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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1960

Report of the Fifth Committee

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I. INTRODUCTION

1. Under agenda item 44 the Fifth Committee considered the budget estimates of the United Nations for the financial year 1960, together with a number of related items under this general heading. As a result of its discussions, the Committee recommended gross appropriations for 1960 in the amount of \$63,149,700 and an estimate for income for 1960, other than staff assessment, in the amount of \$5,357,500. The estimated net expenditure figure for 1960, based on the appropriations thus recommended, was \$57,792,200.

2. The basis of assessment on Member States in 1960, on those recommendations, will be in accordance with the following summary:

	<u>United States</u> <u>dollars</u>
<u>Contributions of Member States:</u>	
(a) In respect of the financial year 1960:	
1960 budget appropriation	63,149,700
<u>less:</u> estimated income other than staff assessment	<u>5,357,500</u>
	57,792,200
(b) In respect of the financial year 1959:	
Net supplementary appropriations for the financial year 1959	828,980

3. The Committee also recommended to increase the Working Capital Fund for 1960, from its previously approved level of \$23.5 million to \$25 million, the increase of \$1.5 million to be derived by additional cash advances of \$972,012 and by transfer of \$527,988 from the surplus account as at 31 December 1958.

4. Finally, the Committee recommended a 1960 estimate for staff assessment income of \$6,329,000 for transfer during the course of 1960 to the Tax Equalization Fund from which credits are distributed to Member States in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955.

5. For its examination of the budget proposed for 1960, the Fifth Committee had before it, as basic documents, the budget estimates (A/4110) submitted by the Secretary-General and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/4170). In addition, revised estimates for various appropriation sections were considered on the basis of reports of the Secretary-General and of the Advisory Committee.

6. The Committee was assisted throughout its session by the Chairman of the Advisory Committee, who, in accordance with past practice, was invited to take a continuous part in the deliberations. The Fifth Committee acknowledges with gratitude the valuable contribution which the Advisory Committee has made through its expert study of a large number of items.

II

GENERAL DISCUSSION

7. A general discussion of the budget estimates for 1960 was opened at the 711th meeting of the Committee in the course of which the Secretary-General introduced^{1/} the draft budget (A/4110) comprising a gross expenditure figure of \$61,863,200 and income from all sources estimated at \$11,569,300, for a net expenditure level of \$50,293,900. The Chairman of the Advisory Committee introduced^{2/} the principal report of that Committee (A/4170) recommending a gross appropriation of \$61,213,300, or \$649,900 below that proposed by the Secretary-General, together with an estimate for income reduced by \$40,000 to \$11,529,300.

8. Although much of the discussion turned on the size of the 1960 budget and on the difficulties which it might present for Member States, a majority of the delegations recognized that the budgetary situation had improved since 1958. The measure of that improvement could be found in the Secretary-General's proposals. Compared with the 1959 appropriations, the estimates for 1960 had risen by only 1.75 per cent, a margin of increase that was in marked contrast to the experiences of previous years when the annual growth of expenditure had been progressively sharper. Furthermore, a tentative forecast of the assessment level for 1960 (based on requirements known or foreseen at the end of September 1959) held out the prospect of a reduction in the level, by comparison with 1959, of between \$2.5 and \$3 million (A/C.5/782, paras. 31-33).

9. At the same time, a budget in excess of \$60 million, however well justified in relation to work programmes, gave cause for reflection, and was naturally disturbing to the economically weaker Members, some of which might be close to, if they had not already reached, the limit of their financial capacity. Nor could the budget be examined in isolation from other international commitments - contributions to UNEF, to the voluntary extra-budgetary programmes, and to the specialized agencies - representing in the aggregate an extremely large outlay.

^{1/} For the text of the Secretary-General's statement, see document A/C.5/782.

^{2/} For the text of the statement of the Chairman of the Advisory Committee, see document A/C.5/783.

States which were grappling with serious economic and social problems could not but view with concern the heavy burden laid upon them at the very time when they were striving, often in the face of an adverse balance of payments, to raise the standard of living of their peoples. Those were compelling reasons why the Secretary-General and the budgetary committees of the Assembly should maintain their vigilance and work closely together in removing any flaws in the administrative machinery.

10. It was nevertheless recognized by many speakers that the budget by which the Secretary-General proposed to give effect to an approved programme of work was not open to serious criticism. The estimates for 1960 established a reasonable balance between economy and efficiency, and provided for the normal and necessary growth of a dynamic organization engaged in activities of wide variety and range, the cost of which could not easily be contained within a predetermined figure. Although it was true that no major items of extraordinary expenditure had arisen in 1959, and 1960 might likewise be a relatively quiet year in that sense, provision had to be made for an increasing volume of continuing work in substantive fields unaffected by the political climate. Care should therefore be taken not to arrest a healthy process of development which accorded with the express desires and decisions of the Members. While it was axiomatic that economy might always be sought in a refinement of the form or content of a budget or in the method of its execution, the estimates under review appeared to offer little scope for administrative economy or, in consequence, for an over-all percentage reduction. That was confirmed by the findings of the Advisory Committee, which had recommended reductions amounting to slightly over 1 per cent or, on a truer reading of its recommendations,^{3/} to some 0.70 per cent. Further evidence could be found in the decision of the Secretary-General to refrain, for the second year in succession, from proposing any additional posts in the Professional and higher categories of the Secretariat (excluding the secretariat of the Economic Commission for Africa), and in the introduction of other measures intended to increase the efficiency and versatility of the staff, strengthen the system of budgetary and financial

^{3/} The Advisory Committee, while approving the establishment proposed for the secretariat of the Economic Commission for Africa, recommended a cut of \$213,300 on the procedural ground that the pace at which the secretariat could be built up might prove slower than that estimated by the Secretary-General.

control, and counter-balance, wherever possible, the continuing rise in administrative and operating costs.

11. Other delegations took a different position. Too little attention had been paid to the concern which the Committee had expressed in 1958 at the mounting volume of costs and the abnormal expansion of the administrative apparatus. It was not possible for the General Assembly to countenance a process of steady and continuous increase in expenditure, nor could delegations seek from their legislatures progressively larger appropriations. The time had come to stabilize the budget within reasonable limits which, without hampering the execution of programmes or the performance of normal functions, would serve as a stimulus to a sounder organization of the work and to the attainment of greater efficiency at lower cost. As the strain on the working capital fund indicated, new resources could not easily be made available in response to new demands. Expenditure had so far outstripped the expansion of activities that the 1960 provision might prove higher than that for 1958, a year in which, apart from two major conferences, heavy costs had been incurred in meeting an abnormal political situation. Furthermore, the 1958 budget had exceeded previous budgets by a margin that would not be warranted under the more tranquil conditions foreshadowed for 1960. Even though the budget of the Organization was governed to some extent by variable, political factors, by far the larger part was made up of items of ordinary, continuing expenditure; those could be foreseen and regulated. Over the period 1955 to 1960 expenditure had risen by some 25 per cent in the case of the United Nations, and by almost 50 per cent in the case of the entire United Nations family of organizations. The record of expenditure thus demonstrated the urgent need for a policy of stabilization. Such a policy would ease the financial difficulties of many Member States by freeing substantial sums of money for use in connexion with national development plans or for other domestic purposes.

12. The suggestion was put forward, and endorsed by some delegations, that the 1960 estimates should be reduced to a level between 10 and 15 per cent below that of actual expenditure in 1958. The reduction might be achieved (a) under part II of the estimates, through the abolition of certain special missions, and notably the Commission for the Unification and Rehabilitation of Korea, the mission of the Representative on the Question of Hungary and the Conciliation Commission

for Palestine; (b) under part III, through a reduction of establishment to a level 10 per cent below that authorized for 1958; and (c) under part V, through a reduction of \$1 million.

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13. It was suggested that the general discussion would prove more fruitful if it were held after the Committee's detailed examination of the estimates. Representatives would be in a better position if they could study, and put questions on, the individual sections and hear the related views of their colleagues before submitting conclusions on the budget as a whole.

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14. All delegations joined in acclaiming the generosity of the Ford Foundation, whose munificent and timely gift made it possible to build a new library worthy of the United Nations.

Organization of the Secretariat

15. A number of representatives concurred in the opinion of the Advisory Committee (A/4170, paras. 40, 41) that it might be opportune to consider in 1961 the desirability of undertaking a fresh review of the organization of the Secretariat, while a few speakers argued in favour of earlier action in the matter. It was also suggested that, unlike the survey of 1954-55, which had been undertaken largely by Secretariat officials, the proposed review should be entrusted to a body composed preponderantly of persons outside the Secretariat. Alternatively, it might be conducted, as in the case of the 1955 management survey in FAO, by a government department of a Member State. Further reference is made to this matter in paragraphs 60 to 65 below.

The system of priorities

16. On the subject of priorities, many representatives viewed with favour the procedure which the Secretary-General had outlined (A/4110, foreword, paras. 40, 41) in connexion with the work programme of the Economic and Social Council. They also endorsed the related comments of the Advisory Committee (A/4170, paras. 29-32) and its suggestion that the Secretary-General's efforts to ensure a rational application of the system of priorities in areas within the Council's competence merited fuller support. It was at the same time recognized that while immediate

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responsibility in the matter of priorities rested with the policy-making organs and with the governments that participated in decisions, the Fifth Committee should not give too narrow an interpretation to its own function. Apart from scrutinizing demands for funds by reference to anticipated results and costs, the Committee should satisfy itself by means of background information, as to the nature and needs of the programmes; the material submitted in the budget foreword (paras. 28-45) was in that sense of special importance, and might with advantage be amplified in future years. The Economic and Social Council, on the other hand, should give the closest attention both to the financial implications of its actions and to the assignment of priorities: that responsibility, which could never be of a perfunctory character, assumed utmost importance at a time when the Council was considering a forward appraisal of United Nations activities for the period 1959 to 1964, and when there were growing demands for advice and services in connexion with economic and social development, and particularly in newly independent States.

17. As regards the administrative relations between the various institutions of the United Nations, it was again suggested - as had been done at the previous session of the Committee - that a general review should be made of the distribution of responsibilities among the international bodies. The possibility of an overlapping and duplication of their work represented a problem that should be studied, and not solely from a budgetary point of view. There was also a clear need to simplify and improve the existing procedures for administrative and financial review among the several organizations and to give fresh impetus to the processes of co-ordination. Constructive proposals for further action in those directions would serve an excellent purpose.

Matters considered during the first reading of the budget estimates for 1960

Section 4 (Special missions and related activities)

18. At the 720th meeting of the Committee, the following draft resolution (A/C.5/L.572) was submitted by Czechoslovakia:

"The General Assembly,

"Taking account of the considerable financial burden imposed upon Member States by the United Nations budget,

"Noting that special missions appearing under section 4 of the budget have been established in most cases a very long time ago,

"Considering that since the establishment of the various missions, some changes in the political situation might have taken place,

"1. Invites the Secretary-General to approach the Governments of States on whose territories the missions are active, and of other States directly interested, and request their views as to the continued necessity, usefulness, scope of activity and terms of reference of those missions; and

"2. Invites the Secretary-General to transmit, in the course of 1960, the results of these inquiries to the parent bodies of the various missions to enable them, if they wish, to make a fresh reappraisal of the existence or scope of activities of the missions."

19. The representative of Czechoslovakia pointed out that the Fifth Committee had constantly pressed for an effective system of priorities among and within the work programmes of the United Nations. That was true also of the Advisory Committee, which had again referred in its budget report (A/4170, para. 27) to the problem of making the best use of available funds in relation to changing needs. The programme appraisals for the period 1959 to 1964 which the Economic and Social Council had already initiated in its own province would undoubtedly yield good results. But no similar appraisals were contemplated for the special missions, under section 4, which had been established by the General Assembly or the Security Council for purposes related to the maintenance of peace and security; nor, despite the fact that most of the missions had been in existence for many years, had the parent bodies reviewed their activities since the date of their establishment. The Advisory Committee had made two pertinent

suggestions (A/4170, paras. 33, 120): first, that the Assembly and other principal organs might with advantage consider whether any of the older decisions and directives, which possibly had outlived their immediate purpose, should be reviewed; and secondly, that the Secretariat should continue to seek efficiency and economy in the administration of the missions.

20. Unquestionably, the Fifth Committee was not competent to recommend any action affecting the existence or the scope of activities of the special missions. But it was the right, and indeed the duty, of the Committee to draw the attention of competent organs to areas of activity where a review might be desirable on administrative grounds. With that object in view, the Czechoslovak delegation had submitted its draft resolution, which was intended to initiate review action on the part of the appropriate bodies, without encroaching on their spheres of competence.

21. It was the general view of the Committee that the Czechoslovak proposal, which sought to ease the financial burden of the Members, merited careful consideration. On procedural grounds, however, the draft resolution presented difficulties:

- (a) Neither the preamble nor the operative part was confined to the administrative or financial aspects of the problem; both introduced considerations that were clearly outside the Committee's competence. Thus, under operative paragraph 1, the Secretary-General was invited to initiate an independent process of inquiry calculated to call into question decisions taken by the General Assembly and the Security Council on matters within their exclusive jurisdiction. The effect would be to place the Secretary-General in an anomalous position by assigning to him a political task that only the Assembly or the Council was competent to undertake;
- (b) The reference in the preamble to "a very long time ago" carried the erroneous implication that the long duration of a mission might have some bearing on, or even detract from, its usefulness. On the contrary, if a mission had a long life, that was because, regrettably, political disputes often persisted for many years. It was moreover for the General Assembly or the Security Council, and not for the Fifth Committee, to take note of changes in a given situation or of political changes generally, and to act thereon;

(c) The proposed form and method of inquiry seemed faulty. The special missions owed their existence to collective decisions of the Assembly or Council, and by that token they held a collective interest for all Member States. Consequently, the views, which might well conflict, of the States referred to in paragraph 1 of the draft resolution could not afford valid or sufficiently broad guidance to the Secretary-General. His conclusions would have to be drawn from incomplete data;

(d) A reappraisal of the existence or functions of the special missions necessitated a full review of the situations that had led to their establishment. As it was the duty of both the General Assembly and the Security Council to keep political developments under continuous scrutiny, the Committee, in adopting paragraph 2, would be exerting pressure on those organs and gratuitously requesting a revision of their political judgements.

22. The point was made that while the Secretary-General had submitted in section 4 estimates based on present situations, the Committee, of its own initiative, could at any time conduct an inquiry into the administrative aspects of the special missions, or alternatively invite the Secretary-General to consider, in connexion with the 1961 budget, what further administrative economies, consistent with the decisions of the parent bodies, he might propose.

23. It was also argued that were a review to be undertaken, it should not be limited to the special missions but, as suggested by the Advisory Committee (A/4170, para. 33), take the form of a general review. It should be initiated by the General Assembly or other principal organ.

24. At the 721st meeting, the Czechoslovak representative assured the Committee that his delegation was not wedded to any particular procedure; still less would it wish to encroach upon the jurisdiction of other organs. Its purpose was merely and precisely to draw attention to administrative aspects of the problem, and to ensure that long-standing decisions were periodically reviewed from that angle. An inquiry of wider scope would therefore be entirely acceptable.

Although the draft resolution could be so re-worded as to conform to the views of the Committee, it would be sufficient for his purpose if the tenor of the discussion were recorded in the Committee's report. The Committee agreed to that procedure.

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Section 6 (Salaries and wages)

25. In connexion with the consideration of section 6, it was suggested at the 733rd meeting of the Committee that a review should be made of certain of the administrative arrangements for the international control of narcotic drugs. Since the establishment of the United Nations Secretariat in 1946, separate secretariat units had served the Commission on Narcotic Drugs, on the one hand, and the Permanent Central Opium Board and the Drug Supervisory Body, on the other. It was true that the League of Nations had applied a like system (in respect of the Permanent Central Opium Board only). Possibly also there had been some justification for continuing it in the earlier years of the United Nations, with the Division of Narcotic Drugs situated in New York and the joint secretariat of the Board and the Body in Geneva. But inasmuch as both units had been housed since 1955 in the European Office, it appeared illogical and wasteful to maintain the existing separate arrangements.

26. The suggested review should be entrusted to a competent United Nations body. In 1956 the Advisory Committee on Administrative and Budgetary Questions had touched on the problem (A/3160, paras. 202, 203),^{1/} stating the view that the setting up of a single secretariat for the control bodies must inevitably follow the adoption of the proposed Single Convention on narcotic drugs. The hope was expressed that the Advisory Committee could make a study in 1960; that would be particularly opportune since the draft Single Convention (E/CN.7/AC.3/9), which contained provisions (articles 12 and 24) having a direct bearing on the matter at issue, would be discussed at a plenipotentiary conference planned for 1961. There would clearly be advantage in receiving the Committee's findings and recommendations in advance of that conference. Essentially, the question came within the province of administrative co-ordination and was therefore of immediate concern to the Fifth Committee.

^{1/} Official Records of the General Assembly, Eleventh Session, Supplement No. 7.

Section 8 (Travel of staff and of members of administrative bodies)

27. In connexion with the first reading of the estimates under section 8, the Committee took note, at its 734th meeting, of a report of the Secretary-General on the standards of travel accommodation for staff members (A/C.5/788), as well as of the related comments of the Advisory Committee (A/4251).^{5/}

28. After describing present practices in regard to staff travel, the Secretary-General's report made the following points:

(a) The setting of travel standards for staffs, as one of the elements of the common system of salaries and allowances, was a matter for prior consideration among the organizations participating in that system. The particular question of standards of accommodation and mode of travel had accordingly been considered at the 1959 session of the Consultative Committee on Administrative Questions on the basis of a report prepared by ICAO.

(b) The standards of accommodation now authorized for home leave travel represented a progressive lowering of standards since the early days of the Organization. As regards air travel, that trend was still continuing in consequence of the reduction of available tourist-class accommodation;

(c) In particular, the introduction of jet-plane travel and the airlines' practice of substituting "de luxe" and "economy" classes respectively for first and tourist classes on certain routes gave rise to special problems;

(d) The Secretary-General was of the opinion that a further review of the question should await a time when the major change-over to jet travel would have taken place - probably within the next two years - and when adjustments in the different classes of service and fares had been established more uniformly.

29. The Advisory Committee, while concurring generally in the Secretary-General's opinion, suggested that, wherever practicable, a fuller use should in the meantime be made of the economy class of air travel, in lieu of tourist class and in those cases where the latter class is now authorized.

30. Reference was also made at the 734th meeting to the contractual travel arrangements at present in force. The view was expressed that the situation should

^{5/} The two reports were requested by the Fifth Committee in October 1958, at its 653rd meeting.

be reviewed on the expiry of the present contract. The representative of France suggested that the Secretary-General should be requested to examine, in consultation with the Advisory Committee, (a) the present contractual travel arrangements; and (b) the possibility of reverting to the former system of a Secretariat travel service, and to report thereon at the following session.

31. On the estimates proper, Czechoslovakia, supported by the Soviet Union, proposed that the appropriation for section 8 of \$1,687,000 as recommended by the Advisory Committee should be reduced by 5 per cent (\$84,350). Immediate savings should be possible through the exercise of strict control over staff travel, and particularly travel to meetings and on other official business.

32. After analysing the measures of control that had been applied during past years to expenditure under chapters I and II, the Secretary-General's representative pointed out that, if approved, the reduction of \$66,200, under the Advisory Committee's recommendations, would of necessity fall almost wholly on those two chapters. In the Secretary-General's opinion, that would prove harmful to essential activities and services, and notably in the economic and social fields.

33. On chapter III (Travel on home leave), the Secretary-General's representative submitted to the Committee figures illustrating the budgetary experience of the past two years:

Year	Initial estimate proposed by the Secretary-General \$	Estimate recommended by the Advisory Committee \$	Reduction recommended by the Advisory Committee \$	Supplementary appropriation \$
1958	1,008,000	988,000	(-20,000)	23,578
1959	930,000	900,000	(-30,000)	146,000

34. If supplementary estimates were to be avoided in 1960, it was evident that no part of the recommended reduction could safely be applied to chapter III. It was in fact probable that the Secretary-General would propose that a smaller deduction should be made in the 1961 budget in respect of the non-exercise of entitlement to home leave. At present that deduction amounted, in the case of Headquarters staff, to about 20 per cent.

35. At the 734th meeting Brazil proposed that the estimate of \$1,753,200 for section 8 submitted by the Secretary-General should be approved.

36. The Committee voted at its 735th meeting on the various proposals. The result of the voting was as follows:

	<u>Amount to be appropriated</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>	
	\$				
Czechoslovak proposal	1,602,650	8	31	14	Rejected
Brazilian proposal	1,753,200	9	34	12	Rejected
Advisory Committee's recommendation	1,687,000	47	0	1	Approved

Section 10 (Economic Commission for Africa)

37. In his budget submission for 1960 the Secretary-General proposed an appropriation of \$1,013,300 for the Economic Commission for Africa. The Advisory Committee recommended, as an initial provision, the sum of \$800,000, on the understanding that the Committee would review the situation in 1960 and authorize additional funds as necessary (A/4170, para. 183). Lengthy consideration was given, during the general budget discussion and again on the first reading of the estimates, to this matter.

38. At the 711th and 714th meetings the Chairman of the Advisory Committee analysed the nature of that Committee's recommendation. The reduction of \$213,300 should not be read in the conventional sense as imposing on the Secretary-General a predetermined expenditure limit. The Advisory Committee had in fact neither dissented from the Secretary-General's proposal for an establishment of fifty Professional posts nor called for a cut in any specific item under section 10. It could therefore be claimed that, as regards the substance of the matter, there was an identity of views between the Secretary-General, the Advisory Committee and the many delegations which had supported the Secretary-General's proposal. Only a question of procedure and timing was at issue: how rapidly it would be possible to build up the Commission's secretariat. The Secretary-General had assumed that all fifty Professional posts could be filled by February 1960, whereas the Advisory Committee, on the strength of a more conservative and possibly more realistic forecast, suggested an adjustment in the initial money provision, though not in the number of authorized posts. Given the Committee's assurance in regard to additional financial needs, the recommendation could not in any way hamper the development of the Commission. The Advisory Committee had the necessary authority to approve unforeseen commitments, and further funds would be needed, if at all, only in the latter part of 1960.

39. Representatives who favoured the Secretary-General's original estimate observed that the Economic Commission for Africa had an essential role to play in the economic development of that continent, and its success in that task would depend equally on the co-operation of the African States and on the support which the Commission received from the General Assembly and other United Nations organs. It would therefore be regrettable if, despite agreement on the substantive issue, a restrictive budgetary decision aroused misgivings among the African representatives or had an adverse psychological effect among the peoples

of Africa. A high priority had customarily been given to the activities of the regional economic commissions for their work was of outstanding quality and had radically altered the general outlook on the economic problems of the times. It was sound policy similarly to equip the most recent of those commissions with resources adequate to its task. The Advisory Committee had referred, in connexion with the recruitment of Professional staff, to the experience of 1959. That was, however, the first, formative year in the life of the Commission and could not be regarded as a valid criterion. But independently of the probable rate of expenditure in 1960 - the sole point at issue - it was to be noted, first, that, in accordance with established procedure, funds should be made available to finance an authorized manning-table, and secondly, that as the money voted under section 10 could not be diverted to other appropriation sections, any savings would be surrendered at the end of 1960. It was finally arguable whether, in the circumstances of the present case, the Advisory Committee was empowered to authorize the expenditure of additional funds (beyond the sum to be appropriated) as an unforeseen commitment.

40. At the 735th meeting, the Secretary-General's representative informed the Committee that a cost-of-living survey at Addis Ababa, completed since the date of budget review, showed that it would be necessary to increase the post adjustment from class 3 to a special level equivalent to class 8. For 1959, the additional cost of about \$15,000 could be absorbed in the appropriation for that year. As regards 1960, the cost would depend on the rate of recruitment. Calculated on a 10 per cent adjustment for turnover of staff, some \$70,000 would be required, or about \$40,000 on the basis of the higher adjustment which the Advisory Committee had recommended. The local salary survey would not be completed before the end of 1959, but it already seemed likely that the findings would call for an increase in expenditure of about \$10,000. Total additional costs would thus be in the region of either \$80,000 or \$50,000, according to the pace of international recruitment. If the Secretary-General's estimate of \$1,013,300 under section 10 were approved, the additional expenditure might be absorbed.

41. At the same meeting, the representative of the United Arab Republic, on behalf of his own delegation and all the African delegations, proposed that the appropriation of \$800,000 recommended by the Advisory Committee for section 10 should be increased by \$213,300 to the figure of \$1,013,300 originally submitted by the Secretary-General. The Fifth Committee unanimously adopted the proposal of the United Arab Republic.

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Section 17 - Social activities

42. The Committee considered section 17, Social activities, at its 737th, 752nd and 754th meetings. It had before it (a) a report of the Secretary-General (A/C.5/777) proposing an increase of \$275,000 in the budget provision as a result of the decision taken by the Economic and Social Council at its twenty-eighth session (resolution 731 G (XXVIII)), and (b) two reports of the Advisory Committee on Administrative and Budgetary Questions (A/4223 and 4300).

43. At the 737th meeting, the Secretary-General's representative indicated that, as a matter of prudence and in order to avoid any increase in administrative expenditure, the Secretary-General had requested an increase of only \$275,000 under section 17, or a total of \$1,200,000, although early estimates had indicated that an additional \$400,000, or a total of \$1,325,000, would be required to meet all requests for assistance in 1960 in the social field. As programming had been completed, he stated that, to meet all requests under the regular programme, the amount required as of 27 October 1959 was \$1,364,750. He assured the Committee that the Secretariat was in a position to deal efficiently and economically, without extra staff, with an expansion of the programme of advisory social welfare services by \$275,000 and that the Expanded Programme of Technical Assistance and the programme charged to the regular budget were closely co-ordinated and integrated.

44. The Chairman of the Advisory Committee explained the position of that Committee in recommending an increased appropriation of \$200,000; it considered that, in terms of the Council's resolution, an increase of over 20 per cent was fully adequate and especially since programming procedures were under review.

45. Several delegations recalled that the Social Commission's recommendation for an increase in funds, which was endorsed by the Council in resolution 731 G (XXVIII), was based on an intensive study of world social conditions and of the various questions related to the technical assistance programmes in the social field. There was also a need to focus attention on the requirements of the African countries. Although an additional appropriation of approximately \$400,000 would be needed to meet all the requests for assistance which had been received, the Secretary-General had limited his proposal to \$275,000.

46. The representative of Ecuador formally proposed the restoration of the appropriation of \$275,000 which the Secretary-General had requested. The representative of the United Arab Republic, while acknowledging that efforts should be made to effect savings whenever possible, felt that the appropriation for the operational programme in the field of advisory welfare services concerned not only the under-developed countries, and in particular the newly independent countries of Africa, but the whole world. His delegation proposed an appropriation for section 17 of \$1,364,750, the sum deemed necessary to meet all the requests for assistance.

47. It was proposed that since the Advisory Committee had not had the full facts on which to base an informed decision, further consideration of the question should be adjourned pending the receipt of a detailed report from that Committee. The proposal to refer the question to the Advisory Committee was adopted by 45 votes to 2, with one abstention.

48. The Fifth Committee resumed the discussion at its 752nd and 754th meetings on the basis of a report (A/4300) in which the Advisory Committee maintained its earlier recommendation for an additional appropriation of \$200,000 under section 17. The representative of Ecuador recalled that he had proposed an appropriation of \$275,000 at the 737th meeting and while he was inclined in principle to support the proposal of the United Arab Republic for an additional appropriation of \$400,000, in a spirit of compromise he would not press for more than the amount requested by the Secretary-General, namely \$275,000. Several delegations supported the proposal.

49. One delegation pointed out that the Secretary-General had departed from the principle that technical assistance in the social field should be provided free of charge only to countries which really needed it but could not pay for it. While there was no objection to the provision of such assistance to economically developed countries, it was felt that it should be provided only against payment.

50. The representative of the Secretary-General, in replying to an inquiry regarding the extent of assistance which would be provided to African countries, explained that Ethiopia, Liberia and Morocco were the only African countries from which requests had been received for assistance, under General Assembly resolution 418 (V), in 1960, apart from a group of countries which wished to

participate in a regional seminar on family and child welfare. The Secretariat interpreted this as reflecting the lack of experience of many African countries in utilizing the resources of the United Nations, and that as their experience grew, the relative proportion of requests submitted would increase.

51. The proposal made by the Ecuadorian delegation at the 752nd meeting, and renewed by the United Arab Republic delegation at the 754th meeting that the 1960 provision under section 17 should be set at \$1,200,000, was adopted by 48 votes to 2, with 12 abstentions.

Section 19 - Public administration: Programme of operational and executive personnel (OPEX)

52. The Secretary-General's initial estimates for 1960 contained a provisional amount of \$200,000 under chapter II of section 19 for the continuance of the OPEX programme. Subsequently, the Economic and Social Council adopted, on 30 July 1959, resolution 739 (XXVIII) recommending to the General Assembly that the experimental programme should be continued, while in October 1959 the Secretary-General presented to the Assembly an analytical report (A/4212 and Add.1) in which he proposed that the amount to be appropriated for the OPEX programme in 1960 should be increased to \$300,000. In November 1959, the Second Committee submitted to the Assembly a draft resolution (A/4287, draft resolution III) concerning the programme.
53. The Advisory Committee, having examined the Secretary-General's revised proposal (A/C.5/799) for an appropriation of \$300,000 for 1960, recommended (A/4281, para. 7) in favour of a figure not exceeding \$250,000.
54. Most representatives who took part in the discussion expressed their keen interest in the OPEX programme. The main point of difference concerned the level at which the programme should be financed in 1960. A more radical divergence is, however, recorded in paragraph 58 below.
55. At the 745th meeting, the delegations of Afghanistan, Ethiopia, Nepal, Panama and Sudan jointly proposed that the reduction of \$50,000 recommended by the Advisory Committee (A/4281, para. 7) should be restored.
56. Those supporting the Advisory Committee's recommendation deprecated any tendency towards over-optimism in regard to the project. The Second Committee had rightly indicated that the experiment with the OPEX programme had been too brief for final conclusions to be drawn. While the Secretary-General would report on the subject to the Economic and Social Council in July 1960, it seemed probable that a decision on the appropriate scope of the programme could not be taken before the next Assembly session at the earliest. In fact, the working experience of several years might be needed before a valid judgement could be made. It should not be based on the sole criterion of the volume of requests submitted by Governments. Under the Advisory Committee's recommendation, it

would be possible to provide for some thirty to thirty-five appointments by the end of 1960: a total of fifteen officers would probably be at work by the end of 1959, representing (at \$9,000 per annum each) an outlay in 1960 of \$135,000; the balance of \$115,000 could be used for between fifteen and twenty further appointments, depending on the average delay in recruitment, which might be estimated at either four or six months. That appeared to constitute reasonable interpretation of the term "adequate scope" in the draft resolution of the Second Committee.

57. Representatives who concurred in the Secretary-General's proposal, pointed out that an accelerated pace of recruitment could now be anticipated. The Secretary-General foresaw that by the end of January 1960, the twenty-five posts approved in 1958 would have been filled. An amount of around \$230,000 would be needed to provide for those posts in 1960. On that basis, the proposed sum of \$300,000 would cover the cost of those twenty-five appointments as well as seven or eight additional appointments to be made in 1960. A money provision of that order, while meeting the condition of "adequate scope" was not excessive in view of the progress already made in developing the programme. The recommendation of the Advisory Committee, on the other hand, would permit of no more than two or three new appointments in 1960, in addition to the twenty-five posts previously envisaged. That was too restrictive and could not be said to give effect to what the Second Committee had had in mind. \$300,000 was the minimum necessary to ensure successful results, and with that sum the Secretary-General would be enabled to meet requests from a larger number of countries, a fact which in itself would facilitate a more realistic assessment of the programme.

58. According to yet a third view, the operations of the OPEX programme during the past year had demonstrated that the reservations which some delegations had entered at the previous session had been fully justified. Neither the arguments in the Secretary-General's special report to the Economic and Social Council at its twenty-eighth (1959) session (E/3230/Add.1) nor those in his recent report to the General Assembly were sufficient to justify the continuation of a costly experiment, which did not appear to have proved successful. Many of the requests for assistance under the programme had reference not to operational or executive personnel but to advisers of the type who could be furnished to Governments either

under other regular programmes or under the Expanded Programme of Technical Assistance. As it was impossible to assess the value of the experiment at the present stage, the money provision should on no account exceed the \$200,000 authorized for 1959.

Decision of the Committee

59. At the 746th meeting, the Committee decided by 26 votes to 19, with 20 abstentions, that in the event of the adoption of the draft resolution submitted by the Second Committee (A/4287, draft resolution III), the maximum appropriation recommended by the Advisory Committee should be increased by \$50,000 to \$300,000.

III. ORGANIZATION OF THE SECRETARIAT

(a) Organization and management of work of the Secretariat of the United Nations

60. At its 753rd meeting the Committee unanimously adopted a draft resolution (A/C.5/L.592) which was submitted jointly by the United Arab Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Union of Soviet Socialist Republics. The text is attached as annex D to the present report.

61. It was explained on behalf of the sponsors that the draft text was the outcome of consultations with many delegations and with the Secretary-General, and that some of its provisions represented a compromise between views that differed not so much on substance as on points of detail and procedure.

62. Much had happened since the last survey of the Secretariat in 1954-1955. The membership of the United Nations had risen from fifty-five to eighty-two, with a concurrent increase in the volume and scope of the activities which the Secretariat was called upon to undertake.

63. The authors of the proposal had had full regard to the prerogatives which the Charter reserved to the Secretary-General. Their draft resolution did no more than trace the outline of a review which, as the sponsors proposed, would be conducted by the Secretary-General together with the experts whom he himself would appoint. The text likewise spoke of experts "working together" with the Secretary-General. Both of the latter considerations were of the highest importance. In appointing the experts, the Secretary-General would define their terms of reference, and by so doing would retain the right to submit to the General Assembly, together with the findings of the experts, his own recommendations for action which might not be identical with their views. The review would be directed principally to the work of the Secretariat, and some activities, as, for example, those relating to the special missions under section 4 of the budget, would not appropriately come within its scope.

64. The representative of the Secretary-General assured the Committee that the Secretary-General concurred in the four-Power proposal, on which he had indeed been fully consulted. As he (the Secretary-General) interpreted the text, he would

conduct the review jointly with a committee composed of experts of the highest qualifications representing the various geographical regions. The project obviously entailed a considerable addition to the work-load of the Secretariat because, however eminent its members, the expert committee would have to rely heavily on staff support and, above all, on the continuous advice of high officials of the Secretariat. It might also prove necessary to engage consultants for specialized research and temporarily to strengthen the Administrative Management Staff in the Controller's Office. In defining the scope of the review, it would perhaps be wise to set a somewhat cautious course. While any activity covered by the regular budget might come within the compass of the review, the major emphasis would fall on items in parts III and V. In that way, attention would be given to the many matters (appropriate to such a review) that had been raised in the course of the general budget discussion or at other meetings during the current session.

65. The work to be done in 1960 would be largely of a procedural character. The Secretary-General, after consulting the Advisory Committee, in accordance with operative paragraph 2 of the draft resolution, would work together with the experts in identifying the problems for study and planning appropriate working methods. Those would doubtless be the principal subjects of the interim progress report which the General Assembly would receive at its fifteenth (1960) session. As regards the financial implications, it was the Secretary-General's understanding that the experts would be entitled to travel expenses and subsistence allowances but not to the payment of fees. Since the expenditure could not be estimated with any precision, the best course would be to finance such expenditure under the resolution on unforeseen and extraordinary expenses. The Secretary-General would then consult the Advisory Committee early in 1960.

(b) Department of Economic and Social Affairs: Organizational changes and review of internal procedures relating to the technical assistance programme

66. The discussion on this topic was based upon the report of the Secretary-General (A/C.5/801) and the report of the Advisory Committee (A/4302). Some delegations expressed regret that faster progress in more concrete terms was not reported in connexion with the amalgamation of the former Technical Assistance Administration with the Department of Economic and Social Affairs. These delegations felt that it should have been possible to record specific economies and to announce the installation of improved procedures. Other delegations, recalling misgivings expressed previously by them in connexion with the amalgamation, stated that the progress outlined in the reports was more than sufficient to allay any former doubts. General endorsement was given to the points made in the Advisory Committee's report, particularly with regard to the vital role which should be played by the regional economic commissions in the technical assistance programme. The representative of the Secretary-General indicated that no single administrative or organizational problem faced by the Secretariat had received more concerted attention over the past year, but that the amalgamation could not be expected to produce spectacular economies on an immediate basis. He expressed the Secretary-General's belief that evidence of economies would be forthcoming in due course and that the action of the General Assembly in approving the amalgamation would be amply justified. The Committee decided to take note of the Secretary-General's report and of the report of the Advisory Committee.

IV. WORKING CAPITAL FUND

67. In his foreword to the 1960 budget estimates (A/4110, Foreword, paras. 60-68) the Secretary-General once again invited the attention of Members to the fact that the cash position of the Organization continued to be a source of grave concern. The progressively worsening imbalance between cash requirements, on the one hand, and available resources, on the other, was illustrated in the position at the end of 1958. At that time outstanding contributions amounted, in the case of regular budgetary assessments, to \$7.8 million and, in the case of UNEF assessments, to \$15.4 million.

68. In the course of the general budget discussion many delegations expressed agreement with the view of the Secretary-General that it was urgently necessary to find a permanent solution to what had become a chronic problem of increasingly serious proportions.

69. The matter was submitted to the detailed consideration of the Committee at its 758th meeting on 3 December 1959, on the basis of a report of the Secretary-General (A/C.5/809) in which he stated his conclusion that "there is not merely ample justification, but urgent need, if the financial solvency and integrity of the Organization is to be regarded as of top priority, for an increase in the level of the Working Capital Fund in 1960 of the order of \$3 to \$4 million. Since, however, responsibility for safeguarding the Organization's cash position rests not with the Secretary-General alone, but equally with Member Governments through their individual and collective Assembly action, the Secretary-General refrains from submitting a formal recommendation at this time, pending further review of the situation by the Advisory Committee on Administrative and Budgetary Questions and subsequent expression of opinion in the Fifth Committee of the General Assembly."

70. In a related report (A/4317) the Advisory Committee pointed out that at the previous session it had recommended in favour of increasing the Working Capital Fund by two stages to the level of \$25 million in 1960. The Committee also observed that the considerations that had then prompted its recommendation were even more valid at the present time.

71. Accordingly the Advisory Committee recommended that the General Assembly should:

- (a) Urge the Member States concerned to give attention to the payment of the outstanding arrears of their contributions;
- (b) Request the Secretary-General, in addition to continuing his efforts to obtain earlier payment of contributions, to address a special communication in this regard to Member States and to report on the replies received to the General Assembly at its fifteenth session;
- (c) Decide to increase the level of the Working Capital Fund from \$23.5 million to \$25 million in 1960, by the transfer to the Fund of the balance on surplus account still available for credit to Members as at 31 December 1958 (\$527,988) and by direct additional cash advances in the amount of \$972,012;
- (d) Extend the authorization granted to the Secretary-General under paragraph 4 of resolution 1341 (XIII) of 13 December 1958, to cover also short-term loans from Governments and, exceptionally, from commercial sources.

72. Most delegations felt that the recommendations of the Advisory Committee were well suited, as a whole, to a situation of extreme difficulty both for the Organization and for a majority of its Members. Recommendations (a) and (b), if heeded by all Member States, would together provide the permanent solution which was unanimously desired. But it would be illusory to expect that, as regards the earlier payment of contributions, a problem that had persisted for some fourteen years would admit of a rapid solution. Nevertheless the Advisory Committee had included a new and useful feature in their related suggestion: publication of the Members' replies might well have a salutary effect on the payment of contributions.

73. As regards the proposed increase in the Working Capital Fund, a number of delegations regarded this as a natural and indeed indispensable step. If it was accepted that the working capital should equal about 50 per cent of the budget, then the case had been made for an increase to \$30 million, and none should be surprised by the present cash difficulties of the Organization. But if so sharp an increase was not immediately practicable, thought should be given to the possibility of combining with a more modest increase of the Fund (for example, to \$25 million) other remedial measures.

74. The suggestion was also made that it might be useful to adopt the system, long in force in the International Telecommunication Union, of charging interest, at a high rate and on an ascending scale, on outstanding contributions.

75. Other delegations, however, were reluctant to concur in any increase or in any increase exceeding the balance of some \$500,000 available on surplus account. An increase of the Fund merely aggravated the evil by affording more latitude to tardy payment. It was moreover inequitable since it penalized all Member States, irrespective of their record of payment, by tying up valuable assets. The view was also expressed that more attention should be directed to seeking in a reduction of budget expenditure an alternative solution of the problem.

76. Where recommendation (d) was concerned, many speakers expressed serious misgivings concerning the propriety and possibly the legality of an organization such as the United Nations resorting to loans from banks or other commercial houses. Some delegations also spoke in favour of excluding loans from Governments from the scope of the authorization.

77. The following amendments were proposed to the recommendations of the Advisory Committee (A/4317, para. 10):

(a) Soviet Union: recommendation (c) -- the level of the Fund to remain at \$23.5 million;

(b) India: to delete the words "and, exceptionally, from commercial sources" in recommendation (d).

Decision of the Committee

78. The result of the voting was as follows:

	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>	
Recommendation (a)	54	0	0	Approved
Recommendation (b)	55	0	0	Approved
Soviet Union amendment to recommendation (c)	12	20	21	Rejected
Recommendation (c)	37	10	9	Approved
Indian amendment to recommendation (d)	27	6	20	Approved
Recommendation (d) as amended	49	0	5	Approved
Recommendations as a whole, as amended	43	8	4	Approved

Recommendation of the Committee

79. The Fifth Committee therefore recommends to the General Assembly the adoption of the draft resolution set out in annex F.

V. FORM OF THE BUDGET

80. The 1960 budget text (A/4110) contained a number of new features designed to facilitate the process of review. These included summary tables (A/4110, tables S-1 and 13-1) showing (a) for the budget as a whole, and (b) for the general expenses financed under section 13, the variations in budgetary requirements that had occurred during the three-year period 1958-1960, as well as a statement of established posts by department or office (table 6-2) intended to give an approximate indication of the distribution of authorized posts by functions (e.g. political affairs, economic and social activities, etc.). In the course of the general discussion, many representatives referred with appreciation to these improvements in the budget presentation. They also welcomed the expansion of the Secretary-General's budget foreword, which by providing adequate background information on work programmes, enabled the Committee to determine whether budget proposals would yield a maximum return at the lowest possible cost. While the annual reports of Councils, commissions and committees provided ample material on the subject, the budget foreword was of the highest value in analysing the relationship between the substance of programmes and their budgetary implications. It was to be hoped that the foreword could be amplified still further in future budget submissions.

81. At the 743rd meeting, the Committee considered the specific question whether to continue for a further period of years the revised form of budget presentation which had been approved experimentally in February 1957 (A/3550, para. 74) and been initiated with the budget estimates for 1958. The basic documents before the Committee were reports of the Secretary-General (A/C.5/776) and the Advisory Committee (A/4228). Two main considerations arose: first, whether the new form of the budget had proved successful from an administrative and operational point of view, and in particular whether it had resulted in a more flexible use of staff resources, a stricter application of priorities and improvement in administrative management and control; and secondly, whether the General Assembly and its budgetary committees had found it easier, under the revised form, to appraise the Secretary-General's budget proposals and control expenditure.

82. Most representatives were satisfied, on the evidence offered by the Secretary-General and the Advisory Committee, that it would be wise to extend the experimental period. They noted that the Secretary-General intended to refine the form of presentation still further, and that, by way of additional improvements, he proposed to furnish detailed information annexes analysing the budget estimates (a) by organizational segment (i.e. department or office), (b), as appropriate, by location, and (c) by main fields of activity (the last-named analysis representing an improved form of the present annex II). Note was also taken of the study, already under preparation, in which actual expenditures for the period 1956 to 1958 would be correlated with main fields of activity and which would serve to test the validity of the methods and assumptions on which the project estimates were at present based. That was an exercise of the utmost importance; it would afford the Fifth Committee precise information on the pattern and nature of expenditure in different fields of activity, as for instance, expenditure on sessions of organs and subsidiary organs held away from Headquarters.

83. Other speakers, however, felt that the revised form of the budget perhaps facilitated the task of the Secretariat more than it served the needs of the Committee, and that while a more flexible use of staff had admittedly been achieved, there had not been equal success in informing the Committee fully and accurately of the trends, the relative importance and the cost of programmes. Thus, with the exception of section 4, the budget document nowhere gave the cost of programmes clearly and concisely, nor did it show how new projects could be compared with the cost of existing projects in the same field.

84. The view was expressed by some delegations that the progressive increase in administrative costs demonstrated that the advantages claimed for the new form of the budget in 1956 and 1957 had not been fully exploited or alternatively that some serious weakness was inherent in that form. The control formerly exercised by the General Assembly through a long series of votes on departmental appropriations had been impaired. Thus, the items which were shown as a single figure in section 6 of the 1960 estimates had been represented in 1957 (under the old form) by eleven separate figures, each of which had been put to the vote. By the same token, the old form had shown the detailed expenses of every department of the Secretariat.

85. Some support was given to the procedure outlined in paragraphs 13 and 14 of the Advisory Committee's report (A/4228), according to which new projects proposed after the date of budget preparation would be undertaken in the budget year only to the extent that they could be accommodated within the initial estimates. In the opinion, however, of other delegations, too rigid a rule should not be written as it might hamper essential work of the Councils, and in particular that of the Economic and Social Council. Although it was true that the Advisory Committee had added a saving clause (A/4228, para. 14) to the suggested formula, the question of revisions in the initial estimates, together with other important matters pertaining to the form of budget presentation, should be the subject of further consultation between the Secretary-General and the Advisory Committee.

86. It was the consensus of the Committee that the present form of the budget should be retained for a second experimental period of two years, on the understanding that in the light of the discussion held in the Fifth Committee and after consultation with the Advisory Committee, the Secretary-General would make appropriate improvements in his budget presentation.

VI. SALARY SCALES FOR HEADQUARTERS
GENERAL SERVICE STAFF

87. At its 742nd meeting the Committee examined a report of the Secretary-General (A/C.5/794) stating that on the basis of a review of local employment conditions in the New York area, the Secretary-General believed that an increase of 5 per cent in the Headquarters general service salary scales was justified. The Secretary-General has concluded, pursuant to Annex I, paragraph 7 of the Staff Regulations of the United Nations, that the effective date for applying the new scales should be 1 October 1959. The Committee also examined a report of the Advisory Committee on this question (A/4260) expressing agreement with the Secretary-General's estimate of the increased requirements for 1960 arising from the revision of the scales.

88. The Committee approved by 47 votes to none, with 9 abstentions, an increase of \$502,000 in the 1960 appropriations distributed among the following sections: Section 4 - special missions and related activities, \$5,500; Section 6 - Salaries and wages, \$439,700 and Section 7 - common staff costs, \$56,800. At the same time it approved a consequential increase in staff assessment income of \$111,000 and the adjustments which would need to be made in the expenditure estimates for revenue-producing activities, under part D of the 1960 budget, resulting in a reduction of \$36,000 in the amount of income other than from staff assessment.

VII. LAND AND STRUCTURES

89. During the session the Committee considered a number of questions relating to the capital assets of the United Nations.
90. Under agenda item 44, the Committee took a decision regarding the modernization of the Palais des Nations, to which reference is made in paragraphs 94 to 97 below. It also examined the reports of the Secretary-General and the Advisory Committee on the major maintenance and capital improvement programme at Headquarters (A/C.5/802; A/4296).
91. As regards the latter sub-item, no action (beyond normal budgetary provision) was called for in 1960 in view of the decision to postpone until that year the technical survey of facilities in the Headquarters building (A/4110, Foreword, para. 19), and in view also of the General Assembly's action in regard to the construction of a new United Nations Library (see para. 93 below). The report of the Secretary-General (A/C.5/802) dealt principally with the development of the basement area in the Headquarters building (tentatively proposed for 1961 and 1962). The Committee took note, at its 752nd meeting, of the Advisory Committee's intention (A/4296) to review the programme during 1960 in consultation with the Secretary-General.
92. Under agenda item 50, the Committee made recommendations to the General Assembly (A/4306) concerning the financing of the United Nations Building in Santiago, Chile, which were adopted by the Assembly in resolution 1407 (XIV) of 1 December 1959.
93. Finally, under agenda item 72, the Committee recommended (A/4252) to the General Assembly acceptance of the gift made by the Ford Foundation for the construction of a new United Nations Library (A/RES/1354(XIV) of 3 November 1959). At its 732nd meeting the Committee approved the adjustments to sections 13 and 15 of the 1960 estimates which the Advisory Committee had recommended (A/4259) in consequence of necessary interim arrangements for the Library.

Modernization of the Palais des Nations

94. At its 737th meeting the Committee considered a report of the Secretary-General (A/C.5/775) submitting revisions in the programme for the modernization of the Palais des Nations which was approved in General Assembly resolution 1101 (XI) of 27 February 1957. The effect of the proposed revisions was to raise the estimated cost of the programme from \$1,211,000 to \$1,790,000, the increase of \$579,000 applying solely to projects in the Assembly Hall area of the Palais (A/C.5/775, paras. 17-26).

95. General Assembly resolution 1101 (XI) provided for the inclusion in the budget estimates for the years 1957 to 1966 of ten equal instalments of \$121,000. For the financing of the enlarged programme, the Secretary-General proposed in his recent report (A/C.5/775, paras. 27-28) the following revised schedule of annual instalments:

(1957 - 1959	:	\$121,000)
1960 - 1962	:	\$121,000
1963	:	\$131,000
1964 - 1966	:	\$311,000

96. The Advisory Committee concurred in the Secretary-General's proposal (A/4157, para. 10). The Committee stressed the importance of its being kept fully and currently informed of the progress of the work and the pattern of expenditure since, in the event of any possible increase in the cost of the programme (A/C.5/775, para. 26), an opportunity should be given for the Committee to recommend offsetting economies on less essential, non-structural aspects of the modernization plan

97. The Fifth Committee approved without objection the proposal of the Secretary-General (A/C.5/775, para. 28), and accordingly recommends to the General Assembly the adoption of the draft resolution in annex E of the present report.

VIII. WORLD HEALTH ORGANIZATION HEADQUARTERS ACCOMMODATIONS

98. At its 758th meeting the Committee considered reports submitted by the Secretary-General (A/C.5/810) and by the Advisory Committee (A/4319) drawing attention to the resolution adopted by the Twelfth World Health Assembly and the Executive Board of the World Health Organization at its twenty-fourth session on the subject of the construction of a Headquarters building for WHO and related matters. The General Assembly's attention was called particularly to the provisions in these resolutions dealing with the question of "a suitable reimbursement to the World Health Organization by the United Nations" for the WHO investment in the Palais des Nations in consideration of releasing the space which WHO now occupies in the Palais.

99. The Fifth Committee in taking note of these reports concurred in the view expressed by the Advisory Committee that the question of reimbursement to WHO by the United Nations was one which called for careful study in terms largely of practical considerations, inasmuch as the two Organizations have, in the main, a common membership. Having regard to the fact that difficulties encountered by the Swiss authorities in finding a suitable site that could be made available to the World Health Organization for its Headquarters had only very recently been resolved, doubt was expressed by the Secretary-General whether the Assembly would find itself in a position to reach any conclusions at its present session concerning the question of any reimbursement to WHO for its investment in the Palais. The Fifth Committee accordingly concurred in the Secretary-General's suggestion, as endorsed by the Advisory Committee, that this matter should be further studied when all factors pertinent to the final accommodation of WHO have matured sufficiently. It agreed also that the Secretary-General in undertaking these further studies with the Director-General of WHO should consult, as necessary, with the Advisory Committee, and that a fuller report (or reports) should be submitted to the General Assembly at its fifteenth session.

IX. FIRST READING OF THE BUDGET ESTIMATES FOR 1960

100. For its first reading of the 1960 budget estimates, the Fifth Committee had before it the initial estimates submitted by the Secretary-General (A/4110) and the report of the Advisory Committee thereon (A/4170). The statements made by the Secretary-General (A/C.5/782) and the Chairman of the Advisory Committee at the 711th meeting of the Fifth Committee had also contained references to particular sections of the budget. Further, the Secretary-General submitted revised estimates for several purposes, and the Advisory Committee made separate reports on those estimates:

- (a) Decisions of the Economic and Social Council - documents A/C.5/777, A/4223 and A/4300: sections 1, 6, 7, 8, 14, 17 and 19a;
- (b) Salary scales of General Service staff at Headquarters - documents A/C.5/794 and A/4260: sections 4, 6 and 7, income from staff assessment and income other than from staff assessment;
- (c) Interim arrangements for the Library - documents A/C.5/796 and A/4259: sections 13 and 15;
- (d) Office of the High Commissioner for Refugees - documents A/C.5/798 and A/4264: sections 10, 13 and 15;
- (e) Public administration: provision of operational, administrative and executive personnel - documents A/C.5/799 and A/4288: section 19;
- (f) Meeting in Buenos Aires of the fourteenth session of the Commission on the Status of Women - documents A/C.5/808 and A/4310: sections 1, 6 and 13 and income other than staff assessment.

101. The Secretary-General also submitted revised proposals (A/4239) for the construction of the United Nations building at Santiago, and the Advisory Committee reported thereon (A/4277). These proposals, affecting the provision for section 20, were considered under agenda item 50 and a separate report (A/4306) has been presented to the General Assembly.

102. It is not attempted in the following portion of this report to reflect the discussions in the Fifth Committee during the first reading of the various sections. During these discussions observations on the estimates were made by

members of the Committee, and the position of delegations on certain of the estimates expressed. Representatives of the Secretary-General replied to questions raised on the sections and gave, in specific instances, undertakings in connexion with the administration of the 1960 appropriations; the understanding of the Secretary-General as to the intent of the Committee in respect of certain of its decisions was also stated. The Chairman of the Advisory Committee gave further information on the views of that Committee on various estimates. These discussions can be found in the official records of the meetings of the Fifth Committee. The part of this report dealing with the general discussion does reflect, however, those points which, in the first reading of the sections, were given special attention and interest.

103. The actions of the Fifth Committee on questions relating to the financial implications of decisions of other Main Committees of the Assembly are indicated herein, and the effect of the approval by the General Assembly is shown in the following text under the sections involved.

104. Unless otherwise indicated, the amounts approved by the Fifth Committee were those recommended by the Advisory Committee.

Section 1 - Travel of representatives, members of commissions and committees

105. At its 716th meeting, the Committee unanimously approved an amount of \$786,900 for this section, representing the appropriation recommended by the Advisory Committee in respect of the initial estimates and the revised estimates resulting from decisions of the Economic and Social Council.

106. At its 752nd meeting the Committee approved revised 1960 estimates (A/4295) in respect of General Assembly resolution 1376 (XIV) of 17 November 1959 on the United Nations Scientific Committee on the Effects of Atomic Radiation which included an additional amount of \$33,000 for this section.

107. At its 756th meeting the Committee approved revised estimates (A/C.5/808, A/4310) for the holding at Buenos Aires of the fourteenth session of the Commission on the Status of Women involving an additional provision of \$12,700 under this section.

Section 2 - Special meetings and conferences

108. At its 716th meeting, the Committee unanimously approved an appropriation of \$62,300 under section 2.

Section 3 - Board of Auditors

109. At its 716th meeting, the Committee unanimously approved an appropriation of \$53,000 under section 3.

Section 4 - Special missions and related activities (see also Part II of the present report)

110. The Committee took its first reading decisions on Chapters I through V and VII through IX at its 722nd meeting. It rejected proposals by the representative of the Ukrainian SSR for deletion of provisions for Chapters VII, VIII and IX as follows:

<u>Chapter</u>		<u>Reduction proposed</u> \$	<u>Yes</u>	<u>No</u>	<u>Abstention</u>
VII	Memorial Cemetery in Korea	55,000	10	40	11
VIII	Commission for the Unification and Rehabilitation of Korea	148,500	9	38	12
IX	Replacement of staff assigned to field missions	96,000	9	43	7

111. The Committee approved the recommendations of the Advisory Committee as follows:

<u>Chapter</u>	<u>Provision recommended</u> \$	<u>Yes</u>	<u>No</u>	<u>Abstention</u>
I	Advisory Council for Somaliland under Italian Administration	152,700		Unanimously
II	Military Observer Group in India and Pakistan	431,500	52	0 9
III	Representative for India and Pakistan	32,400	51	0 10
IV	Conciliation Commission for Palestine	57,000	49	0 10
V	Truce Supervision Organization in Palestine	1,438,000	52	0 9
VII	Memorial Cemetery in Korea	55,000	45	8 8
VIII	Commission for the Unification and Rehabilitation of Korea	148,500	43	9 10
IX	Replacement of staff assigned to field missions	96,000	47	9 4

112. The Committee reported separately (A/4343) to the General Assembly on the financial implications of the draft resolution (A/4240) recommended by the Fourth Committee which would affect the original estimates under Chapter VI - Plebiscites for the Cameroons under United Kingdom Administration. With the adoption by the General Assembly, at its 829th plenary meeting, of the draft resolution, and with a further report (A/4258) of the Advisory Committee, the Fifth Committee, at its 742nd meeting, approved a provision of \$106,700 under Chapter VI by 55 votes to none, with 1 abstention. It also approved, by 48 votes to 1, with 8 abstentions, an appropriation of \$2,517,800 for section 4.

The decision of the Committee, at its 742nd meeting, on salary scales for General Service staff at Headquarters (see part VI of the present report) provided an additional amount of \$5,500 under this section.

Section 5 - United Nations Field Service

113. At its 721st meeting, the Committee rejected, by 48 votes to 9, with 8 abstentions, a proposal by the representative of the Ukrainian SSR that the provision under section 5 be deleted. It approved, by 49 votes to 9, with 8 abstentions, a provision of \$1,206,800 under the section.

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Section 6 - Salaries and wages (see also part II of the present report)

114. The Committee considered section 6 at its 733rd and 734th meetings. At its 734th meeting the Committee rejected, by 44 votes to 9, with 7 abstentions, a proposal by the representative of the USSR for a reduction of \$2,800,000 in the amount recommended by the Advisory Committee for this section. The Committee approved, by 52 votes to 9, the appropriation of \$31,432,500 recommended by the Advisory Committee in respect of the original estimates and the revised estimates resulting from decisions of the Economic and Social Council.

115. The decision of the Committee, at its 742nd meeting, on salary scales for General Service staff at Headquarters (see part VI of the present report) provided an additional amount of \$439,700 under this section.

116. At its 752nd meeting, the Committee approved revised 1960 estimates (A/4295) in respect of General Assembly resolution 1376 (XIV) of 17 November 1959 on the United Nations Scientific Committee on the Effects of Atomic Radiation which included an additional amount of \$10,000 for this section.

117. On the basis of a report of the Advisory Committee (A/4318) considered at its 758th meeting, the Fifth Committee informed the General Assembly separately (A/4326) on financial implications of three draft resolutions recommended by the Second Committee involving a further provision of \$43,000 under this section.

Section 7 - Common staff costs

118. At its 734th meeting, the Committee approved, by 49 votes to 9, the appropriation of \$6,912,500 recommended by the Advisory Committee in respect of the original estimates and the revised estimates resulting from decisions of the Economic and Social Council.

119. The decision of the Committee, at its 742nd meeting, on salary scales for General Service staff at Headquarters (see para. VI of the present report) provided an additional amount of \$56,800 under this section.

120. The decision by the Committee, at its 757th meeting, on the United Nations International School included the provision of \$100,000 under this section as a contribution to the International School Fund in 1960. The report of the Fifth Committee on item 51 is contained in document A/ .

Section 8 - Travel of staff and members of administrative bodies (see also part II of the present report)

121. The Committee considered section 8 at its 734th and 735th meetings. It rejected, by 31 votes to 8 with 14 abstentions, a proposal by the representative of Czechoslovakia for a reduction of \$84,350 from the amount recommended by the Advisory Committee for this section; and rejected, by 34 votes to 9, with 12 abstentions, a proposal by the representative of Brazil for an increase of \$66,200 to that amount. The Committee approved, by 47 votes to none with 11 abstentions, the appropriation of \$1,687,000 recommended by the Advisory Committee in respect of the original estimates and the revised estimates resulting from decisions of the Economic and Social Council.

122. At its 752nd meeting, the Committee approved revised 1960 estimates (A/4295) in respect of General Assembly resolution 1376 (XIV) of 17 November 1959 on the United Nations Scientific Committee on the Effects of Atomic Radiation which included an additional amount of \$8,600 for this section.

Section 9 - Hospitality: Payments under Annex I, paragraphs 2 and 3, of the Staff Regulations

123. At its 735th meeting, the Committee unanimously approved an appropriation of \$95,000 under section 9.

Section 10 - Economic Commission for Africa (see also part II of the present report)

124. At its 735th meeting, the Committee unanimously approved a proposal by the representative of the United Arab Republic that the recommendation of the Advisory Committee for an appropriation of \$800,000 under this section should be increased by \$213,300 to the amount of \$1,013,300.

Section 11 - Office of the United Nations High Commissioner for Refugees

125. On the basis of revised estimates for this section (A/4264; A/C.5/798) the Committee, at its 742nd meeting, approved, by 43 votes to none, with 11 abstentions, an appropriation of \$1,590,000.

Section 12 - World Refugee Year

126. At its 742nd meeting, the Committee approved, by 44 votes to 9, with 2 abstentions, an appropriation of \$30,000 for section 12.

Section 13 - General expenses

127. The Committee considered section 13 at its 736th meeting. It rejected, by 41 votes to 9, with 14 abstentions, a proposal by the representative of Poland for a reduction of \$150,000 from the amount recommended by the Advisory Committee for this section; and rejected, by 31 votes to 15, with 16 abstentions, a proposal by the representative of Chile for an increase of \$98,100 to that amount. The Committee approved, by 44 votes to none, with 20 abstentions, the appropriation of \$5,580,000 recommended by the Advisory Committee.

128. In connexion with revised estimates for the Office of the High Commissioner for Refugees (A/4264; A/C.5/798), the Committee, at its 742nd meeting, approved, by 46 votes to none, with 11 abstentions, an additional provision of \$17,600 under section 13.

129. The approval by the Committee, at its 742nd meeting, of the interim arrangements for the Library (A/4259; A/C.5/796) included in a new chapter under section 13, an additional provision of \$114,000; and a reduction, under other chapters, of \$52,000.

130. At its 756th meeting the Committee approved revised estimates (A/C.5/808, A/4310) for the holding at Buenos Aires of the fourteenth session of the Commission on the Status of Women involving an additional provision of \$1,500 under this section.

Section 14 - Printing, stationery and office supplies

131. At its 736th meeting, the Committee unanimously approved the appropriation of \$2,133,100 recommended by the Advisory Committee in respect of the original estimates and the revised estimates resulting from decisions of the Economic and Social Council.

Section 15 - Permanent equipment

132. At its 737th meeting, the Committee unanimously approved an appropriation of \$587,300 for section 15.

133. In connexion with revised estimates for the Office of the High Commissioner for Refugees (A/4264; A/C.5/798), the Committee, at its 742nd meeting, approved, by 48 votes to none, with 9 abstentions, an additional provision of \$3,000 under section 15.

134. The approval by the Committee, at its 742nd meeting, of the interim arrangements for the Library (A/4259; A/C.5/796) included a reduction of \$36,500 under this section.

Section 16 - Economic development

135. At its 737th meeting, the Committee unanimously approved an appropriation of \$480,000 for section 16.

Section 17 - Social activities (see also Part II of the present report)

136. The Committee considered section 17 at its 737th, 752nd and 754th meetings. At its 754th meeting, the Committee approved, by 48 votes to 2, with 12 abstentions, a proposal by Ecuador and the United Arab Republic that the recommendation of the Advisory Committee for an appropriation of \$1,125,000 under this section should be increased by \$75,000 to an amount of \$1,200,000.

Section 18 - Human Rights activities

137. At its 738th meeting, the Committee unanimously approved an appropriation of \$100,000 under section 18.

Section 19 - Public administration (see also part II of the present report)

138. The Committee considered section 19 at its 745th and 746th meetings. In addition to the initial estimates (A/4110 and A/4170), the Committee also had before it revised estimates for Chapter II of section 19 (A/C.5/799 and A/4281).

139. At its 746th meeting the Committee approved, by 26 votes to 19, with 20 abstentions, a proposal by Afghanistan, Ethiopia, Nepal, Panama and Sudan, that the recommendation of the Advisory Committee for a maximum provision (in the event of the adoption of the pertinent draft resolution (A/4287, draft resolution III) recommended by the Second Committee) of \$250,000 under Chapter II of section 19 should be increased by \$50,000 to an amount of \$300,000.

The Committee also approved, by 36 votes to none, with 28 abstentions (subject to the adoption of the Second Committee draft resolution) an appropriation of \$600,000 under section 19 as a whole.

140. The General Assembly adopted the Second Committee's draft resolution at its 841st plenary meeting on 20 November 1959.

Section 19a^{1/} - Narcotic Drugs Control Advisory Services

141. At its 738th meeting, the Committee unanimously approved an appropriation of \$50,000 under section 19a, subject to the approval by the General Assembly of the pertinent draft resolution (A/4250, draft resolution V) recommended by the Third Committee. The Chairman of the Fifth Committee informed the President of the General Assembly of this action (A/4282); the General Assembly adopted the Third Committee draft resolution at its 841st plenary meeting on 20 November 1959.

Section 20^{2/} - Special expenses

142. At its 738th meeting, the Committee unanimously approved an appropriation of \$3,349,500.

143. The decision of the Committee on agenda item 50, Construction of the United Nations Building in Santiago, Chile, as reported to the General Assembly (A/4306) involved an additional provision of \$182,500 under this section.

Section 21^{3/} - International Court of Justice

144. At its 744th meeting, the Committee unanimously approved an appropriation of \$704,500 under section 21.

INCOME

Part D - Revenue-producing activities

145. The Committee considered the estimates for revenue-producing activities at its 747th and 748th meetings. It unanimously approved the 1960 estimates of

1/ Changed to section 20 in second reading decisions.

2/ Changed to section 21 in second reading decisions.

3/ Changed to section 22 in second reading decisions.

income and expenses submitted by the Secretary-General (A/4110) and concurred in by the Advisory Committee (A/4170).

146. In connexion with its consideration of the several revenue-producing activities particular attention was paid to the incidence of various taxes on their operations. The Committee heard statements by representatives of the Secretary-General on this question; the statement made by the Legal Counsel at the 748th meeting was issued as a document of the Committee (A/C.5/804).

147. The decision of the Committee, at its 742nd meeting, on salary scales for General Service staff at Headquarters (see part VI of the present report) involved increased expenses, and consequent reductions in net revenue of the activities, totalling \$36,000.

Part C. Income

A. Income other than Staff Assessment

148. At its 748th meeting, the Committee unanimously approved the basic estimate of \$5,319,800 for income other than staff assessment.
149. The revised estimates for 1960 for the Office of the High Commissioner for Refugees (A/C.5/798, A/4264) included an additional requirement of \$17,000 in respect of which there would be increased income in the same amount by reimbursement from the Refugee Fund. The Fifth Committee approved the relevant estimates at its 742nd meeting.
150. The reduction of \$36,000 in net revenue of the revenue-producing activities noted above resulted in a corresponding reduction of \$36,000 from income other than staff assessment.
151. The approval by the Committee, at its 752nd meeting of revised 1960 provisions for the United Nations Scientific Committee on the Effects of Atomic Radiation (A/4295) included an additional \$9,200 income for that year.
152. At its 756th meeting, the Committee approved revised estimates (A/4310, A/C.5/808) for the holding in Buenos Aires of the fourteenth session of the Commission on the Status of Women. The total of the additional appropriations under sections 1, 8 and 13, \$48,000, are to be reimbursed by the host Government in accordance with the provisions of General Assembly resolution 1202 (XII).

B. Income from Staff Assessment

153. At its 748th meeting, the Committee unanimously approved the basic estimate of \$6,210,000 for income from staff assessment.
154. The decision of the Committee at its 742nd meeting, on salary scales for General Service staff at Headquarters (see part VI of the present report) provided additional income from staff assessment of \$111,000.
155. The Committee, approved, at its 742nd meeting, revised estimates for the Plebiscite for the Cameroons under United Kingdom administration including a further \$8,000 income under this heading.

X. SECOND READING OF THE BUDGET ESTIMATES FOR 1960

156. In connexion with the second reading of the 1960 budget estimates, the Committee unanimously adopted, at its 759th meeting, a draft resolution (A/C.5/L.601) concerning the submission of revisions to initial budget estimates which was submitted jointly by the Union of Soviet Socialist Republics, the United Arab Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The purpose of the draft resolution (attached as Annex G to the present report) was similar to that defined in General Assembly resolution 1096 (XI) of 27 February 1957, namely, to ensure that additions to a total programme of work for which provision has already been made in the main budget estimates shall be held to a minimum. The hope was expressed that the Secretary-General would report to the Assembly at its next session on the extent to which the various organs and subordinate organs had found it possible to comply with the procedure outlined in the draft resolution.

157. On second reading of the estimates, the Committee voted as follows:

<u>Section</u>	<u>Amount</u> \$	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
1	832,600	57	0	0
2	62,300	57	0	0
3	53,000	57	0	0
4	2,523,300	48	1	8
5	1,206,800	48	9	0
6	31,925,200	46	9	0
7	7,069,300	38	8	10
8	1,734,400	48	0	9
9	95,000	57	0	0
10	1,013,300	57	0	0
11	1,590,000	44	0	11
12	30,000	46	9	2
13	5,661,100	48	0	9
14	2,133,100	57	0	0

/...

<u>Section</u>	<u>Amount</u> \$	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
15	533,800	56	0	0
16	480,000	57	0	0
17	1,200,000	43	0	13
18	100,000	55	0	1
19	600,000	41	0	16
20	50,000	57	0	0
21	3,532,000	57	0	0
22	704,500	57	0	0
Total, Sections 1-22	53,149,700	48	0	9
Income other than Staff Assessment	5,357,500	57	0	0
Income from Staff Assessment	6,329,000	58	0	0

158. Before the vote on the total of the budget sections, the Committee rejected by 40 votes to 9 with 7 abstentions, a proposal by the USSR for a global reduction in part III of the budget (except section 10) in the amount of \$3,500,000.

159. The decision of the Committee under section 6 provided for a consolidated manning table for 1960 for the various departments and units for which provision was included in that section as follows (the establishment proposed by the Secretary-General with the reduction of twenty-five general service posts recommended by the Advisory Committee):

/...

Established posts for departments and offices at Headquarters;
 the United Nations Office at Geneva; information centres; the
 secretariats of the Economic Commissions for Asia and the Far
 East and for Latin America; the joint secretariat of the
 Permanent Central Opium Board and the Drug Supervisory Body;
 the Joint Staff Pension Board and the United Nations Staff
 Pension Committee

<u>Category and level</u>	<u>Total</u>
I. <u>Secretary-General</u>	1
Under-Secretary	17
Director.	26
Principal officer	73
TOTAL I	117
II. <u>Professional</u>	
Senior officer.	168
First officer	418
Second officer.	527
Associate and assistant officer	383
TOTAL II	1,566
III. <u>General Service*</u>	
Principal or highest level.	171
Other levels.	1,859
TOTAL III	2,030
TOTALS I, II, AND III	3,713

* Exclusive of local level posts at Information Centres, ECAFE, and ECLA for which a budgetary credit is provided (notionally 370 posts).

160. Similarly at its 759th meeting, the Committee approved, (a), by 50 votes to none with 9 abstentions, the draft appropriation resolution for the financial year 1960 set out in Annex A to the present report; (b) unanimously, the draft resolution relating to unforeseen and extraordinary expenses set out in Annex B; and (c) by 45 votes to 9 with 4 abstentions, the draft resolution relating to the Working Capital Fund set out in Annex C.

Recommendation of the Fifth Committee

161. The Fifth Committee recommends to the General Assembly the adoption of the draft resolutions set out in the following annexes, A to G:

ANNEX A

DRAFT APPROPRIATION RESOLUTION FOR THE FINANCIAL YEAR 1960

The General Assembly

Resolves that for the financial year 1960

1. Appropriations totalling \$US63,149,700 are hereby voted for the following purposes:

<u>Section</u>	<u>US dollars</u>
A. UNITED NATIONS	
<u>Part I, Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</u>	
1. Travel of representatives, members of commissions, and committees	832,600
2. Special meetings and conferences	62,300
3. Board of Auditors.	<u>53,000</u>
Total, Part I	947,900
<u>Part II, Special missions and related activities</u>	
4. Special missions and related activities.	2,523,300
5. United Nations Field Service	<u>1,206,800</u>
Total, Part II	3,730,100
<u>Part III, The Secretariat</u>	
6. Salaries and wages	31,925,200
7. Common staff costs	7,069,300
8. Travel of staff and members of administrative bodies	1,734,400
9. Hospitality and Payments under Annex I, paragraphs 2 and 3 of the Staff Regulations.	95,000
10. Economic Commission for Africa	<u>1,013,300</u>
Total, Part III	41,837,200

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<u>Section</u>	<u>US dollars</u>
<u>Part IV, Special Offices</u>	
11. Office of the United Nations High Commissioner for Refugees	1,590,000
12. World Refugee Year	<u>30,000</u>
Total, Part IV	1,620,000
<u>Part V, Common Services and Equipment</u>	
13. General Expenses	5,661,100
14. Printing, stationery and library supplies	2,133,100
15. Permanent equipment	<u>553,800</u>
Total, Part V	8,348,000
<u>Part VI, Technical Programmes</u>	
16. Economic development	480,000
17. Social activities	1,200,000
18. Human rights activities	100,000
19. Public administration	600,000
20. Technical assistance in the field of Narcotic Drug control	<u>50,000</u>
Total, Part VI	2,430,000
<u>Part VII, Special Expenses</u>	
21. Special expenses	<u>3,532,000</u>
Total, Part VII	3,532,000
B. INTERNATIONAL COURT OF JUSTICE	
<u>Part VIII, International Court of Justice</u>	
22. International Court of Justice	<u>704,500</u>
Total, Part VIII	<u>704,500</u>
GRAND TOTAL	<u><u>63,149,700</u></u>

2. The appropriations voted by paragraph 1 shall be financed by contributions from Member States after adjustment in accordance with regulation 5.2 of the Financial Regulations of the United Nations; for this purpose, income for the financial year 1960 other than staff assessment is estimated at \$US5,357,500 and income from staff assessment at \$US6,329,000.

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3. The Secretary-General is authorized:

(a) To administer as a unit the provisions under sections 1, 6 and 8 in a total amount of \$US94,650 relating to the Permanent Central Opium Board and the Drug Supervisory Body;

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

4. The appropriations under sections 1, 6, 7 and 8 in a total amount of \$US226,590 relating to the United Nations Joint Staff Pension Board and the United Nations Staff Pension Committee shall be administered in accordance with article XXVII of the Regulations of the United Nations Joint Staff Pension Fund.

5. In addition to the appropriations voted by paragraph 1 above, an amount of \$US17,500 is hereby appropriated from the income of the Library Endowment Fund for the purchase of books, periodicals, maps and library equipment and for such other expenses as are in accordance with the objects and provisions of the endowment.

6. The Secretary-General is authorized, in accordance with the Financial Regulations, to charge against the income derived from the United Nations Postal Administration, the Visitors Service (Headquarters), the sale of publications, the catering and related services, the Gift Centre and the Visitors Service (Geneva), the direct expenses of those activities; income in excess of those expenses shall be treated as miscellaneous income under the terms of article VII of the Financial Regulations, and of paragraph 2 above.

ANNEX B

DRAFT RESOLUTION RELATING TO UNFORESEEN AND EXTRAORDINARY
EXPENSES FOR THE FINANCIAL YEAR 1960

The General Assembly

Resolves that, for the financial year 1960:

1. The Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions and subject to the Financial Regulations of the United Nations, is authorized to enter into commitments to meet unforeseen and extraordinary expenses, provided that the concurrence of the Advisory Committee shall not be necessary for:

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

(b) Such commitments as the President of the International Court of Justice certifies relate to expenses occasioned by:

(i) The designation of ad hoc judges (Statute, Article 31), not exceeding a total of \$30,000;

(ii) The appointment of assessors (Statute, Article 30), or the calling of witnesses and the appointment of experts (Statute, Article 50), not exceeding a total of \$25,000;

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

(c) Such commitments not exceeding a total of \$25,000 as may be authorized by the Secretary-General in accordance with paragraph 4 of General Assembly resolution 1202 (XII) of 13 December 1957 relating to the pattern of conferences;

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

ANNEX C

DRAFT RESOLUTION RELATING TO THE WORKING CAPITAL FUND FOR 1960

The General Assembly

Resolves that:

1. The Working Capital Fund shall be established for the year ended 31 December 1960 at an amount of \$25,000,000 to be derived:
 - (a) As to \$23,920,842 from cash advances by Members in accordance with the provisions of paragraphs 2 and 3 of the present resolution;
 - (b) As to \$1,079,158 by transfer from surplus account as follows:
 - (i) \$551,170 being the balance of surplus account as at 31 December 1957 not applied against Members' assessments for 1958 in accordance with General Assembly resolution 1340 (XIII) of 13 December 1958;
 - (ii) \$527,988 being the balance of surplus account available for credit to Members as at 31 December 1958.
2. Members shall make cash advances to the Working Capital Fund as required under paragraph 1 (a) above in accordance with the scale adopted by the General Assembly for contributions of Members to the budget for the financial year 1960;
3. There shall be set off against this allocation of advances the amounts paid by Members to the Working Capital Fund for the financial year 1959 under General Assembly resolution 1340 (XIII) of 13 December 1958, provided that, should such advance paid by any Member to the Working Capital Fund for the financial year 1959 exceed the amount of that Member's advance under the provisions of paragraph 2 above, the excess shall be set off against the amount of contributions payable by that Member in respect of the budget for the financial year 1960, or any previous budget;
4. The Secretary-General is authorized to advance from the Working Capital Fund:
 - (a) Such sums as may be necessary to finance budgetary appropriations pending receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for the purpose;

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(b) Such sums as may be necessary to finance commitments which may be duly authorized under the provisions of the resolution relating to unforeseen and extraordinary expenses; the Secretary-General shall make provision in the budget estimates for reimbursing the Working Capital Fund;

(c) Such sums as, together with net sums outstanding for the same purpose, do not exceed \$125,000, to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities; advances in excess of the total \$125,000 may be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

(d) Loans to specialized agencies and preparatory commissions of agencies to be established by inter-governmental agreement under the auspices of the United Nations to finance their work, pending receipt by the agencies concerned of sufficient contributions under their own budgets; such loans shall normally be repayable within two years, and the Secretary-General shall obtain the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions for any cash issues which would increase the aggregate balance outstanding (including amounts previously advanced and outstanding) at any one time to an amount in excess of \$250,000;

(e) Such sums not exceeding \$35,000 as may be required to finance payments of advance insurance premiums where the period of insurance extends beyond the end of the financial year in which payment is made; this amount may be increased with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions; the Secretary-General shall make provision in the budget estimates of each year, during the life of the related policies, to cover the charges applicable to each such year;

(f) Such sums as may be necessary to finance supplementary payments made to the United Nations Joint Staff Pension Fund in accordance with paragraph 5 of General Assembly resolution 1310 (XIII) of 10 December 1958 dealing with the pensionable remuneration of the staff;

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

ANNEX D

ORGANIZATION AND MANAGEMENT OF WORK OF THE
SECRETARIAT OF THE UNITED NATIONS

The General Assembly,

Recalling its resolution 886 (IX) of 17 December 1954 on the organizational structure of the Secretariat,

Bearing in mind that there has been no general review of the organization of the work of the Secretariat since 1954-1955,

Recognizing the utility of conducting periodic general reviews of the structure and functioning of United Nations bodies,

Taking into consideration that an over-all review of the programmes of the United Nations and specialized agencies for the next five years being carried out by the Economic and Social Council will be completed in 1960,

Taking further into account the view of the Secretary-General that the organization of the Secretariat should be subject to constant scrutiny and adjustment in order to meet changing requirements and achieve maximum economies and efficiency,

Noting the suggestion of the Advisory Committee on Administrative and Budgetary Questions that consideration should be given to the desirability of having an over-all review of the organization of the Secretariat,

Noting the work of the Administrative Management Unit established in 1958 in the Office of the Controller,

1. Requests the Secretary-General to appoint a committee of experts composed of six persons with broad and practical experience in the various aspects of administration, chosen with due regard to geographical distribution in consultation with the respective Governments, to work together with the Secretary-General in reviewing the activities and organization of the Secretariat with a view to effecting or proposing further measures designed to ensure maximum economy and efficiency of the Secretariat;

2. Requests the Secretary-General to consult with the Advisory Committee on Administrative and Budgetary Questions on the arrangements to be made under paragraph 1 above;

3. Requests the Secretary-General, having considered a report of the Committee of Experts, to present to the General Assembly at its fifteenth session provisional recommendations thereon together with the Committee's report, bearing in mind that the Secretary-General's final recommendations together with further reports of the Committee shall be presented to the General Assembly at its sixteenth session;

4. Requests the Advisory Committee on Administrative and Budgetary Questions to submit its observations on the review and on the reports of the Secretary-General.

ANNEX E

MODERNIZATION OF THE PALAIS DES NATIONS

The General Assembly,

Having considered the reports of the Secretary-General (A/C.5/775) and the Advisory Committee on Administrative and Budgetary Questions (A/4157) concerning changes which have become necessary in the programme for the modernization of the Palais des Nations approved under resolution 1101 (XI) of 27 February 1957,

1. Approves the revisions in the programme as set out in the report of the Secretary-General together with the proposals for financing the entire programme, as modified, at a cost not to exceed \$1,790,000;
2. Authorizes the Secretary-General to proceed with the execution of the programme;
3. Authorizes the Secretary-General for these purposes:
 - (a) To include in the budget estimates for the years 1960 to 1962 (as for the years 1957 to 1959) annual instalments of \$121,000, an instalment of \$131,000 in 1963, and instalments of \$311,000 annually for the three years 1964 to 1966;
 - (b) To advance from the Working Capital Fund the sums which may be required from time to time to finance actual requirements, such advances to be repaid from budgetary appropriations in accordance with the schedule shown in Annex II to the Secretary-General's report;
4. Requests the Secretary-General to keep the Advisory Committee on Administrative and Budgetary Questions informed of developments in the progress of the modernization programme.

ANNEX F

AMOUNT OF THE WORKING CAPITAL FUND

The General Assembly,

Recalling its resolution 1341 (XIII) of 13 December 1958 on the amount of the Working Capital Fund,

Having examined the report of the Secretary-General (A/C.5/809) and the recommendations thereon contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/4317),

1. Urges the Member States concerned to give attention to the payment of the outstanding arrears of their contributions;
2. Requests the Secretary-General, in addition to continuing his efforts to obtain earlier payment of contributions in keeping with regulation 5.4 of the Financial Regulations of the United Nations, to address a special communication on this matter to Member States and to report on the replies received to the General Assembly at its fifteenth session;
3. Decides to increase the level of the Working Capital Fund from \$23.5 million to \$25 million in 1960, by the transfer to the Fund of the balance of surplus account still available for credit to Members as at 31 December 1958 (\$527,988) and by direct additional advances in the amount of \$972,012;
4. Decides (a) to continue in 1960, under the same conditions, the authorization granted to the Secretary-General in paragraph 4 of resolution 1341 (XIII) to borrow, on payment of normal rates of interest, cash from special funds and accounts in his custody for purposes which normally relate to the Working Capital Fund and (b) to extend the authorization to cover short-term loans from Governments.

ANNEX G

BUDGET ESTIMATES FOR 1960

The General Assembly,

Recalling its resolution 1096 (XI) on the submission of revised estimates,

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

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