

emerged as the amount to be assessed against member states in 1955 was \$39,640,000 (the comparable amount for 1954 was \$41,300,000).

At the beginning of the tenth session, the Secretary-General submitted budget estimates for 1956 totalling \$46,248,000. The Advisory Committee recommended that this amount be reduced to \$46,016,600 and the Secretary-General accepted this figure after he had been assured that he would be permitted to make transfers between sections if necessary. At the same time the Secretary-General announced his intention to make further improvements in the organization of the Secretariat, and to seek adjustments in the United Nations salary and allowance system.

In the debate on the 1956 budget, a number of countries, including Canada, expressed satisfaction with improvements in the organization of the Secretariat which permitted decreases in the budget. They noted however that the size of the final budget would be affected by decisions still to be made on the salary and allowance system, the organization of the Secretariat, and on supplementary estimates to cover such items as the Atomic Energy Conference and tax reimbursement. They hoped that favourable first impressions would not prove illusory. In the Fifth (Administrative and Budgetary) Committee, despite most careful scrutiny of these items, the final total appropriations for 1956 increased to \$48,566,350. After adding \$3,264,200 for supplementary estimates for 1955 and deducting miscellaneous income (\$7,912,700) and other adjustments (\$448,750) the Assembly approved \$43,469,100 as the net amount to be assessed against member states in 1956. In protest against the growth of the budget, the United States and the United Kingdom Delegations while voting in favour of the appropriations, made statements expressing concern about the increase in the net assessment level and criticizing certain decisions contributing to this growth. The Soviet Union also protested against the growth in expenditures and voted against the budget estimates for 1956.

Tax Equalization

The ninth session of the General Assembly was again faced with the "double taxation" problem which stems chiefly from the unwillingness of the United States to exempt its nationals on the staff of the United Nations from income tax, or to make other arrangements for relief from double taxation as other member states have done. Since the United Nations Headquarters is in New York and a large number of employees on the Secretariat are United States nationals, discussion of this problem has been directed primarily toward devising a solution acceptable to both the United Nations and the United States.

At the present time all staff members are "taxed" uniformly by the United Nations itself under a staff assessment plan, but United States nationals are also taxed by their own Government and the state of New York. To maintain equity among the staff, the United Nations has been reimbursing employees for taxes paid to the United States and to New York state. Since the funds required for this reimbursement are provided from the United Nations budget, other member states are therefore paying a share of the taxes levied by the United States on the staff, their payment being in proportion to their contribution to the United Nations budget. This matter has given concern to member states, and in accordance with a directive of the eighth session of the General Assembly, the Secretary-General presented a report on a possible solution to the problem. In this report he outlined a plan for a Tax Equalization Fund in which each member state's share of the income from the staff assessment