹⁹ *Ibid.*

²⁰ *Ibid.*, Fourteenth Session, Annexes, agenda item 52, document A/4122, para. 18.

(e) Provision of local costs, including local staff of the information centres, at the level required for effective operation.

83. The Committee notes that, for 1964, the expenditure estimates for public information activities submitted by the Secretary-General, are \$33,000 higher than the \$6 million ceiling approved by the General Assembly for 1963. It is nevertheless the opinion of the Advisory Committee that this expenditure could be kept at an even lower level. In consequence, the Committee would urge that a periodic review of the various components of the public information programme be carried out looking towards: (a) maximum economy in administrative and overhead costs; (b) optimum utilization of available funds on a world-wide basis; (c) the most effective allocation of resources between the several media.

84. The need to reduce administrative costs is so evident that the Committee would, at this stage, limit itself to calling attention to two specific items of expenditure the justification for which is open to considerable doubt. These are: (a) the two regional meetings of information centre directors planned for 1964 at Santiago and Geneva, and (b) the continuation of the publication of *Conférence d'œil*. The Committee would refer to its detailed comments on each of these items in paragraphs 187 and 245-246, respectively.

85. As regards the optimum use of available funds, it would seem only reasonable to assume that the expansion of the activities of the Office of Public Information (OPI) in new and developing countries should be accompanied by a continuing re-assessment of the programmes in other countries where news media are more developed, with a view to their progressive curtailment. There would appear to be a number of reasons, in the opinion of the Advisory Committee, for not duplicating what is being done—usually with far greater means—by national news organizations. In any case, OPI with its limited resources could only hope to supplement national media and, since it is called upon to open an ever greater number of centres in new countries, it must reduce its activities in other parts of the world, be it only to respect the budgetary ceiling imposed by the General Assembly. In other words, it is again a case for the establishment of priorities among requirements competing for restricted resources.

86. The question of the choice of the most effective media is also, in practice, a problem of priorities. Given the expansion of the Organization's public information activities in developing countries where, for historical reasons, the newer media such as radio and, in some areas, television are now playing, in the dissemination of information, the part traditionally reserved to the printed word in older countries, the relative importance of the various media within the OPI programme has been modified over the years. In this regard, the Committee would suggest that the Secretary-General might envisage the possibility of accelerating this process of adaptation to the changing needs of the modern world, by instituting a procedure for the thorough review of the public information programme, either on a continuing basis or at regular intervals. The essential aim of this review would be to modify the emphasis given to the various media in the United Nations programme so as to respond as rapidly as possible to any shift in demand, thus ensuring that the funds allocated to public information activities are put to optimum use.

87. In the final analysis—assuming that a maximum degree of administrative and operational efficiency has been achieved in the implementation of the Organization's public information programme—there remains a policy decision to be taken by the General Assembly, namely, what part of the limited resources of the Organization should be devoted to providing whatever assistance it can to its Members and, in the first instance, to the new and developing countries, and what part it should spend on telling the world about its action.

88. In the present circumstances, and in the light of the Secretary-General's declared policy of consolidation and containment, the Advisory Committee recommends that the \$6 million ceiling be maintained for 1964. The various reductions advocated by the Advisory Committee in the estimates submitted by the Secretary-General would be sufficient to bring public information expenditures below that ceiling. These proposed reductions have been taken into account in arriving at the appropriation totals recommended for the various sections of the budget in chapter II of the present report.

DRAFT RESOLUTIONS

89. Appendices I, II and III to the present chapter contain the following draft resolutions recommended by the Advisory Committee for 1964:

- I. Draft budget resolution;
- II. Draft resolution relating to unforeseen and extraordinary expenses;
- III. Draft resolution relating to the Working Capital Fund.

DRAFT BUDGET RESOLUTION

90. The draft budget resolution submitted by the Secretary-General is practically in the same form as that approved by the General Assembly for 1963 (resolution 1861 A, B and C (XVII) of 20 December 1962). The three parts of the resolution cover: part A, the budget appropriations; part B, the income estimates and part C, the financing of the appropriations. The text of the resolution submitted by the Advisory Committee in appendix I is the same as that proposed by the Secretary-General, except that the amounts included reflect the recommendations of the Advisory Committee on the expenditure and income sections of the budget, as set out in this report.

91. The Committee would draw attention to its comments on sections 13-17 (Technical programmes). As explained in paragraph 293, the Advisory Committee has deferred making any recommendations concerning the estimate proposed for those sections. In the meantime, the Secretary-General's estimates have been included in the draft resolution.

DRAFT RESOLUTION RELATING TO UNFORESEEN AND EXTRAORDINARY EXPENSES

DRAFT RESOLUTION RELATING TO THE WORKING CAPITAL FUND

92. In appendices II and III, the Advisory Committee recommends, provisionally, draft resolutions relating, respectively, to unforeseen and extraordinary expenses for 1964 and to the Working Capital Fund for

Appraisal of the budget estimates for 1964

1964 in the same form and text as submitted by the Secretary-General.

93. As regards the draft resolution relating to the Working Capital Fund, the Advisory Committee would recall that the General Assembly, under the terms of resolution 1863 (XVII) of 20 December 1962, decided: (a) to establish the Working Capital Fund for the year ending 31 December 1963 at an amount of \$US 40 mil-

lion; and (b) to reconsider the level of the Working Capital Fund at its eighteenth session on the basis of a report to be submitted by the Secretary-General. Consequently, the Advisory Committee is not, at this stage, in a position to offer any comments and the figure of \$40 million has been carried forward pending reconsideration of the matter by the General Assembly at its eighteenth session.

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

		Secretary-General's budget estimates for 1964 \$	Advisory Committee's recommendations \$	Decrease \$
A. UNITED NATIONS				
PART	I. <i>Sessions of the General Assembly, the Councils, commissions and committees; special meetings and conferences</i>			
Section				
1.	Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies	1,237,500	1,148,100	89,400
2.	Special meetings and conferences	180,200	180,200	—
PART	II. <i>Staff costs and related expenses</i>			
Section				
3.	Salaries and wages	45,343,000	45,013,980	329,020
4.	Common staff costs	10,424,000	10,325,000	99,000
5.	Travel of staff	2,070,000	1,975,000	95,000
6.	Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	105,000	105,000	—
PART	III. <i>Buildings, equipment and common services</i>			
Section				
7.	Buildings and improvements to premises	6,034,500	6,034,500	—
8.	Permanent equipment	504,500	460,000	44,500
9.	Maintenance, operation and rental of premises	3,694,750	3,600,000	94,750
10.	General expenses	4,133,400	4,000,000	133,400
11.	Printing	1,481,600	1,438,500	43,100
PART	IV. <i>Special expenses</i>			
Section				
12.	Special expenses	7,712,800	7,712,800	—
PART	V. <i>Technical programmes</i>			
Section				
13.	Economic development	2,250,000	2,250,000 ^a	—
14.	Social activities	2,105,000	2,105,000 ^a	—
15.	Human rights activities	140,000	140,000 ^a	—
16.	Public administration	1,830,000	1,830,000 ^a	—
17.	Narcotic drugs control	75,000	75,000 ^a	—
PART	VI. <i>Special missions and related activities</i>			
Section				
18.	Special missions	2,388,600	2,350,000	38,600
19.	United Nations Field Service	1,565,700	1,525,700	40,000

Appraisal of the budget estimates for 1964

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

		Secretary- General's budget esti- mates for 1964 \$	Advisory Committee's recommendations \$	Decrease \$
A. UNITED NATIONS (continued)				
PART VII.	<i>Office of the United Nations High Commissioner for Refugees</i>			
Section				
20.	Office of the United Nations High Commissioner for Refugees	2,371,200	2,275,000	96,200
B. INTERNATIONAL COURT OF JUSTICE				
PART VIII.	<i>International Court of Justice</i>			
Section				
21.	International Court of Justice	964,600	955,000	9,600
	Recapitulation:			
	Secretary-General's estimates			\$96,611,350
	Advisory Committee's recommendations			95,498,780
	Total reduction recommended by the Advisory Committee			1,112,570

* The Secretary-General's estimate has been included in this column because the Advisory Committee has not been able to recommend any specific provision for the reasons indicated in paragraph 293 below.

APPENDIX I

Draft budget resolutions for the financial year 1964 (submitted by the Advisory Committee)

A

BUDGET APPROPRIATIONS FOR THE FINANCIAL YEAR 1964

The General Assembly

Resolves that for the financial year 1964:

1. Appropriations totalling \$US 95,498,780 are hereby voted for the following purposes:

A. UNITED NATIONS				
PART	I. <i>Sessions of the General Assembly, the Councils, commissions and committees; special meetings and conferences</i>			
Section			Amount in US dollars	
1.	Travel and other expenses of representatives, members of commissions and committees and other subsidiary bodies		1,148,100	
2.	Special meetings and conferences		180,200	
	TOTAL, PART I			1,328,300
PART	II. <i>Staff costs and related expenses</i>			
Section				
3.	Salaries and wages		45,013,980	
4.	Common staff costs		10,325,000	
5.	Travel of staff		1,975,000	
6.	Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality		105,000	
	TOTAL, PART II			57,418,980
	Carried forward			58,747,280

Appraisal of the budget estimates for 1964

A. UNITED NATIONS (continued)

		Amount in U.S. dollars	
	<i>Brought forward</i>		58,747,280
PART III.	<i>Buildings, equipment and common services</i>		
Section			
7.	Buildings and improvements to premises	6,034,500	
8.	Permanent equipment	460,000	
9.	Maintenance, operation and rental of premises	3,600,000	
10.	General expenses	4,000,000	
11.	Printing	1,438,500	
	TOTAL, PART III		15,533,000
PART IV.	<i>Special expenses</i>		
Section			
12.	Special expenses	7,712,800	
	TOTAL, PART IV		7,712,800
PART V.	<i>Technical programmes</i>		
Section			
13.	Economic development	2,250,000 ^a	
14.	Social activities	2,105,000 ^a	
15.	Human rights activities	140,000 ^a	
16.	Public administration	1,830,000 ^a	
17.	Narcotic drugs control	75,000 ^a	
	TOTAL, PART V		6,400,000
PART VI.	<i>Special missions and related activities</i>		
Section			
18.	Special missions	2,350,000	
19.	United Nations Field Service	1,525,700	
	TOTAL, PART VI		3,875,700
PART VII.	<i>Office of the United Nations High Commissioner for Refugees</i>		
Section			
20.	Office of the United Nations High Commissioner for Refugees	2,275,000	
	TOTAL, PART VII		2,275,000
B. INTERNATIONAL COURT OF JUSTICE			
PART VIII.	<i>International Court of Justice</i>		
Section			
21.	International Court of Justice	955,000	
	TOTAL, PART VIII		955,000
	GRAND TOTAL		95,498,780

^a The Secretary-General's estimate has been included in this column because the Advisory Committee has not been able to recommend any specific provision for the reasons indicated in paragraph 293 below.

2. The Secretary-General is authorized:

(a) To administer as a unit the provisions under sections 1, 3, 5 and 11 in a total amount of \$155,460 relating to the Permanent Central Opium Board and the Drug Supervisory Body;

(b) To transfer credits between sections of the budget with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

3. The appropriations under sections 1, 3, 4, 5 and 10 in a total amount of \$329,882, relating to the United

Nations Joint Staff Pension Board and the United Nations Staff Pension Committee shall be administered in accordance with article XXVII of the Regulations of the United Nations Joint Staff Pension Fund;

4. In addition to the appropriations voted by paragraph 1 above, an amount of \$17,500 is hereby appropriated from the income of the Library Endowment Fund for the purchase of books, periodicals, maps and library equipment and such other expenses of the Library at the Palais des Nations as are in accordance with the objects and provisions of the endowment.

B

INCOME ESTIMATES FOR THE FINANCIAL YEAR 1964

The General Assembly

Resolves that for the financial year 1964:

1. Estimates of income other than assessments on Member States totalling \$US 14,923,400 are approved as follows:

PART I. *Income from staff assessment*

Section	\$	\$
1. Staff assessment	9,225,000	
TOTAL, PART I		9,225,000

PART II. *Other income*

2. Funds provided from extra-budgetary accounts	1,580,800	
3. General income	1,348,600	
4. Sale of United Nations postage stamps	1,400,000	
5. Sale of publications	541,000	
6. Services to visitors and catering services	828,000	
TOTAL, PART II		5,698,400
GRAND TOTAL		14,923,400

2. The income from staff assessment shall be credited to the Tax Equalization Fund in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955;

3. Direct expenses of the United Nations Postal Administration, services to visitors, catering and related services and the sale of publications, not provided for under the budget appropriations, shall be charged against the income derived from those activities.

C

FINANCING OF APPROPRIATIONS FOR THE FINANCIAL YEAR 1964

The General Assembly

Resolves that for the financial year 1964:

1. Budget appropriations totalling \$95,498,780, together with supplementary appropriations for 1963 totalling \$———,²¹ shall be financed as follows, in accordance with regulations 5.1 and 5.2 of the Financial Regulations of the United Nations:

(a) As to \$5,698,400 by income other than staff assessment approved under Resolution B above;

(b) As to \$———,²¹ by the amount available in the surplus account for the financial year 1962;

(c) As to \$———,²¹ by the contributions of new Member States for 1962 and 1963;

(d) As to \$———,²¹ by assessment on Member States in accordance with General Assembly resolutions 1691 A (XVI) of 18 December 1961, 1870 (XVII) of 20 December 1962, and ——— (XVIII) of ——— December 1963 on the scale of assessments for 1964;

2. There shall be set off against the assessment on Member States:

(a) Subject to the provisions of General Assembly resolution 973 (X) of 15 December 1955, their respective shares in the Tax Equalization Fund in a total amount of \$9,156,015 comprising:

(i) \$9,225,000, being the estimated staff assessment income for 1964;

(ii) less \$68,985, being the excess of the approved estimate over actual income from staff assessment for 1962;

(b) Their credits in respect of the transfer of the League of Nations assets, in accordance with General Assembly resolution 250 (III) of 11 December 1948.

²¹ To be determined by the General Assembly at its eighteenth session.

APPENDIX II

Draft resolution relating to unforeseen and extraordinary expenses²² (submitted by the Advisory Committee)

The General Assembly

1. *Authorizes* 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 and the provisions of paragraph 3 below, to enter into commitments to meet unforeseen and extraordinary expenses in the financial year 1964, provided that the concurrence of the Advisory Committee shall not be necessary for:

(a) Such commitments, not exceeding a total of \$2 million, as the Secretary-General certifies relate to the maintenance of peace and security;

(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 of the Court, Article 31), not exceeding a total of \$37,500;

(ii) The appointment of assessors (Statute, Article 30), or the calling of witnesses and the

²² See special comments of the Advisory Committee in paragraphs 31 to 37 above.

appointment of experts (Statute, Article 50), not exceeding a total of \$25,000;

(iii) The maintenance in office of Judges who have not been re-elected (Statute, Article 13, paragraph 3), not exceeding a total of \$50,000;

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

(v) The payment of pensions and travel and removal expenses of Judges not re-elected, and travel and removal expenses of new Members of the Court, not exceeding a total of \$47,500;

(c) Such commitments not exceeding a total of \$25,000, as may be authorized by the Secretary-General in accordance with paragraph 4 of General Assembly

resolution 1202 (XII) of 13 December 1957 relating to the pattern of conferences;

2. *Resolves* that the Secretary-General shall report to the Advisory Committee on Administrative and Budgetary Questions and to the General Assembly at its nineteenth session all commitments made under the provisions of the present resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the Assembly in respect of such commitments;

3. *Decides* that if, as a result of a decision of the Security Council, commitments relating to the maintenance of peace and security should arise in an estimated total exceeding \$10 million before the next regular session of the General Assembly, a special session of the General Assembly shall be convened by the Secretary-General to consider the matter.

APPENDIX III

Draft resolution relating to the Working Capital Fund²³ (submitted by the Advisory Committee)

The General Assembly

Resolves that:

1. The Working Capital Fund shall be established for the year ending 31 December 1964 in the amount of \$US 40 million;

2. Members shall make advances to the Working Capital Fund in accordance with the scale adopted by the General Assembly for contributions of Members to the budget for the financial year 1964;

3. There shall be set off against this allocation of advances:

(a) The credits accorded to Member States from the transfer from surplus account of \$1,079,158 as established at the time of the transfer to the Working Capital Fund;

(b) The cash advances paid by Members to the Working Capital Fund for the financial year 1963 under General Assembly resolution 1863 A (XVII) of 20 December 1962;

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 resolutions approved by the General Assembly, in particular, resolution—(XVIII) of—December 1963 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 purpose, 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;

(d) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, such sums 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; 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;

(e) Such sums as may be necessary to enable the Tax Equalization Fund to meet current commitments pending accumulation of credits; such advances shall be repaid as soon as credits are available in the Tax Equalization Fund;

(f) Such sums, not to exceed \$40,000 during 1964, as may be necessary to finance awards made for the international encouragement of scientific research into the control of cancerous diseases, pursuant to General Assembly resolution 1398 (XIV) of 20 November 1959; the Secretary-General shall make provision in the supplementary budget estimates for reimbursing the Working Capital Fund;

5. Should the provision in paragraph 1 above prove inadequate to meet the purposes normally related to the Working Capital Fund, the Secretary-General is authorized to utilize, in 1964, cash from special funds and accounts in his custody, under the conditions approved in General Assembly resolution 1341 (XIII) of 13 December 1958, or the proceeds of loans authorized by the Assembly.

²³ See paragraph 93 above.

DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES

Expenditure estimates

Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences**SECTION 1. TRAVEL AND OTHER EXPENSES OF REPRESENTATIVES, MEMBERS OF COMMISSIONS, COMMITTEES AND OTHER SUBSIDIARY BODIES**

	\$
Estimate submitted by the Secretary-General	1,237,500
Estimate recommended by the Advisory Committee	1,148,100
1962 (actual expense)	1,115,115
1963 (appropriation)	1,185,300

94. The provisions under this section are related to the general programme of meetings envisaged for 1964. Travel and subsistence allowances payable to members of organs of the United Nations are governed by General Assembly resolution 1798 (XVII) of 11 December 1962, while the payment of honoraria to members of expert bodies are laid down in reports of the Fifth Committee as approved by the General Assembly at its 729th and 959th meetings on 13 December 1957, and 20 December 1960, respectively. As regards the Board of Auditors, provision is also made for reimbursement to the Governments concerned for costs incurred in furnishing audit staff.

95. The increase of some \$52,000 in the 1964 estimates for this section by comparison with the 1963 appropriation is due in the first instance to the fact that no provision was made under chapter IV of this section in the 1963 budget for visiting missions of the Trusteeship Council, whereas a sum of \$45,000 is requested for a visit to the Pacific Islands in 1964 (the actual expenditure for a visiting mission to Nauru and New Guinea in 1962 was \$42,358). The balance of the increase is the net result of rises in the amount of \$19,800 under item (ii) of chapter I (Travel and other expenses of members of commissions, committees and other General Assembly bodies) and \$3,700 under item (iii) of the same chapter (Board of Auditors), partly offset by a reduction of \$16,200 under chapter V, Administrative advisory bodies.

96. The Advisory Committee has given particular attention to the estimate of \$182,500 under chapter III (The Economic and Social Council, commissions and committees) in the light of the special situation which will exist in 1964 and on which it submits detailed comments in the first part of this report (paras. 56 to 74). It may be recalled here that, over the years, the Committee has expressed growing concern at the increasingly heavy meeting schedule which is imposing a serious strain not only on the budget of the Organization but also on its servicing capacity and it has repeatedly stressed the need for restraint and rational planning if the general pattern of meetings is to be

kept within manageable bounds. This year, in a report to the Council at its thirty-fifth session, the Secretary-General has given warning of a potentially critical situation which will arise in 1964 as the result of a lack of accommodations and facilities due to major reconstruction at New York and consequent overloading at Geneva. For this reason, the Secretary-General "considers that there is no alternative to the recommendation that the biennial pattern of sessions be extended to those functional commissions and other subsidiary bodies of the Economic and Social Council which do not follow that pattern" (E/3741, para. 11).

97. It would, therefore, appear indispensable that some of the meetings provided for in the budget estimates either be postponed or be cancelled. For instance, the Secretary-General has recommended that the Council itself should hold only one session instead of two in 1964. He has also recommended that the 1964 session of the Social Commission and those of the Commission on Human Rights and the Commission on the Status of Women be cancelled. Finally, it is the Secretary-General's belief that the sessions of the Statistical Commission and the Commission on International Commodity Trade might be deferred to 1965.

98. In view of the extremely difficult situation which would unavoidably occur next year as a result of the physical impossibility of accommodating and servicing all the meetings currently planned, plus a very heavy schedule of special conferences, commissions, *ad hoc* groups, etc. provided for under section 2, the Advisory Committee can but urge all concerned, and in the first instance the members of the Economic and Social Council, to accept the Secretary-General's recommendations.

99. In the light of the considerations set out above, the Advisory Committee assumes that the Secretary-General's appeal will be heeded. On this basis, the estimate under chapter III of section 1 should be reduced by \$89,000²⁴ or from \$182,500 to \$93,100 by reason of the elimination of the 1964 sessions of the five functional commissions mentioned in paragraph 97 above. It might be pointed out that this curtailment of the 1964 programme of meetings would entail additional savings under sections 3 (Salaries and wages), 5 (Travel of staff) and 11 (Printing).

100. In its report on the 1963 estimates,²⁵ the Advisory Committee called the attention of the General Assembly to the savings which would result from the application of the revised standards of accommodation then recommended for the staff—and subsequently approved by the Assembly—as a ceiling for the reimbursement of travel expenses of representatives, members of commissions, committees and other subsidiary

²⁴ The same reduction would apply even if the Council decided to hold a spring session at Headquarters in 1964 in addition to its summer session at Geneva.

²⁵ *Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207)*, para. 66.

bodies, provided for under section 1 of the budget. Those savings are now estimated at some \$250,000 on the basis of the Secretary-General's initial budget estimates for 1964, as follows:

	<i>Estimated savings</i> \$
Chapter I (The General Assembly, commissions and committees)	203,000
Chapter II (The Security Council, commissions and committees)	—
Chapter III (The Economic and Social Council, commissions and committees)	42,000
Chapter IV (The Trusteeship Council, commissions and committees)	1,500
Chapter V (Administrative advisory bodies)	3,500
TOTAL, Section 1	250,000

101. However, should the General Assembly endorse the reduction of \$89,400 recommended by the Advisory Committee in the estimate for chapter III (see para. 99 above) on the assumption that the Economic and Social Council would agree to the postponement of the sessions of five functional commissions planned for 1964, the saving which would accrue under chapter III from the adoption of revised standards of accommodation as a ceiling for the reimbursement of travel expenses of representatives called for under General Assembly resolution 1798 (XVII) would be reduced by \$25,000, i.e. from \$42,000 to \$17,000 by reason of the elimination of the travel costs relating to those functional commissions. Thus, the initial estimate submitted by the Secretary-General for the whole of section 1 could be reduced by \$225,000 on the basis of a revision of travel standards, in addition to the cut of \$89,400 already recommended by the Committee; in other words the total savings would be in the amount of \$314,400.

102. The Advisory Committee noted last year that an increasing number of Governments were applying the economy-class standard to official duty travel. It would seem that this trend has continued and that economy-class travel is being extended to the highest levels in the foreign services of many governments. In the circumstances, the Advisory Committee feels that it should again call the attention of the General Assembly to this matter and suggests that the Assembly might wish to review the situation and decide whether, in the light not only of this evolution in the travel standards applied by Member States, but also of the critical financial position of the Organization, an expenditure of nearly a quarter of a million dollars which does not affect the work of the Organization, is really justified.

103. While the Committee would refrain from formally recommending at this time such a reduction in the estimate for section 1, so as not to prejudice the Assembly's decision, it wishes to point out that, should the Assembly accept a revision of the standards of reimbursement for travel of representatives, such revised standards would apply to all staff and this would result in an additional saving of approximately \$25,000 under section 5.

104. What may be even more important, in the opinion of the Advisory Committee, is that a decision by the General Assembly among the lines indicated above would act as a strong incentive to all organizations in the United Nations family, at a time where their budgets are

increasing rapidly, to review their present rules with the object of eliminating avoidable expenditure.

105. In the light of the preceding observations, the Advisory Committee recommends an appropriation for section 1 in the amount of \$1,148,100, representing a reduction of \$89,400 in the estimate submitted by the Secretary-General. As indicated in paragraph 101 above, a further reduction of \$225,000 could be made under this section, not to mention a consequential saving of \$25,000 under section 5 (Travel of staff), if the General Assembly decided to approve a lower ceiling for the reimbursement of travel expenses of representatives.

<i>Reduction recommended:</i>	\$
Section 1. Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies	89,400
[Possible additional reduction	225,000]

SECTION 2. SPECIAL MEETINGS AND CONFERENCES

	\$
Estimate submitted by the Secretary-General	180,200
Estimate recommended by the Advisory Committee	180,200
1962 (actual expense)	2,238,034 ^a
1963 (appropriation)	3,645,200 ^b

^a Consists of \$6,879 for the United Nations Conference on Solar Energy, Wind Power and Geothermic Energy, \$42,879 for Commodity Conferences, \$1,040,232 for the Conference of the Eighteen-Nation Committee on Disarmament, \$42,079 for Meetings of the Sub-Committee of the Committee on the Peaceful Uses of Outer Space, \$1,073,313 for the United Nations Conference on the Application of Science and Technology for the Benefit of Less Developed Areas, \$15,074 for the Plenipotentiary Conference for the Adoption of a Single Convention on Narcotic Drugs, \$16,805 for the Conference on the Discontinuance of Nuclear Weapons Tests and \$773 for the United Nations Regional Cartographic Conference for Asia and the Far East.

^b Consists of \$1,317,500 for the United Nations Conference on Trade and Development, \$28,000 for the United Nations Regional Cartographic Conference for Africa, \$82,800 for the United Nations Conference on Solar Energy, Wind Power and Geothermic Energy, \$45,000 for Commodity Conferences, \$837,900 for the Conference of the Eighteen-Nation Committee on Disarmament, \$903,300 for the United Nations Conference on the Application of Science and Technology for the Benefit of Less Developed Areas, \$372,700 for the International Conference of Plenipotentiaries on Consular Relations, \$48,600 for the Conference on International Travel and Tourism, \$9,400 for the International Technical Conference on the International Map of the World on the Millionth Scale.

106. Under this section, estimates are submitted, on a project basis, in respect of conferences of an extraordinary character, thus isolating from the regular sections of the budget such expenses as are not comparable from year to year.

107. The Advisory Committee must call the attention of the General Assembly to the fact that by far the largest items of expenditure to be charged against this section are shown only *pro memoria* and it can be assumed that the final costs to be financed under section 2 of the 1964 budget, once all revised and supplementary estimates are in, will be many times the \$180,200 now requested by the Secretary-General. The experience of the last year for which accounts have been closed, i.e. 1962, is revealing in this respect. When the Secretary-General submitted his initial estimates for 1962, in the spring of 1961, he calculated the requirements under section 2 at a level of \$83,200. At its sixteenth session

in the fall of 1961, the General Assembly, on the basis of revised estimates, approved an appropriation of \$1,532,000. However, this eighteen-fold increase over the original amount was not the end: supplementary estimates were submitted to the General Assembly at its seventeenth session and, when the books for 1962 were closed, the actual expenditure under section 2 of the 1962 budget was found to have reached no less than \$2,238,034, or almost twenty-seven times the initial figure.

108. This is an unsatisfactory situation. Even when Governments of Member States are aware of this state of affairs, they can at best make a rough guess as to the eventual order of magnitude of the regular budget of the Organization and, consequently, of the contribution they will be called upon to pay.

109. The Advisory Committee realizes that, apart from such conferences as those on the Discontinuance of Nuclear Weapons Tests and the Disarmament Committee which are clearly unpredictable, this situation is a consequence of the timing of the decisions of the Economic and Social Council. In practice, the pattern of conferences and meetings for the following year is approved by ECOSOC in July at the earliest. Thus no cost estimates are available to Governments before September. This is part of a general problem on which the Advisory Committee has submitted observations in the first part of the present report (paras. 38 to 51).

110. As regards chapter I, the United Nations Conference on Trade and Development, shown *pro memoria*, the requirements would depend on the decisions to be taken by the Council at its thirty-sixth session²⁶ on the basis of the proposals submitted to it by the Preparatory Committee. Hence, no cost estimates will be submitted before September. Concerning chapter II, also shown *pro memoria*, the Advisory Committee would suggest that the Assembly might wish to consider whether the Third International Conference on the Peaceful Uses of Atomic Energy might not more properly be financed from the budget of an institution specialized in this field such as the International Atomic Energy Agency. As for chapter VI, Commodity Conferences, for which an estimate of \$45,000 is included on the basis more of experience than of a full knowledge of the actual requirements, the Advisory Committee reiterates its observation that advance planning is necessary in this field. It would appear that commodity conferences are convened on somewhat short

notice without, in some cases, any clear preconceived plan, thereby making it difficult for the Secretary-General to submit meaningful financial estimates in good time.

111. In view of the paucity of information available at this time and, in particular, of the fact that the unknown elements have potentially far greater financial implications than the known requirements, the Advisory Committee can obviously make no final comments on section 2 of the 1964 budget. Therefore, it would merely recommend interim approval of the Secretary-General's figures subject to reconsideration when revised estimates are submitted at the eighteenth session of the General Assembly. It would however urge the Economic and Social Council, before it takes any decisions on the convening of special conferences, to take into account the appeal of the Secretary-General relating to the programme of meetings for 1964 as well as the overriding need for austerity and restraint resulting from the critical financial situation of the United Nations.

112. In the light of the foregoing observations and subject to reconsideration on the basis of revised estimates, the Advisory Committee recommends an appropriation for section 2 in the amount of \$180,200 proposed by the Secretary-General.

Part II. Staff costs and related expenses

SECTION 3. SALARIES AND WAGES

	\$
Estimate submitted by the Secretary-General	45,343,000
Estimate recommended by the Advisory Committee	45,013,980
1962 (actual expense)	40,591,840
1963 (appropriation)	44,487,800

General

113. This section includes provision for all established posts, temporary assistance (including temporary posts and consultants) and overtime financed under the regular budget, with the exception of the Field Service (section 19), the Office of the High Commissioner for Refugees (section 20), and the Registry of the International Court of Justice (section 21).

114. The appropriations requested by the Secretary-General amount to \$45,343,000, an increase of some \$855,000 over the 1963 provision, and about \$4,750,000 over actual expenditure in 1962. Comparisons by chapter are given in table 4.

²⁶ Which convened on 2 July 1963 at Geneva.

Table 4

Chapter	1964 estimates \$	1963 appropriations \$	1962 expenses \$
I. Established posts	42,032,000	41,665,300	37,733,988
II. Temporary assistance for meetings.....	613,000	627,750	739,752
III. Other temporary assistance (including temporary posts)	2,068,000	1,572,750	1,454,011
IV. Overtime and night differential.....	630,000	622,000	664,089
TOTAL, section 3	<u>45,343,000</u>	<u>44,487,800</u>	<u>40,591,840</u>

115. In his foreword to the budget estimates,²⁷ the Secretary-General has summarized a number of overriding considerations which led him to decide that for 1964 the policy should be one of consolidation and containment. One of these considerations was the fact that it had not as yet been possible to utilize fully the rather significant increase in staff resources approved by the General Assembly for 1963. In the circumstances, the Secretary-General has proposed no increase in the number of established posts which, if approved, would remain at a total of 4,285 at all levels. Specifically, provision is made in 1964 for 1,986 professional posts for all offices and 2,299 general service posts at Headquarters and Geneva, as compared with 1,976 professional posts and 2,309 general service posts approved for 1963. The additional cost of continuing into 1964 the 4,285 posts is estimated at \$242,000. This includes, besides normal salary increments, the cost of an increase in salaries of general service and manual worker staff in Geneva effective 1 March 1963.

116. However, within this over-all permanent establishment, the Secretary-General has proposed the following adjustments:

(a) \$20,000 for the reclassification of certain specific senior posts;

(b) \$48,000 for the reclassification of a number of unspecified posts;

(c) \$57,000 for increases in local level staff at information centres, regional commissions and the Social Affairs Office at Beirut, and for the salaries of artisans, technicians and manual workers.

The additional costs resulting from the above adjustments amount to some \$125,000.

117. The increases under the heading "Established posts" consequently total approximately \$367,000.

118. While maintaining the permanent establishment at the same total number as for 1963, the Secretary-General nevertheless proposes the creation in 1964, of fifty-nine "temporary posts" which, together with increases in other forms of temporary assistance, would raise staff costs by a further \$488,000.

119. Thus, the total additional credits requested by the Secretary-General in section 3, amount to some \$855,000.

Chapter I. Established posts

	\$
Estimate submitted by the Secretary-General	42,032,000
Estimate recommended by the Advisory Committee	41,919,480
1962 (actual expense)	37,733,988
1963 (appropriation)	41,665,300

120. As has been stated in paragraph 115 above, one of the reasons given by the Secretary-General for his proposal that 1964 should be a year of consolidation and containment, was that it had not thus far been possible to utilize fully the significant staff increases approved by the General Assembly for 1963. Indeed, the Advisory Committee ascertained that, as of 30 June 1963, there were 172 vacancies in the professional and higher levels, 114 of which were in the economic and social area.

121. The Committee would recall that, when it considered the Secretary-General's request for a "controlled expansion" of the staff in 1963, it expressed the view²⁸ that there should be no expansion, controlled or otherwise, unless it were clear that it was beyond the capacity of existing staff to absorb the new workloads resulting from decisions of the various United Nations organs. The Committee was not certain that the absorptive capacity of the staff had been exhausted and that each new programme automatically called for additional staff. In the circumstances, the Committee recommended that a careful study of existing resources be made by the Administrative Management Service of the Office of the Controller.

122. The Advisory Committee regrets that this study could not be completed in time for its examination of the proposed staffing pattern for 1964 and that it was consequently deprived of one of its most important elements of appraisal. The Committee has indeed been given to understand that the final results of the study are unlikely to be available to it before its summer session in 1964 and that even this is subject to the necessary staff resources being made available to the Administrative Management Service. The Committee understands that the problem is not so much one of budgetary provision but rather one of finding qualified staff with sufficient knowledge of United Nations activities to be immediately productive in this highly technical assignment. The Committee considers that the task to be performed is of such importance that no effort should be spared in finding, and in accelerating the recruitment of, the required staff in order that it may be completed at the earliest possible date.

123. In the meantime, the vacancy situation as of 30 June 1963 would seem to indicate that some posts allotted to the economic and social area might be made available to other areas, the resources of which are below essential requirements.

Grading changes

124. Although the Secretary-General proposes no increase in the total number of established posts—4,285 for all levels—the estimates in this section provide for certain adjustments within the categories and individual grade levels which would result in:

(a) The reclassification of 19 specific posts (7 to D-2; 7 to D-1; 4 to P-5; 1 to P-4) to reflect increased responsibilities, at an additional cost in 1964 of \$20,000;

(b) The reclassification of a further 40 posts at various grades to provide promotion opportunities for staff whose duties and responsibilities have increased and to permit, in certain particular cases, appointments at levels other than the normal entrance levels, at an additional cost in 1964 of \$48,000.

125. The 40 reclassified posts referred to in (b) above, would, if they were all available for the promotion of existing staff, permit a total of 98 promotions. To the extent, however, that the reclassified posts were filled by outside recruitment, the number of promotion opportunities for existing staff would be decreased, the more so if such appointments were made at the higher levels.

²⁷ *Ibid.*, Eighteenth Session, Supplement No. 5 (A/5505), foreword, paras. 9-15.

²⁸ *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), paras. 36 *et seq.*

126. The Committee was informed that the proposed adjustments related to posts and did not involve the automatic promotion of the incumbent, if any. In all cases of promotion, whether it concerned the incumbent of a reclassified post or not, the Secretary-General would satisfy himself that the person in question fulfilled all the conditions laid down by him. The Committee notes that over the past five years, promotions within the professional category and above have averaged about 150 per year.

127. In so far as the reclassifications are justified for promotion purposes, and in comparison with the number of actual promotions awarded annually over the past five years, the Advisory Committee does not find the Secretary-General's proposals unreasonable. However, it believes that any reclassification of posts designed primarily for promotion purposes is open to serious question. In order for the Committee to give a considered opinion on any such proposed reclassifications in the future, it must be more adequately informed of the Organization's promotion policy, and of the extent to which reclassifications figure in that policy.

128. The Committee is aware of the fact that opportunities for promotion are an important element in the recruitment and retention of qualified staff. At the same time it is of the opinion that the grading structure of the Organization should be determined primarily, if not solely, by the requirements of its programme of work and that promotion opportunities must depend upon there being vacancies at levels carrying higher responsibilities.

129. In its examination of the Secretary-General's proposed establishment for 1964, the Committee took particular note of the increase in the number of posts at the higher levels and the corresponding reductions at the lower levels, a trend which has been apparent for several years. While a detailed review of this trend would have required much more data than was available at its current session, the Committee would nevertheless venture to suggest that the continued movement of posts towards the top levels would not be the appropriate solution to the problem of providing adequate promotion opportunities.

130. Because of the importance which the Advisory Committee attaches to this question of reclassification of posts at the higher levels, it hopes that the Secretary-General will examine the possibility of including in future annual budget estimates full justification for the proposed upgrading of all posts to level P-5 and above during the budget year.

131. The Committee realizes that it has touched upon a problem which affects all organizations in the United Nations family now that they have emerged from their initial period of growth and it would hope that an early study could be made of the whole problem of promotion and career prospects, possibly by the International Civil Service Advisory Board (ICSAB). The Advisory Committee would welcome such a report before it considers the 1965 budget estimates.

Conversion of General Service posts into Professional posts

132. The Advisory Committee also considered the Secretary-General's proposal for the "conversion" of

the ten posts in the principal level of the General Service category (G-5) into an equivalent number of posts in the junior Professional levels (P-1/P-2). The Committee was informed that the Secretary-General's proposal did not involve a change in personnel policy; the possibility of promotion from the General Service category to the Professional category had always existed although the number of staff members who were so promoted had been relatively small on account of the basic difference in the nature and level of the responsibilities of the two categories and the qualifications required. As a general rule, the junior Professional grades were reserved, in the main for young graduates, recruited on a wide geographical basis, and constituted the beginning of career service as was recommended by ICSAB in 1950²⁹ and the Salary Review Committee in 1956 (A/3209). In these circumstances, junior Professional posts available for promotions from the General Service category were very few and a number of most deserving cases had been held over for several years, although both the duties and responsibilities of the posts in question, and the performance of their incumbents were considered to be of Professional level. It was the Secretary-General's intention to use some of the ten converted posts to rectify this situation. The remainder would form a kind of reserve for possible future cases.

133. In essence, therefore, the Secretary-General's proposal amounts to adding ten posts to the junior Professional establishment in order to provide for the promotion of a limited number of staff, at present in the top level of the General Service category, whose duties, responsibilities and qualifications justify such promotion, without drawing upon the existing quota of junior Professional posts available for wide geographical recruitment.

134. The Advisory Committee would not wish to suggest that the promotion of General Service staff should be limited to grades within that category. On the other hand, it would seem that, in practice, the duties and responsibilities attaching to General Service posts and the qualifications necessary for their performance would not normally be such as to require the possession of a university degree and a potential for advancement to the intermediate or higher levels of the Professional category. It could agree that studies and training after appointment may add to the potential of a staff member, as would his experience in the Organization, but the Committee doubts whether the best interests of the Organization would be served by filling more than a very small number of junior Professional vacancies by such promotions.

135. In any case, the Committee's concurrence in such a policy would be subject to the duties and responsibilities of the posts, and the qualifications of the proposed incumbent, being of a truly Professional level.

136. The Committee wonders, however, if the problem facing the Secretary-General is not so much the absence of opportunities for promotion from the General Service to the Professional category but rather the absence of adequate provisions outside the latter category for classes of posts involving primarily "service" functions which call for administrative or technical qualifications and skills, and carry higher responsibilities

²⁹ COOR/Civil Service/2/Rev.1.

or higher salaries for comparable employment outside the Organization than those of secretarial or clerical staff, but which are not in any sense the first step in the promotion ladder to the higher Professional grades during a lifetime career.

137. The Committee would recall that, since the introduction of a General Service category by the United Nations family of organizations in 1950, the salary scale for this category of staff has been based primarily on local outside rates for comparable employment and that, as a consequence, the salary range and the number of grades in the scale have also been determined very largely by these rates.

138. Whereas all organizations were initially able to meet their requirements with about five grade levels, most of them have subsequently found that the total range of responsibilities and outside salaries for comparable responsibilities could not be accommodated within five levels. One solution to this problem, suggested in the report of the Committee of Experts on Salary, Allowance and Leave Systems to the General Assembly at its fourth session in 1949³⁰ was that a special service category be created for posts calling for certain recognized standards of professional or technical qualifications and experience higher than those normally required for secretarial or clerical posts, but whose responsibility was essentially one of performing a limited service function.

139. This solution was taken up by the Salary Review Committee in its report to the General Assembly at its eleventh session in 1956³¹ following a suggestion by the Secretary-General "that the General Service category should be changed from a predominantly clerical-secretarial category into one which would also accommodate such technical and 'service' functions as might not be appropriate for the revised structure of the Professional category; suitable higher-level scales would need to be added to the present General Service category to convert it to a 'Technical and General Service category'. This revision would also offer an advantage at the overseas offices, where jobs of the nature described were in practice necessarily filled on a more or less regional basis, owing to the need for local knowledge and skills. At present some of the technical jobs were so highly paid in outside employment in New York that the only comparable United Nations scale was in the 'P' category. Giving the job a Professional grading, however, made it necessary, under the present system, to give the same grading to similar posts everywhere; this might lead to overpayment in the light of local or regional conditions. The Secretary-General suggested that there should be flexibility in deciding, at any particular office, which posts should go into the Professional category or the Technical and General Service category, depending on the circumstances of recruitment, transferability, etc. The Technical and General Service category would also ease the problem of providing a promotion avenue for General Service staff, whose access to the Professional category is necessarily affected by the principle of 'geographical distribution'".³²

³⁰ *Official Records of the General Assembly, Fourth Session, Fifth Committee, Annex, Volume II, para. 23 (c).*

³¹ *Ibid., Eleventh Session, Annexes, Volume II, agenda item 51, document A/3209.*

³² *Ibid., annex A, para. 9.*

140. The Salary Review Committee noted that "in several organizations an unduly high proportion of staff in grade P-1 were not junior Professional staff with the potentiality of rising to the highest grades. Many were promoted General Service staff, and while qualified General Service staff should be able to attain the Professional category, it is improbable that all of the many who have so far arrived there really have the potential for continuous advancement."³³ The Salary Review Committee finally recommended that where this situation existed, it be rectified by the addition of such grades as were necessary above the top level of the General Service category, while recognizing that, at some future date, it might be necessary to establish a new category in order to provide for certain highly-paid technical skills.

141. The principles enunciated by the Committee of Experts in 1949 and the Salary Review Committee in 1956 were accepted by the executive heads of the United Nations family of Organizations, and have been implemented to the extent that local conditions required changes in salary and grading structures.

142. The Committee notes that, to date, the Secretary-General has not found it necessary to add to the existing five General Service levels at Headquarters. In view, however, of his proposal to transfer a number of posts from the General Service category to the Professional category in 1964, the Committee believes that the time may have come when he should review the adequacy of the existing grade structure in the light of present needs.

143. The Committee wishes to endorse the view expressed by ICSAB in 1950 that the junior levels of the Professional category should, in the main, be reserved for young graduates with a growth potential, recruited on a wide geographical basis. It would be unable to agree that certain classes of posts such as those requiring highly specialized technical skills should be placed in the Professional category solely because outside salaries for such skills are equivalent to those of the Professional category. At the same time, the Committee would hesitate to recommend that the General Service category be extended upwards in order to accommodate such posts unless it were clearly understood that the new ceiling thus created would not give rise to expectations that all General Service staff, irrespective of the level of their duties and responsibilities and comparable outside salaries for such duties and responsibilities, could proceed, in the course of their career, to the top grade. One way of avoiding any such misunderstanding would be to create a separate category for posts requiring highly specialized technical skills as was suggested by the 1949 Committee of Experts.

144. The Advisory Committee, without wishing to make any specific proposals at this time, believes that there is a *prima facie* case for a study by the Secretary-General of the existing situation taking into account the foregoing observations.

Adjustment for turnover

145. With regard to the adjustment for turnover of staff, the Committee noted that the 3 per cent deduction formerly applied against the computed costs of

³³ *Ibid., Eleventh Session, Annexes, Volume II, agenda item 51, document A/3209, para. 50.*

posts at all levels had been abandoned in favour of a 5 per cent deduction against the cost of posts in the Professional category and above only. It was explained that there was virtually no delay in filling posts in the General Service category; on 31 May 1963, for example, there were only 10 vacancies. In the Professional and higher levels there were, however, 173 vacant posts in June and, whereas recruitment was to be accelerated, it was felt that quite a number would still be unfilled at the end of the year. These delays, together with those which would inevitably occur in replacing other staff who left the Organization, would justify a turnover deduction of at least 5 per cent in the 1964 estimates. The Committee noted that the Secretary-General's figure of 5 per cent was provisional and might need to be adjusted in due course.

146. Taking into account past experience and the number of vacancies in June 1963, the Advisory Committee recommends that the deduction for turnover should amount to \$1,500,000. This would correspond to 5.4 per cent of the costs of posts in the Professional category and above.

Chapter II. Temporary assistance for meetings

	\$
Estimate submitted by the Secretary-General	613,000
Estimate recommended by the Advisory Committee	594,500
1962 (actual expense)	739,752
1963 (appropriation)	627,750

147. Since 1963, provision has been made under this chapter for the incidental costs of travel of non-local temporary assistance staff previously provided for separately under section 4 (Common staff costs). The 1962 figure has been adjusted correspondingly.

148. In the first part of this report (paras. 56-74), the Advisory Committee has presented detailed comments on the difficult situation which will exist in 1964, as regards conferences and meetings and, as stated in paragraph 99 above, it has assumed that the Economic and Social Council would accept the Secretary-General's recommendations for a curtailment of the programme of meetings next year. Such a decision would *inter alia* entail the elimination of the session which one functional commission of the Council was to hold at Geneva in 1964 and for which a provision of \$18,500 is included under item (ii) of this chapter.

149. Accordingly, the Advisory Committee recommends an appropriation of \$594,500 for this chapter, or a reduction of \$18,500 in the estimate submitted by the Secretary-General.

Chapter III. Other temporary assistance

	\$
Estimate submitted by the Secretary-General	2,068,000
Estimate recommended by the Advisory Committee	1,900,000
1962 (actual expense)	1,454,011
1963 (appropriation)	1,572,750

150. While maintaining the 1964 establishment at its 1963 level, the Secretary-General has requested an increase in the appropriation for temporary assistance, other than for meetings, in the amount of \$495,250 of

which \$415,000 are for "temporary posts". This accounts for more than one-half of the overall increase proposed in section 3 of the 1964 estimates.

151. With regard to the distinction between "established posts" and "temporary posts" the Committee wishes to recall that, in its report to the General Assembly in 1962, it recommended "most strongly that distinctions continue to be made, in connexion with every new programme proposal, between those new needs which can be met by re-organization or re-deployment of staff and those which clearly cannot and, again, between those staff requirements which are clearly continuing and those which may be for fixed or uncertain periods only. To the extent that net increases in staff are called for, only the clearly continuing requirements should be provided for as established posts. Valid requirements in respect of which the level and functions of post have yet to be clearly formulated, or the duration of which is uncertain, are best met under the category of temporary assistance expenditure".³⁴

152. The Committee notes the Secretary-General's assurance that such posts will "be deemed to extend for the period of the budget year only and each will need to be re-assessed for the following year with a view to deciding whether it should (i) be transferred to the established posts account, when the function has been confirmed as a continuing one, (ii) be continued as a temporary post, or (iii) be deleted where the function or workload has concluded . . .".³⁵

153. While agreeing with the Secretary-General's definition of "temporary posts", the Committee would have difficulty in accepting that as many as 59 such posts³⁶ should be added to the 4,285 established posts approved for 1963, a substantial number of which are as yet unfilled. As long as there are numerous vacancies, the Committee believes that it is not possible to ascertain to what extent the total workload can be absorbed by the regular establishment and to what extent additional temporary assistance may be required. However, seeing that recruitment for the vacant established posts is to be accelerated and that the proposed temporary posts are, in part at least, for areas in which there are no vacancies or for quite specific tasks beyond those provided for in the regular establishment, the Committee recognizes that, if these tasks are to be performed in 1964, some of the temporary posts will

³⁴ *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), para. 123.

³⁵ *Ibid.*, Eighteenth Session, Supplement No. 5 (A/5505), page 18.

³⁶ The 59 temporary posts would include the following:

	Professional	General Service
Office of Legal Affairs—Juridical Year-book	1	—
Office of the Controller—Electronic accounting system	6	—
Language services at Geneva	2	8
General administrative, financial and personnel areas	7	20
Substantive areas (Dept. of Political and Security Council Affairs, Social Affairs Office at Beirut and Division of Human Rights)	7	2
	29	30

be necessary. At the same time, it recommends that the Secretary-General limit their use to the most urgent needs and to areas other than those in which there are vacant established posts or in which additional established posts were authorized for 1963. In this way, the Committee believes that all the 59 proposed new temporary posts would not be required and savings could be achieved in the estimates for such posts.

154. Whereas the foregoing observations are directed more particularly to the proposed 59 temporary posts, they are relevant to all forms of temporary assistance in the light of the Secretary-General's declared policy of consolidation and containment in 1964. In particular, the Committee is not convinced of the need for the substantial increases proposed under items (ii), Other general temporary assistance, and (iii), Individual experts and consultants.

155. In the circumstances, the Advisory Committee recommends that the total figure of \$2,068,000 for temporary assistance be reduced by \$168,000 to \$1,900,000.

Chapter IV. Overtime and night differential

	\$
Estimate submitted by the Secretary-General	630,000
Estimate recommended by the Advisory Committee	600,000
1962 (actual expense)	644,089
1963 (appropriation)	622,000

156. The estimate of \$630,000 for 1964, is approximately at the same level as the 1963 appropriation and actual expenditure in 1962. Of this amount some 12 per cent is for night differential and 88 per cent for overtime.

157. Night differential is payable under the Staff Rules to staff members who are assigned to a regular night-time tour of duty and amounts to 10 per cent of pay.

158. Overtime is compensation for work performed in excess of the scheduled work week. The Staff Rules provide that staff members, other than those in the professional and higher categories, who are required to work overtime, shall, in the first instance, be given compensatory time off, or, if this is not feasible, a supplementary payment at the rate of one and one-half times their normal pay. Overtime may not, except in very unusual circumstances, exceed 40 hours in any month.

159. The Committee recognizes that there are periods in the course of the year, such as during the session of the General Assembly, when the day to day work cannot be completed within the regular office hours. It nevertheless feels that overtime should, in the interests of the health of the staff and the efficiency of the service, be kept to a strict minimum. The Committee believes that substantive departments have a special responsibility in this matter, to the extent that more effective forward planning and a more rational scheduling of work would result in greater respect for deadlines. This, together with strict controls on the use of overtime and on the method of compensation would make it possible to reduce the credits requested for cash payments.

160. The Committee accordingly recommends an appropriation of \$600,000 under chapter IV, representing a reduction of \$30,000 in the estimate submitted by the Secretary-General.

Section 3 as a whole

161. In the preceding paragraphs, the Advisory Committee has recommended reductions in the individual chapters of section 3 totalling \$329,020.

162. It consequently recommends for section 3 as a whole an appropriation of \$45,013,980.

<i>Recapitulation of reductions recommended:</i>		\$
Chapter I. Established posts:		
Additional deduction for turnover	112,520
Chapter II. Temporary assistance for meetings	18,500
Chapter III. Other temporary assistance	168,000
Chapter IV. Overtime and night differential	30,000
		<u>329,020</u>

SECTION 4. COMMON STAFF COSTS

	\$
Estimate submitted by the Secretary-General	10,424,000
Estimate recommended by the Advisory Committee	10,325,000
1962 (actual expense)	9,470,012
1963 (appropriation)	10,195,500

163. The estimates under section 4 cover staff allowances, social security and pension fund payments, recruitment, transfer and separation costs, and other common staff costs of: (a) all units of the Secretariat provided for under section 3; (b) the internationally-recruited and replacement staff in the missions under section 18; and (c) the guides of the Visitors' Service and the temporary assistance for which provision is made under the various income sections of the budget. The section accordingly excludes common staff costs of the Field Service (section 19), the Office of the United Nations High Commissioner for Refugees (section 20) and the International Court of Justice (section 21).

164. Table 5 gives a breakdown of the figures under the six chapters for the years 1962, 1963 and 1964, together with the increases or decreases in absolute terms and in percentages between 1963 and 1964 and between 1962 and 1964.

165. Almost three quarters of the provision requested under this section cover items of expenditure such as dependency allowances, education grants and related travel under chapter I, and social security payments, mainly contributions to the Pension Fund, under chapter II, which represent staff entitlements or other payments in accordance with decisions or directives of the General Assembly. Actual expenditure on these items depends on the number of cases in which the entitlements arise, and the estimates are necessarily based on experience, adjusted to reflect any known factors which may affect the requirements.

166. The estimates for recruitment, transfer and separation costs under chapters III, IV and V are similarly based to a large extent on experience, but for these costs the calculations require a forecast as to the likely number of cases which may arise.

Table 5

COMMON STAFF COSTS: ANALYSIS BY CHAPTER AND BY YEAR FOR 1962, 1963 AND 1964

Chapter	1964	1963	1962	Increase or (decrease) between 1963 and 1964		Increase between 1962 and 1964	
	estimate \$	appropriation \$	expenditure \$	\$	%	\$	%
I. Staff allowances	2,490,000	2,408,700	2,254,572	81,300	3.4	235,428	10.4
II. Social security payments	4,994,000	4,983,300	4,575,674	10,700	0.2	418,326	9.1
III. Travel on appointment, transfer and separation	970,000	922,500	954,033	47,500	5.1	15,967	1.7
IV. Removal expenses on appointment, transfer and separation	621,000	632,250	506,109	(11,250)	(1.8)	114,891	22.7
V. Separation payments	950,000	912,500	875,571	37,500	4.1	74,429	8.5
VI. Staff training programmes	399,000	336,250	304,053	62,750	18.7	94,947	31.2
TOTAL, Section 4	10,424,000	10,195,500	9,470,012	228,500	2.2	953,988	10.1

167. While recognizing that chapters I to V can be said to cover statutory requirements, the Advisory Committee would, on the strength of past years' experience, expect actual costs to be less than is currently estimated because some of the anticipated expenditures will not materialize. For instance, the Committee learned that the special arrangement for the payment of the installation allowance at Geneva was to be discontinued as of 1 July 1963 and that this would result in a saving of some \$18,000 in 1964 under item (ii), Installation allowance, of chapter III.

168. Furthermore, the reductions recommended by the Advisory Committee under various chapters of section 3, Salaries and wages, would automatically be reflected to some extent, in requirements for various common staff costs linked to the amount of remuneration paid by the Organization, *inter alia* staff allowances, social security payments including contributions to the Joint Staff Pension Fund.

169. In any case, the Advisory Committee would expect the Secretary-General to apply the strictest controls in respect of all statutory provisions leading to expenditure under section 4 of the budget.

170. As regards chapter VI, Staff training programmes, the Advisory Committee would recall that, in its first report to the General Assembly at its eighteenth session, it drew attention to the recommendation of the Board of Auditors to the effect that a training programme in accounting and financial administration should be established in order to provide the Organization with an increased number of capable finance officers (A/5434, paras. 7 and 8). The Committee notes that there are currently 4 trainees in this field in the framework of the Junior professional trainees programme provided for under item (ii) of chapter VI. In view of the lack of such personnel in the Organization, the Committee hopes that emphasis will be given to the training of finance officers within the funds authorized for the programme.

171. In its reports on the 1962 and the 1963 budget estimates,³⁷ the Advisory Committee, noting that the funds in question included provisions for travel costs and allowances as well as salaries, suggested that consideration might be given to arrangements under which

the Governments involved could provide for the travel of their respective nationals appointed under the Junior professional trainees programme. It would seem that no tangible result has been achieved in this direction during the past two years and the Committee must accordingly reiterate its suggestion, while pointing out that such financial participation by interested Governments would enable the Secretariat to recruit and train a larger number of candidates within the limits of the appropriation approved by the General Assembly.

172. In connexion with the Russian language training programme for which a provision of \$100,000 is requested under item (iii) of chapter VI, the Advisory Committee notes that, as indicated in the budget text, it is estimated that 8,500 pages of translation of United Nations documents are produced by the trainees during their 10-month course. The Committee is informed that, if the translation—which would have to be done in any case—were done outside of Moscow, the cost to the Organization would exceed \$100,000.

173. In view of the Secretary-General's declared policy of consolidation and containment as well as the overriding requirements of austerity, the Committee would express some doubts about the proposed increase of \$62,750 or 18.7 per cent, under chapter VI, comprising \$15,250 for item (i), Staff language training, and \$47,500 for item (ii), Junior professional trainees. While it would not question the value of such projects, the Advisory Committee would nevertheless be inclined to suggest that, in the present circumstances, the related expenditures should be kept at the 1963 level.

174. On the basis of the foregoing observations and suggestions, the Advisory Committee recommends an appropriation of \$10,325,000 under section 4, or a reduction of \$99,000 in the estimate submitted by the Secretary-General.

Reduction recommended:

Section 4. Common staff costs..... \$99,000

SECTION 5. TRAVEL OF STAFF

	\$
Estimate submitted by the Secretary-General	2,070,000
Estimate recommended by the Advisory Committee	1,975,000
1962 (actual expense)	2,103,178
1963 (appropriation)	2,024,200

³⁷ *Ibid.*, Sixteenth Session, Supplement No. 7 (A/4184), para. 174; *ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), para. 173.

175. The total estimate of \$2,070,000 under this section is intended to cover the following three categories of expenditure: travel of staff to meetings (chapter I), travel of staff and dependants on other official business (chapter II) and travel of staff on

home leave (chapter III). Table 6 gives a breakdown of the figures under the three chapters for the years 1962, 1963 and 1964, together with the variations in absolute terms and in percentages between 1963 and 1964 and between 1962 and 1964:

Table 6

TRAVEL OF STAFF: ANALYSIS BY CHAPTER AND BY YEAR FOR 1962, 1963 AND 1964

		1964	1963	1962	Increase or (decrease) between 1963 and 1964		Increase or (decrease) between 1962 and 1964	
		estimate \$	provision \$	expenditure \$	\$	%	\$	%
Chapter I.	Travel of staff to meetings.	279,700	334,400	268,829	(54,700)	(16.36)	10,871	4.04
Chapter II.	Travel of staff on other official business	607,500	611,600	582,700	(4,100)	(0.67)	24,800	4.26
Chapter III.	Travel of staff on home leave	1,182,800	1,078,200	1,251,649	104,600	9.70	(68,849)	(5.50)
TOTAL, Section 5		2,070,000	2,024,200	2,103,178	45,800	2.26	(33,178)	(1.58)

176. It may be recalled that in its seventh report to the General Assembly at its seventeenth session, the Advisory Committee recommended the adoption by the United Nations, as of 1 January 1963, of the revised standards of accommodation for travel of staff³⁸ which had been instituted by the WHO since 1 May 1962.³⁹ On the basis of this proposal, consequential reductions were recommended under sections 2, 4, 5, 18, and 19 of the budget estimates for 1963 in a total amount of \$443,000.⁴⁰

177. In the course of the discussion of section 5 of the 1963 budget in the Fifth Committee, there was a consensus of opinion that the WHO travel standards were in line with the general trend in world travel and that their adoption would greatly benefit the Organization; it was hoped that all the Members of the United Nations family would eventually adopt similar arrangements. It was finally agreed that the Secretary-General, pursuant to the authority vested in him under the Staff Regulations and within the approved appropriation, should exercise his discretion concerning travel standards to be applied, taking into account the views expressed in the Fifth Committee as well as other relevant opinions, and should report on this matter at the eighteenth session. Accordingly, the Secretary-General promulgated revised travel standards with effect from 5 January 1963, in an administrative instruction,⁴¹ setting forth the revised arrangements in detail.

178. The main points of difference between the new United Nations system and that of WHO are the following:

(a) While under both systems air transportation by the most direct and economical route is the normal mode for all official travel, the Secretary-General has decided to maintain in the case of the United Nations a provision whereby an alternative mode may be authorized without additional costs being payable by the traveller (i) for travel on initial appointment,

change of official duty station, separation from service, or home leave and (ii) when, in the opinion of the Secretary-General, such alternative is in the best interest of the United Nations. On the other hand, the maximum travel time allowed in such cases would be reduced from the previously established maximum of twenty days to the actual time which would be required for travelling by the most direct route by air, including authorized stopovers. Additional time required for travel would be charged as annual leave. Furthermore, payment of transit allowance during travel by sea on home leave has been discontinued;

(b) Whereas the WHO provision prescribes tourist/economy class for all types of travel for staff at level P-5 (D-1) and below, the United Nations' arrangements provide for tourist/economy class for all types of travel of staff at level D-2 and below, with the exception that travel on official business of staff at levels D-2 and D-1 is authorized in first class.

179. The Advisory Committee wishes to place on record its approval of the measures so far adopted by the Secretary-General in implementing the decision of the Assembly concerning a revision of the travel standards of the staff. It believes that this will result not only in budgetary savings but also in administrative simplification.

180. As indicated in paragraphs 103 and 105 above, an additional saving of \$25,000 should result under section 5 as a whole from a decision of the General Assembly to adopt revised standards of travel accommodation as a ceiling for the reimbursement of those travel expenses of representatives for which the Organization is liable under the terms of General Assembly resolution 1798 (XVII), the reason being that economy class standards would apply to all staff.

181. *Chapter I. Travel of staff to meetings.* The net decrease of \$54,700 under this chapter results in the main from: (i) the fact that, because of its biennial cycle, the Economic Commission for Latin America will not hold a session in 1964, at a saving of \$54,000 as compared with 1963; (ii) the fact that the Economic Commission for Africa will meet in Algiers at a cost of \$49,700 for travel of staff whereas an expenditure of \$80,000 was incurred in 1963 for the session

³⁸ *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), para. 64.

³⁹ *Ibid.*, para. 58.

⁴⁰ *Ibid.*, para. 62.

⁴¹ ST/AI/150 and Add.1.

which the Commission held at Leopoldville; (iii) the requirements for committees and subsidiary bodies of ECA are expected to be \$14,200 lower in 1964. Part of these reductions are offset by various increases, the largest one being for the Economic Commission for Asia and the Far East whose twentieth session at Teheran will involve an expenditure of \$45,400 under this chapter or \$23,400 more than its nineteenth session held in Manila.

182. Over the years, the Advisory Committee has repeatedly called attention to the high level of expenditure for travel and subsistence of staff required for the servicing of meetings held not only away from Headquarters but even away from established duty stations where the Organization could have provided at least part of the necessary services without the need for appropriations under section 5. The Committee must regretfully conclude that its appeals for a curtailment of the number of meetings, especially those held away from the Headquarters of the body concerned, have not been heeded, in particular by some of the regional economic commissions.

183. As a matter of principle, the Committee assumes that the Economic and Social Council will accept the Secretary-General's recommendation regarding the programme of meetings for 1964; this involves the cancellation or postponement of the sessions of five functional commissions in 1964 with resultant savings under various sections of the budget as indicated in paragraph 99 above. In the particular instance of chapter I of section 5, the reduction would be of the order of \$4,000.

184. *Chapter II. Travel of staff on other official business.* The estimate for 1964, \$607,500, shows a negligible decrease of \$4,100 or 0.67 per cent as compared with 1963; this may be considered as a stabilization of expenditure under that chapter. However, a comparison with the actual expenditure for 1962 reveals an increase of \$24,800, or 4.26 per cent which, because of the lowering of travel standards applied as of January 1963, is appreciably greater in real terms than these bare statistical figures would imply.

185. The largest part of the expenditure anticipated under chapter II concerns the economic and social field, both at Headquarters and in the regional commissions. The Committee appreciates that the growing activities of the Organization within the framework of a policy of decentralization, as well as the trend towards joint programmes with specialized agencies, inter-governmental bodies and departments of national governments might call for more direct consultations, especially where strict deadlines have to be respected. However, there comes a point where almost continuous travel, especially on the part of senior officials, can but have an adverse effect on the performance of the Secretariat.

186. The Advisory Committee would also call attention to a fundamental difference in nature between the expenditures charged against chapter I of section 5 and those included under chapter II. While the former are incurred to provide services required for meetings expressly decided by United Nations organs, i.e. in the last analysis by Member Governments, the latter are intended to cover the costs of travel exclusively decided by the Secretariat. In other words, it appears that, in the first instance, the latitude left to the Secretary-General is limited to making the most eco-

nomical arrangements compatible with the proper servicing of meetings convened by political bodies, whereas in the second case the Secretariat has the initiative and therefore retains full control over the so-called "travel on other official business". Consequently, this is an area where administrative efficiency as well as budgetary stringency make it mandatory to apply the strictest rules of economy. The Committee would therefore urge that the special review and control procedure applied to this category of expenditure be considerably tightened.

187. In its report on the 1963 budget estimates, the Advisory Committee indicated that it saw little justification for a biennial meeting of directors of information centres at Headquarters.⁴² It notes this year that the practice has been discontinued but that two regional meetings of centre directors are planned for 1964: one in Santiago for Latin America and one at Geneva for Europe and the Middle East. The Advisory Committee has ascertained that close contact is already maintained between information centres and Headquarters by means of various exchanges and, in particular, numerous visits by the Under-Secretary for Public Information and his senior assistants; it therefore sees no more justification this year for regional meetings of centre directors than it did last year for Headquarters meetings.

188. While the Committee has referred to a few specific instances, it is clear that the same degree of restraint has to prevail as regards all travel on official business, whatever the department or office.

189. *Chapter III. Travel of staff and dependants on home leave.* The 1964 estimate, in the amount of \$1,182,800, is \$104,600 or 9.70 per cent higher than the 1963 appropriation. This is explained by the fact that there are relatively more entitlements to home leave during even-numbered years (2,453 in 1964 as against 2,056 in 1963). Strictly costed on the basis of the 2,453 entitlements anticipated for 1964, the requirements under chapter III of section 5 would amount approximately to \$1,532,000 on the basis of presently authorized modes and standards of travel accommodation and fares in force at the time the estimates were prepared. However, to take account of possible deferments and turnover of staff, the Secretary-General has reduced this figure by \$249,200 to \$1,182,800.

190. Whereas the Advisory Committee realizes that the Secretary-General cannot require an eligible staff member to defer or forgo a home leave entitlement, it nevertheless believes that economies due to deferment and turnover will in practice lead to a somewhat larger reduction than that already applied by the Secretary-General.

191. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$1,975,000 under section 5, or a reduction of \$95,000 in the estimate proposed by the Secretary-General.

192. In making this recommendation, the Advisory Committee realizes that it may be difficult to effect appreciable savings under chapter III and therefore the major portion of the reduction should fall on chapter II and the balance on chapter I.

Reduction recommended:

Section 5. Travel of staff.....	\$95,000
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⁴² Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207), para. 186.

SECTION 6. PAYMENTS UNDER ANNEX I, PARAGRAPHS 2 AND 3, OF THE STAFF REGULATIONS; HOSPITALITY

	\$
Estimate submitted by the Secretary-General	105,000
Estimate recommended by the Advisory Committee	105,000
1962 (actual expense)	106,093
1963 (appropriation)	100,000

193. The estimate of \$105,000 submitted by the Secretary-General under this section is \$5,000 higher than the appropriation approved for 1963 and about \$1,100 lower than the actual expenditure incurred in 1962. It is intended to cover the following:

	\$
I. Payments to Under-Secretaries and Directors under annex I, paragraphs 2 and 3, of the Staff Regulations	70,000
II. Payments to other members of the Secretariat for official hospitality	25,000
III. Hospitality expenditures for the General Assembly and for functions honouring Chiefs of State and visiting dignitaries	10,000

194. The \$5,000 increase in section 6 is wholly attributable to the fact that, whereas a *pro memoria* provision had been approved for the past few years under chapter III (ii), Hospitality expenditures for functions honouring Chiefs of State and visiting dignitaries, an amount of \$5,000, calculated on the basis of the actual expenditure of 1960, 1961 and 1962, has been included in the 1964 estimates. The Committee notes that, despite the obvious uncertainties as to the level of requirements for this purpose, the number of such receptions has been steadily increasing during

recent years and that this trend is likely to continue. In the circumstances, the Secretary-General believes that it would be more appropriate for the Organization to bear the entire costs of relatively large and formal functions of a strictly protocol character, typically involving receptions or dinners in honour of visiting Chiefs of State or visiting dignitaries, with the costs of other similar, though normally smaller, protocol functions continuing to be shared equally between the Organization and the Secretary-General.

195. The Advisory Committee recommends an appropriation under section 6 in the amount of \$105,000 as proposed by the Secretary-General.

Part III. Buildings, equipment and common services

SECTION 7. BUILDINGS AND IMPROVEMENTS TO PREMISES

	\$
Estimate submitted by the Secretary-General	6,034,500
Estimate recommended by the Advisory Committee	6,034,500
1962 (actual expense)	4,386,948
1963 (appropriation)	4,272,000

196. In the case of the items provided for under four of the five chapters of section 7 (i.e. chapters I, II, IV [in part], and V), the General Assembly has determined the maximum cost to be incurred and the method of financing. Where provision has been made for payment by annual instalment, the present position may be summarized as follows:

Chapter		1964 instalment \$	Amount outstanding at the end of 1964 \$
I.	Amortization of the Headquarters construction loan	2,500,000	37,500,000
	[To be liquidated in accordance with the following scale of annual instalments:		
	1965-1975	2,500,000	
	1976-1981	1,500,000	
	1982	1,000,000]	
II.	Transfer of the assets of the League of Nations to the United Nations	649,500	649,466
	[To be liquidated in one instalment of \$649,466 in 1965]		
IV. (ii) (a) (1)	Modernization of the Palais des Nations	311,000	622,000
	[To be liquidated in annual instalments of \$311,000 in 1965 and 1966]		
(ii) (a) (2)	Replacement of the telephone system at the Palais des Nations	33,000	462,000
	[To be liquidated in accordance with the following scale of annual instalments:		
	1965	386,600	
	1966-1974	7,800	
	1975	5,200]	
V.	Reimbursement to the World Health Organization for its investment in the Palais des Nations (General Assembly resolution 1589 (XV) of 20 December 1960)	340,000	—
	[Final instalment]		

197. No provision is made under chapter III for the Santiago building pending further consideration of the matter by the General Assembly at its eighteenth session on the basis of a report by the Secretary-General and of the results of the Gift Programme which should be known by that time. The Advisory Committee would recall that, at the seventeenth session, the Fifth Committee decided to accept its recommendation to the effect that, in view of the total situation, it might be desirable to proceed with construction on the basis of the original plans, subject to appropriate precautions (A/5369, para. 5). This decision was endorsed by the General Assembly on 19 December 1962.

198. It appears that steps were immediately taken to have construction facilities and equipment installed on the site and that the actual construction of the building began on 18 January 1963. It is now estimated that the frame construction work will be completed by the end of December 1963 and that the building will be ready for occupancy during the first half of 1965.

199. The Advisory Committee also enquired into the progress of the Gift Programme and it was informed that, on 18 January 1963, following the decision of the General Assembly, the Secretary-General wrote to the Gift Committee pointing out the gravity of the financial situation and expressing the hope that the Committee would be successful in its efforts to cover the deficit in the building project through the Gift Programme. In response to the Secretary-General's letter, the Gift Committee again communicated with all the States members of ECLA, urging the utmost co-operation. In this second appeal, the Gift Committee suggested that member Governments might think seriously of the possibility of contributions in cash in view of the budgetary situation and the fact that not all gifts of a functional nature would serve in the full measure of their value to reduce the deficit. Considering the importance attached by the Secretary-General to the Gift Programme and the short period of time available to accomplish the aims of this Programme, it was decided that a member of the Gift Committee accompanied by a member of the secretariat of ECLA should visit a number of capitals in Latin America in order to exchange views with member Governments and stimulate as much interest as possible in the Programme.

200. The first results of these conversations were presented to the tenth session of ECLA⁴³ in a report by the *Ad Hoc* Committee on the Gift Programme for the United Nations Building at Santiago, which stated *inter alia* that "it would be premature as yet to attempt to specify the nature and amount of the donations that may possibly be obtained" (E/CN.12/676, para. 13). In the course of the discussions at the tenth session of ECLA, it was stated that the deficit was still considerable despite the further adjustments which had been made with a view to achieving maximum savings, nevertheless, construction should proceed in accordance with the plans approved in the confident hope that the appeal made to member Governments would receive a wide and generous response. In addition to the offers mentioned in the report of the *Ad Hoc* Committee on the Gift Programme, various

delegations announced donations or increased donations by their Governments (E/3766/Rev. 2, paras. 496 and 497).

201. An estimate of \$2,545,000 is submitted under chapter IV, Alteration, improvement and major maintenance of premises and facilities at Headquarters, New York, and at Geneva, covering the following items:

	\$	\$
(i) <i>Headquarters, New York:</i>		
(a) Alteration and improvement of premises and facilities.....	2,081,000	
(b) Major maintenance	20,000	
		2,101,000
(ii) <i>Geneva:</i>		
(a) Alteration and improvement of premises and facilities (see table in para. 196 above).....	344,000	
(b) Major maintenance	100,000	
		444,000
		2,545,000

202. As regards item (i) (a), Alteration and improvement of premises at Headquarters (\$2,081,000), it may be recalled that, on the basis of the recommendation of the Advisory Committee,⁴⁴ approved by the Fifth Committee⁴⁵ and endorsed by the General Assembly on 11 December 1962, work will commence in 1964 on a large-scale programme for the alteration and improvement of meeting-room and related facilities. This programme includes the expansion of the Plenary Hall with the installation of microphones, the expansion of the four main conference rooms, the conversion of a council chamber, the completion of the architectural survey and the implementation of stage I of the work in the basement area (including visual facilities).

203. At the time, the probable cost of these projects was estimated at \$2,081,000, and this amount is provisionally included under this chapter for 1964. A revised estimate, based on further technical study, the drawing of the plans and the construction bids received, will be submitted to the General Assembly at its eighteenth session. The Advisory Committee hopes that every effort will be made in the preparation of the plans and specifications, as well as in the bidding procedure, to keep the expenditure within the figure approved by the General Assembly at its seventeenth session. In the absence of any new information, the Advisory Committee can offer no further comment and can but take note of the figure approved last year, subject to reconsideration when the revised estimate is submitted at the eighteenth session.

204. Item (i) (b), Major maintenance at Headquarters, provides for continuation of the programme of replacement of worn carpeting in the conference area in the amount of \$12,000 and also for the installation of safety features to the escalators at a cost of \$8,000.

205. As indicated in the table in paragraph 196 above, item (ii) (a), Alteration and improvement of premises and facilities at Geneva (\$344,000) includes the eighth

⁴³ Held at Mar del Plata (Argentina) in May 1963.

⁴⁴ Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 62, document A/5267.

⁴⁵ *Ibid.*, document A/5334.

instalment (\$311,000) for the modernization of the Palais des Nations and the first instalment (\$33,000) for the replacement of the telephone system at the Palais.

206. Under item (ii) (b), Major maintenance at Geneva, the Secretary-General requests a provision of \$100,000 for the continuation in 1964 of the programme of regular maintenance covering a number of urgent projects such as elevators, roofing, flooring and roadways.

207. The Committee was first informed of this programme when in Geneva last year and was told that the need for this rather extensive plan of repair and modernization was due in a considerable measure to the fact that maintenance work had of necessity to be deferred during the past few years. It understood that the new programme could be completed in the foreseeable future.

208. This year, the Committee was informed that "if the more urgent projects . . . are to be implemented in a timely, economical and effective manner an annual provision of the order of even \$100,000 in the years immediately ahead will fall considerably short of actual requirements".⁴⁶ It would appear that the total cost of this maintenance programme might be of the order of \$31.5 million.

209. While the Committee would not question the justification for such work, it feels bound to express concern at the piecemeal approach followed in respect of major maintenance and expansion projects at Geneva resulting in the submission each year of expenditure estimates apparently without any comprehensive plan.

210. It may be recalled that, a few years ago, a modernization programme of the Palais des Nations was carried out at a cost of \$2,081,000,⁴⁷ financed by means of a Swiss Government loan. This was represented as being sufficient to meet anticipated requirements over a reasonably long period. However, at its seventeenth session, last year, the General Assembly had to approve in addition a plan for the total replacement of the telephone system at the Palais at a cost of \$495,000.⁴⁸

211. This year, even before the modernization programme has been fully paid for, the Advisory Committee has been given to understand that, in view of the ever increasing number of meetings held at Geneva and, in particular, the trend towards the convening of major special conferences, a further expansion of conference and related facilities at Geneva might need to be contemplated. The cost of this expansion would amount to some \$2 million.

212. In the absence of precise information as to the eventual magnitude of the programme, the Advisory Committee is not in a position to offer any comment. All it can do at the present time is to recommend approval of the estimate submitted by the Secretary-General on the understanding that the Secretary-General will soon submit a complete programme of repair and

modernization at Geneva giving the General Assembly the assurance that such a programme will prove sufficient to meet all foreseeable requirements during a substantial number of years.

213. In regard to the estimates as presented at this time under section 7 for 1964 and subject to the observations and reservations made in the preceding paragraphs and specifically to reconsideration on the basis of revised estimates during the eighteenth session, the Advisory Committee recommends approval of the amount of \$6,034,500 proposed by the Secretary-General.

SECTION 8. PERMANENT EQUIPMENT

	\$
Estimate submitted by the Secretary-General	504,500
Estimate recommended by the Advisory Committee	460,000
1962 (actual expense)	447,078
1963 (appropriation)	500,000

214. Provision is made under this section for furniture and equipment for all offices of the United Nations other than the Office of the High Commissioner for Refugees and those at mission locations. Compared with the 1963 appropriation, the estimate shows an increase of \$4,500 which is distributed between the offices concerned as follows:

Office	Increase or (decrease) of 1964 estimates compared with 1963 appropriations \$
Headquarters	1,730
Geneva (including ECE)	7,800
Information centres	(11,300)
ECA	5,000
ECAFE	270
ECLA	1,000
	<hr/> 4,500 <hr/>

215. The estimates under this section are intended to cover two specific types of requirements: (a) *replacement* of obsolete or worn out equipment and (b) *acquisition* of additional equipment. As the Secretary-General has stated in his budget estimates, the greater part of the estimates for 1964 in respect of Headquarters and Geneva relates to replacement rather than acquisition of various types of permanent equipment. In the past few years the appropriations available under this section have been devoted mainly to the purchase of urgently needed additional equipment. Consequently, the normal replacement programme is said to have lagged considerably, resulting in a heavy accumulation of old, obsolete and unserviceable equipment. It is the contention of the Secretary-General that, unless a serious effort is made to replace these items, beginning in 1964, considerable difficulties in the efficient discharge of work as well as higher maintenance costs are likely to arise.

216. The Advisory Committee has always advocated a carefully planned policy of replacement aiming at the most economical operation, subject of course to the need to keep in use all items which are regarded as reasonably serviceable. Accordingly, the Advisory Committee

⁴⁶ *Ibid.*, Eighteenth Session, Supplement No. 5 (A/5505), page 64.

⁴⁷ Authorized under General Assembly resolutions 1101 (XI) of 27 February 1957, 1447 (XIV) of 5 December 1959 and 1737 (XVI) of 20 December 1961.

⁴⁸ *Official Records of the General Assembly, Seventeenth Session, Annexes*, agenda item 62, documents A/5280, A/5391 (paras. 48-51), A/C.5/935.

would be inclined to recommend in principle approval of the Secretary-General's replacement programme.

217. However, considering that the 1964 budget estimates are based on the assumption that the 1964 manning table will be kept at the 1963 level, the Advisory Committee fails to see why the provisions requested by the Secretary-General for acquisition of equipment at Headquarters and Geneva should still represent such a substantial proportion of the total estimates for section 8. It would have seemed reasonable to assume that, in line with the Secretary-General's policy of not requesting any new posts for 1964, the acquisition programme would have been curtailed drastically.

218. While the Advisory Committee realizes that the increasing volume of work especially in Conference Services, involving overlapping shifts in typing pools and printing shops, might require some additional office machines and reproduction equipment, it is not convinced of the need to acquire additional furniture items such as tables, chairs, file cabinets, bookcases, shelves etc. The Committee would make the same comments as regards telecommunications equipment under chapter IV where acquisition of equipment constitutes more than a third of the provision requested. Such requirements can certainly be cut without detriment to the efficient work of the Organization and the Committee would single out as susceptible of a substantial reduction, the estimate of \$44,650 for miscellaneous equipment for the Office of Public Information which represents 58.5 per cent of the amount shown under chapter IV.

219. In the light of the foregoing observations, and in view of the extremely difficult financial position of the Organization, as well as in the expectation that the conference programme will be curtailed in 1964, the Advisory Committee recommends that the esti-

mates for acquisition of equipment at New York and Geneva should be reduced approximately by one half, this reduction to bear especially on chapters I, Furniture and fixtures, II, Office equipment, IV, Telecommunications equipment and VI, Other equipment.

220. Accordingly, the Advisory Committee recommends an appropriation for section 8 in the amount of \$460,000 or a reduction of \$44,500 in the estimates submitted by the Secretary-General.

Reduction recommended:

Section 8. Permanent equipment \$44,500

SECTION 9. MAINTENANCE, OPERATION AND RENTAL OF PREMISES

	\$
Estimate submitted by the Secretary-General	3,694,750
Estimate recommended by the Advisory Committee	3,600,000
1962 (actual expense)	3,546,299 ^a
1963 (appropriation)	3,568,200

^a Includes \$31,202 for the resumed sixteenth session of the General Assembly.

221. The total estimate of \$3,694,750 under section 9 shows an over-all increase of \$126,550 over the 1963 provision and \$148,451 over actual expenditures in 1962. The level of services proposed for 1964 may best be judged by comparison of the 1964 estimates with 1962 expenditures as adjusted to take account of subsequent wage or rate increases which are estimated at \$66,505 since the beginning of 1962 and excluding \$31,202 for estimated expenses related to the resumed sixteenth session of the General Assembly. On this basis the total estimate of \$3,694,750, with comparable figures for 1962 and 1963, is distributed as indicated in table 7.

Table 7

MAINTENANCE, OPERATION AND RENTAL OF PREMISES: ANALYSIS BY OFFICE AND BY YEAR FOR 1962, 1963 AND 1964

	1964 estimate 1 \$	1963 appropriation 2 \$	1962 expenditure 3 \$	1962 expenditure adjusted to take account of subsequent wage and rate increases 4 \$	Increase or (decrease) between 1962 (column 4) and 1964 (column 1) 5 \$
Headquarters	3,146,530	3,078,000	3,126,404	3,161,707	(15,177)
Geneva	277,000	220,100	183,163	183,163	93,837
Information centres	100,000	96,200	92,156	92,156	7,844
Economic Commission for Africa	48,740	53,200	26,364	26,364	22,376
Economic Commission for Asia and the Far East.....	44,000	31,700	46,441	46,441	(2,441)
Economic Commission for Latin America	78,480	89,000	71,771	71,771	6,709
GRAND TOTAL, section 9	3,694,750	3,568,200	3,546,209	3,581,602	113,148

222. Under chapter I, Contractual services, there is an increase of \$106,900 as compared with the 1963 appropriation, or \$78,293 including \$45,387 for Headquarters and \$32,906 for Geneva as compared with the adjusted expenditure for 1962. The higher level of

requirements at Headquarters is due entirely to rate and wage increases whose impact would be even greater were it not for the fact that relatively fewer telecommunications engineers will be needed in 1964 as a result of (i) the replacement of disk recording equipment by

tape and (ii) a decrease in conference activity necessitated by the programme of alteration of the Plenary Hall and major conference rooms to be carried out in 1964. The increase in the estimate for Geneva is attributed by the Secretary-General to the urgent need to commence certain programmes of internal maintenance such as repainting of offices and corridors on a planned basis over a period of several years. In connexion with this item, the Advisory Committee would refer to its comments on the piecemeal presentation of estimates for major maintenance and expansion at Geneva (see paras. 206 to 212 above).

223. Chapter II, Utilities, shows an increase of \$30,100 over the 1963 appropriation, or \$11,183 over the 1962 adjusted expenditure. This latter figure is the net result of the following:

(a) Reduction of \$9,858 for Headquarters explained by the fact that, in 1962, the level of expenditure was abnormally high because of the holding of a resumed session of the General Assembly;

(b) Increase of \$21,041 at Geneva mostly due to higher rates for utilities, such as a 25.6 per cent increase in fuel oil prices in a single year and a 160 per cent rise in water rates at 1 January 1963.

224. Under chapter III, Other expenses for maintenance of premises, there is a decrease of \$10,450 as compared with the 1963 appropriation, but an increase of \$23,872 over the adjusted expenditure for 1962. This latter increase is the net result of the following:

(a) Reduction of \$50,706 at Headquarters due almost entirely to non-recurrent expenses in 1962 for relocation of facilities and installation of partitions;

(b) Increase of \$39,890 at Geneva, mostly attributable to the need to rent additional office space outside the Palais des Nations in order to accommodate the large number of temporary staff required for the servicing of special major conferences;

(c) Increase of \$7,844 in respect of information centres, due primarily to the opening of new centres in 1963 and 1964;

(d) Increase of \$22,376 at ECA largely attributable to the fact that certain costs related to general maintenance, repair and window cleaning, which were previously borne by the host government have now, under the terms of the agreement between the United Nations and the host Government, been assumed by the Organization;

(e) Reduction of \$2,241 at ECAFE resulting from a small decrease in the cost of maintenance supplies;

(f) Increase of \$6,709 at ECLA due primarily to higher rental costs.

225. The Advisory Committee notes with appreciation that the Secretary-General has attempted to hold the line as regards the requirements under this section of the budget and that, with one exception, increases are due to higher prices for goods and services.

226. The one exception concerns the rental of additional outside office space at Geneva which seems to be one of the consequences of the ever-increasing number of conferences held in that city and of unavoidable delays in the completion of the WHO building. This is one more illustration of the need for a curtailment of the programme of meetings. The Committee feels obliged to call attention to a situation in which continued programme expansion has made it necessary

for the Secretary-General to have recourse to emergency measures or expedients. As staff resources become inadequate to cope with the programme of work, temporary staff are recruited in ever-increasing numbers; there comes a time when there is insufficient office space to accommodate such staff so that the Secretariat has to rent outside office space.

227. Apart from this special situation, the Advisory Committee realizes that expenditures under this section are determined by such factors as the terms and conditions which can be negotiated with outside contractors, the costs of utilities and the level of rentals, and therefore permit only of relatively limited administrative control, this control being restricted for a greater part to deciding upon the level and standard of services required. Nevertheless the Advisory Committee believes that more efforts should be made to achieve savings. In this respect, the Advisory Committee has noted the quite satisfactory results obtained through the automatic controls and strict utility schedules which have been in force at Headquarters and Geneva in recent years. It would therefore urge their extension and their strengthening.

228. However, the financial position of the Organization calls for more drastic steps. The Advisory Committee would suggest that, in such an area of the budget, every attempt must be made to achieve a stabilization of expenditure. Thus, if prices of goods and services rise, the volume of purchases must be curtailed through ever-tighter controls. In view of the continuing increase in wages of contractual staff paid for under section 9, as well as in the price of some supplies, such as fuel oil at Geneva, the Advisory Committee would suggest that a careful study might be undertaken to ascertain the possibility of re-negotiating certain contracts on a more favourable basis and of securing cheaper sources of supplies and manpower.

229. The Advisory Committee would also recall that, in paragraph 222 of its report on the 1963 budget estimates, it suggested that some relief might be afforded by progress in the consolidation of premises occupied by the United Nations and the specialized agencies in the various locations, as well as by the further generosity of Governments in providing premises at reduced rentals or, in certain instances, free of charge.

230. The Advisory Committee has received an interim report on the subject indicating that, in pursuance of these objectives, the Secretary-General has actively continued negotiations with host Governments and consultations with specialized agencies. The following encouraging developments have occurred since the last report to the Advisory Committee:

(a) *Bangkok*: the Government of Thailand is undertaking the construction, this year, of an annex to the building now occupied by ECAFE;

(b) *Beirut*: a plan for the construction in 1963-1965 of a large Conference Hall and a common building for the offices of the United Nations family is under the consideration of the Government of Lebanon;

(c) *Brasilia*: the Government of Brazil has indicated its willingness to set aside a plot of land for the construction, at a later date, of a United Nations Building;

(d) *Cairo*: the Government of the United Arab Republic has offered a new site for the construction of a

United Nations common building which had been agreed in 1962;

(e) *Dakar*: it is expected that the Government of Senegal will provide the space and facilities required for the African Institute for Economic Development;

(f) *New Delhi*: the Government of India has submitted the architectural plans for the construction of a United Nations common building;

(g) *Niamey*: the Government of Niger is undertaking the construction of a United Nations common building (and housing units) to accommodate an ECA sub-regional office and offices of specialized agencies;

(h) *Paris*: UNESCO and ICAO are undertaking the construction of new buildings with the assistance of the Government of France;

(i) *Tangier*: the Government of Morocco has invited the ECA to establish a sub-regional office in Tangier, and has offered to provide space and facilities;

(j) *Tunis*: the Government of Tunisia is considering the construction, in the near future, of a United Nations common building and of a conference centre.

231. The General Assembly will no doubt wish to express its appreciation of the assistance thus provided by host governments and its hope that other governments will emulate this generosity.

232. However, as regards rentals of individual offices and specifically information centres, the Advisory Committee once again this year, must regretfully conclude that the results achieved so far have been disappointing and it would single out the considerable amounts paid as rentals in various locations all over the world as shown in table 9-5 of the budget estimates.

233. In his interim report referred to above, the Secretary-General states that, in an attempt to improve this situation, he has approached the governments of those countries in which the rental charges of an information centre are borne by the United Nations, with a view to obtaining premises free of charge or at reduced rentals.

234. It is of interest to note that the 1964 expenditures to be paid by the United Nations for the rental of overseas premises are estimated at \$150,114.⁴⁹ The combined costs for those of the forty-seven information centres (not including those at the regional economic commissions) for which the United Nations does not receive rent-free premises represent 49 per cent of this amount (\$73,404). The balance covers rental costs for Geneva (\$30,000), ECLA (\$40,680) and the Social Affairs Office in Beirut (\$6,030).

235. The Advisory Committee understands that, in his negotiations with the host governments concerned, the Secretary-General recalled the observations and recommendations of the Advisory Committee and United Nations policies with regard to the enlistment of the assistance of host governments for providing premises to United Nations offices and the fact that, for the opening of new information centres, he had requested in accordance with these policies and recommendations that the host governments provide rent-free premises. Currently, of the 14 information centres opened since January 1960, 13 are receiving assistance from the host

governments either in the form of rent-free premises or of cash contributions in lieu thereof (the one exception is the Centre in Burundi which was opened at the express instruction of the General Assembly in the then Trust Territory of Ruanda-Urundi). The Secretary-General has emphasized that there remains, however, the question of the premises occupied by centres established before 1960; in some instances the host governments have generously provided rent-free accommodation; in others the centres are occupying premises for which full or partial rental charges are still incurred by the United Nations.

236. The Secretary-General intends to pursue active negotiations with Member States with a view to achieving further progress and he will submit a detailed report on the outcome of these negotiations to the Advisory Committee at its next session.

237. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$3,600,000 for section 9 for 1964, representing a reduction of \$94,750 in the estimate submitted by the Secretary-General.

Reduction recommended:

Section 9. Maintenance, operation and rental of premises \$94,750

SECTION 10. GENERAL EXPENSES

	\$
Estimate submitted by the Secretary-General	4,133,400
Estimate recommended by the Advisory Committee	4,000,000
1962 (actual expense)	4,117,972*
1963 (appropriation)	3,983,800

* Includes \$71,912 for expenses related to the resumed sixteenth session of the General Assembly.

238. Chapters I to VI of this section cover the cost of general supplies and services for all offices except the Office of the United Nations High Commissioner for Refugees and those of special missions, which are provided for under sections 20 and 18 respectively. Chapter VII covers the requirements of the study and interne programmes.

239. The 1964 estimate shows an increase of \$149,600 over the 1963 provision and \$15,428 above actual 1962 expenditures. As in the case of the estimates for section 9 (Maintenance, operation and rental of premises), the level of requirements proposed for 1964 might be assessed more clearly by comparing these requirements with 1962 expenditures, as adjusted to take account of wage or rate increases which took place since the beginning of 1962 and are estimated at \$43,123 and excluding \$71,912 for estimated expenses related to the resumed sixteenth session of the General Assembly. On the latter basis, the total estimate of \$4,133,400, with comparable figures for 1962 and 1963, is distributed as indicated in table 8.

240. As can be seen from table 8, the over-all increase over the 1962 adjusted expenditure is of the order of 1 per cent, which might be considered a reasonable measure of stabilization. The Advisory Committee appreciates the efforts made to achieve this relative levelling off of expenditure under section 10, especially

⁴⁹ For details, see *Official Records of the General Assembly, Eighteenth Session, Supplement No. 5 (A/5505)*, table 9-5.

Table 8

GENERAL EXPENSES: ANALYSIS BY OFFICE AND BY YEAR FOR 1962, 1963 AND 1964

	1964 estimate 1 \$	1963 appropriation 2 \$	1962 expenditure 3 \$	1962 expenditure adjusted to take account of subsequent wage and rate increases 4 \$	Increase or (decrease) between 1962 (column 4) and 1964 (column 1) 5 \$
Headquarters	2,958,000	2,868,000	2,976,118	2,947,329	10,671
Geneva	468,900	459,700	445,969	445,969	22,931
Information centres	236,800	220,300	226,946	226,946	9,854
Economic Commission for Africa	219,700	163,400	253,510	253,510	(33,810)
Economic Commission for Asia and the Far East	100,100	96,500	68,091	68,091	32,009
Economic Commission for Latin America	149,900	175,900	137,848	137,848	12,052
Technical Assistance Recruitment Service	—	—	9,490	9,490	(9,490) ^a
GRAND TOTAL, section 10	4,133,400	3,983,800	4,117,972	4,089,183	44,217

^a Requirements for the Technical Assistance Recruitment Service Office previously located in Paris are included in the estimates for the Geneva Office.

when compared with the substantial annual increases which used to be the rule. Nevertheless, it is convinced that more can and ought to be done in this direction.

241. This conviction is predicated on two considerations:

(a) Most of the expenses provided for under section 10 lend themselves to administrative control. For instance, the Secretary-General has a wide latitude as regards decisions on the volume of consumption and the quality of supplies, on the choice between various means of communication (regular mail versus air mail or air pouch, or air mail versus cables), the standards of equipment and services, etc.;

(b) While sound budgetary practice would in any case call for strict economy, the increasingly critical financial position of the Organization requires more than stabilization and in fact makes it imperative to curtail expenditure.

242. It is therefore with the overriding requirements of austerity and retrenchment in mind that the Advisory Committee has scrutinized the figures submitted by the Secretary-General under section 10 of the budget estimates. Before offering any specific comments on individual items, it would recall that, because expenses of this nature have a natural tendency to rise, special efforts must be made to encourage restraint and strict curbs must be maintained over all costs not only at Headquarters and Geneva, but at every field office. As regards the detailed estimates themselves, the Advisory Committee would, in the main, limit itself in this report to pointing out those areas where substantial savings should be achieved.

243. Chapter I, Communications, (\$1,241,200) shows an increase of \$24,300 over the 1963 appropriation, but a reduction of \$75,459 over the 1962 adjusted expenditure. The main reasons for this reduction are:

(a) A decrease in the rental rate of a trans-Atlantic submarine cable and the cancellation of the radio link between New York and Geneva;

(b) An anticipated reduction in cable traffic, especially over commercial facilities, which should result from a survey currently undertaken following observations made by the Advisory Committee in 1962;⁵⁰

(c) A reduction in postage and pouch requirements—despite rises in postal and air-cargo rates—expected to result from a stricter control of expenditures for these purposes;

(d) A substantial reduction at ECA attributable to the establishment of a United Nations radio station at Addis Ababa.

244. While the Committee welcomes these reductions, it believes that expenditure, at least in respect of items (b) and (c) above, can be further curtailed, if the criteria of austerity are resolutely observed. As indicated in paragraph 241 above, the Secretariat must constantly look for cheaper alternative means of communication and it is obvious that a sizable proportion of current cable and long-distance telephone traffic could be routed by air mail without detriment to the proper functioning of the Organization. Indeed a well-drafted and precise letter is more likely to bring an accurate and detailed reply than a sketchy telegram or a hurried telephone conversation. Moreover, much printed material now sent by air would not become out-of-date if it were shipped by surface mail. The Advisory Committee has no doubt that, if the surveys now in progress are carried out strictly on the basis of these principles, far larger savings will result under chapter I, Communications.

245. There is another point concerning chapter I about which the Advisory Committee feels obliged to comment, namely, the additional cost incurred for the publication of *Coup d'œil*. The budget text speaks of "economies achieved by the more restricted use of cables for the furnishing of information for inclusion in the

⁵⁰ Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207), para. 234.

publication *Coup d'œil*".⁵¹ The Committee recalled last year that, when *Coup d'œil* was established, it was on the understanding that there would be no additional expenditure.⁵² The Committee would have expected this to be acted upon in the past twelve months. However, the Committee ascertained that \$5,000 will be spent in 1963 on cable costs for the transmission of *Coup d'œil* material and a similar expenditure is planned for 1964. Moreover, this is but a fraction of the actual production costs of this publication, if account is taken of the time spent by information centre personnel and by the Office of Public Information staff at Headquarters.

246. In the circumstances, the Committee wishes to reiterate that, if the publication of *Coup d'œil* is to be continued, it should be without any cost whatsoever to the Organization, and the Committee has in mind not only direct charges such as cable costs, but also indirect expenses, such as staff time, supplies, etc. Apart from the budgetary aspect of the problem, the Advisory Committee is not convinced that *Coup d'œil* can be said to be an instrument of the Organization's public information programme.

247. Chapter II, Rental and maintenance of equipment, (\$367,250) shows an increase of \$107,750 over the 1963 appropriation and of \$118,766 over the 1962 adjusted expenditure, which is almost wholly attributable to the rental cost (\$92,000) of an electronic computer during the last four months in 1964. The balance of the increase is due to the rental of a second pay-roll accounting machine at Geneva, as well as to the requirements of the new information centres and of the regional commissions; in the Advisory Committee's opinion, the latter should be offset by savings.

248. The Advisory Committee considered the establishment of an electronic data processing system for the accounting requirements of the Organization on the basis of a detailed report by the Administrative Management Service in connexion with the 1963 budget estimates; it offered various comments on this subject in paragraph 161 of its main report of 1962 and indicated *inter alia* that it had no technical objections to the proposal. The Committee would recall that the recommendation for a change in the system was based on the necessity of providing greater scope and flexibility to accommodate the growing volume and complexity of the work. On the basis of the present punched-card system, these new requirements could be met only by a substantial increase in the number of machines and by strengthening of the staff. Further, the proposed scheme would meet the needs not only of the Controller's Office and related departments, as well as those of UNICEF and the Joint Staff Pension Fund, but also the substantial data processing requirements of the Statistical Office.

249. The Committee was informed that, as a result of a study of the requirements of the Organization as a whole, the Secretary-General concluded that the most appropriate means of meeting them would be the installation of a single IBM 7040 system at Headquarters with certain ancillary equipment on which statistical and accounting work would be combined. This system is calculated to provide the necessary speed and flexi-

bility for existing needs with a reasonable margin for future expansion. As there is a considerable time lag between the date of ordering and the date of delivery, this equipment could not be installed until September 1964.

250. The overall budgetary picture may be summarized as follows: An amount of \$70,000 was provided in 1963 and is also proposed for 1964 under chapter III of section 3 of the budget estimates to cover the costs of programming and related operations for the conversion of the present punched-card system to an electronic data processing operation. Similarly, under chapter II of section 10, a sum of \$53,000 was provided in 1963 and is again proposed for 1964 for the rental of punched-card equipment. A further provision of \$92,000 (see paragraph 247 above) is proposed in 1964 under this same heading to cover the rental of the electronic data processing equipment from 1 September of that year. Provision is made also under section 3 of the 1964 budget estimates in the amount of \$180,000 to continue the compilation of the statistical data by computer on a contractual basis, this being the same amount as was requested for 1963. The Committee hopes that every effort will be made to accelerate the change-over to the new electronic system so that the Organization can reap all the anticipated benefits at the earliest opportunity.

251. Chapter III, Public information supplies and services, (\$1,208,000), shows an increase of \$9,000 over the 1963 appropriation but an apparent decrease of \$59,033 as compared with the adjusted expenditure for 1962. However, this is more than offset by an anticipated reduction in income of some \$112,000 as indicated in table 10-6 of the budget (the Advisory Committee offers additional comments on this item in its observations concerning Income section 2 (see paragraphs 349-350)). Thus, on a net basis, the estimated costs for 1964 are approximately \$69,153 higher than the adjusted figure for 1962.

252. The Advisory Committee sees little justification in any addition to expenditures which are not essential to the discharge of the fundamental functions of the Organization; indeed, it should be obvious that when funds are limited, activities should also be limited. In areas such as Public Information, any additional outlay for supplies and services should be offset either by savings on other supplies and services, or by increased income. Furthermore, renewed efforts must be made to reduce all avoidable expenses. For instance, as regards printing expenditures, the Advisory Committee would hope that Member Governments would find it possible to assume the costs of printing United Nations publications in languages other than the official ones. For all these reasons, the Committee recommends that *net* costs for public information supplies and services under chapter III be maintained at the 1962 level.

253. Chapter VI, Library books and supplies, is relatively stable at \$156,000. Nevertheless, this is somewhat disappointing in view of the expectations expressed last year by the Committee in the following terms:

"While the Advisory Committee does not propose any curtailment in the book acquisition programme, it may be that the generous co-operation of publishers could be enlisted with the assistance of Member Governments to secure free copies of their publications which are of interest to the United Nations.

⁵¹ *Ibid.*, Eighteenth Session, Supplement No. 5 (A/5505), page 78.

⁵² *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), paras. 30 and 229.

The Office of Public Information which maintains close contact with authors and publishers in most countries might elicit some active interest in this direction."⁵³

The Advisory Committee would expect that, given the sympathetic understanding of Member Governments, the efforts of the Secretariat, and especially OPI, should make it possible to keep the estimate under chapter VI at a level below the figure proposed by the Secretary-General. Accordingly, it recommends an appropriation of \$140,000 under chapter VI, or a reduction of \$16,000.

254. An estimate of \$50,400 is submitted under chapter VII, Study and interne programmes. This is \$9,000 less than the 1963 appropriation but \$2,877 more than the actual expenditure for 1962. As regards the principle of budget presentation, the Committee would observe that there does not seem to be any valid reason for the inclusion of such programmes under section 10 of the budget which is meant to cover "General expenses". It may be argued that the proposed training of eight information assistants (\$11,500) belongs more properly under section 4, chapter VI, Staff training programmes, and that the other training projects currently provided for under section 10 might be financed under section 12, Special expenses, or part V, Technical programmes. In any case, the Advisory Committee would suggest that the Secretary-General give some thought to this problem prior to the preparation of his budget estimates for 1965.

255. As regards the amount of the estimate itself, the Committee would express some doubt about the usefulness of the project and recommend that it be fully reconsidered in the light of the current financial situation.

256. In the opinion of the Advisory Committee, the other chapters of section 10 also lend themselves to strict control, which should result in some further savings. On the basis of these considerations, the Committee recommends an appropriation for section 10 in the amount of \$4,000,000 or a reduction of \$133,400 in the estimate submitted by the Secretary-General.

<i>Recapitulation of reductions recommended:</i>	\$
Chapter VI, Library books and supplies.....	16,000
Balance of section 10	117,400
	<hr/> 133,400

SECTION 11. PRINTING

	\$
Estimate submitted by the Secretary-General	1,481,600
Estimate recommended by the Advisory Committee	1,438,500 ^a
1962 (actual expense)	1,261,911
1963 (appropriation)	1,483,750 ^b

^a Should the Economic and Social Council decide to hold only one session in 1964 as recommended by the Secretary-General (E/3741), this amount would be further reduced by \$14,500 to \$1,424,000.

^b Includes \$43,000 for printing the official records of the fourth special session of the General Assembly.

257. The estimates for section 11 provide for contractual printing expenses, except for the International

Court of Justice (section 21), the Office of the United Nations High Commissioner for Refugees (section 20), Special meetings and conferences (section 2), Missions and related activities (section 18) and public information requirements other than books and periodicals (section 10).

258. As in previous years, the details of this section contain information on the total printing programme (chapters I to VI), with the exceptions mentioned above. A substantial portion of that programme will, however, be produced by internal means, with a corresponding reduction (chapter VII) in contractual printing expenses.

259. The 1964 estimate for section 11 in the amount of \$1,481,600 shows a decrease of \$2,150 over the 1963 appropriation. However the 1963 appropriation contains a special credit of \$43,000 for printing the official records of the fourth special session of the General Assembly; thus on a more comparable basis the 1964 estimate represents an increase of some \$40,850 over 1963 as follows:

	Gross programmes (chapters I to VI) \$	Deduction for internal reproduction (chapter VII) \$	Contractual printing requirements \$
1964 estimate	1,906,600	425,000	1,481,600
1963 appropriation	1,865,750	425,000	1,440,750
	<hr/>	<hr/>	<hr/>
Increase for 1964	40,850	—	40,850

This increase of \$40,850 in the 1964 estimates is due mainly to the continued expansion in the volume of official records and to rises in contractual printing prices and larger press runs for sales purposes.

260. Table 9 gives a breakdown by chapter in the 1964 estimates, the 1963 appropriations (excluding from chapter I the special credit of \$43,000) and the 1962 expenses.

261. The text of the budget estimates contains detailed information and supporting tables relating to the provisions requested by the Secretary-General. This report will accordingly be limited to those items on which the Advisory Committee has felt it necessary to offer comments.

262. The Committee would first observe that, as can be seen from table 9 below, a reasonable measure of stabilization has been achieved as regards the expenditures provided for under section 11. To a large extent this is due to the efforts of the Publications Board which, through a process of continuous review, has succeeded in keeping the publications programme within bounds. The Committee would therefore wish to express its appreciation to the Publications Board and recommend that the General Assembly formally endorse its policy of stabilization.

263. Among the steps taken by the Publications Board, the Committee would mention the decision to carry out a thorough review of the whole publications programme four times a year instead of twice. This makes it possible for the Board to keep track of priorities and re-allot available funds between the various departments and regional commissions on the basis of the most urgent needs.

264. Another measure is the review of the present criteria governing the inclusion of material in the

⁵³ *Ibid.*, para. 236.

Table 9

PRINTING: ANALYSIS BY CHAPTER AND BY YEAR FOR 1962, 1963 AND 1964

Chapter	1964 estimate \$	1963 appropriation \$	1962 expenditure \$	Increase or (decrease) between 1963 and 1964 \$
I. Official records	879,800	850,000	775,452	29,800
II. Recurrent publications	678,200	648,750	622,749	29,450
III. Studies and reports	209,950	233,600	125,759	(23,650)
IV. Office of Public Information periodicals and books	86,400	85,400	85,960	1,000
V. Permanent Central Opium Board and Drug Supervisory Body	16,620	13,700	13,363	2,920
VI. Other contractual printing	35,630	34,300	37,278	1,330
TOTAL, chapters I to VI	1,906,600	1,865,750	1,660,561	40,850
VII. Less: Deduction for internal reproduction	(425,000)	(425,000)	(398,650)	—
TOTAL, section 11	1,481,600	1,440,750	1,261,911	40,850

official records which is being undertaken this year by the Publications Board. The Committee understands that one of the aims of this review is to reduce the number of supplements as well as the length of the documents printed or reprinted as supplements. In anticipation of the savings which may be achieved in 1964 by means of this review, a global reduction of \$70,000 has been applied to the initial estimate of \$767,800 for chapter I, official records, based on an actual costing of foreseen requirements.

265. In his budget text, the Secretary-General calls attention to the steady increase in the costs of labour and materials in the New York area over the last few years and to the even steeper advance in contractual printing prices in Switzerland, viz. 20 per cent at the beginning of 1963 and all indications point to a continuation of this upward trend. In its consideration of the estimates under section 11, the Advisory Committee has therefore been mindful of the Secretary-General's statement to the effect that it is only by reducing the work programme provided for in the budget estimates below the level of the programme approved for 1963 that it has been possible to absorb the increases described above and thus limit the estimates within the level of the 1963 appropriation.

266. The increase in the estimate for chapter I, official records, is attributed to the continued expansion in the volume of records. The Secretary-General anticipates more meetings and more pages of text, and consequently higher expenditures under items (i) The General Assembly, commissions and committees; (ii) The Security Council, commissions and committees; and (iii) The Economic and Social Council, commissions and committees.

267. As regards item (i), the General Assembly, commissions and committees, it might be useful to recall the following comment made last year on this particular point by the Advisory Committee: "While recognizing that the Secretary-General can exert no direct control over the number of meetings, the Advisory Committee is inclined to the view that his

assumptions might tend to be somewhat pessimistic in that they are a simple extrapolation of a trend which could be checked with the co-operation of Member Governments and their delegations."⁵⁴

268. The estimate for the official records of the Security Council in item (ii) is increased by \$16,200 above the 1963 appropriation, or a rise of more than \$62,000 or 257 per cent over actual expenditures for 1962. Here again the Advisory Committee would suggest that the Secretary-General has based his estimate on a continuing upward trend in the number of meetings and that his forecast might be over-pessimistic.

269. In the first part of this report (paragraphs 56 to 74), the Advisory Committee has presented detailed comments on the difficult situation which will exist in 1964 as regards conferences and meetings and, as stated in paragraph 99 above, it has assumed that the Economic and Social Council will accept the Secretary-General's recommendations for a curtailment of the programme of meetings in 1964. Such a decision would naturally reduce the volume of official records provided for under item (iii), the Economic and Social Council, Commissions and Committees. The recommendations of the Secretary-General imply: (a) the cancellation or postponement of the 1964 sessions of five functional commissions, resulting in a saving of \$11,500 under this item; and (b) the cancellation of the spring or Headquarters session of the Council itself, resulting in an additional saving of \$14,500 because of the consequent reduction in the volume of official records.

270. While the Advisory Committee trusts that the Council will accept the recommendations of the Secretary-General, it does not wish to prejudge the Council's decision regarding its own spring session and therefore limits itself to recommending a reduction of \$11,500 under item (iii) in respect of the official records of those functional commissions which would not meet in 1964. Should the Council renounce the holding of its spring session next year, another reduction of \$14,500 would be in order.

⁵⁴ *Ibid.*, para. 216.

271. Under chapter II, Recurrent publications, the estimate is raised by \$29,450 to \$678,200. Faced last year with a similar increase the Advisory Committee stated that the sheer number of publications listed in this chapter by itself called for a reappraisal of the whole programme. While it had been represented to the Advisory Committee that all recurrent publications were due to resolutions of the General Assembly or other policy-making bodies and therefore could not be discontinued without the approval of the organs concerned, the Advisory Committee suggested that the Secretary-General determine which publications had lost their usefulness or become redundant and then submit to the appropriate organs suggestions for the elimination, the consolidation or the reduction in frequency of these publications. The Committee believed that the mass of United Nations publications, added to the great number of other materials coming from specialized agencies and international organizations, was becoming such that a substantial portion might well remain unread.^{54a}

272. This year, the Advisory Committee notes that, while three recurrent publications of the Department of Economic and Social Affairs—the *Population Bulletin*, the *International Social Service Review* and *Housing, Building and Planning*—have been discontinued with the concurrence of the organs concerned, the savings achieved by reducing the list of publications have, however, been more than offset by various increases and by the decision to produce a new annual publication, the *International Social Development Review*. The Advisory Committee is aware of the expansion of United Nations activities in the different fields; it believes nevertheless that such an expansion must of necessity, in view of limited staff resources, be accompanied by a retrenchment in other older fields of activity. The financial position of the Organization should be reason enough for a strict stabilization of the publications budget and the Advisory Committee can but renew its recommendation for a thorough scrutiny of the list of publications aiming at the elimination of all those titles which are not of the utmost interest to a large number of Member States.

273. Finally, the Advisory Committee would call the attention of the General Assembly to the fact that, for the last completed financial year, i.e. 1962, there was a surplus of \$167,839 under section 11 which arose almost entirely under chapter I, official records, and chapter III, Studies and reports. The Committee was informed that, because of the heavy demands placed upon the Secretariat during 1962 and in particular the need to service an exceptional conference programme, including two resumed parts of the sixteenth session of the General Assembly, it proved impossible to prepare, edit and translate the texts of some of the publications within the approved programme so that these might be printed during that year. As a consequence, this work had to be carried over into 1963 with a corresponding reduction in the expenditures for 1962. For these same reasons part of the official records could not be published in 1962. Furthermore, the volume of records for the Security Council, the Trusteeship Council, and the International Law Commission proved to be less than originally contemplated and the printing expenditures for these organs consequently lower.

^{54a} *Ibid.*, para. 251.

274. The Committee has no information which would lead it to believe that staff and other resources have improved to the point where all delays can be eliminated and all publications included in the programme for 1964 can actually be issued.

275. For all these reasons, the Advisory Committee is confident that actual printing expenditures in 1964 can be maintained at a level below the estimate of \$1,481,600 submitted by the Secretary-General. Consequently, it recommends an appropriation of \$1,438,500 for section 11, representing a reduction of \$43,100 in the amount proposed by the Secretary-General.

Recapitulation of reductions recommended		\$
Chapter I. Official records		
(iii) The Economic and Social Council, commissions and committees.....	11,500 ^a	
Balance of section 11. Printing.....	31,600	
TOTAL, section 11		43,100

^a Should the Council decide to forgo its spring session in 1964, this reduction would be increased by \$14,500 to \$26,000 (see paragraph 270 above).

Part IV. Special expenses

SECTION 12. SPECIAL EXPENSES

	\$
Estimate submitted by the Secretary-General	7,712,800
Estimate recommended by the Advisory Committee	7,712,800
1962 (actual expense)	210,597 ^a
1963 (appropriation)	4,845,000 ^b

^a Comprises \$59,097 for the United Nations Memorial Cemetery under chapter I, \$70,000 for a grant to the United Nations International School under chapter II, \$60,000 for the international encouragement of scientific research into the control of cancerous diseases under chapter III and \$21,500 for the special educational and training programmes for South West Africans under chapter IV.

^b Comprises \$75,000 for the United Nations Memorial Cemetery under chapter I, \$70,000 for a grant to the United Nations International School under chapter II, \$50,000 for the special educational and training programmes for South West Africans under chapter IV and \$4,650,000 for the United Nations Bond Issue under chapter V.

276. The estimate submitted for chapter I of this section relates to the United Nations Memorial Cemetery in Korea. Under chapters II and III provision is included *pro memoria* for, respectively, a grant to the United Nations International School and the reimbursement to the Working Capital Fund for such awards as may be made for the international encouragement of scientific research into the control of cancerous diseases. Chapter IV, provides for special educational and training programmes for South West Africans. Chapter V, which was introduced for the first time in the 1963 budget, covers the payments due on the United Nations Bond Issue, while a new chapter VI has been added this year to provide for technical assistance to Rwanda and Burundi. The history of these various activities is summarized in detail in the text of the budget estimates which also mentions the relevant resolutions.

277. The provision of \$67,800 for the United Nations Memorial Cemetery in Korea under chapter I

represents a reduction of \$7,200 as compared with the 1963 appropriation. The Advisory Committee notes that it is proposed to spend an amount of \$17,700 for the continuation in 1964 of a capital improvement programme including the replacement of wooden markers with headstones of marble, the erection of an inter-faith chapel as well as the erection of a permanent fence. The Advisory Committee would recommend approval of the estimate submitted by the Secretary-General under chapter I.

278. The next chapter for which an estimate is submitted at the present time is chapter IV (Special educational and training programmes for South West Africans). The provision requested for 1964 is at the level of \$50,000 approved for 1963. It is recalled that, by resolution 1705 (XVI) of 19 December 1961, the General Assembly decided to establish a special training programme for South West Africans, including technical education, education for leadership and teacher training.

279. After a slow start, this programme is at present running normally and it is expected that the 1963 provision will be obligated in full. Awards are offered for one year in the first instance subject, in satisfactory circumstances, to renewal until the completion of the course. On the basis of the most recent information, it appears that the sum of \$50,000 requested for 1964 will be required in large part to provide for the extension of current awards. In addition to the fellowships provided by the United Nations, fourteen Member Governments have, in response to General Assembly resolution 1705 (XVI), informed the Secretary-General of offers of fellowships for which South West Africans might apply. The extent to which such offers have resulted in fellowships being awarded will be reflected in a report which the Secretary-General will submit to the General Assembly at its eighteenth session. Meanwhile, the Advisory Committee would recommend approval of the \$50,000 estimate submitted by the Secretary-General under chapter IV.

280. In chapter V, United Nations Bond Issue, the Secretary-General, in compliance with General Assembly resolution 1739 (XVI) of 20 December 1961, has included an amount sufficient to pay the interest charges on bonds sold, at the rate of 2 per cent per annum, and the instalment, in accordance with the table annexed to that resolution, of the principal due on such bonds. On the basis of actual sales up to 30 April 1963 (\$136,085,762) and on the assumption that all pledges made as of 31 December 1962 (\$12,690,432) would be honoured by 31 December 1963, the exact amount required for the payment of interest and instalment of principal would be \$7,494,977. Consequently, the Secretary-General has included a provision in the amount of \$7,495,000 under chapter V.

281. At its fourth special session, on 27 June 1963, the General Assembly adopted resolution 1878 (S-IV) amending paragraph 8 of the annex to its resolution 1739 (XVI) so that "the bonds may be sold in whole or in part from time to time until 31 December 1963". Therefore, the Secretary-General will have to submit to the General Assembly at its eighteenth session revised estimates to cover the payment of interest and instalment of principal due on 15 January 1964 in respect of those bonds which will have been sold during the extension of the sale period.

282. Subject, of course, to whatever increase might be necessary on the basis of the revised estimates to be submitted to the General Assembly at its eighteenth session as explained in the preceding paragraph, the Advisory Committee recommends approval of the provision of \$7,495,000 proposed by the Secretary-General under chapter V, United Nations Bond Issue.

283. An estimate of \$100,000 has been included under a new chapter VI for the continuation of advisory services for the development and training of security forces in Burundi and Rwanda, under the terms of General Assembly resolution 1836 (XVII) of 18 December 1962. In view of the fact that this project does not lend itself to being financed, under present policies, from either the Expanded Programme or regular assistance funds, and that other resources have not materialized, the Secretary-General has requested this provision under the authority given to him by the above-mentioned resolution to use United Nations budgetary funds to the extent that the costs cannot be met from other resources.

284. As regards 1963, and in accordance with paragraph 6 of resolution 1836 (XVII) which set a ceiling of \$200,000 for this project, the Secretary-General sought and obtained the concurrence of the Advisory Committee to enter for this purpose into commitments not exceeding \$122,300 under the terms of paragraph 1 of General Assembly resolution 1862 (XVII) relating to unforeseen and extraordinary expenses for the financial year 1963. It now appears that actual expenditures in 1963 will not exceed \$130,000 and that, because of delayed recruitment of advisors next year, an appropriation of \$100,000 should be sufficient in 1964.

285. In view of the assurance given by the Secretary-General in compliance with the terms of General Assembly resolution 1836 (XVII), that no other resources are available for the financing of this operation, the Advisory Committee can but recommend approval of the estimate of \$100,000, submitted by the Secretary-General under chapter VI of section 12. It feels bound, however, to express doubt about the propriety of financing such an operation out of the regular budget of the Organization.

286. In the light of the foregoing observations, the Advisory Committee recommends, as regards the estimates submitted at this time under section 12 for 1964, an appropriation of \$7,712,800 as proposed by the Secretary-General.

Part V. Technical programmes (sections 13-17)

287. The amounts to be appropriated under part V, Technical programmes, depend on a policy decision by the General Assembly concerning the level of technical assistance programmes in the light of over-all budgetary considerations.

288. In the introductory statement to the text of part V of his budget estimates for 1964, the Secretary-General recalls the terms of General Assembly resolution 1768 (XVII) of 23 November 1962 under which the Technical Assistance Committee was invited "to prepare, at its November 1962 session, a study of the relationship between the various United Nations programmes of technical assistance under its mandate and the regular budget programmes with a view to their

rationalization and in order to avoid duplication of activities in future fiscal years". Furthermore, the Advisory Committee on Administrative and Budgetary Questions was requested "to review this study, inform the Secretary-General of its comments and recommendations, and report thereon to the General Assembly as a matter of urgency in order to assist the Secretary-General and the Assembly in rationalizing the relationship between technical assistance programmes financed from the regular budget and those which are to be provided for from other sources and in arriving at the appropriation for part V of the budget".

289. At its November 1962 session, the Technical Assistance Committee completed the preliminary phase of its study and concluded that, in view of the time limits involved, the long-term aspects of the study should be referred in the first instance to the *Ad Hoc* Committee established under Economic and Social Council resolution 851 (XXXII), whose findings would be available to it for review and comments at its 1963 summer session at Copenhagen.

290. In the meantime, and without prejudice to this study or to decisions the General Assembly might take, the Technical Assistance Committee suggested that the Secretary-General propose, in his initial estimates for 1964, the same total appropriation under part V of the budget as was approved for 1963. The Secretary-General was also requested to submit to the 1963 summer session of the Technical Assistance Committee a programme prepared on this basis and reflecting the relative priorities attached by recipient governments and appropriate policy-making bodies of the United Nations to the projects contained therein.

291. In accordance with the suggestion made by the Technical Assistance Committee and subject to any decision of the General Assembly in the light of the report to be submitted (as indicated in paragraph 288 above) in terms of operative paragraph 3 of resolution 1768 (XVII) by the Advisory Committee to the General Assembly at its eighteenth session, the Secretary-General has maintained the total of the estimates under this part of the budget for 1964 at the level of \$6.4 million approved for 1963.

292. It will be observed from table 10 which compares the initial estimates now submitted by the Secretary-General to the corresponding figures of the past few years, that, while remaining within the global provision of \$6.4 million for part V, the Secretary-General, for reasons of budgetary presentation, proposes to increase section 13 by \$115,000, offset by an equivalent reduction in section 16. According to the Secretary-General, this exclusively formal modification would not entail any change in the activities themselves.

293. In the circumstances, the Advisory Committee cannot at this stage make any comments on the Secretary-General's estimates. As already stated, it must, under the terms of General Assembly resolution 1768 (XVII), await the receipt of the Technical Assistance Committee's study in the course of its autumn session, before making any specific recommendations to the Assembly at its eighteenth session. It will be recalled that, last year, the Advisory Committee similarly refrained from making any recommendations on the estimates to be approved under part V of the budget, because the General Assembly had not, at that time, taken any policy decision on the level of appropriations to be provided.

Table 10

ANALYSIS OF PART V OF THE BUDGET FOR THE YEARS 1960-1964: ACTUAL EXPENDITURES FOR 1960, 1961 AND 1962; APPROPRIATIONS FOR 1963 AND ESTIMATES FOR 1964

Section	1960 expendi- tures \$	1961 expendi- tures \$	1962 expendi- tures \$	1963 appropri- ations \$	1964 estimates \$
13. Economic development	480,000	1,125,000	2,071,542	2,135,000	2,250,000
14. Social activities	1,200,000	1,375,000	2,097,887	2,105,000	2,105,000
15. Human rights advisory services ...	99,790	79,836	125,699	140,000	140,000
16. (I). Public administration (train- ing, consultation and research)	300,000	541,875	921,525	1,095,000	980,000
(II). Public administration (OPEX)	209,644	333,125	718,651	850,000	850,000
17. Narcotic drugs control.....	49,188	73,696	67,979	75,000	75,000
TOTAL	2,338,622	3,528,532	6,003,283	6,400,000	6,400,000

SECTION 13. ECONOMIC DEVELOPMENT

\$

Estimate submitted by the Secretary-General	2,250,000
Estimate recommended by the Advisory Committee	—
1962 (actual expense)	2,071,542
1963 (appropriation)	2,135,000

294. For the reasons stated in paragraph 293 above, the Advisory Committee would refrain from making any recommendation at this time concerning the estimate submitted by the Secretary-General for section 13.

SECTION 14. SOCIAL ACTIVITIES

\$

Estimate submitted by the Secretary-General	2,105,000
Estimate recommended by the Advisory Committee	—
1962 (actual expense)	2,097,887
1963 (appropriation)	2,105,000

295. For the reasons stated in paragraph 293 above, the Advisory Committee would refrain from making any recommendation at this time concerning the estimate submitted by the Secretary-General for section 14.

SECTION 15. HUMAN RIGHTS ADVISORY SERVICES

	\$
Estimate submitted by the Secretary-General	140,000
Estimate recommended by the Advisory Committee	—
1962 (actual expense)	125,699
1963 (appropriation)	140,000

296. For the reasons stated in paragraph 293 above, the Advisory Committee would refrain from making any recommendation at this time concerning the estimate submitted by the Secretary-General for section 15.

SECTION 16. PUBLIC ADMINISTRATION

	\$
Estimate submitted by the Secretary-General	1,830,000
Estimate recommended by the Advisory Committee	—
1962 (actual expense)	1,640,176
1963 (appropriation)	1,945,000

297. For the reasons stated in paragraph 293 above, the Advisory Committee would refrain from making any recommendation at this time concerning the estimate submitted by the Secretary-General for section 16.

SECTION 17. NARCOTIC DRUGS CONTROL

	\$
Estimate submitted by the Secretary-General	75,000
Estimate recommended by the Advisory Committee	—
1962 (actual expense)	67,979
1963 (appropriation)	75,000

298. For the reasons stated in paragraph 293 above, the Advisory Committee would refrain from making any recommendation at this time concerning the estimate submitted by the Secretary-General for section 17.

Part VI. Special missions and related activities

SECTION 18. SPECIAL MISSIONS

	\$
Estimate submitted by the Secretary-General	2,388,600
Estimate recommended by the Advisory Committee	2,350,000
1962 (actual expense)	3,988,896
1963 (appropriation)	2,453,000

299. Chapters I to VI of this section provide for the maintenance of existing special missions. Chapter VII makes provision for replacement of staff assigned to field missions.

300. The total estimate under this section is in the amount of \$2,388,600. In order to indicate the full cost of each mission, the budget text includes a statement of the related additional expenditures for which provision is made in sections 3, 4 and 19 for the salaries and allowances of staff detailed from the regular establishment for service with the missions (\$1,646,951), as well as an indication of revenue arising from the operation of the missions and included in the income estimates (\$221,230). Thus, the es-

timated total net expenditure for the special missions provided for under section 18 amounts to \$3,814,321.

301. The estimate for the section as a whole shows a decrease of \$64,400 compared with the 1963 appropriation. However, it should be noted that the 1963 figure includes an amount of \$32,400 for the United Nations Conciliation Commission for Palestine whereas only a *pro memoria* provision is shown for 1964.

302. In addition to the appropriation of \$2,453,000 approved for this section for 1963, the Secretary-General, in terms of paragraph 1 of General Assembly resolution 1862 (XVII) relating to unforeseen and extraordinary expenses for the financial year 1963, sought and obtained the concurrence of the Advisory Committee in the following commitments: United Nations Conciliation Commission for Palestine (UNCCP)—\$100,000; Special Committee on the situation with regard to the implementation of the declaration on the granting of independence to colonial countries and peoples, established under resolution 1654 (XVI)—\$37,700, comprising \$9,500 for a Sub-Committee visit to London, \$21,400 for a visit to Aden and \$6,800 for a visit to British Guiana. These requirements will be included in the supplementary estimates for 1963.

303. It would seem that, year after year, the same missions are provided for under section 18 of the budget and, in view of their apparent perpetuation and of the fact that these operations owe their existence to decisions of the Security Council and the General Assembly, the Advisory Committee would recall some observations it made two years ago to the effect that, pending a decision by the appropriate organ that a mission should be discontinued or that the scope of its functions should be changed, it was the responsibility of the Secretary-General to ensure that each mission was maintained at a level commensurate with the adequate fulfilment of the purposes for which it had been set up. The Committee added that, within this framework, it had always felt free to scrutinize and comment upon the Secretary-General's proposals with a view to ensuring that the activities concerned were being administered in the most economical and effective manner; to the same end, it pointed to the need, especially in the case of missions which had been in existence for some time and were likely to continue, for a periodic review of administrative and organizational requirements in the light of developing circumstances.⁵⁵

304. Last year, the Committee called attention to the following statement appearing in the Fifth Committee's report to the General Assembly on the 1962 budget estimates: "... it was the consensus of opinion of the Committee that the observations of the Advisory Committee [summarized in paragraph 303 of this report] should be endorsed, and that due regard should be paid by the appropriate organs to the administrative and budgetary considerations set out therein, as well as to the discussion of the matter held in the Committee".⁵⁶ In view of the endorsement of the Fifth Committee, the Advisory Committee expressed the hope that its observations quoted in the preceding paragraph would receive active consideration.

⁵⁵ *Ibid.*, Sixteenth Session, Supplement No. 7 (A/4814), para. 259.

⁵⁶ *Ibid.*, Sixteenth Session, Annexes, agenda item 54, document A/5075, para. 32.

305. At the seventeenth session, the Fifth Committee, in the course of its consideration of sections 18 (Special missions) and 19 (United Nations Field Service), reverted to and endorsed once again the above observations of the Advisory Committee as well as its own comments thereon quoted in the preceding paragraph. Furthermore, the Fifth Committee decided to reproduce these various comments *in extenso* in a special appendix to its report to the General Assembly on the budget estimates for 1963.⁵⁷

306. Despite the foregoing, the Advisory Committee again this year notes that, apart from the UNCCP whose tasks of identification and evaluation of Arab refugees' immovable properties is expected to be completed before the end of 1963, all other special missions are still included in section 18 for 1964 with no sizable reduction in force.

307. The net decrease of \$64,400 for the older continuing missions in 1964 as compared with the 1963 appropriation is arrived at as follows:

Chapter	Increase or (decrease) \$
I. United Nations Truce Supervision Organization in Palestine.....	(28,200)
II. United Nations Conciliation Commission for Palestine	(32,400)
III. United Nations Military Observer Group in India and Pakistan.....	14,200
IV. United Nations Representative for India and Pakistan	1,800
V. United Nations Commission for the Unification and Rehabilitation of Korea.....	(12,500)
VI. Office of the Special Representative of the Secretary-General in Amman.....	(7,300)

308. The figures shown in the table indicate that, in this area at least, the Secretary-General has achieved more than a mere stabilization of expenditure since he has, in fact, submitted for 1964 estimates which are generally lower than the approved appropriations for 1963. That he has been able to do so in the face of rising costs, confirms the belief of the Advisory Committee that expenditure can be not only stabilized but actually curtailed if a resolute effort is made to that end.

309. The Committee appreciates the policy of economy followed by the Secretary-General in respect of special missions and recognizes that, some of them at least, are working with minimum resources. It believes however that further savings can be achieved under various headings such as travel and subsistence (it would in this regard reiterate its hope that Governments would see their way to modifying the annual pattern of rotation so that observers could serve for longer periods), operation and maintenance of vehicles (it would advocate the strictest degree of control on utilization of vehicles), as well as communications, freight, supplies and services.

310. The largest single item of expenditure where savings can be realized in the opinion of the Advisory Committee, is chapter VII. The estimate under that chapter for replacement of staff detailed to missions from the regular establishment is maintained at the level of \$103,000 approved for 1963, compared with

an actual expenditure of \$88,949 in 1962. In support of this estimate, attention has been drawn to the significant drain on key administrative and financial control staff at established offices as a result of the large number of special missions and operations. The Advisory Committee recognizes the strains imposed in certain areas by current requirements in the field. It would however recall that, in the past three years, it expressed the opinion that replacements should be limited, on a strictly selective basis, to essential needs, having regard to the short term nature of the absences of the staff in question. While it notes the assurance given by the Secretary-General that the number of replacements of detailed staff is held to the bare minimum and that all requests for replacement are subject to the closest scrutiny at the highest level, nevertheless it believes that this control procedure should enable the Secretary-General to keep costs under chapter VII well below the estimate of \$103,000 submitted for 1964. The Committee would recall that, in 1962—which was a heavy year as far as special missions are concerned—actual expenditures were only \$88,949, whereas the approved provision was \$114,500, or a saving of \$25,551, i.e. 22.3 per cent.

311. In the light of the observations and suggestions set out above, the Advisory Committee would recommend a total appropriation under section 18 for 1964 in an amount of \$2,350,000, representing a reduction of \$38,600 in the estimate submitted by the Secretary-General.

Reduction recommended:

Section 18. Special missions..... \$38,600

SECTION 19. UNITED NATIONS FIELD SERVICE

	\$
Estimate submitted by the Secretary-General	1,565,700
Estimate recommended by the Advisory Committee	1,525,700
1962 (actual expense)	1,340,243
1963 (appropriation)	1,403,000

312. This section provides for a field service of 208 members,⁵⁸ excluding 69 such members currently assigned to the United Nations Emergency Force, 127 to the United Nations Operation in the Congo and 9 serving in the field offices of the Technical Assistance Board, the costs of the latter 205 individuals being met from the budgets of the operations

⁵⁸ As of 30 June 1963, the composition by nationality of the 208 members of the United Nations Field Service provided for under this section of the budget was the following:

Argentina	1	Japan	4
Australia	2	Malaya	1
Austria	6	Mexico	1
Belgium	14	Netherlands	13
Burma	1	Nigeria	3
Canada	5	Norway	10
Colombia	5	Paraguay	2
Denmark	24	Philippines	9
Dominican Republic ..	1	Spain	12
Ethiopia	1	Sweden	11
France	1	Switzerland	1
Greece	14	Thailand	4
Guatemala	1	Trinidad and Tobago ..	1
Haiti	1	Turkey	1
India	6	United Kingdom	12
Ireland	26	United States of America	1
Italy	13		

⁵⁷ *Ibid.*, Seventeenth Session, Annexes, agenda item 62, document A/5391, para. 57.

concerned. Of the 208 provided for, two radio operators are at present assigned to UNRWA on a reimbursable basis.

313. The total increase of \$162,700 in the provision requested for this section includes \$110,600 under chapter I for established posts. The estimate for chapter I has been calculated on the basis of a 5 per cent deduction for turnover. It appears however that the Field Service, by its very nature, is one where turnover of staff is particularly substantial and the Advisory Committee is of the opinion that a higher deduction could well be applied.

314. Chapter II (Common staff costs) shows an increase of \$52,100, including \$19,400 for home leave travel. The Advisory Committee understands that, in order to take account of turnover, changes of duty station and deferments, voluntary or otherwise, the home leave estimate has already been reduced by more than 23 per cent as compared with the amount which would be required, were all entitlements to be exercised. However, the Committee must point out that the corresponding reduction applied to the 1963 budget estimates was nearly 37 per cent. It therefore believes that the estimate submitted for 1964 might be somewhat generous.

315. The Committee was informed that the main reason for the substantial increase in home leave travel expenditure in 1964 is the uneven distribution of entitlements between odd and even years. Accordingly, the Committee compared the 1964 estimate with the 1962 actual expenditure and found that the 1964 figure was \$6,365 lower. However, the 1962 home leave entitlements were exercised on the basis of the old travel standards, whereas the 1964 travel will be under the new economy class rule. When it considered the revision of travel standards in 1962, the Committee was told that the adoption of economy class travel would result in a saving of \$30,000 on the appropriation of \$160,000 then requested by the Secretary-General under section 19 for 1963, or an economy of 18.75 per cent. If the same rule had been applied in 1962, the economy on a *pro rata* basis would have been of the order of \$29,250, compared with the actual expenditure figure. Furthermore, the theoretical number of entitlements to home leave was 360 for 1962 as against 316 for 1964.

316. For all these reasons the Committee is of the opinion that the provision for travel on home leave should be reduced.

317. It would also seem to the Advisory Committee that some of the other items included in chapter II are susceptible of reduction. Attention is called in particular to the proposed increase of \$17,600 under item (v), Travel on initial recruitment, transfer and separation; this represents an increase of more than 55 per cent over the 1963 appropriation, whereas there is no change in the manning table. For the same reason, the Advisory Committee would doubt that the increase of \$5,700 under item (vi), Separation payments, is fully justified.

318. While it is true that chapter III, General expenses, is maintained at the level of \$24,000 approved for 1963, the Committee would call attention to the fact that actual expenses for 1961 and 1962 amounted only to some \$20,000. Accordingly, it would not seem unreasonable to expect that actual expen-

diture in 1964 will be kept well below the figure proposed by the Secretary-General.

319. In the light of the preceding observations, the Advisory Committee recommends an appropriation under section 19 of \$1,525,700 or a reduction of \$40,000 in the estimate submitted by the Secretary-General.

Reduction recommended:

Section 19. United Nations Field Service..... \$40,000

Part VII. Office of the United Nations High Commissioner for Refugees

SECTION 20. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

	\$
Estimate submitted by the Secretary-General	2,371,200
Estimate recommended by the Advisory Committee	2,275,000
1962 (actual expense)	2,586,070
1963 (appropriation)	2,450,000

320. The estimate of \$2,371,200 under this section represents a decrease of \$78,800 as compared with the 1963 appropriation. It is proposed that the estimated grant-in-aid to the regular budget from voluntary funds at the disposal of the High Commissioner, as shown in income section 2, be reduced from \$600,000 in 1963 to \$350,000 in 1964.

321. In its reports of the last two years,⁵⁹ the Advisory Committee called attention to the reduction in the grant-in-aid from the voluntary refugee funds and pointed out that the level of the grant-in-aid varied from year to year and seemed to be arrived at on an *ad hoc* basis, depending on the level of voluntary funds expected to be available for programming. The Committee suggested that the basis upon which the grant-in-aid was determined should be clarified so that the amounts could be evaluated with proper reference to the expenses to which the grant was intended to relate.

322. In his budget estimates for 1964, the Secretary-General indicates that hitherto the grant-in-aid has been paid from the voluntary funds raised for major aid projects. The administrative burden imposed by a particular programme in any one year is difficult to measure, since many factors enter into its calculation. A rough yard-stick is the volume of funds committed in respect of the programme carried over from the preceding year (i.e. unliquidated obligations) combined with the target of the new obligations to be committed in the course of the current year. On this basis, the proposed grant-in-aid represents a fairly constant percentage of the total obligations to be liquidated for major aid projects (1963: 4.7 per cent, 1964: 4.6 per cent, 1965: 4.5 per cent).

323. In other words, it is proposed that, as the major aid projects, viz. assistance to the "old refugees", are completed, the grant-in-aid should cease. These major aid projects are nearing their conclusion but, during a transitional period estimated to last through

⁵⁹ *Ibid.*, Sixteenth Session, Supplement No. 7 (A/4814), para. 300; and *ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), paras. 320 and 321.

1964 and 1965, a substantial—though diminishing—amount of administrative work will remain to be performed for the "old refugees". It is accordingly suggested by the Secretary-General that the grant-in-aid should be progressively reduced and eventually eliminated.

324. While the Advisory Committee would refrain from expressing any opinion as to the justification or otherwise of this plan, it must call the attention of the General Assembly to the fact that this is indeed an *ad hoc* arrangement which has never been expressly sanctioned by the Assembly. If the present plan aiming at the progressive elimination of the grant-in-aid is implemented, all the administrative expenses of the Office of the High Commissioner for Refugees will soon be borne by the regular budget of the Organization.

325. The Committee was informed that a general survey of the administrative structure of the Office of the High Commissioner has been undertaken with a view to a progressive reduction. This study covers in particular the need to maintain branch offices in their several locations and the possibility of curtailing their staff as operational tasks near their conclusion. The Advisory Committee welcomes this study and trusts that it will be carried forward with all deliberate speed.

326. The largest component in the reduction of \$78,800 in the 1964 expenditure estimate for section 20 is the anticipated decrease of \$48,500 under chapter I, Salaries and wages. This includes \$18,000 for established posts and \$30,500 for temporary assistance and consultants.

327. Considering that 20 established posts (11 associate officer [P-2] posts and 9 general service posts) will be excluded from the 1964 manning table, a cut of \$18,000 in the relevant budgetary provision might seem unduly modest. The Advisory Committee was informed, however, that the 1963 appropriation for established posts is likely to prove tight. This is explained by the fact that the initial estimate for 1963 was prepared on the basis of average costs in January 1962, whereas subsequent salary and post adjustment increases have raised the cost of maintaining the approved establishment in 1963 by some \$78,000. Further increases and regular increments expected to take place in the next financial year would raise the cost of maintaining the same established posts in 1964 by another \$14,000. It could, therefore, be argued that, if the 20 posts whose elimination is proposed for 1964 had been retained on the manning table, the corresponding estimate for 1964 would have been \$92,000 higher than the 1963 approved provision. In other words, the real saving resulting from the abolition of the 20 posts envisaged for 1964 is in the amount of \$110,000.

328. The Committee notes the reduction of \$30,500 achieved in temporary assistance and consultant requirements for 1964, and trusts that this process will be continued as and when the opportunity offers.

329. The only chapter of section 20 for which an increase is proposed is chapter III, Common staff costs. This increase in the amount of the \$14,200 results essentially from the additional requirements which will arise as a consequence of the progressive reduction in the manning table in 1964. The Committee notes an increase of \$22,000 in separation payments including

repatriation grants, and of \$4,000 in travel and removal expenses upon appointment, transfer and separation. These increases are partly offset by decreases under the other headings of Common staff costs. Such decreases, however, do not appear commensurate with the planned reduction in force of the Office of the High Commissioner for Refugees. Indeed, as the administrative establishment is curtailed, a downward trend in related costs should follow. In this regard, strict controls are called for and this applies equally to such areas of cost as general expenses and supplies, including communications, postage and freight for which only a minimal reduction is proposed by the Secretary-General. The Advisory Committee therefore believes that these expenditures can be maintained at a lower level and it would accordingly recommend a decrease of \$19,200 to be applied against chapters I to VIII at the discretion of the Secretary-General.

330. The requirements for chapter IX, Indemnification of refugees persecuted under the national socialist régime by reason of their nationality, are shown in the budget estimates at a level of \$121,400, or \$32,600 under the appropriation for 1963. This sum was intended to cover the completion of the operation in 1964. However, following the submission of the budget estimates, it was found possible to expedite the operation at an additional cost of \$77,000 in 1963, while the 1964 requirements under chapter IX could be reduced by the same amount. To cover this expenditure, the Secretary-General sought and obtained the concurrence of the Advisory Committee to enter into commitments not exceeding \$77,000 under the terms of paragraph 1 of General Assembly resolution 1862 (XVII) relating to unforeseen and extraordinary expenses for the financial year 1963. It is the intention of the Secretary-General to mention this adjustment in his report to the General Assembly at its eighteenth session on the supplementary estimates for 1963 and to request either additional funds as necessary or a transfer between sections to cover these expenditures. Accordingly the 1964 estimate for chapter IX should be reduced by \$77,000 from \$121,400 to \$44,400.

331. In the light of the preceding observations, the Advisory Committee recommends an appropriation of \$2,275,000 under section 20, or a reduction of \$96,200 in the estimate submitted by the Secretary-General.

Recapitulation of reductions recommended :

	\$
Chapters I to VIII.....	19,200
Chapter IX	77,000
TOTAL, section 20	96,200

Part VIII. International Court of Justice

SECTION 21. INTERNATIONAL COURT OF JUSTICE

	\$
Estimate submitted by the Secretary-General	964,600
Estimate recommended by the Advisory Committee	955,000
1962 (actual expense)	938,781
1963 (appropriation)	914,300

332. The increase of \$50,300 under this section as compared with the appropriation for 1963 is due en-

tirely to additional requirements under two of the four chapters included in the section.

333. Chapter II, Salaries, wages and expenses of the Registry, shows an increase of \$39,700, which is essentially attributable to the following elements:

(a) Item (i), Established posts, is raised by approximately \$11,600 to \$235,200 to take into account the 10 per cent increase in general service salaries at The Hague and the reclassification of a proof-reader post from P-1 to P-2, as well as the regular annual increments of the existing staff;

(b) Item (ii), Temporary assistance, is raised by \$14,500 to \$55,000 to meet the heavier translation workload which is expected to result in 1964 from the submission of very long briefs relating to cases which will come before the Court, and to provide for the recruitment of interpreters to service the anticipated greater number of meetings of the Court. The Advisory Committee understands that, in prior years, the provision for temporary assistance has been divided almost equally between clerical and professional staff for this type of work;

(c) Item (x), Travel on home leave, is increased by \$6,300 to \$7,200 exclusively because of the very uneven distribution of entitlements between odd and even years;

(d) Other items show various minor increases which are either consequential on salary adjustments, e.g. contributions to the Pension Fund, or attributable to the small size of the establishment where individual personnel actions can have a relatively large budgetary impact, such as the provision for separation payments.

334. In the case of chapter III, Common services, the increase of \$10,650 is almost fully attributable to item (viii), Contractual printing, for which the estimate is raised from \$25,000 to \$35,000. The Committee noted that actual expenditure in 1962 reached a level of \$41,339 whereas the approved appropriation was only \$31,500. It appears that this over-spending was due to the abnormally heavy agenda of the Court in 1962; during that year the Court met on 229 days which resulted in 1,400 printed pages of reports. The Committee was informed that it is because of this precedent that the 1964 estimate has been raised over its previous level of \$25,000. While the agenda of the Court for 1963 will be light since, as of the date of this report, only one or two cases will be considered, the situation for 1964 is likely to be somewhat different. It would seem that one of the cases to come before the Court next year will not only require a substantial number of meetings and consequently the printing of many pages of reports, but also involve the submission by the parties of very lengthy briefs and counter-briefs. It might be recalled that the translation of those documents is the reason for the proposed increase in the provision for temporary assistance mentioned in paragraph 333 (b) above.

335. As regards the established posts of the Registry, the Advisory Committee fully realizes that, given the relatively small size of the manning table, there are but few separation and recruitment actions and that it might be difficult to fix a firm deduction for turnover. However, it is obvious that the manning table will not be fully occupied at all times and, in support of this assumption, the Committee would call atten-

tion to the recruitment difficulties which the Registry has been experiencing in respect of some categories of secretarial and clerical staff. Therefore it would be reasonable to expect some limited savings in 1964 for this reason.

336. In the opinion of the Advisory Committee the proposed increase under chapter III (viii) for contractual printing would seem to be premature. On the one hand it is based exclusively on hypothetical elements; on the other hand the Committee must point out that the over-spending of \$9,839 which occurred in 1962—a record year as far as the workload of the Court was concerned—was absorbed for all practical purposes by means of savings under other items of section 21. In fact there was a far larger deficit of \$20,802 under temporary assistance in 1962, in addition to various other instances of over-spending. Altogether the deficits recorded under individual items totalled no less than \$41,349 and yet the net deficit for section 21 as a whole was only \$181. Accordingly, the Committee is convinced that the appropriation for contractual printing can safely be reduced.

337. In the light of the preceding observations, the Advisory Committee recommends an appropriation under section 21 of \$955,000, or a reduction of \$9,600 in the estimate submitted by the Secretary-General.

Reduction recommended:

Section 21. International Court of Justice..... \$9,600

Estimates of income

PART I. INCOME FROM STAFF ASSESSMENT

Income section 1. Staff assessment income

	\$
Estimate submitted by the Secretary-General	9,300,000
Estimate recommended by the Advisory Committee	9,225,000
1962 (actual income)	8,601,265
1963 (estimated income)	9,101,000

338. The estimate under this section relates to anticipated revenue from assessments levied on salaries and emoluments paid to staff in accordance with regulation 3.3 of the Staff Regulations. The full amount of this revenue will be credited to the Tax Equalization Fund and distributed from that Fund to the Member States in accordance with General Assembly resolution 973 (X) of 15 December 1955.

339. The estimate of \$9,300,000 for 1964 is \$199,000 higher than the estimate approved for 1963.

340. Income from staff assessment is in direct relation to salaries and certain common staff costs provided for in sections 3, 4, 18, 19, 20 and 21 of the budget. The reductions recommended by the Advisory Committee in the corresponding expenditure estimates would result in a decrease of staff assessment income by some \$75,000.

341. Accordingly, the Advisory Committee recommends a figure of \$9,225,000 as estimated revenue under income section 1.

Reduction recommended:

Income section 1. Staff assessment income..... \$75,000

PART II. OTHER INCOME

Income section 2. Funds provided from extra-budgetary accounts

	\$
Estimate submitted by the Secretary-General	1,580,800
Estimate recommended by the Advisory Committee	1,580,800
1962 (actual income)	1,653,447
1963 (estimated income)	1,784,700

342. The total estimate of \$1,580,800 covers the following anticipated contributions to the regular budget:

(a) \$981,600 from the Special Account of the Expanded Programme of Technical Assistance, consisting of: (i) \$936,600 as a contribution towards administrative and operational services costs incurred by the United Nations as a participating organization; and (ii) \$45,000 as a contribution towards central services costs in connexion with custodial functions related to the Special Account;

(b) \$350,000 from the voluntary funds at the disposal of the High Commissioner for Refugees as a grant-in-aid of the administrative costs provided in section 20 of the budget for the operation of the various related refugees programmes;

(c) \$249,200 from the United Nations Joint Staff Pension Fund towards the expenses of this activity which are provided for in the regular budget.

343. The 1964 estimate shows a net decrease of \$203,900 as compared with the figure approved for 1963. This results from a reduction of \$250,000 in the grant-in-aid from the voluntary refugee funds under chapter II, partly offset by an increase of \$46,100 in the subvention from the United Nations Joint Staff Pension Fund provided for under chapter III.

344. The contribution from the Special Account of the Expanded Programme of Technical Assistance under chapter I remains at the 1963 level in accordance with the formula laid down for the biennium 1963-1964 in Economic and Social Council resolution 855 (XXXII) of 4 August 1961 for participating organizations in general.⁶⁰ At its thirty-sixth session which convened on 2 July 1963 in Geneva, the Council is to consider a revised formula for the next biennium, 1965-1966, on the basis of proposals made by the Technical Assistance Committee at its June 1963 session in Copenhagen. The Advisory Committee notes that the title of item (ii) of this chapter has been modified following the suggestion it made in paragraph 319 of its report on the 1963 budget estimates.

345. In paragraphs 321 to 324 above, the Advisory Committee has offered detailed comments in respect to the 42 per cent reduction in the grant-in-aid from the Voluntary Fund of the High Commissioner's Programme proposed for 1964, as a step towards the complete elimination of this subsidy in the next two or three years. The Committee would only recall here that, irrespective of the justification or otherwise of this plan, it must draw the attention of the General Assembly to the fact that this is an *ad hoc* plan which has never been approved by the Assembly and which, if implemented, would mean that all the administrative

expenses of the Office of the High Commissioner for Refugees would be borne by the regular budget of the Organization.

346. Subject to the preceding observations, the Advisory Committee recommends that an estimate of \$1,580,800 be approved under income section 2, as proposed by the Secretary-General.

Income section 3. General income

	\$
Estimate submitted by the Secretary-General	1,253,600
Estimate recommended by the Advisory Committee	1,348,600
1962 (actual income)	1,752,310
1963 (estimated income)	1,789,300

347. This section shows a decrease of \$535,700 as compared with the approved estimate for 1963. This is essentially due to the following three factors:

(a) A reduction of \$219,300 under item (ii), Reimbursement for staff and services furnished to specialized agencies and others. This is explained by the fact that the 1963 figure included two non-recurring items, namely a contribution of \$193,000 by the Austrian Government towards the cost of the International Conference of Plenipotentiaries on Consular Relations held in Vienna in the spring of 1963 and a contribution of \$39,300 by the Italian Government towards the cost of the Conference on Travel and Tourism to be held in Rome in August-September 1963;

(b) A reduction of \$75,000 under item (iii), Income from interest and investments. In this regard, the Secretary-General states that, in the present circumstances, only a nominal figure can be given for income from investments and bank interests;

(c) The largest single cause of the reduction under income section 3 is the decision taken by the Secretary-General on the basis of a suggestion made by the Board of Auditors, not to include any income under item (vi), Contributions from non-member states, in the budget for 1964. In effect, this entails a paper loss of \$253,000. Having enquired into the technical reasons for this decision and the advantages anticipated therefrom, the Advisory Committee was informed that, while not essential, such a step would be in accordance with good accounting practices and would simplify the assessment procedure.

348. The Advisory Committee understands that the primary reason for the very low level of the estimate submitted under item (iii), Income from interest and investments, is the fact that the cash position of the Organization may not permit any substantial income from bank interest and short-term investments to be envisaged in 1964. It would nevertheless point out that, with the anticipated termination of the Congo operation and the increase in the level of the Working Capital Fund, as well as the payment of some of the largest individual government contributions over a relatively short period of time in the second half of the year, the United Nations treasury should be in temporary possession of sizable sums in cash which it would be able to invest profitably. Accordingly, the Committee would expect the actual income from interest and short-term investments in 1964 to be higher than the Secretary-General's estimate.

⁶⁰ "Allocations... shall be made in the form of lump sum amounts which shall be the equivalent of 12 per cent of one-half of the 1961-1962 projects costs".

349. In the case of item (vii), Revenue from television services and film distribution, the 1964 estimate is maintained at the approved 1963 level of \$240,000. In view of the fact that this is approximately \$112,000 below the actual income for 1962, the Advisory Committee enquired further into the matter and was informed that the figure of \$352,063 for 1962 was abnormally high because it included a carry-over of income from programmes initiated in 1961. The Committee must, however, point out that, in spite of this deferment of income, the 1961 revenue amounted to no less than \$271,817, or substantially more than the proposed figure for 1964. It should also be borne in mind that there has been a continuing shift of emphasis in favour of television within the work programme of the Office of Public Information, and it would be only natural to expect that this trend should result in increased revenue from television services as compared with the returns of a few years ago.

350. For all these considerations, the Advisory Committee believes that it would be reasonable to assume that actual income from television services and film distribution in 1964 will not fall much below the annual average of the two-year period 1961-1962 amounting approximately to \$312,000. Consequently, the Advisory Committee formally recommends that the estimate of income under item (vii) be raised to no less than \$300,000, or a minimum increase of \$60,000 over the figure proposed by the Secretary-General.

351. The reduction of \$12,000 or 20 per cent under item (iv), Sale of used office, transportation and other equipment, would also appear to be over-pessimistic and the Committee believes that better results can be achieved in the disposal of used equipment and that the actual revenue figure under this item will be higher than the Secretary-General's estimate of \$48,000. Moreover, the Committee feels that the level proposed under the remaining items of this section might well be exceeded in some measure.

352. In the light of the foregoing observations, the Advisory Committee recommends an estimate of \$1,348,600 for income section 3, or an increase of \$95,000 in the estimate submitted by the Secretary-General.

Increase recommended:

Income section 3. General income..... \$95,000

*Income section 4. Sale of United Nations postage stamps
(United Nations Postal Administration)*

	\$
Estimate submitted by the Secretary-General	1,358,000
Estimate recommended by the Advisory Committee	1,400,000
1962 (actual income)	1,358,623
1963 (estimated income)	1,300,000

353. Net income from the sale of United Nations postage stamps is estimated at \$1,358,000 which represents an increase of \$58,000 above the approved 1963 estimate. Gross sales are estimated at \$1,900,000 which would be \$91,500 higher than the level approved for 1963. The deductions to be made in order to arrive at the net revenue are expected to consist of \$300,000 for payments to the United States Post Office for mail carrying and cancellation charges and

\$242,000 for operational expenses charged against revenue. It should also be borne in mind that the costs of salaries for established posts and common staff costs of the staff of the Postal Administration are provided for in the appropriate budget sections. These expenses are estimated for 1964 at \$317,100. On this basis, estimated actual excess of income from the sale of stamps over the expenses directly attributable to that activity is \$1,040,900.

354. In its reports on the budgets of the last three financial years,⁶¹ the Advisory Committee drew attention to the progressive reduction in the volume of gross sales from 1957 to 1959 and to the subsequent reversal of the trend:

	\$
1957 actual gross sales.....	1,869,639
1958 actual gross sales.....	1,601,961
1959 actual gross sales.....	1,392,190
1960 actual gross sales.....	1,562,964
1961 actual gross sales.....	1,810,764
1962 actual gross sales.....	1,875,804
1963 estimated gross sales.....	1,808,500
1964 estimated gross sales.....	1,900,000

It thus appears that, after a brief interruption in 1963 attributed in part to the effects of the newspaper strike in New York, sales have resumed their upward trend.

355. The Advisory Committee notes with satisfaction the very effective work done by the United Nations Postal Administration in stimulating public interest in the United Nations while procuring substantial revenue for the Organization. It would call attention to the special efforts made during the past four years to promote sales of United Nations stamp issues and in particular to enlarge the field of distribution, through governmental postal administrations, of United Nations stamps for philatelic purposes. Interest is also being stimulated by the distribution of exhibit materials as well as by participation in philatelic exhibitions in a number of countries.

356. In this connection, the Committee observes that, whereas it is not proposed to set up a counter for the sale of United Nations stamps at the New York World's Fair in 1964, the Fair will certainly bring a large number of additional visitors to New York City, a considerable proportion of whom will most likely come to Headquarters where they will pass by the Postal Administration sales counter. Accordingly, it would appear safe to anticipate substantial sales of United Nations stamps to those extra visitors and therefore somewhat higher revenue than that envisaged by the Secretary-General.

357. On the basis of the observations made in the preceding paragraph, the Advisory Committee recommends an estimate of \$1,400,000 for income section 4, or an increase of \$42,000 in the estimate submitted by the Secretary-General.

Increase recommended:

Income section 4. Sale of United Nations postage stamps \$42,000

⁶¹ Official Records of the General Assembly, Fifteenth Session, Supplement No. 7 (A/4408), paras. 304 and 305; *Ibid.*, Sixteenth Session, Supplement No. 7 (A/4814), para. 308; *Ibid.*, Seventeenth Session, Supplement No. 7 (A/5207), para. 331.

Income section 5. Sale of publications

	\$
Estimate submitted by the Secretary-General	528,800
Estimate recommended by the Advisory Committee	541,000
1962 (actual income)	453,662
1963 (estimated income)	541,000

358. This section relates to the sale of United Nations publications and information material, as well as publications of the specialized agencies.

359. The estimate of income for 1964 from the above sources is in the amount of \$528,800, representing a reduction of \$12,200 as compared with the level approved for 1963.

360. Gross sales in 1964 are estimated at \$1,033,000 compared with an estimate of \$1,011,000 for 1963 and actual gross sales of \$869,939 in 1962. Deductions in 1964 are expected to consist of \$203,200 for costs of sales and discounts and \$301,000 for expenses charged against revenue. Net credit to income is therefore set at \$528,800, compared with an estimate of \$541,000 in 1963 and actual net revenue of \$453,662 in 1962. It thus appears that there is a reduction in the net credit to income in spite of an increase in gross sales. This is attributable to the fact that the deduction for sales costs and discounts is \$6,000 higher than the 1963 allowance, while other expenses charged against revenue exceed the 1963 level by \$28,200.

361. Additional expenses related to this activity are included under regular budget appropriations for established posts and common staff costs for the sales units at Headquarters and Geneva (sections 3 and 4), for the run-on cost—cost of paper, presswork and binding—of producing sales copies of publications (section 11) and for utilities and maintenance of the Bookshop at Headquarters (section 9). These additional costs are estimated at \$323,800 compared with \$306,400 in 1963. On this basis, the actual excess of income over the expenses directly attributable to the sale of publications is estimated at \$205,000 for 1964 compared with \$234,600 for 1963, or a decrease of \$29,600.

362. It appears from the figures given in the preceding paragraphs that a gain in sales is expected to result in a loss of revenue. For instance, the ratio of excess of income over expenditure to gross sales would fall from 23.20 per cent in 1963 to 19.84 per cent in 1964. This is a trend which the Advisory Committee views with concern and which should be reversed by renewed efforts to control administrative and other expenses incurred in the operation. A more intensive promotional campaign designed to increase sales in promising areas is also called for.

363. In its report on the 1963 estimates⁶², the Committee commended the decision to have the United Nations assume as of 1 January 1961 direct responsibility for sales activities in the United States, previously undertaken by a sales agent. It is now established that this initiative has resulted in substantial gains in sales. Sales were higher than expected not only in 1961, but also in 1962. In the latter instance,

while the initial approved estimate of income under section 5 was in the amount of \$375,000 [General Assembly resolution 1734 B (XVI) of 20 December 1961], later raised to \$400,000 [resolution 1860 (XVII) of 20 December 1962], actual income came to no less than \$453,662, or almost 21 per cent higher than the initial approved amount.

364. As already indicated in the case of the sale of United Nations postage stamps (see para. 356 above), the holding of the New York World's Fair in 1964 will certainly bring a considerable number of additional visitors to Headquarters and thus improve the prospects of the United Nations Bookshop.

365. In the light of the observations set forth in the preceding paragraphs, the Advisory Committee is convinced that actual results in 1964 will not fall below the level approved for 1963 i.e. \$541,000, and, consequently, recommends an estimate of \$541,000 for income section 5, or an increase of \$12,200 in the estimate submitted by the Secretary-General.

Increase recommended:

Income section 5. Sale of publications	\$12,000
--	----------

Income section 6. Service to visitors and catering services

	\$
Estimate submitted by the Secretary-General	743,000
Estimate recommended by the Advisory Committee	828,000
1962 (actual income)	786,530
1963 (estimated income)	731,500

366. The estimates under this section are presented in two chapters which distinguish between services to visitors and the public in chapter I (guided tours, gift centre and souvenir shop at Headquarters and guided tours at Geneva) and services of primary benefit to national representatives and United Nations staff in chapter II (catering services).

367. Table 11 gives an analysis of the 1964 estimates for the various services, as provided in annex B of the budget document together with comparable figures for 1963 and 1962.

368. This table calls for a word of caution because the figures included in it are not comparable with those which were given in the corresponding tables in the Committee's previous reports. This is due to the fact that the cost of utilities and maintenance which, in prior years, was charged in full against the revenue of guided tours is now applied against chapter I as a whole. The Advisory Committee was informed that the former budgetary presentation was somewhat misleading since, although the cost of utilities and maintenance is primarily related to the guided tours operation, the revenue derived by the other activities included under chapter I is directly related to the number of visitors attracted to the Headquarters buildings by the guided tours. It was therefore considered that those activities should bear a more equitable share of such overhead expenses.

369. It will be noted that the increase of \$33,000 in the gross sales of the guided tours at Headquarters is expected to result in a slight decrease in the net

⁶² Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207), para. 338.

Table 11

SERVICES TO VISITORS (CHAPTER I) AND CATERING SERVICES (CHAPTER II):
GROSS REVENUE AND NET INCOME^a

	1962 actual revenue		1963 estimates		1964 estimates	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
HEADQUARTERS						
<i>Chapter I. Services to visitors</i>						
Guided tours	770,664	187,940	747,000	123,450	780,000	122,600
United Nations Gift Centre	627,332	184,030	640,000	184,000	640,000	182,000
Souvenir Shop	579,106	208,385	560,000	204,000	580,000	198,000
<i>Deduct: Undistributed charge for utilities and maintenance</i>		(162,100)		(169,500)		(185,000)
TOTAL, chapter I	1,977,102	418,255	1,947,000	341,950	2,000,000	317,600
<i>Chapter II. Catering services</i>	2,145,825	(20,790)	2,133,000	(90,500)	2,230,000	(87,500)
GENEVA						
<i>Chapter I. Services to visitors</i>						
Guided tours	42,241	396	38,000	(8,250)	50,000	1,600

^a Net income after deduction of (i) direct expenses charged against revenue and (ii) additional expenses under regular budget appropriations.

income of the operation estimated at \$122,600. This estimate is based upon the experience of 1962 and the first quarter of 1963 and assumes that traffic will not fall below the 1962 level. The Secretary-General indicates that revised estimates may have to be submitted when the possible impact of the New York World's Fair and of the major alterations programme at Headquarters on 1964 guided tours operations can be determined. However, for the reasons stated in connexion with income sections 4 (Sale of United Nations postage stamps) and 5 (Sale of publications), it would have seemed only reasonable to anticipate that the Fair would bring a greater number of visitors to the Headquarters buildings in 1964 with a commensurate increase in revenue.

370. The Committee is concerned to note that expenditures are rising more rapidly than gross sales. While it recognizes that this is due principally to the provision of additional guides for increased supervision of the flow of guided tours to relieve congestion in the busy periods of the year, it believes that some measure of administrative rationalization and control might at least help to maintain the ratio of expenditure to gross sales at the 1962 level.

371. In paragraphs 343 and 344 of its report on the 1963 budget estimates, the Committee commented on the continuation of the steady increase in the number of visitors which became evident in 1961 and stated that, while this development was an encouraging one in itself in that it contributed to a wider understanding of the United Nations, the Committee had been given to understand that this remarkable increase in the number of visitors was beginning to strain the capacity of the Headquarters buildings. In particular, it had reason to believe that the point was being reached where the administration of the whole operation needed certain adjustments. Attention had been called to the congestion caused by large parties of visitors at the various escalators and revolving doors, which im-

peded the normal movement of delegates and staff members at peak hours. In addition, the general overcrowding of the exits and lobbies in various parts of the buildings was said to raise some problems of safety and security.

372. At the time, the Advisory Committee felt that it was too early for it to express an opinion as to what steps if any should be taken, but it hoped that the Secretary-General would study the problem and make any suggestions which he might consider appropriate in the light of the situation, bearing in mind the desirability of receiving as many visitors as possible with due regard to the need for avoiding any interference with the orderly functioning of the Organization.

373. The Committee understands that the first findings of this study are that the difficulty does not lie so much in the absolute number of visitors as in their very uneven distribution throughout the year; indeed the number of visitors has had to be limited during certain peak months when the conference programme is particularly heavy. One of the more effective steps taken by the Secretariat has been a campaign to schedule the visits by organized groups. In particular, school groups comprising children under the age of eleven, have been invited not to come to Headquarters during the peak months of April, May, October and November, while other New York-based groups have been requested to refrain, if possible, from visiting Headquarters in April and May. Another step has been the establishment of three different routes for guided tours so as to reduce the flow of traffic at any given time through revolving doors and escalators.

374. Various experiments have been conducted with respect to the optimum size of the groups. It would appear that 25 is the best figure. An attempt had been made to reduce the number of individuals to twenty per group, but this proved both uneconomical because a large number of additional guides would

have had to be hired, and unsatisfactory because of congestion created in the lobby of the General Assembly building as a result of the slowing-down of the tours. The Committee was given to understand that the Secretariat would wish to set up an exhibit about the various agencies in the United Nations family, in consultation with the Administrative Committee on Coordination, provided that outside financing could be arranged. In this connexion, the Secretariat might consider the possibility of including in the exhibit scale-models of all the buildings belonging to the United Nations and the various agencies, if the cost of such models is not prohibitive.

375. While it is likely that the World's Fair will bring many more visitors to the United Nations in 1964, the major construction programme to be carried out during the year might impede the functioning of the guided tours. The Advisory Committee would therefore suggest that alternative tours be contemplated to obviate the possibility of congestion in some areas. The Committee has in mind *inter alia* shorter tours for people who do not have much time or special tours for school children better adapted to the interests of young visitors and in which, for instance, some of the more detailed or repetitious items might be eliminated.

376. Given the various measures already taken or envisaged, the Advisory Committee believes that income from guided tours could be higher than the estimate submitted by the Secretary-General. Furthermore, the continuous upward trend in costs, which is said to be responsible for a progressively lower ratio of income to gross sales, certainly justifies a general reconsideration of the scale of fees charged by the United Nations both at New York and at Geneva.

377. In the light of the foregoing considerations and in view of the fact that the anticipated increase in the number of visitors at Headquarters in 1964 should raise the level of sales of the other activities included in chapter I, viz. the United Nations Gift Centre and the Souvenir Shop, the Advisory Committee recommends for that chapter as a whole an estimate of \$828,000 or \$50,000 more than the amount proposed by the Secretary-General.

378. Chapter II, Catering services, shows a deficit of \$35,000 on gross sales of \$2,230,000. The Secretary-General indicates that this deficit is "entirely attributable to the need to extend operation schedules beyond regular working hours to provide service for the staff and delegates. Thus, while some price increases have been instituted to balance higher costs of food and labour, it has not been considered appropriate to raise them to such a level that the patrons would also cover the cost of extra expenditures arising from the special meeting requirements of the Organization".

379. The Committee would first observe that the figure of \$35,000 is not the full deficit of the operation, because additional expenses in the amount of \$52,500 for utilities and maintenance for the catering services are provided for in the relevant expenditure sections of the budget. The whole problem of the budgetary and accounting treatment of commercial activities of this

type has been raised by the Board of Auditors and the Advisory Committee would refer to its own comments on the subject included in its first report to the General Assembly at its eighteenth session (A/5434, paras. 11 and 12). It would be sufficient to recall here that, in the opinion of the Board of Auditors the figures shown as income do not reveal where losses and profits have arisen and that the details provided in the Secretary-General's financial report do not give a clear idea of the results of such commercial activities because the amounts shown under "net revenue" are not really net but are gross revenue after deduction of only part of the costs. It is the contention of the Board of Auditors that all those costs which are directly charged against the regular budget should be divided among and charged against the various activities as accurately as possible. In the above-mentioned report, the Advisory Committee expressed the belief that this was a problem which the Secretary-General might usefully study.

380. As regards the 1964 estimate, the Committee understands that union-negotiated wage rates for the cafeteria and restaurant staffs will be substantially higher next year, while the upward trend in the price of foodstuffs is unlikely to be reversed. This prospect of increased operating costs added to the current financial difficulties facing the Organization makes it desirable for the administration to take all necessary steps to eliminate at least that part of the deficit shown under chapter II of income section 6, viz. \$35,000.

381. Among the measures which might be envisaged to that end, the Advisory Committee would suggest that, in the first instance, a detailed examination of the present operation procedures of the various components of the catering services, *inter alia*, the restaurant, bars and cafeteria, be undertaken with a view to reducing costs. To the extent that all other possibilities are exhausted, the complete price schedule of the several operations should be adjusted so as to eliminate any remaining deficit balance.

382. Without prejudice to the results of the study which the Secretary-General might undertake following the suggestion of the Board of Auditors, and on the basis of the observations set forth in the preceding paragraphs, the Advisory Committee recommends that the apparent deficit of \$35,000 shown under chapter II of the Secretary-General's estimates be eliminated. This would in effect amount to a net increase of \$35,000 in the income estimate submitted by the Secretary-General for the whole of section 6, in addition to the increase of \$50,000 recommended by the Committee under chapter I.

383. In the light of the foregoing observations, the Advisory Committee recommends an estimate of \$828,000 for income section 6, or an increase of \$85,000 in the estimate submitted by the Secretary-General.

Recapitulation of increases recommended:		\$
Chapter I. Guided tours, New York and Geneva ...		50,000
Chapter II. Catering services		35,000

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