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**Chairman: Mr. Hans ENGEN (Norway).**

**AGENDA ITEM 49**

**Report of the Special Committee on Review of  
Administrative Tribunal Judgements (A/2909,  
A/2917 and Add.1 and 2, A/C.5/634, A/C.5/  
L.337) (*continued*)**

1. Mr. CUTTS (Australia), introducing the Australian draft resolution (A/C.5/L.337) to amend article 9 of the Statute of the Administrative Tribunal, stated that in his delegation's view the amendments proposed should do much to obviate controversy over the Tribunal's judgements. It had been in relation to the quantum of compensation that controversy had most often arisen and that the Tribunal had shown most need for guidance. After a careful study of the Tribunal's judgments his delegation had been unable to ascertain what principles, if any, the Tribunal had followed in assessing the amount of compensation to be awarded. Some past awards could be explained only on the assumption that the Tribunal had taken into account considerations extraneous to the judicial assessment of compensation; it was therefore desirable to limit the Tribunal's discretion in the matter and to lay down guiding principles for it to follow. Besides reducing controversy, the adoption of the amendments should reduce the number of cases in which judicial review of the Tribunal's judgements was likely to be sought.

2. The proposal in paragraph (a) of the draft resolution was designed to clarify what had been the General Assembly's intention in adopting the present text of article 9 at the eighth session (resolution 782 B(VIII)), namely, that two years' salary should constitute the total compensation including normal termination benefits; that had certainly been the Secretary-General's understanding when he had proposed the formula eventually adopted (A/2615, paras. 49 and 50).

3. Paragraph (b) was designed to eliminate the provision for exceptional cases, which completely vitiated

the provision of a maximum award of two years' salary. That maximum offered a generous margin for awards in so far as they were based strictly on assessment of the extent to which the staff member concerned had been denied his full rights under his contract of employment. Awards above that limit could be arrived at only by taking into consideration matters beyond the terms of such contract. Australia was convinced that some awards had been based on the Tribunal's belief that a punitive element was justified or that a particular staff member deserved more favourable consideration than his contract would warrant. That view had been strengthened by recent decisions of the Administrative Tribunal of the International Labour Organisation in the cases of certain UNESCO staff members. The adoption of the proposed amendment would ensure against the possibility of the United Nations Tribunal taking any similar decision.

4. Paragraph (c) laid down principles to be observed by the Tribunal in assessing awards of compensation. First, Australia proposed the introduction of the principle of "reasonable notice": compensation should be related to the period which might be regarded as reasonable notice for termination of a contract. The two-years' maximum should be ample to cover any conceivable situation. Secondly, in the case of a contract of employment for a specific period, compensation should not exceed the salary for the unexpired portion of such period.

5. It was Australia's contention that a staff member's rights were limited to those he enjoyed under the terms of his contract. The award by the ILO Tribunal to UNESCO staff members of damages in respect of the non-renewal of fixed-term contracts meant that those employees had been given rights over and above those acquired under their contracts, a proceeding not justified by any rules of jurisprudence. Furthermore, such a practice abolished the difference in status between permanent employees and those on fixed-term contracts and would, if it became general, prevent the Secretary-General from engaging employees for fixed periods with the assurance that his responsibility towards them would end with the expiration of the agreed period.

6. The Australian proposals would help to develop proper relations between the Administrative Tribunal and other United Nations organs, reduce the possibility of arbitrary and inconsistent decisions and at the same time offer complete protection to staff members against any breach of their rights.

7. Mr. BIHIN (Belgium) pointed out that the subject of the Australian draft resolution did not properly fall within the agenda item before the Committee or within the terms of reference of the Special Committee as provided by General Assembly resolution 888 B (IX), paragraph 5. Furthermore the Committee was not in possession of sufficient information on the subject and members had not had sufficient time to study it.

8. With regard to Australia's concern at the apparent absence of guiding principles for the Administrative Tribunal in assessing compensation, it would be a mistake for a purely judicial body to commit itself in advance to a rigid procedure; judicial principles were best developed in the light of experience and every case presented a different problem. He was not clear exactly what kind of controversy the Australian representative hoped to obviate by his proposals: the question of the review of Administrative Tribunal judgements had been the subject of lively discussion in the Committee but the question of the amount of compensation had not been considered. The Committee would be ill-advised to take a hasty decision, which was all that would be possible at the present session. Furthermore, he felt that the Australian proposals were not intended purely to safeguard the rights of staff members and of the United Nations as employer.

9. The CHAIRMAN pointed out that when he had suggested the inclusion of the Australian draft resolution for consideration under the present item no objection had been raised and that the subject was referred to in the Special Committee's report (A/2909).

10. Mr. CUTTS (Australia) took the view that the subject of the Australian draft resolution fell within the item under discussion. In the first place, similar proposals, contained in document A/AC.78/L.12, part III, had been considered and rejected by the Special Committee (A/2909, para. 115) and the Fifth Committee was at liberty to consider any matter properly arising out of the report; secondly, the Australian proposals had been submitted with paragraph 3 of resolution 888 B (IX) in mind. The time-limit for the submission to the Secretary-General of suggestions which Member States might consider useful, namely, 1 July 1955, had been exceeded, but the proposals had been re-stated in the *note verbale* dated 29 July 1955 to the Secretary-General from the Permanent Representative of Australia to the United Nations (A/2917/Add.1), and the Australian Government had reserved the right to present them to the tenth session of the General Assembly. The Special Committee's report had not appeared until June 1955; it had not therefore been possible to make suggestions by 1 July 1955, as prescribed by the General Assembly. In view of the appearance of document A/2917/Add.1 on 15 August and of the Australian draft resolution (A/C.5/L.337) on 17 October, he did not feel that the Committee's decision need be unduly hasty.

11. Mr. VAN ASCH VAN WIJCK (Netherlands) agreed with the Belgian representative that the Australian proposals were outside the item under consideration. The Special Committee's report concerned only the question of the establishment of procedure for the review of Administrative Tribunal judgements; indeed, five representatives in the Special Committee had taken the view that that Committee had had no competence to discuss the question of compensation (A/2909, paragraph 66). Furthermore, the suggestions called for in resolution 888 B (IX), paragraph 3, were not intended to cover matters outside the question of the review procedure.

12. Mr. MENDEZ (Philippines) pointed out that the Australian draft resolution purported to establish principles to guide the Tribunal in delivering its judgements and not the procedure to be adopted after a judgement had been delivered, which was the subject of the present agenda item. The question of principles for the award

of compensation was of great interest but the Committee was not in a position to discuss it at that stage.

13. Mr. ZARUBIN (Union of Soviet Socialist Republics) agreed with the Belgian and Netherlands representatives. The fact that the Special Committee had considered the Australian proposals did not bind the Fifth Committee to discuss it.

14. Mr. BIHIN (Belgium) proposed that the Committee should decide that the Australian draft resolution did not fall within the scope of its agenda and should not be discussed at the tenth session.

15. Mr. HALL (United States of America) felt that the Australian draft resolution was relevant to the present item and that its inclusion had been justified by the absence of any objection to the Chairman's suggestion to that effect at a previous meeting.

16. He asked whether the Belgian representative would agree to the matter's being referred to the Advisory Committee on Administrative and Budgetary Questions for consideration in connexion with the Secretary-General's forthcoming report on personnel policy. The Australian proposals were interesting and appeared more closely concerned with staff matters than with the Administrative Tribunal as such. The Secretary-General was not to report to the General Assembly on personnel policy until the twelfth session and two years would therefore be available for consideration of the matter.

17. Mr. BIHIN (Belgium) felt that it would create confusion if the Committee referred to the Advisory Committee a matter which had not been on its agenda and that it could safely be left to the Secretary-General's discretion to include in his report to the Assembly at its twelfth session any matters relevant to personnel policy.

18. The CHAIRMAN felt that the Committee must first decide whether or not the subject of the Australian draft resolution came within the agenda for the tenth session.

19. Mr. CUTTS (Australia) maintained that, for the reasons he had given earlier, the question he had raised was on the Committee's agenda. He did not think it would be legitimate for the Committee to decide that the matter was not within its competence, although it was perfectly entitled to decide to defer consideration of his delegation's draft resolution or to refer it elsewhere.

20. Mr. VAN ASCH VAN WIJCK (Netherlands) thought that the Committee should try to avoid taking a vote on that difficult question. He hoped that the Australian representative would ease the situation by agreeing to put the matter forward for inclusion in the agenda of the eleventh session, at which time he could, if he wished, ask for it to be referred to the Advisory Committee for consideration.

21. Mr. FRIIS (Denmark) agreed that it would be better not to put the matter to a vote. He appealed to the Belgian representative to withdraw his motion, so that a practical solution of the problem might be found.

22. Mr. BIHIN (Belgium) withdrew his proposal.

23. Mr. CUTTS (Australia) asked for clarification of the various remaining suggestions.

24. After further discussion, the CHAIRMAN proposed that consideration of the Australian draft resolu-

tion should be suspended, pending a clarification of the situation.

*It was so decided.*

#### AGENDA ITEM 36

#### Financial reports and accounts, and reports of the Board of Auditors (*continued*):

- (a) **United Nations, for the financial year ended 31 December 1954 (A/2901, A/2921) (*concluded*);**
- (b) **United Nations Children's Fund, for the financial year ended 31 December 1954 (A/2905, A/2922) (*concluded*);**
- (c) **United Nations Refugee Emergency Fund, for the financial year ended 31 December 1954 (A/2900, A/2921) (*concluded*)**

DRAFT REPORTS OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.334, A/C.5/L.336, A/C.5/L.338)

25. The CHAIRMAN drew attention to the Committee's draft report (A/C.5/L.334) on the financial reports and accounts of the United Nations, and the reports of the Board of Auditors.

*The report was adopted unanimously.*

26. The CHAIRMAN drew attention to the Committee's draft report (A/C.5/L.338) on the financial report and accounts of the United Nations Children's Fund, and the report of the Board of Auditors.

*The report was adopted unanimously.*

27. The CHAIRMAN drew attention to the draft report (A/C.5/L.336) on the financial report and accounts of the United Nations Refugee Emergency Fund, and the report of the Board of Auditors.

*The report was adopted unanimously.*

#### AGENDA ITEM 38

#### Budget estimates for the financial year 1956 (A/2904 and Add.1, A/2921, A/C.5/629) (*continued*)

##### *General discussion (continued)*

28. Mr. ZARUBIN (Union of Soviet Socialist Republics) said that consideration of the 1956 budget estimates (A/2904 and Add.1) was one of the most important tasks confronting the Fifth Committee and one upon which depended the success of the Secretariat and, indeed, of the whole Organization in fulfilling the objectives of the Charter. The best results could be achieved if a wholly rational use were made of the funds available. For that purpose the Committee should make a careful scrutiny of the appropriations proposed, in order to eliminate unnecessary expenditure.

29. According to the budget estimates, total net expenditure in 1956 would be \$39,404,400, some \$730,000 less than the 1955 figure and — it was claimed — the lowest initial net budget figure to be submitted since 1949. In considering that statement, however, representatives should bear in mind the substantial increase in supplementary items of expenditure, as a result of which, as the Advisory Committee pointed out in paragraph 2 of its report (A/2921), the net total for assessment on the Members of the United Nations would rise and not fall. The Secretary-General had confirmed that possibility in his statement (A/C.5/630) to

the Fifth Committee at the 490th meeting. The supplementary estimates would include such items as \$1,500,000 for the International Conference on the Peaceful Uses of Atomic Energy held in Geneva in August 1955; \$1,600,000 for 1955 tax reimbursement for certain categories of the Secretariat; an additional expenditure of over \$363,000 in connexion with decisions taken at the nineteenth and twentieth sessions of the Economic and Social Council, and a sum of about \$160,000 for the setting up of a pension fund for judges of the International Court. In all they would amount to some \$6,500,000 and the total assessment against Members would be some \$46 million or \$6 million more than in 1955. Expenditure in 1956 would thus be greater than it had ever been in any previous year.

30. The Fifth Committee should therefore recommend for approval by the General Assembly only those appropriations which met the real needs of the Organization according to the duties laid upon it by the Charter. The Secretariat had undoubtedly achieved much in the years of its existence, but there could be no doubt that there was room for improvement through the reshaping of its structure and the more rational use of the funds made available to it. His delegation still felt that the Secretariat was too large and cumbersome a body and it was disappointed that the Secretary-General's reorganization had not led to such spectacular results as might have been expected in the way of increased effectiveness and flexibility with, at the same time, reduced expenditure. In addition, it was now apparent that the Secretary-General's reduction of posts had been largely artificial, inasmuch as the posts he had eliminated had long been vacant. Moreover, Member States were required to contribute large sums to provide for the secretariats of the specialized agencies. According to information annex II to the budget estimates (A/2904/Add.1), some \$60 million of the total \$88 million contributed by Member States of the United Nations and of the eight specialized agencies was spent on their secretariats. His delegation considered that sum excessive, particularly when it was compared with the \$28 million which had been spent in 1955 on the Expanded Programme of Technical Assistance for the economically under-developed countries. The Soviet delegation would therefore urge the Committee to bear in mind the Secretary-General's own words in his foreword to the budget estimates (A/2904), that reorganization of the Secretariat "should not be regarded as unchangeable: it must be tested by experience and kept under review in the light of changing requirements of work programmes" and to interpret them as meaning that a further streamlining of the Secretariat was possible. The money thus saved could be more usefully spent on technical and economic assistance for under-developed countries.

31. The first step to be taken, therefore, was to reorganize the work of the Secretariat in the social and economic field, which at present absorbed a quarter of the budget. In that connexion, the Secretary-General had rightly drawn attention to the problem arising from the tendency of specialized commissions and committees to extend the work programmes in their own fields without seeing the cumulative effect on the Secretariat and he had been right in asking Governments whether, in their view, the Secretariat had achieved the right balance in the light of the financial implications, for instance, between studies and reports and practical field work and, if not, what sort of arrangements needed to be made to attain and keep a better balance in the fu-



ture. That question should be given careful consideration at the present session, for until it was answered neither the Committee nor the Assembly could make appropriations for the continuation of studies in the economic and social fields.

32. More concretely, his delegation felt that the regional economic commissions, whose activities fully justified themselves, should be expanded and given more attention. Various economic problems presented themselves in the different regions and the Organization was called upon to solve them. For that purpose, the Department of Economic and Social Affairs of the Secretariat should be combined with the Technical Assistance Administration, the staff and funds thus set free being used for the extension of regional activities.

33. Another Department in which reorganization was called for and in which economies might be effected was that of Public Information. His delegation had often pointed out that that Department absorbed an excessively large proportion of the budget, to the detriment of the technical assistance programmes of the United Nations. His delegation agreed with the Advisory Committee's remarks in paragraph 96 of its report (A/2921) and supported its proposal that such expenditure should be reduced by some \$700,000, but it considered that the target could be reached in one year rather than in three. The money saved in 1956 could then be used to finance technical assistance undertakings in the underdeveloped countries.

34. The Soviet delegation further believed that some effort should be made to solve the problem of excessive documentation. It shared the Secretary-General's concern in that respect and agreed with him that more documents were produced than was strictly necessary. It was therefore ready to discuss any proposals the Secretary-General might put forward in that connexion.

35. Again, as in previous years, the Soviet delegation would draw attention to the large sums of money spent annually in ways which were not in the interests of Member States. In the budget estimates for 1956, for instance, a sum of about \$3 million was requested for the maintenance of the United Nations Field Service and other such bodies, which had been set up in violation of the Charter. The Committee should also settle the question of double taxation in such a way that the General Assembly would not be required to expend funds for the payment of the national income taxes of a certain segment of the Secretariat.

36. Finally, his delegation thought that the whole question of the recruitment of staff members should be reconsidered. Many new States had come into existence since the inauguration of the United Nations; they were playing a great part in the work of the Organization and in the maintenance of peace and international security: it was wholly unjustified, therefore, that they should not be represented in the United Nations Secretariat. Appointment to the Secretariat should be in accordance with the principle of broad geographical representation and he could not agree with the Secretary-General that the Secretariat should constitute a permanent and unchanging body. He would suggest that the Fifth Committee should consider that question and make appropriate recommendations to the General Assembly.

37. The Soviet delegation supported the Advisory Committee's recommendations in so far as they were designed to improve the functioning of the Secretariat and to reduce costs in 1956. It did not think, however,

that the Advisory Committee had exhausted all possibilities for increasing efficiency and avoiding waste. Leaving aside expenditure on the International Conference on the Peaceful Uses of Atomic Energy, his delegation believed that the United Nations budget should be stabilized at a level of \$35 million, and it would offer suggestions toward that end as the Committee discussed each item of the budget in detail.

38. Mr. TSAMISSIS (Greece) said that the fact that the 1956 budget estimates were the lowest since 1949 and that a further reduction had been proposed by the Advisory Committee was a matter for satisfaction. He felt that the close co-operation between the Secretary-General and the Advisory Committee, as reflected in the large measure of agreement reached between them on the 1956 estimates, was a factor which guaranteed the continuance of a sound policy in the administration of the United Nations budget. The fact that the supplementary estimates would make the 1956 estimates higher than those for 1955 was unavoidable in view of the expansion which had taken place in United Nations activities.

39. He noted that most of the 1956 budget estimates of the specialized agencies showed increases as compared with 1955 and said that his delegation would be one of the first to appreciate any reduction which those bodies might make in their administrative and operational expenses and their overhead expenses.

40. He thought that expenditure on public information activities might be further reduced; on that subject he concurred with the Advisory Committee's recommendations.

41. He noted with satisfaction that a saving of \$2 million had been made by the reorganization of the Secretariat and he suggested that revenue-producing activities should be expanded and income increased by a judicious use of advertisements in United Nations publications.

42. He appealed to all concerned to help to reduce the volume of documentation. Such a reduction would be not only an economy but would greatly facilitate the work of representatives.

43. Mr. ERHAN (Turkey) said that his delegation had noted with satisfaction the Secretary-General's efforts to reduce expenditure and the fact that the 1956 budget estimates were the lowest since 1949.

44. Referring to the further reduction in posts in the Secretariat to be made in 1956, he emphasized that the work of that body depended more upon the quality of its staff than upon their number. The staff should be selected strictly in accordance with Article 101 of the Charter, and the Turkish delegation hoped that due regard would be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

#### ***Revenue-producing activities of the United Nations (A/2921, A/2991, A/C.5/623)***

45. The CHAIRMAN drew attention to the first and fifth reports of the Advisory Committee on Administrative and Budgetary Questions (A/2921 and A/2991) and the report by the Secretary-General on revenue-producing activities (A/C.5/623). Those reports referred to two main points: the question of achieving budgetary and accounting consistency among the revenue-producing activities and the question of management arrangements. On the latter point the Secretary-General had proposed that the present management

arrangements should be continued, subject to careful review at appropriate intervals. The Advisory Committee had concurred in that view.

46. With regard to the question of achieving budgetary and accounting consistency, the Secretary-General had made certain proposals in paragraph 14 of his report, with which the Advisory Committee concurred in broad outline.

47. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to paragraphs 4 to 10 of the Advisory Committee's fifth report (A/2991). Pointing out that three revenue-producing activities still remained under contractual management — the catering services, the Gift Centre and the Bookshop — he said that the Advisory Committee agreed with the Secretary-General's proposal that the existing arrangements for their management should be continued on a provisional basis. The Advisory Committee considered that before it could arrive at firm conclusions it must make a more detailed study of the matter and it would do so, if its programme permitted, in 1956.

48. The Advisory Committee concurred generally in the Secretary-General's proposals regarding the budgetary and accounting treatment of revenue-producing activities. If adopted by the General Assembly the proposed system would give a far clearer picture of what those activities cost in the aggregate and of what they yielded in revenue. On one point the Advisory Committee went further than the Secretary-General: that point would be best illustrated by comparing the statements of estimated income and expenditure appearing in paragraphs 7 and 9 respectively of the Advisory Committee's fifth report. The statement in paragraph 7 showed that, under the Secretary-General's proposal, the amount to be credited to miscellaneous income would be the amount by which the net sales exceeded the amount of identifiable expenses. In the particular case of the Visitors' Service, the amount to be so credited would be \$171,400, which was the difference between the identifiable expenses of \$428,600 and the net sales of \$600,000. Additional expense, to an amount of \$157,000, would arise out of the operation of the Visitors' Service, but because it could not easily be segregated it would be charged to regular budget appropriation and would appear in the statement only *ad memorandum*. Only in one respect did the Advisory Committee recommend a variation in that treatment: it recommended that the amount to be carried to miscellaneous income should be the difference between all expenses of the Visitors' Service and the amount of net sales and that a counter credit should be entered in those sections of the budget appropriations which included provision for indirect, non-identifiable expenses (A/2991, paragraphs 9 and 10). The Advisory Committee had made that recommendation because the purpose of the new system was to give a clearer and fuller picture of the various revenue-producing activities. The Advisory Committee felt that the modifications it had suggested would promote that purpose without impairing the principle on which the Secretary-General's proposals were based.

49. Mr. TURNER (Controller) explained that the proposals made in the Secretary-General's report (A/C.5/623) amounted to a recommendation that there should be no basic change in the management of the revenue-producing activities for the time being, pending a more thorough and detailed study by the Advisory Committee. The form of budget and accounts would be

changed in order that the General Assembly might have a better picture than it had at present of the financial position of each such activity.

50. He could not commit the Secretary-General on the question of the modifications suggested by the Advisory Committee in its fifth report (A/2991). The Secretary-General was, however, in complete sympathy with the Advisory Committee's objectives and hoped to discuss the matter further with that body. As the basic proposals made could not be put into effect until the 1957 budget estimates were submitted, the Secretary-General hoped that the Fifth Committee would approve in principle the proposals submitted and request him to prepare his 1957 budget estimates on the basis of those proposals, taking into full account all specific recommendations made by the Advisory Committee and the Fifth Committee.

51. Mr. CLOUGH (United Kingdom) said that his delegation congratulated the Secretary-General on the admirable way in which he had acted upon the suggestions made in the Fifth Committee at the ninth session for a review of the revenue-producing activities of the United Nations. The report submitted by the Secretary-General threw a much clearer light on the way in which the more important of those activities were run and on the profits they produced. The Secretary-General's report was a constructive step towards the goal of rationalizing both the management of those commercial activities and their financial reporting. His delegation agreed with the Advisory Committee's suggestion that further attention should be given to certain operations, particularly the Gift Centre and the cafeteria services, and it hoped that the Fifth Committee would approve the Advisory Committee's recommendations regarding the budget and accounting procedure proposed by the Secretary-General, which would provide a clearer and more accurate statement of profits and expenditure in future budget estimates. His delegation was glad to note that the Secretary-General accepted in principle the Advisory Committee's recommendations.

52. Member States should be given a full and clear picture not only of receipts from the commercial activities undertaken by the United Nations but also of their running costs, in order that they might know exactly what the net profits were. Subject to that being done, his delegation would be content to leave the Secretary-General to decide what technical arrangements would be the most suitable for charging those working costs in his accounts, i.e., whether on the lines of the suggestion in paragraph 10 of the Advisory Committee's fifth report or otherwise.

53. Mr. ABOU-GABAL (Egypt) emphasized that the main problems connected with the revenue-producing activities of the United Nations were the question of management and the problem of budgetary and accounting arrangements. On the former, his delegation shared the Advisory Committee's view that the Secretariat should not normally undertake direct management responsibilities for functions where specialized commercial technique was required. It further agreed that such a proposal did not apply with equal force to each of the three activities now remaining under contractual management and that whereas the catering operations could not suitably be brought under direct United Nations management a case might be made for taking such action in respect of the Bookshop and possibly also the Gift Centre.

54. Referring to paragraph 5 of the Advisory Committee's fifth report, he felt that the proposal to consolidate several revenue-producing activities within one single contractual arrangement might raise great difficulties in view of the different nature of the activities concerned. It would be preferable, therefore, for each activity to have a separate management. That, however, was a tentative opinion and his delegation's final attitude would depend on the study to be undertaken by the Advisory Committee.

55. With regard to the budgetary and accounting arrangements in connexion with revenue-producing activities, the Egyptian delegation shared the Advisory Committee's concern that the Secretary-General's suggestion might give an incorrect impression of the amount of the net income derived from such activities. His delegation therefore agreed with the suggestions in paragraphs 9 and 10 of the Advisory Committee's fifth report. It felt, however, that with slight amendments the system proposed by the Secretary-General might be followed. In order to give a clear picture of indirect costs and complete information on the income earned by each activity, more detailed and precise figures might be included in the memorandum statements mentioned in paragraph 14 (b) and (d) of the Secretary-General's report (A/C.5/623).

56. Mr. VAN ASCH VAN WIJCK (Netherlands) said that, although the Advisory Committee's first and fifth reports had thrown considerable light on the revenue-producing activities of the United Nations, he wondered why it was necessary to have the Gift Centre at the United Nations Headquarters. He noted that souvenirs were sold also at the bookstall outside the cafeteria and he did not understand why the Gift Centre was under different management.

57. He supported the proposal that for the time being the existing management arrangements should be continued pending further study by the Advisory Committee and he agreed with the latter's suggestion that the Secretary-General's proposal regarding the statements

of estimated income and expenses of the revenue-producing activities should be recast on the lines suggested by that body.

58. Paragraph 20 (a) of the Advisory Committee's first report (A/2921) appeared to take it for granted that there would always be a net revenue. He wondered how a deficit would be shown in the accounts.

59. With regard to paragraph 90 of the Advisory Committee's first report, he wondered whether there was any essential difference between the television activities of the Department of Public Information and the revenue-producing activities now being considered by the Committee.

60. Mr. TURNER (Controller), replying to the first question, said that any deficit would be shown in a special account in the regular budget. There was no essential difference between the television activities and the activities now being considered by the Committee. The former were minor revenue-producing activities which, together with a number of other such minor activities, had not been mentioned in the reports on revenue-producing activities now before the Committee.

61. Mr. BHARGAVA (India) congratulated the Secretary-General on his report on the revenue-producing activities of the United Nations and supported the Advisory Committee's suggestion that it should make a detailed study of such activities. His delegation agreed with the Secretary-General's proposal that for the time being the present management arrangements in connexion with revenue-producing activities should be continued.

62. The CHAIRMAN pointed out that no formal resolution was required on the question of revenue-producing activities. The sense of the Committee's views would be given in the report of the Committee on the 1956 budget estimates and would serve as a guide to the Secretary-General in his future action with regard to such activities and to their 1957 budgetary presentation.

The meeting rose at 5.50 p.m.