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STATEMENT BY SECRETARY-GENERAL DAG HAMMARSKJOLD BEFORE THE FIFTH COMMITTEE ON
THE BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1960

1. Thank you, Mr. Chairman, for your kind words. For my part, I welcome this opportunity not only to introduce the budget estimates for 1960, but to touch briefly on some of the important problems which will engage your close attention in the coming weeks.
2. I see no need for me at this stage, to dwell over long on figures. You have the budget estimate before you which we have endeavored to make as informative as possible, and you have the report of the Advisory Committee. Generally speaking, I believe that the Advisory Committee has, as usual, analyzed the situation with lucidity and fairness. I am thankful therefore that there is little need for me to go into the details of the estimate apart from two sections where I think the Advisory Committee's recommendations are unduly restrictive.
3. A word first of all on the main principles that have guided the process of budget-making. Despite the continued expansion of most United Nations activities, for the second successive year no request has been made for any addition to the Professional and higher categories of the Secretariat. The balance that has to be struck between the insistent demand for economy, on the one hand, and the efficient execution of programs, on the other, is a delicate one, and it is not open to the Secretary-General to give preference, of his sole initiative, to one or other of these considerations. I have had regard to both in framing the present estimates, but there still remains an element of uncertainty, since my proposals, and those in particular that have to do with the staffing of the Secretariat, rest on two large assumptions.
4. The first is that we shall be able in 1960 to give further impetus to the policy, long in force, of promoting a flexible deployment of staff and posts. Essentially, this policy seeks to develop the capabilities and efficiency of the staff by enlarging the scope of their experience and enhancing their versatility. It is not primarily intended as a means of reducing establishments or costs, although that may in fact emerge as a desirable by-product. I have thought it wise in any case to sound a note of caution regarding the absorptive

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capacities of the consolidated manning-table. I have done so not only in the budget foreword but in a series of proposals that were laid before the Economic and Social Council at its latest session. I do so once more before this Committee.

5. Even as regards the coming year, the staffing proposals for the Secretariat are necessarily predicated on a full measure of support in Councils and Commissions for the principle of a strict application of priorities. This is the second of the assumptions to which I have just referred. Where the Secretariat's authority is concerned, the position has been well summarized in the Advisory Committee's latest report, on the revised (ECOSOC) estimates. Thus, in referring to my decision not to request any addition to the Professional establishment in 1960, the Committee points out that this policy has been dictated not only by considerations of economy, but equally by a desire to make a selective review of the continuing staff resources of the Secretariat, with a view to their redeployment on the basis of priority needs. A temporary period of stability in the Professional cadre will afford an opportunity of studying how best to use the existing establishment, both of persons and of posts, in order to render the Secretariat as a whole more effective.

6. The observations of the Advisory Committee are, in my opinion, most timely. They serve to demonstrate that while interim measures such as those I have outlined may usefully be adopted for the coming year and may indeed have a salutary and lasting effect, it is not possible indefinitely to maintain a policy of budgetary stabilization unless the task of concentrating efforts and resources and applying priority standards is actively pursued by each and every organ upon which it has been laid.

7. It is true that in my 1960 proposals I have not been able to extend this "standstill" policy to every category of staff. Yet the modest increase proposed in the number of General Service posts entails an expenditure far lower than a cursory glance at section 6 might suggest. Thus, the cost of establishing some of these seventy-five posts is offset by corresponding decreases in other budget items, while as regards the remainder, the immediate monetary outlay would in the long run yield savings which, though indirect and not easily measured, would be far from negligible. I consider it to be a prudent measure of economy which, by providing adequate secretarial and clerical assistance, assures a higher output of work on the part of the internationally recruited staff.

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8. In Part V of the estimates, which provides for common services and equipment, there has likewise been a restrictive treatment of the estimates. Thus, on section 13, General Expenses, it is easy to trace a direct relationship between 1959 and 1960 in the matter of expenditure and to measure the validity of my present proposal. It exceeds by roughly \$100,000 the revised estimate for 1959. But this difference is attributable almost entirely to wage and rate increases for which, under existing contractual arrangements, I have no alternative but to make provision.

9. Mr. Chairman, the burden of what I have so far said will, I trust, be patent: this is a budget which I can with confidence commend to the Fifth Committee. It has as low an expenditure figure as is consistent with the aims and work programs of the Organization and with the responsibilities of the Secretary-General. Admittedly, there are many areas in the estimates in which the appropriate level of expenditure remains a matter of subjective judgement and -- by that token -- of divergent opinions. But the scope for such differences is, I believe, extremely slight. The recommendations which the Advisory Committee has sent you would seem to bear me out.

10. It is indeed gratifying that the sections on which the Advisory Committee takes a divergent view are so few in number. My comments can therefore be limited at this stage to three sections: they are sections 6, 8 and 13. First, however, I would say a few words regarding section 10, where the divergence of views concerns the method of financing rather than the amount to be appropriated.

11. For the Secretariat of the Economic Commission for Africa, the Advisory Committee concurs in my proposal for a Professional establishment of fifty posts, but, in so doing, has reduced the money provision by some 20 per cent, on the ground that "the practical pace of building up the secretariat of the Commission and, especially, of an adequate staff might well be somewhat less rapid than is assumed in the estimates," and on the express understanding that the Committee will review the situation during 1960 and, as necessary, authorize additional funds. It follows that supplementary provision may be called for in that year in order to finance the authorized establishment of the Africa Commission's secretariat.

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12. I now turn to section 6, where the Advisory Committee has recommended a reduction of \$235,000. Of this amount, \$135,000 would be applied to the General Service posts to which I have already referred and necessitate a reduction of their number from seventy-five to fifty. It seems to me doubtful whether, on the longer view, this immediate monetary saving represents a true economy. I do not, however, contest this particular recommendation.

13. The balance of \$100,000 would affect the adjustment for turnover of staff. For 1960, I have proposed a turnover factor of about 3 per cent, providing for a deduction of \$900,000. It is the view of the Advisory Committee that this figure can be raised to \$1,000,000. I have had occasion in past years to explain to the Fifth Committee the grounds on which I believe it to be indispensable for the Secretary-General to utilize to the fullest extent practicable the manning table which the General Assembly authorizes. If the professional establishment is to be maintained through 1960 at its current level while at the same time new work is to be absorbed and geographical distribution further improved, it will obviously follow that the number of vacant posts will have to be held to a minimum. In these circumstances there can be no assurance that the Advisory Committee's assumption as to likely turnover savings will, in fact, be borne out.

14. On section 8, Travel of staff and of members of administrative bodies, the reduction of \$60,000 recommended by the Advisory Committee would, if approved, fall largely on chapter III, which provides for travel on home leave. The estimates for the remaining chapters are submitted at a lower aggregate figure than for 1959, although that fact does not, by itself, exclude the possibility of revision. I base myself on other grounds. Expenditure under chapter I, Travel of staff^{to} meetings, has for over ten years been an object of closest scrutiny on the part of the Advisory Committee. The factors to which reference is made in paragraph 166 of the report were specifically discussed with the Committee in the years 1950 to 1953, with particular reference to the Geneva sessions of the Economic and Social Council; while I agree that this matter calls for constant review, I would not judge it possible to reduce the present estimate of \$130,000 without lowering the standard of service or infringing on established rules of procedure. The expenditure under the second chapter, Travel on official

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business, comes under my immediate, personal control, and I can give the assurance which the Advisory Committee seeks: the existing procedures for critical review will not be relaxed. I have explained in my budget submission the reasons for the increase over the 1959 figure, and it would seem to me unwise to withhold from the overseas offices the slight additional provision (beyond the increase in travel costs) which the expansion of their activities necessitates. On chapter IV, I can see no scope for reducing the estimates without at the same time curtailing the activities of the administrative bodies in question.

15. There remains for consideration chapter III relating to home leave travel. Here the Advisory Committee considers that, in the light of the 1958 experience, some reduction can be made in the initial estimate. In calculating these costs, we have to take account of three elements: the first two are factual, namely, the entitlements to home leave in a given year and the level of current travel costs. The third is a variable element, namely, the proportion of cases in which the entitlement may not be exercised, for reasons such as the exigencies of the service, the voluntary deferment of leave, or changes in the composition of the staff. The first two elements admit of fairly exact calculation (barring further fare increases). As regards the proportion to be deducted for non-exercise of entitlements, we are guided by the accumulated experience of past years. This we consider to be the sole reliable factor, and on that basis a deduction of close to 20 per cent of the estimated cost for staff at Headquarters has been made. The requested provision is, in my opinion, as reasonable an estimate as it is possible to make and for this and the other reasons that I have outlined, I find it necessary to maintain my proposal.

16. As regards the General Expenses that are budgeted for in section 13, I have already touched on the situation that will arise in 1960. With increased costs of an unavoidable nature, it will obviously not be possible to get by with less money than in 1959; for that is what the Advisory Committee's recommendation amounts to in effect. For my part, I have sought, by means of detailed analytical tables covering the three years 1958 to 1960, to afford the Fifth Committee the opportunity to express

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itself on the method which it wishes to apply in determining the sums to be appropriated. An item-by-item examination would disclose the precise nature of specific changes that are proposed in the level of services. On these, the views of the Committee would be welcomed, and I would only add at this point that I would deprecate any attempt at further lowering the standards of the maintenance or cleaning services in the interest of economy. That would I believe, defeat its own ends, and merely tend towards an accumulation of heavier expenditure in the future. On this section also I must adhere to my proposal.

17. May I now invite special attention to two major problems of organization to which much time and thought have been given during the year. The first concerns the administration of the technical assistance activities of the United Nations, the second, public information activities.

18. The creation of the unified Department of Economic and Social Affairs, in which the technical assistance activities of the Organization are being integrated with the Secretariat's substantive work in the economic and social field, has proceeded in accordance with the steps outlined in my report to the General Assembly last year. On 1 February 1959 the unified Department came into being, composed of organizational units of the Department as it had previously existed together with a Commissioner for Technical Assistance (who assumed his duties on 1 March 1959) and a Bureau of Technical Assistance Operations. At the same time an Office for Public Administration was established, to which the functions of the Public Administration Division of the Technical Assistance Administration were transferred.

19. The first objective of the merger has been achieved. There is now a single center for the determination of basic policy in the economic and social field, whether the questions arise from normal research and the servicing of the Council and its Commissions or whether they arise from Technical Assistance operations, including our dealings with individual governments and with TAB and TAC. The timing of this policy centralization is fortunate, since it can extend now to the participation of the United Nations in the operations of the Special Fund.

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20. Another major objective also is being served increasingly well. There is a noticeable improvement -- in the extent of involvement of the substantive staff in technical assistance programing and technical assistance questions generally. This applies especially to the areas of industrialization and resource development.

21. On the procedural side, our progress is slower than I had hoped, but with the basis for detailed organizational and procedural revisions having been laid, a thorough administrative study has been embarked upon. In evolving the new plans full account has been taken of the views expressed by the Fifth Committee and the Advisory Committee. This internal review has proved to be of a comprehensive and time-consuming nature, and many of the procedural aspects will require concentrated attention over the coming months. However, it has been possible to reach a conclusion on matters of organization and delineation of responsibilities.

Accordingly, it is my intention, in the near future, to submit to the Advisory Committee and the Fifth Committee a progress report setting forth in detail the reorganization of the Organization's technical assistance activities within the unified Department of Economic and Social Affairs. I would confine myself at this stage to reporting that experience to date indicates that a marked improvement of the Organization's technical assistance program can be expected to flow from the new coordinated approach and the more extensive contribution to the operation by all competent areas in the Secretariat.

22. The second problem of organization concerns the public information activities of the United Nations. You have before you the report requested by the General Assembly of the Secretary-General (A/4122, 16 June 1959) "concerning the progress he has made in implementing" the resolution on public information activities of the United Nations adopted last year by the General Assembly. You have also before you the related comments of the Advisory Committee.

23. Before making this report I appointed a special Secretariat Committee consisting of Mr. Andrew W. Cordier, Executive Assistant to the Secretary-General, Mr. Anatoly F. Dobrynin, Under-Secretary for Political and Security Council Affairs and Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs, with Mr. Alfred G. Katzin (presently Acting Head of the Office of Public Information) serving as Executive Secretary. The task of this Committee was to report recommendations to me, taking into account the Expert Committee's Report and the debate thereon in the Fifth Committee at the Thirteenth Session, in implementation of the Assembly's resolution. My report results from this study.

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4. There is no need at this time for me to repeat what is said in the report except to recall that the Assembly instructed me to seek to give effect, to the extent practicable, to "the objectives set out in the preambular paragraphs of the present resolution with a maximum of effectiveness at the lowest possible cost." Members will recall that these objectives, inter alia, called upon the Secretary-General, pursuant to the resolutions of 13 February 1946 and 4 February 1952 setting forth the basic principles and policy of the United Nations public information program, to "make available objective and factual information concerning the United Nations and its activities to all the peoples of the world through any appropriate media" within budgetary limitations set by the General Assembly; to give "priority to the use of all media of information which ensure a maximum of effectiveness at the lowest possible cost"; to place "greater emphasis than heretofore upon enlisting the cooperation of Member Governments, privately owned mass media of information, private institutions, non-governmental organizations, and educators"; and to place greater emphasis "upon the operations and the effectiveness of Information Centers in relation to OPI at Headquarters without impairing the overall central direction of the UN information program or the present facilities for the representatives of media of mass communication."

25. The policy reflected in my report for the implementation of the General Assembly's resolution and in the budget estimates submitted for 1960 is one which aims at providing a restrictive and practical approach to the mandate of maximum effectiveness at the lowest possible cost in implementing the aims of last year's General Assembly resolution. In times of rising prices, and in view of the increasingly important role of the Organization, I believe most of us would now agree that a budgetary approach based on a fixed and predetermined monetary limit is neither practical nor manageable. In paragraph 18 of my report there is set out a policy of stabilization which presents a viable framework for the development of the information program. It provides a practical but restrictive approach. The budget estimates for 1960 have been presented in line with such a policy.

26. I hope that the Secretariat can now be given a clear mandate on the budgetary policy for these expenses so that its concentration can be turned to developing the information program itself within the restrictions proposed. It is possible to plan ahead with increasing effectiveness only if there is a reasonable understanding as to the resources which will be available. I am convinced that if such a stabilization policy can be endorsed by the Assembly, the Secretariat will be in a better

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position than before to carry out the wish of the General Assembly to serve the objectives of the resolution it adopted last year.

27. There is another matter regarding which I am much exercised. I regret that once again I must bring to the attention of Members the unsatisfactory situation confronting the Organization in respect to its cash resources.

28. It may be recalled that a year ago in my report on the Working Capital Fund, I expressed concern at the then dangerously low cash position of the Organization and put forward a number of proposals designed to safeguard its solvency. I said in that report there was a demonstrated need for a Working Capital Fund at a level of some \$30 million and that, additionally, it would be prudent to authorize the Secretary-General, in the event of urgent need during the first half of 1959, to have recourse to the use of cash in special funds and accounts in his custody. It was fortunate that the General Assembly, while limiting the increase in the Working Capital Fund to \$23.5 million for 1959, granted authority to utilise cash from special funds and accounts in my custody since it became necessary in June and early July of this year to borrow \$2 million in order to pay the bills of the Organization.

29. Serious as the situation appeared one year ago it is today even more disturbing. I have already reported that within the one-year period from 1 January 1958 to 1 January 1959 available cash resources fell by \$7.4 million from a level of approximately \$22 million to \$14.6 million. As a result of the continued arrears in payments of assessments both for the regular budget and for UNEF we can now anticipate that the cash balance available for both purposes at the end of 1959 will have been reduced by another \$2 to \$3 million.

30. In these circumstances I can only repeat what I have said in the Foreword to the 1960 Budget Estimates, namely: that "In the absence of any present grounds for assuming that the pattern of contributions will change appreciably from that which has prevailed for the past twelve years, I am forced to conclude that the proposals I made to the General Assembly last year are still worthy of serious attention."

31. The members of the Fifth Committee may find it useful if I attempt, as in past years, a forecast of the level on which the contributions of Member States are likely to be assessed for 1960. At this stage, any such forecast must necessarily be of a tentative character. If you will turn to paragraph 27 of the budget foreword, you will find an estimate made some three months ago, together with the corresponding figures for 1959. That forecast indicated an assessment level of some \$58.5 million, on the basis of possible 1960 revisions to the initial estimates totalling \$1,500,000 and supplementary estimates for 1959 of \$1 million.

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32. As regards additional requirements for 1960 still to be submitted the figure of \$1,500,000 as foreseen in July may prove to be somewhat on the low side. There is, for example, the addition of the contingent increase of some \$500,000 in salaries and wages under section 6 (that is referred to in paragraph 23 of the budget foreword). I may also find it necessary, as I have recently indicated, to seek some increase in the level of the OPEX program under section 19, for the provision of operational and executive personnel. The temporary relocation of the Library Services and other capital improvement items, would necessitate some expenditure in 1960. If the Assembly so decides, a modest expansion of existing work programs of the Committee on Outer Space and the Scientific Committee may need further provision. Any additional cost of organs meeting away from Headquarters in 1960 at the request of certain Member States would in accordance with the existing practices of the United Nations be met by additional income but continuation in 1960 of the special meetings in Geneva regarding nuclear tests or of the work of some field missions not provided for in estimates currently submitted, must be reckoned with. If, as would appear probable, it should be necessary to seek support for the United Nations International School at New York and of the International School at Geneva, I know that such a request will be carefully considered.

33. With these points in mind and taking into consideration the decisions recently reached by the Committee on the supplementary estimates for 1959, an assessment basis for 1960 of some \$59 million emerges as a possibility. Compared with 1959 there is a reduction of some \$2.5 million. This forecast relates to the level of the estimates as submitted by the Secretary-General. On the basis of the recommendations made so far by the Advisory Committee, the assessment base for 1960 would be some \$3 million lower than in 1959. These facts should not be without encouragement for rarely perhaps does that kind of prospect open up to the Budgetary Committee at the outset of its deliberations.

34. Before concluding my remarks I take it as a happy privilege to announce that the Ford Foundation has made a grant of \$6,200,000 to the United Nations for the construction of a new library. The Foundation has indicated that its objective in making the grant in response to our request was to assure the United Nations of a building of the highest quality, aesthetically designed, furnished, and equipped in conformity with the most modern library standards. The gift of \$6,200,000 plus possible interest accrual is deemed by the architects and by myself to be adequate to cover all costs as set forth in the above objective.

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35. The formal announcement of this gift is set forth in Document A/4231 which was circulated this morning. In addition, I have felt that the importance of this action by the Ford Foundation provided justification for the inclusion of an additional item on the Agenda of this session of the General Assembly. Accordingly I have circulated Document A/4232, which is a request for the inclusion of an additional item entitled "The United Nations Library: Gift of the Ford Foundation." Since the normal procedures for inscription of the item and for its allocation to committees remain to be undertaken, I withhold any further comment on this matter except to say that Members may wish to read Document A/4231 which gives a detailed story of developments in this matter. I am sure that at the appropriate time the Members of the United Nations will reflect the same satisfaction that I feel with regard to the generosity of the action taken by the Ford Foundation.

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