



Tuesday, 12 October 1954,
at 3 p.m.

New York

CONTENTS

	Page
Agenda item 53: Organization of the Secretariat (<i>continued</i>)	43
Agenda item 38: Budget estimates for the financial year 1955 (<i>con- tinued</i>)	

Chairman: Mr. Pote SARASIN (Thailand).

AGENDA ITEMS 53 AND 38

**Organization of the Secretariat (A/2731, A/2745,
A/C.5/580, A/C.5/581) (*continued*)**
**Budget estimates for the financial year 1955
(A/2647, A/2688, A/C.5/577) (*continued*)**

General discussion (*continued*)

1. Mr. HEMSLEY (Canada) said that the Secretary-General, in drawing up his proposals for the organization of the Secretariat, had tried to apply judiciously the principles which he had set forth at the eighth session of the General Assembly. The Chairman of the Advisory Committee had pointed out that, by virtue of the decisions taken at the San Francisco Conference, the Secretariat was one of the main organs of the Organization. Everything should be done to preserve that status and the Canadian delegation therefore approved the Secretary-General's proposals, which served that end. The Survey Group which had been instructed to consider the organization of the Secretariat had carried out its task admirably and the Canadian delegation awaited with great interest the results of the surveys to be made of United Nations offices outside Headquarters.

2. The Secretary-General proposed to appoint two Under-Secretaries without portfolio. Those officials might, to some extent, co-ordinate the activities of other officials in the top ranks of the Organization and thus relieve the Secretary-General of some of his administrative functions. The Canadian delegation shared some of the misgivings that had been expressed in the Committee about increasing the Secretary-General's administrative responsibilities.

3. He agreed with the Secretary-General that the reduction of staff should be accomplished mainly through the normal turnover. If the decisions taken to that end resulted in economies as from 1956, the reorganization would have been carried out at a satisfactory rate.

4. The Secretary-General had rightly stated that budget savings were merely a by-product of reorganization. At the preceding session, the Secretary-General had undertaken to accomplish a saving of one million dollars and he should be congratulated on having done so.

5. The budget estimates for 1955 showed an appreciable decrease in staff costs as against the 1954 estimates. Moreover, the Secretary-General hoped that the decrease would amount to approximately two million dollars by 1956 or 1957. An important part of the budget would thus be stabilized and that was a matter for congratulation. The Canadian delegation had always stressed the importance of stabilizing the United Nations budget. Of course, the Organization must adapt itself constantly to a changing world and absolute stabilization was undesirable. Nevertheless, there were limits to the activities that the Organization could undertake and to the resources that Member States could place at its disposal. It was essential to keep within those limits.

6. The Canadian delegation had heard with satisfaction the Secretary-General's statement that his purpose had been to achieve stabilization in all items of expenditure. The Advisory Committee had recommended reductions in the appropriations proposed by the Secretary-General to the amount of \$420,000. Experience had shown that the Advisory Committee had always carried out its task with diligence and objectivity and that its conclusions should not be lightly set aside. The Canadian delegation would therefore in general support the Advisory Committee's recommendations.

7. Mr. ROMANACCE CHALAS (Dominican Republic) said that his delegation was very satisfied with the Secretary-General's work in the past year. At the seventh session, the Fifth Committee (372nd meeting) had decided to appoint a committee to report to it on the preceding Secretary-General's proposals for the reorganization of the Secretariat. That special committee had not been able to carry out its instructions because Mr. Trygve Lie's reorganization plan had been abandoned in favour of the present Secretary-General's proposals. The General Assembly could perhaps have set up such a committee at its eighth session; the Fifth Committee might then have been in a better position to judge the Secretary-General's proposals in full knowledge of the facts.

8. At the eighth session, the Secretary-General had stated (A/2554, para. 27) that the implementation of his reorganization plan would make it possible to save approximately one million dollars in 1955. All delegations had expressed their satisfaction at that time and the budget estimates showed that the Secretary-General had kept his word. It was therefore surprising that there should be so much criticism of the Secretary-General's reorganization plan. The greatest criticism was of the number of high-ranking officials. Without going into the substance of the question, the Dominican delegation approved the Secretary-General's proposals and considered that it would be unwise for the General Assembly to hinder his work by opposing them.

9. Mr. BLANCO (Cuba) pointed out that, owing to the constant increase in the Organization's budget,

many delegations had pressed in past years for stabilization. The Organization's expenditure had reached its maximum in 1952, but had decreased appreciably in 1953 and 1954. The budget estimates for 1955 showed that the reorganization measures would give rise to even greater savings.

10. In resolution 784 (VIII), the General Assembly had recommended that the Secretary-General should undertake to implement his plans as far as possible. The survey of the structure of the Secretariat had not covered United Nations offices away from Headquarters, or the Technical Assistance Administration (TAA) or the United Nations Children's Fund (UNICEF). When those were surveyed, the extent of co-ordination between them and with other Headquarters services should be considered. Nevertheless, the study that had been made had already given notable results with which the Cuban delegation was very well satisfied.

11. At the eighteenth session of the Economic and Social Council, the Cuban delegation had noted with interest the Secretary-General's report¹ on the Secretariat's work in the economic and social spheres and it had voted for resolution 557 (XVIII), which it hoped would meet with the General Assembly's approval. It also agreed with the changes in the structure of departments at Headquarters. With regard to the transfer of the Division of Narcotic Drugs and the Transport and Communications Division to Geneva, the Secretary-General would undoubtedly take into account the comments in paragraphs 27 to 30 of the Advisory Committee's report (A/2745) and it was to be hoped that the General Assembly would authorize him to transfer the funds necessary for that operation. The Cuban delegation approved of the Advisory Committee's remarks on a possible amalgamation of TAA and the Department of Economic and Social Affairs (A/2745, paragraph 26).

12. With regard to the question of the highest-ranking officers, the Cuban delegation favoured the creation of a single top echelon comprising the Under-Secretaries, the proposed Deputy Under-Secretaries and the Heads of Offices. It would no doubt not be possible to estimate the advantages and disadvantages of the system until it had been put to the test. The Cuban delegation considered, however, that it would allow a wider geographical distribution of the highest posts. Incidentally, it was worthy of note that there was no Cuban national among the top-level posts, even the lower ones. He agreed with the remarks in paragraph 15 of the Advisory Committee's report (A/2745).

13. With regard to the creation of the posts of Deputy Under-Secretary, the Cuban delegation found the reasons the Secretary-General had advanced for their having the same rank and status as the Under-Secretaries convincing. The system could be put into effect on an experimental basis for a period of not longer than two years, at the end of which the situation could be reviewed in the light of experience.

14. The Cuban delegation had noted with satisfaction that the Secretary-General proposed to reduce the Organization's budget by one million dollars. With reference to paragraph 20 of the Secretary-General's report (A/2731), it was to be hoped that further economies could be effected during the financial year

1955. In the same paragraph the Secretary-General had stated that he was convinced that the necessary adjustments should be attainable through the normal turnover of staff. The Cuban delegation approved of that statement. It might well be true, as the Advisory Committee suggested in its sixth report, A/2745, paragraph 13, "that some acceleration in the proposed policy may merit consideration", but the economies to be derived from that acceleration would certainly be cancelled out by the payment of indemnities to the terminated staff members.

15. The 1955 budget estimates (A/2647) showed a reduction of one million dollars over 1954, yet the Advisory Committee still proposed a further reduction of \$420,000 (A/2688). The Cuban delegation would vote for the Advisory Committee's recommendations, with the exception of those affecting the Department of Public Information, the Economic Commission for Latin America (ECLA) and the Library.

16. The new sections 13 and 14 of the budget estimates (temporary assistance and consultants; travel of staff) would no doubt allow a closer check to be maintained by the Administration. It was, however, not possible to apportion those expenditure headings among the various departments. For that reason the Cuban delegation, which was pleased to see that those expenditures had been stabilized, would like the Secretary-General to give the detailed apportionment each year.

17. The Cuban delegation favoured the review of the salary scales for professional staff mentioned in paragraph 24 of the foreword by the Secretary-General to the budget estimates for the financial year 1955. That was a difficult question which should be referred to an expert committee. The Cuban delegation thought it equally urgent to examine the salaries of Headquarters staff in the general service category and would like the Secretary-General to submit a report on that question at the present session of the General Assembly.

18. Mr. KOSTIC (Yugoslavia) said that he appreciated the logic of considering the budget estimates for 1955 in conjunction with the reorganization of the Secretariat, at the present stage of the discussion. But it was, of course, understood that all delegations would retain the right to submit their observations on some specific details of one or the other question later.

19. The estimates submitted by the Secretary-General showed an undeniable tendency towards reduced expenditures. It should, however, be borne in mind that economies were rational and desirable only so long as they did not hinder the smooth operation of the Organization. It was important also that such economies should be real and not the result of book-keeping operations. The budget estimates for 1955 were lower than the appropriations approved for 1954 by \$1,006,000, while the anticipated income for 1955 was slightly higher than in 1954. The Secretary-General should be congratulated on that considerable achievement. There were, however, several questions of principle to be considered.

20. First, an analysis of the estimates showed that the hoped-for economies would be obtained mainly from the suppression of vacant posts, reduction in staff travel expenses and savings on certain building activities which would not be undertaken in 1955. It might be asked whether those were real economies. Further explanations by the Secretary-General would

¹ See *Official Records of the Economic and Social Council, Eighteenth Session, Annexes, agenda item 29, E/2598.*

be useful, in particular on the number of vacant posts to be suppressed.

21. Secondly, the 1955 budget was of a temporary nature owing to the fact that the reorganization would affect only departments at Headquarters. It was to be hoped that the Secretary-General would be able to submit at the next session budget estimates which would finally reflect the stable situation that should have been achieved after nine years of experience.

22. It would be seen also that the method of presenting the 1955 budget was rather different from that used in 1954, and that sometimes made comparison difficult. The Committee would therefore have to proceed with great care when considering the various sections and chapters of the budget.

23. In its second report (A/2688), the Advisory Committee had suggested that further economies might be achieved. The Yugoslav delegation had heard the Secretary-General's remarks at the 435th meeting (A/C.5/580) on that point with interest. In that connexion, he wished to pay a tribute to the Advisory Committee and its Chairman, and he was also pleased to note the close co-operation which existed between the Advisory Committee and the Secretary-General. He stressed the existing "honest disagreement" of opinion between them, and assured them it was correctly understood. As far as the Yugoslav delegation was concerned, this would be the case in the future, even if there was a greater disagreement between the Advisory Committee and the Secretary-General. In this spirit the Yugoslav delegation would appraise the activities of the Advisory Committee.

24. The Committee should also consider the case of certain bodies whose operating expenses and staff were the entire responsibility of the United Nations. For instance, the administrative expenses of the United Nations Refugee Emergency Fund were becoming really excessive. The principles governing the budgetary and administrative policy of the United Nations itself should also apply to bodies of that kind. Certain reductions in staff, especially in the number of high officials, might produce large savings.

25. On the other hand, it would be dangerous if the essential work of the Organization, such as the publication of documents, were reduced merely for the sake of economy. The bibliography prepared by the Library on the industrialization of the under-developed countries had been a particularly valuable publication. Undertakings of that kind should be encouraged, for they could but enhance the prestige of the United Nations and its Secretariat.

26. His delegation also hoped that the question of the ratification by the United States of the Convention on Privileges and Immunities could be settled in 1955. The Secretary-General would certainly spare no effort to achieve additional economies in the administration of the budget and would ensure that the reorganization of the Secretariat was carried out with all the desirable flexibility.

27. The Yugoslav delegation was not convinced that a reorganization of the Secretariat was necessary while all the potentialities of the original structure had not been fully exploited. It feared that insufficient weight had been given to the opinions of officials of various working units. In any case, however, the Secretary-General and the Survey Group were to be thanked for the excellent work they had done.

28. At the last session, several delegations, including his own, had pointed out that it might be dangerous to over-extend the Secretary-General's duties. The Secretary-General's proposals showed that he was prepared to assume very great responsibilities. He was of course to be congratulated on so doing, but there was a danger that he might become weighed down by administrative tasks, that he would be unable to devote sufficient time to his political duties and that there would be less room for initiative on the part of his close associates. Such a situation would certainly prejudice the smooth working of the Organization. He felt it wise to warn the Assembly and the Secretary-General against the dangers of over-centralization.

29. The implementation of the reorganization plan was bound to have certain consequences which required comment.

30. First, the reorganization of the Secretariat would entail the dismissal or transfer of some officials. Such a procedure was inevitable but, if it were to produce positive results, it should be applied judiciously. If the officials dismissed or transferred had ability and were doing satisfactory work, the proposed aim would not be attained.

31. The question whether members of the Secretariat could engage in political activities did not seem to have been sufficiently clarified. The Yugoslav delegation was convinced that international public service was incompatible with political activity, so long as such a principle was applied to all political activities, regardless of their nature, and not only to those which were unpopular with one Member State or group of Member States. On the other hand, Secretariat officials should be perfectly free to hold any political opinions they wished, provided they abstained from any political activity and did not seek to intrude their views in official documents. Now that there was a certain relaxation of international tension, it would be regrettable if the negative effects of the cold war were felt within the Secretariat.

32. According to the Secretary-General, the reorganization would not normally occasion any dismissals other than those due to age, unsatisfactory service and so on. That was gratifying because certain passages of the Advisory Committee's second report (A/2688) might imply that the reorganization might be carried out to the detriment of the lower grades and to the advantage of the higher ones. The Secretary-General might usefully give additional information on that point. His delegation hoped that that aspect of the question would not be overlooked and, as dismissals and transfers were inevitable, it felt that the recruitment of new officials should be reduced to a minimum.

33. With regard to the geographical distribution of posts, the Secretary-General had pointed out in 1953, at the 428th meeting, that he would not fail to consult the small countries on the various aspects of the reorganization of the Secretariat. He himself was unaware of what had so far been done in that field, but he stressed that, in the interests of the Organization, the greatest possible number of Member States should be consulted.

34. Finally, he hoped that the debate on the budget and the reorganization would produce useful exchanges of views which would benefit the United Nations.

35. Mr. ROUSSOS (Greece) said that his delegation had carefully studied the Advisory Committee's re-

marks, but would still endorse the Secretary-General's proposals, as he was better placed to decide the reforms to be undertaken.

36. In the first place, the Secretary-General's proposals were neither too modest nor too ambitious. The Organization had now been functioning for nearly ten years and the original structure had its advantages and its disadvantages. It would be a mistake to break entirely with the past.

37. In its report, the Advisory Committee suggested that the reorganization should be speeded up in order to avoid creating a feeling of insecurity among the staff, while the Secretary-General expressed the hope that reorganization would be gradual. The Greek delegation felt that it would be wiser to follow the Secretary-General's advice, as he was better informed of the staff's reactions.

38. He welcomed the assurance that the necessary adjustments should be attainable through the normal turnover of staff, in other words that the reorganization would not normally lead to any separations that would not have resulted from age, unsatisfactory service, etc. His delegation was also in favour of a policy of inter-departmental staff transfers provided that did not involve transfers due to unsatisfactory service.

39. In the sixth paragraph of its report (A/2745), the Advisory Committee suggested that a few persons from outside the Secretariat with wide experience of organization and administrative methods should be included in the Survey Group on the reorganization of the Secretariat. The method had been successfully used in the League of Nations, but there was a risk that outside experts would not have sufficient inside knowledge of the working of the Secretariat and might tend to propose solutions that did not meet the Organization's real needs. That being so, it might be better to make no changes in the Survey Group.

40. Few would oppose the merger of the Departments of Economic and Social Affairs or question the wisdom of maintaining a separate TAA for the time being.

41. With regard to the reorganization of the top level of the Secretariat, he considered that the Secretary-General's proposed plan would ensure better co-ordination and correct the present over-rigid departmentalization. The appointment of Under-Secretaries without portfolio and the establishment of four offices directly responsible to the Secretary-General might prove very useful. If the system was to work satisfactorily, the heads of the offices should be placed on the same footing as the proposed Under-Secretaries in charge of departments. The creation of the posts of Under-Secretary without portfolio would prove very useful, particularly in political matters.

42. The question of the proposed Deputy Under-Secretaries seemed to have given rise to major differences of opinion, but he believed that it was mainly a matter of terminology on which it should not be difficult to reach agreement. Most delegations would agree that Under-Secretaries in charge of such large departments as the Department of Economic and Social Affairs, the Department of Public Information and the Department of Conference Services should be assisted by high officials. The number of such officials would have to be decided later. Some delegations could not see how the proposed Deputy Under-Secretaries would not be subordinate to the Under-Secretaries. At the previous meeting, the Secretary-General had

explained why the Deputy Under-Secretaries should have the same status as the Under-Secretaries. He had been convinced by the Secretary-General's arguments, but felt that the title "Deputy Under-Secretary" had been badly chosen and that the title "special under-secretary" would be better.

43. His delegation agreed in principle to the transferring of the Division of Narcotic Drugs to Geneva. The question of the transfer of the Transport and Communications Division required further study. He was sure that the Secretary-General did not envisage a merger of the work of the Division with that of the secretariat of the Economic Commission for Europe (ECE) in view of the latter's limited scope. On the other hand the establishment of the Inter-Governmental Maritime Consultative Organization with headquarters in Europe would be a factor to be taken into account when deciding the question of the transfer of the Transport and Communications Division. He believed that sea transport, an essentially international problem, had not received the attention it deserved from the United Nations.

44. His delegation was gratified by the reversal of the upward trend of expenditure. It hoped that detailed examination of the budget estimates would remove the remaining differences of opinion between the Secretary-General and the Advisory Committee.

45. Mr. CUTTS (Australia) thought that the most noteworthy feature of the budget for 1955 was that the estimates were approximately \$1 million less than those for 1954 and that there had been a reversal of the previous upward trend. The Secretary-General had also said that further reductions could be expected over the next two years. For that welcome development, the Secretary-General, his financial advisers and the Advisory Committee deserved the Committee's thanks.

46. Another striking feature was that the Secretary-General and the Advisory Committee were in agreement on the main features of the draft budget. The reductions proposed by the Advisory Committee in the 1955 budget were the lowest it had ever recommended and amounted to less than one per cent of the total requested. As the Advisory Committee had worked as efficiently as ever it was clear that the Committee had great confidence in the Secretary-General and that the finance officers of the Secretariat had made every effort to eliminate any wastage. Although the Australian delegation would doubtless have comments to make on matters of detail, it had no major criticism to offer concerning the 1955 budget.

47. Detailed consideration of the draft budget for 1955 inevitably led to consideration of the progress made by the Secretary-General in his reorganization of the Secretariat. After referring to the General Assembly's recommendation in resolution 784 (VIII) on the organization of the Secretariat, he expressed the hope that the Assembly would concentrate on constructive advice as to the most effective methods of carrying out the reorganization and not dwell on points of detail, bearing in mind that responsibility for selecting officers and allocating duties rested with the Secretary-General.

48. It was his delegation's view that in general the reorganization had been proceeding on satisfactory lines and had made satisfactory progress. That view appeared to be shared by the Advisory Committee, as

the differences of opinion between the Secretary-General and the Advisory Committee seemed to be differences of emphasis rather than outright disagreement. In approaching his task of reorganization, the Secretary-General's first concern had been to make the Secretariat more efficient, leaving budgetary saving to emerge as a by-product of the reorganization rather than making it an objective in itself. The Australian delegation was in agreement with that policy, and was happy to note that the Secretary-General had made satisfactory progress towards both efficiency and economy.

49. The Secretary-General's reorganization plan was not a final blue-print but was subject to modification in the light of experience. A number of possibilities in the Secretary-General's plan had been left open for future decision, among them the appointment of a Deputy Secretary-General. No organization dealing with changing problems of international relations could hope to reach an ultimate state of perfection. Flexibility and readiness to adapt itself rapidly to changing requirements were of the utmost importance. He entirely agreed with the Secretary-General's view that a maximum degree of flexibility should be achieved in the staffing of the Secretariat to meet changes in the substantive tasks allotted to it. There had not yet been sufficient time to permit of a final decision, in the light of experience since the eighth session, on those of the Secretary-General's proposals on which there might be differences of opinion. Where doubt existed, the Secretary-General's plan should be allowed a further period of trial. With that in mind, the Australian delegation wished to comment on certain differences of approach between the Secretary-General and the Advisory Committee.

50. With regard, first of all, to personnel policy the Australian delegation could not entirely accept the Advisory Committee's suggestion that if the reorganization was carried out gradually it might have a depressing effect on staff morale and on the efficiency of the Organization as a whole; on the other hand it did not believe that the reduction of posts should be allowed to drag on indefinitely. It had accordingly been very satisfied to note the assurances on that point given by the Secretary-General in his statement at the 435th meeting (A/C.5/580). He had understood from that statement that the Secretary-General would be ready at the end of 1955 to discuss with the Advisory Committee the separation of officers who would still be in excess of the manning tables at that time; he hoped that that proposal would be acceptable to the Advisory Committee and the General Assembly.

51. Secondly, with regard to the top level, the Australian delegation approved the broad lines of the Secretary-General's proposals but shared the Advisory Committee's concern at the high proportion of posts carrying the highest rank. From the statements made by the Secretary-General and the Chairman of the Advisory Committee at the 435th meeting (A/C.5/580, A/C.5/581) he gained the impression that the difference between them had been reduced to one post of Deputy Under-Secretary, and it should now be an easy matter to reconcile their points of view. With regard to the status of the proposed Deputy Under-Secretaries the Australian delegation had some difficulty in understanding the precise nature of the Secretary-General's proposals but felt that such deci-

sions fell within the administrative authority of the Organization's chief administrative officer, and that the General Assembly should give him time for a trial of the methods he proposed.

52. Thirdly he hoped the Secretary-General would consider the suggestion made by the Advisory Committee in paragraph 6 of its report (A/2745) and include a few persons outside the Secretariat in his Survey Group.

53. Lastly he still had some doubts as to the merits of provisionally retaining a separate TAA but felt that more time was needed to confirm or banish those doubts.

54. Mr. MONTERO BUSTAMANTE (Uruguay) viewed the reorganization of the Secretariat, which was a reform and not a revolution, as an experiment on which he could express no final opinion until its results were known. In common with many members of the Committee he felt that the United Nations budget should be stabilized and that the estimates should not exceed requirements; the Secretary-General would undoubtedly see that that was done. The reorganization, however, must not be allowed to injure such essential United Nations activities as technical assistance and information. The Uruguayan delegation would strongly deplore any such result.

55. The SECRETARY-GENERAL noted that the members of the Committee were greatly concerned about the extent of his responsibilities, which they considered excessive. It would be well to view the problem from another angle and to consider how far centralization was necessary. To facilitate his work the Secretary-General could delegate some of his powers. Although it was out of the question for him to delegate his powers in the political field, it might seem possible for him to do so in administrative matters and on all economic and social questions. His task in those two fields was, however, still too intimately linked with his political activities for that solution to be open to him. The Fifth Committee would remember that personnel policy had still been a major political question at the last session. Moreover, the economic and social work of the Organization had not yet been developed as fully as could be wished. At the present stage, therefore, the Secretary-General had certain responsibilities in those three fields which he could not delegate, but the Fifth Committee could rest assured that he would delegate his powers in administrative matters and in economic and social matters as soon as possible.

56. It might be thought that he could facilitate his work by reducing the number of senior officials reporting directly to him to the minimum. The method might appear attractive at first sight but the senior officials concerned would have such wide responsibilities that they would have to be accompanied by advisers or experts whenever they discussed a question with the Secretary-General. The Greek representative had rightly drawn the attention of the Committee to the establishment of two posts of Under-Secretary without portfolio; in some respects the Under-Secretaries without portfolio would act as the Secretary-General's direct deputies. They could hardly be counted as top echelon officials because, far from adding to the Secretary-General's responsibilities, they would relieve him of a considerable share of his burden.

57. The reorganization plan sought to relieve the Secretary-General's burden as much as possible and

to avoid over-centralization. Later the Secretary-General would probably be able to devote himself entirely to political activities and to his functions of leadership. In that role he would have to issue directives that were sufficiently firmly based to give his action the necessary weight and influence at every level. He would have to give a great deal of time to those functions, which represented a very heavy burden.

58. As the Uruguayan representative had said, there was nothing revolutionary about the reorganization of the Secretariat, which was on the contrary merely a reform. Nevertheless, the reform involved a change in direction which must be definitive if the operation was

not to have harmful effects on staff morale. Yet however definitive the change in direction it was true, as the Australian representative had said, that there would be constant need of detailed changes in the reorganization plan and the budget in the light of experience; leadership had likewise a very important part to play in the continuing process of adaptation.

59. With regard to budget reductions it would be idle to hold out hope of savings greater than those provided for in the documents before the Committee, but the Committee could rest assured that he would spare no effort to reduce expenditure as far as possible.

The meeting rose at 5.20 p.m.