

Thursday, 7 November 1957,
 at 10.50 a. m.



NEW YORK

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Chairman: Mr. W. H. J. VAN ASCH VAN WIJCK
 (Netherlands).

In the absence of the Chairman, Mr. El-Messiri
 (Egypt), Vice-Chairman, took the Chair.

AGENDA ITEM 41

**Budget estimates for the financial year 1958 (A/3600
 and Add.1, A/3624) (continued)**

First reading (continued)

REVENUE-PRODUCING ACTIVITIES (concluded)

1. Mr. PAREJA Y PAZ SOLDAN (Peru), after con-
 gratulating Mr. El-Messiri, who was acting as Chair-

man of the Committee for the first time, and having apologized for speaking a second time on the item under discussion, said he agreed with the Chilean representative's remarks at the 621st meeting concerning the quality and price of the service provided by the delegates' dining room. Closer control should be exercised so that representatives might be given priority at peak hours. With regard to service in the cafeteria, which was used mainly by staff members, he drew attention to his previous statements on the subject. There were many cafeterias elsewhere which charged less; he quoted an article from the magazine Time which gave particulars of prices. It was not enough to give the staff a rise in salary, which they might forget in a few months; it was also necessary to improve their food of which they were reminded every day. Lastly the bar was cramped and inconvenient and urgently needed enlargement; he suggested that the space reserved for ladies, which was always deserted, should be used for the purpose.

2. Mr. DENIS (France) said that the Fifth Committee, which was primarily responsible for examining the way in which the Secretariat was administered, could not properly fulfil its task if it was not provided with the means to do so. The Committee had not had access to a balance sheet or to a trading account covering revenue-producing activities. Yet, even in the summary statements contained in the budget estimates (A/3600), the French delegation had found anomalies. He was surprised at the suggestion that he had spoken somewhat flippantly at the 621st meeting, in view of the fact that his remarks had led to a very serious discussion. It was clearly specified on page 66 of the budget estimates (table D-7, "Expenses charged against revenue") that the "management fee" for the catering and related services in 1958 would be \$20,000. The additional information requested by the French delegation was particularly necessary in view of the fact that, as the Advisory Committee on Administrative and Budgetary Questions had pointed out at the eleventh session, the Fifth Committee was tending to fulfil the function of a rubber stamp.

3. Mr. DONNER (Netherlands) agreed with the Advisory Committee (A/3624, paragraphs 225 and 230) that neither the Visitors' Service nor the sale of publications could be regarded primarily as revenue-earning activities. Nevertheless, in view of the fact that the United Nations was arousing a steadily growing interest, while at the same time its expenditure was increasing continuously, the Netherlands delegation wondered whether it would not be desirable to make greater efforts to increase the revenue produced by certain activities.

4. A case might be made out, for instance, for raising the price of admission charged to visitors, particularly, as net revenue from the Visitors' Service had declined as a result of greatly increased expenditure. Again, as

United Nations Headquarters had become one of the chief attractions for visitors to New York, he wondered whether there was any justification for maintaining the discounts granted to travel agencies and similar concerns.

5. It would also be useful to know to what extent the Secretary-General was pursuing systematic policies with a view to increasing the sales of publications.

6. Lastly, the Netherlands delegation thought it might be desirable to put the United Nations Gift Centres and the various counters selling tobacco, magazines, etc., under a single management.

7. Ato Yawand-Wossen MANGASHA (Ethiopia) also hoped that the possibility of increasing revenue from the Visitors' Service would be considered.

8. Mr. CERULLI IRELLI (Italy) was of the opinion that too much had been said about the delegates' dining room, the cafeteria and the bar. If the delegates' dining room was too small, why not abolish it and have only the cafeteria? The work of the United Nations would thus go on in a more austere atmosphere.

9. Mr. TURNER (Controller) said he would like first of all to support the statement made during the previous meeting by the Director of General Services; he also stressed that management of the catering and related services was an extremely complex matter.

10. In reply to remarks made by the French representative regarding part D of the budget estimates, he said that the Secretary-General had followed the directives of the General Assembly. At its tenth session the General Assembly, on the recommendation of the Advisory Committee, had adopted a new form of presentation for part D. ^{1/}When the budget estimates for the financial year 1957 (A/3126 and Add.1) had been examined, only one criticism had been made of the new form—some delegations had felt that part D was too detailed. As the French representative now expressed the opposite opinion, the Secretariat was prepared to consult with the Advisory Committee on ways and means of improving the form of part D in conformity with the wishes of members of the Fifth Committee, since it felt that the budget should be drawn in such a way as to be of the greatest possible use to Member States.

11. The representative of France had asked whether the heading "Cost of goods sold" in table D-7 (catering and related services) should not read "cost of goods purchased". The answer was no; in accordance with normal commercial practice, the accounts of the catering and related services of any one year were charged with the cost of goods sold during the year.

12. The French representative had also asked for stricter control over revenue-producing activities. It would be easy to provide the Committee with detailed information regarding the arrangements in force. He could assure any representatives who entertained doubts in that connexion that for revenue-producing activities in particular, internal controls were strict and budgetary and managerial reviews continuous. In addition, special attention was paid to those activities by the Advisory Committee as well as by the internal and external auditors.

^{1/}See Official Records of the General Assembly, Tenth Session, Annexes, agenda items 38 and 47, document A/3103, paras. 109-118.

13. In reply to a question raised by the representative of the Philippines at the previous meeting, he said that the Secretary-General was obliged to include all additional revenue in the accounts under the heading "miscellaneous income" (part C of the budget estimates).

14. In reply to the various questions raised by the representative of the Netherlands and also for the benefit of the Ethiopian representative, he said that the Secretary-General did not consider it would be wise, for the time being, further to increase the charge for the guided tour. The discounts granted to travel agencies were in keeping with normal practice in the New York area, and it would be difficult not to fall in with that practice. Lastly, he could give an assurance that systematic policies and arrangements were in fact operating for promoting the sale of publications; of course, it was always possible to make improvements.

15. Mr. VAUGHAN (Director of General Services) agreed with the Peruvian representative that the United Nations bar was crowded at certain times; he would study carefully the suggestions which had been made. The delegates' dining room had 102 tables, with another 40 tables on the west terrace; and 450 people could be served comfortably at a sitting. That was clearly inadequate to meet the needs of all concerned. It might perhaps be advisable to give up the practice of reserving tables, since frequently reserved tables remained unoccupied for a long time. The representative of Peru had quoted the example of the cafeteria in the Socony Building as charging prices considerably lower than those at the United Nations. He pointed out that the Socony Building cafeteria received a subsidy, and that furthermore, in fixing its prices, it took no account of staff costs, which were borne by the company.

16. In reply to the question raised by the Netherlands representative regarding the possibility of putting the Souvenir Corner and the United Nations Gift Centre under a single management, he said that the problem was being studied and that he was not at the present time in a position to give a more specific reply.

17. Mr. KOURANY (Panama) was of the opinion that the Visitors' Service carried out competently its task of giving publicity to the work of the United Nations. The Visitors' Service should not seek to make profits but simply to cover its costs. He expressed surprise that the estimates of additional expenses accounted for under regular budget appropriations should be so high in the case of the Visitors' Service (\$166,730) while the corresponding figure for the United Nations Gift Centre was very low (\$2,600).

18. Mr. VAUGHAN (Director of General Services) said that those estimates had been worked out in the light of a thorough analysis of the factors involved such as heating, lighting and cleaning costs. It should be appreciated that the expenses of the Visitors' Service reflected in part the fact that the buildings were required to be open for guided tours on weekends and holidays when they otherwise would be closed.

19. Mr. CARRILLO (El Salvador) noted that the French representative's statement underlined the remarks made by the Advisory Committee in paragraph 226 of its report. As far as he was concerned, the discussion had not thrown light on the kind of control recommended by the Committee. He would be grate-

ful if the French representative would put his very interesting proposals in a more concrete form, so that the Fifth Committee could work out a suitable control procedure.

20. The CHAIRMAN put to the vote the recommendations of the Advisory Committee (A/3624, paras.217-239) on the estimates of income and expenditure of revenue-producing activities submitted by the Secretary-General.

The recommendations of the Advisory Committee concerning the estimates of income and expenditure for revenue-producing activities were approved at the first reading.

AGENDA ITEM 42

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (continued):*

(c) Board of Auditors (A/3581, A/C.5/L.478)

At the invitation of the Chairman, Ato Yawand-Wossen Mangasha (Ethiopia) and Mr. Farnon (New Zealand) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers:	67
Invalid ballots:	0
Number of valid ballots:	67
Abstentions:	0
Number of members voting:	67
Required majority:	34

Number of votes obtained:
Norway 64

The Auditor-General of Norway having obtained the required majority, the Committee recommended that he should be appointed to the Board of Auditors for a three-year term beginning on 1 July 1958.

(e) United Nations Administrative Tribunal (A/3586, A/C.5/L.467)

At the invitation of the Chairman, Ato Yawand-Wossen Mangasha (Ethiopia) and Mr. Farnon (New Zealand) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers:	68
Invalid ballots:	0
Number of valid ballots:	68
Abstentions:	1
Number of members voting:	67
Required majority:	34

Number of votes obtained:
Mr. F. A. Forteza (Uruguay) 67
Mr. B. A. S. Petrán (Sweden) 62

Mr. Forteza (Uruguay) and Mr. Petrán (Sweden), having obtained the required majority, the Committee recommended that they should be appointed to the United Nations Administrative Tribunal for a three-year term beginning on 1 January 1958.

*Resumed from the 608th meeting.

AGENDA ITEM 49

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

- (a) United Nations (for the financial year ended 31 December 1956);
- (b) United Nations Children's Fund (for the financial year ended 31 December 1956);
- (c) United Nations Korean Reconstruction Agency (for the financial year ended 30 June 1957);
- (d) United Nations Refugee Fund (for the financial year ended 31 December 1956)

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.474)

21. Mr. DE PINIES (Spain), Rapporteur, thought that a fifth paragraph might be added, worded as follows:

"5. Members of the Committee wish to place on record their high appreciation of the services rendered to the Organization by the Board of Auditors."

It was so decided.

The draft report (A/C.5/L.474), as amended, was adopted.

AGENDA ITEM 47

Review of audit procedures of the United Nations and the specialized agencies (concluded)**

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.475)

The draft report (A/C.5/L.475) was adopted.

AGENDA ITEM 46

Audit reports relating to expenditure by specialized agencies of technical assistance funds allocated from the Special Account (concluded)**

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.476)

The draft report (A/C.5/L.476) was adopted.

AGENDA ITEM 41

Budget estimates for the financial year 1958 (A/3600 and Add.1, A/3624, A/C.5/L.477) (continued)

Public information activities (continued)***

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.477)

22. Mr. DE PINIES (Spain), Rapporteur, said that he would first of all like to clarify certain aspects of the drafting of reports so that representatives would have all the facts at their disposal when they came to take a decision. Generally speaking, the criteria applied to the preparation of reports varied according to the particular question. Thus, the reports of the Board of Auditors, for example, could be brief, since the questions dealt with were of the kind that the Fifth Committee examined very rapidly; in that case, the briefer the report, the greater the saving in time and money. However, there were others, such as the report

**Resumed from the 618th meeting.

***Resumed from the 619th meeting.

on the scale of assessments, which were not merely for delegations, but also indicated the standards to which the Secretariat should conform in the future. Reports of that type should be as detailed as possible in order to simplify the task of the Secretariat and to give it guidance as to the interpretation to be placed on the wishes of the Committee—for example, concerning items that had resulted in unusually lengthy discussion or very lively controversy. With regard to the very important question of public information activities, there might be some advantage in drawing up a detailed report so that the expert committee set up by the Fifth Committee at its 614th meeting might become acquainted with the position of the different delegations.

23. It should not be forgotten that the work of the Fifth Committee had to serve as a guide for the Secretary-General in carrying out his duties; if, apart from the resolutions adopted, there was only a brief mention of the debates, the Secretary-General or his representatives would have to refer to the summary records for information on how to implement them, with all the loss of time that would be involved; if the loss of time was excessive, they might even have to draw up a bulky report for their own use, which would conflict with the economy drive designed to cut down reports. Moreover, if the reports were abridged, it might perhaps even be necessary to lengthen the summary records, which were extremely succinct, in order to ascertain the opinions of delegations.

24. He would do his best to limit the length of reports. However, it would be difficult to apply the 25 per cent reduction absolutely, because in every case, the nature and number of questions dealt with, and the number and the fairly complicated nature of the statements made, had to be taken into account. At any rate, he could state that the reports on individual items,

prepared according to the decisions taken at the twelfth session, would receive only brief mention in the general report on the draft budget.

25. Presenting his draft report (A/C.5/L.477), he said that the first and last sentences of the third paragraph of paragraph 23 (a) ("The United States delegation felt...to political issues" and "The United States representative added...to hold the membership to a maximum of six") formed part of the shorter report and should therefore be underlined with a dotted line.

26. Mr. CLOUGH (United Kingdom) said he would have liked to devote more time to study of the draft report. He congratulated the Rapporteur on his extraordinary feat of presenting the two reports in one.

27. Mr. QUIJANO (Argentina) associated himself with the United Kingdom representative's remarks. He said that, generally speaking, he preferred that reports should be detailed.

28. Mrs. WESTFALL (United States of America) added her congratulations to those of the preceding speakers. The draft report submitted to the Committee was a good beginning towards cutting down documentation, and the United States delegation would await the comments of other delegations on that point with great interest.

29. Mr. GANEM (France) also praised the Rapporteur's ingenuity and industry. After a rapid first perusal, the French delegation would be inclined to recommend acceptance of the shorter version with the proviso that the decision should not create a precedent, as the circumstances were somewhat special. In cases such as the report on the budget estimates, for example, it would be better to prepare a more elaborate document.

The meeting rose at 1 p.m.