

89. Mr. JUTRAS (Canada) objected that the British Commonwealth need hardly be brought into the discussion in connexion with the question of geographical distribution.

90. Mr. ROSCHIN (Union of Soviet Socialist Republics) reinforced his statement by a reference to the Security Council.

91. The CHAIRMAN read out rule 148 of the rules of procedure, and reminded the meeting that the candidates for election to the Committee on Contributions were Mr. Julius Katz-Suchy (Poland), Dr. Kan Lee (China), Mr. Frank Pace (United States of America) and Mr. Mitchell William Sharp (Canada) (A/C.5/L.20 and A/C.5/L.20/Add.1); three members were required.

*A vote was taken by secret ballot.*

*At the invitation of the Chairman, Mr. Grazia-dio (Argentina) and Mr. Vaner (Turkey) again acted as tellers.*

*Number of votes cast, 43;*

*Valid votes, 43.*

*Number of votes obtained:*

*Mr. Frank Pace, 36;*

*Mr. Mitchell William Sharp, 29;*

*Mr. Kan Lee, 27;*

*Mr. Katz-Suchy, 25.*

*The Fifth Committee would therefore recommend to the General Assembly that Mr. Frank Pace (United States of America), Mr. Mitchell William Sharp (Canada), and Dr. Kan Lee (China) be elected members of the Committee on Contributions.*

*The meeting rose at 6.15 p.m.*

## TWO HUNDRED AND TWELFTH MEETING

*Held at Lake Success, New York, on Tuesday, 1 November 1949, at 10.45 a.m.*

*Chairman: Mr. A. KYROU (Greece).*

### Budget estimates for the financial year 1950 (*first reading continued*)

#### FINANCIAL IMPLICATIONS OF A DRAFT RESOLUTION ADOPTED BY THE SIXTH COMMITTEE

1. The CHAIRMAN read a letter, dated 31 October 1949, from the President of the General Assembly to the Chairman of the Fifth Committee, regarding the United Nations Field Service (A/C.5/332) and also a letter from the same source, dated 31 October 1949, regarding a draft resolution of the Sixth Committee on the registration and publication of treaties and international agreements (A/C.5/333).

2. He suggested that the Advisory Committee on Administrative and Budgetary Questions should be asked to study those two items and to report to the Fifth Committee as early as possible.

3. Mr. ROSCHIN (Union of Soviet Socialist Republics) said that as the USSR delegation considered that the setting up of a United Nations Field Service was contrary to the Charter of the United Nations, it objected to the question being submitted to the Advisory Committee for study.

4. Mr. TARN (Poland), Mr. SMOLYAR (Byelorussian Soviet Socialist Republic), Mr. VOYNA (Ukrainian Soviet Socialist Republic) and Mr. STARY (Czechoslovakia) associated themselves with the remarks of the USSR representative.

### Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (*concluded*)

#### (b) COMMITTEE ON CONTRIBUTIONS

5. Miss WITTEVEEN (Netherlands), speaking as Chairman of the Committee on Contributions, referred to the elections which had taken place at the previous meeting. She paid a tribute to the important services rendered to the Committee on Contributions and to the United Nations by the three members whose terms of office expired at

the end of 1949 — Messrs. K. W. Dzung, Jan Papanek and James E. Webb.

6. Sir William MATTHEWS (United Kingdom), supporting the remarks of the Chairman of the Committee on Contributions, considered that the Fifth Committee should place on record its high appreciation of the work carried out by the three members in question.

#### (c) BOARD OF AUDITORS

7. The CHAIRMAN referred the members of the Committee to the note by the Secretary-General on appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (A/950) and to the Secretariat's note on the same subject (A/C.5/L.20). He pointed out that the Auditor-General of Canada, whose term of office would expire on 30 June 1950, had been proposed for reappointment and that no other proposals had been received.

8. Mr. ROSCHIN (Union of Soviet Socialist Republics), referring to rule 85 of the rules of procedure of the General Assembly, asked whether members of the Board of Auditors were elected by a two-thirds or a simple majority.

9. The CHAIRMAN said it had been the custom to elect such members by a simple majority.

10. Mr. ROSCHIN (Union of Soviet Socialist Republics) pointed out that at the seventy-seventh meeting of the Fifth Committee members of the Committee on Contributions had been elected by a two-thirds majority of members present and voting.

11. The CHAIRMAN stated that during the second session of the General Assembly it had been proved that it was very difficult to obtain a two-thirds majority of the members present and voting, and for that reason the elections at the third session had been by a simple majority.

12. Mr. TARN (Poland) drew attention to rule 121 of the rules of procedure of the General Assembly, which implied that a two-thirds majority

vote was required. To take a decision by a simple majority would be contrary to that rule.

13. Mr. LEBEAU (Belgium) pointed out that rule 114 of the rules of procedure stated that "decisions in the committees of the General Assembly shall be taken by a majority of the members present and voting". If the Committee adopted the position that decisions had to be taken by a two-thirds majority, it might be said that all decisions regarding appropriations would have to be adopted by such a majority. Rule 121 of the rules of procedure referred to a specific procedure to be followed in a certain type of election and did not refer to the elections of members to subsidiary bodies of the General Assembly.

14. Mr. HAMBRO (Norway) said that, technically speaking, the Fifth Committee did not elect members to fill vacancies in the subsidiary bodies of the General Assembly; it simply made recommendations to the General Assembly in that connexion.

15. The CHAIRMAN supported the remarks of the Norwegian representative.

16. Mr. ROSCHIN (Union of Soviet Socialist Republics) did not agree with the Norwegian representative. The Fifth Committee had received instructions from the General Assembly to carry out elections to fill vacancies in the membership of subsidiary bodies of the General Assembly, and the latter body only had to confirm the decisions taken by the Fifth Committee. The elections should therefore be by a two-thirds majority as would be the case if they were carried out by a plenary meeting of the General Assembly. He saw no reason for the Fifth Committee to depart from that procedure.

17. Mr. TARN (Poland) said that if the remarks of the Norwegian representative were correct it would mean that the General Assembly would have to take a separate vote. The Fifth Committee elected members subject to the approval of the General Assembly, and therefore rule 121 of the rules of procedure applied to the Committee and not to plenary meetings of the General Assembly.

18. The CHAIRMAN explained that any decision taken by the Main Committees of the General Assembly had to be confirmed by the General Assembly.

19. Mr. HAMBRO (Norway) agreed with the Chairman. The General Assembly had the right to revise the decision of the Fifth Committee, and in that case would take a vote by secret ballot.

20. Mr. TARN (Poland) said that if the General Assembly did not approve of the Fifth Committee's decision it would have to apply rule 84 of the rules of procedure, which stated that "All elections shall be held by secret ballot. There shall be no nominations." He did not see how the General Assembly could hold a secret ballot if the nominations had already been made in the Fifth Committee. He did not think it would be possible for the General Assembly to disapprove of elections which had already taken place except on the ground that the elections had been irregular because they had not been made as the result of a two-thirds majority vote.

21. Mr. MACHADO (Brazil) pointed out that the rules of procedure of the General Assembly had

been revised since 1947 when decisions regarding elections had been made by a two-thirds majority. If the General Assembly did not approve of the persons elected by the Fifth Committee it would have to hold new elections.

22. The CHAIRMAN put to the vote the question whether decisions of the Fifth Committee regarding appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly should be by a two-thirds majority or by a simple majority of those present and voting.

*The Committee decided, by 29 votes to 6, with 8 abstentions, that such appointments should be made by a simple majority of the members present and voting.*

23. Mr. MACHADO (Brazil), explaining his vote, stated that he had abstained because he felt the question was fully covered by the rules of procedure of the General Assembly.

24. The CHAIRMAN put to the vote the proposal that the Auditor-General of Canada should be re-elected to the Board of Auditors.

*A vote was taken by secret ballot.*

*At the invitation of the Chairman, Mr. Stary (Czechoslovakia) and Mr. Fourie (Union of South Africa) acted as tellers.*

*Number of votes cast, 43;*

*Invalid votes, 2;*

*Valid votes, 41.*

*Number of votes obtained:*

*Auditor-General of Canada, 40;*

*Auditor-General of Lebanon, 1.*

*The Fifth Committee would therefore recommend to the General Assembly that the Auditor-General of Canada be re-elected to the Board of Auditors.*

25. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) expressed the Advisory Committee's pleasure that the Auditor-General of Canada had been re-elected.

*Recommendations for joint system of external audit for the United Nations and specialized agencies, amending General Assembly resolution 74 (I), (Appointment of External Auditors)*

26. The CHAIRMAN drew the attention of the members of the Committee to the report of the Secretary-General on recommendations for a joint system of external audit for the United Nations and specialized agencies, amending General Assembly resolution 74 (I) (Appointment of External Auditors) (A/C.5/305). He pointed out that the draft resolution which appeared as appendix II of that document was intended to implement an agreement on common audit principles which had been reached by the United Nations and the majority of the specialized agencies consequent on General Assembly resolution 210 (III). Implementation of the agreement required an amendment to General Assembly resolution 74 (I) which dealt with the appointment of external auditors. It would be observed that the Advisory Committee, in paragraph 267 of its second report of 1949 (A/934), had noted with satisfaction that the agreement in question went a long way towards achieving a common system of audit for the United Nations and the specialized agencies.

27. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) stated that he had consistently subscribed to a joint system of audit for the United Nations and the specialized agencies, as he thought such a method would not only facilitate the exchange of staff between the bodies concerned but would make for economy and for closer co-ordination between the United Nations and those agencies. He wished to draw the Committee's particular attention to annex B of document A/C.5/305.

28. Mr. ROSCHIN (Union of Soviet Socialist Republics) said that his delegation had always maintained that the specialized agencies should have a definite financial policy and an independent budget which would be separate from that of the United Nations, particularly in view of the fact that the participation of Member States was not always the same. He would therefore abstain from voting on that question.

29. Mr. MACHADO (Brazil) recommended that, when implementing the resolution contained in appendix II of document A/C.5/305, the Administrative Committee on Co-ordination should bear in mind the necessity for having a sufficient number of staff to assist the auditors in their work.

30. He also wished to lay stress on the Economic and Social Council's recommendation that the panel of auditors should submit a report periodically on the co-ordination and standardization of accounts and financial procedures of the United Nations and the specialized agencies (A/C.5/305, paragraph 3).

31. The CHAIRMAN put to the vote the draft resolution contained as appendix II of document A/C.5/305.

*The resolution was adopted by 34 votes to none, with 6 abstentions.*

#### (d) UNITED NATIONS STAFF PENSION COMMITTEE

32. The CHAIRMAN invited the Committee to elect in a single ballot three members and three alternate members on the Staff Pension Committee (A/953 and A/C.5/L.20/Add.2).

*A vote was taken by secret ballot.*

*At the invitation of the Chairman, Mr. Stary (Czechoslovakia) and Mr. Fourie (Union of South Africa) acted as tellers.*

*Number of votes cast, 43.*

*Number of votes obtained:*

*Members:*

Mr. Cristóbal (Philippines), 23;  
Mr. Klimov (USSR), 22;  
Mr. de Holte Castello (Colombia), 19;  
Mr. Nass (Venezuela), 19;  
Mr. Ordonneau (France), 15;  
Miss Laise (United States), 14;  
Mr. Altmeyer (United States), 2;  
Mr. Witherspoon (Liberia), 2;  
Mr. Lebeau (Belgium), 2;  
Mr. Katz-Suchy (Poland), 2;  
Mr. Rafael (Israel), 2.

*Alternate Members:*

Mr. Nass (Venezuela), 20;  
Mr. Ordonneau (France), 19;  
Miss Laise (United States), 18;  
Mr. Cristóbal (Philippines), 14;

Mr. de Holte Castello (Colombia), 13;  
Mr. Klimov (USSR), 12;  
Mr. Lebeau (Belgium), 1;  
Mr. Ghorra (Lebanon), 1.

33. Mr. NASS (Venezuela) announced that, in view of Mr. de Holte Castello's previous experience on the Staff Pension Committee, he would stand down in his favour.

*The Fifth Committee would therefore recommend to the General Assembly the election of Mr. Cristóbal (Philippines), Mr. Klimov (Union of Soviet Socialist Republics) and Mr. de Holte Castello (Colombia) as members of the Staff Pension Committee, and of Mr. Nass (Venezuela), Mr. Ordonneau (France) and Miss Laise (United States of America) as alternate members.*

34. Mr. DE HOLTE CASTELLO (Colombia) expressed his appreciation of Mr. Nass' gesture. He also wished to pay a tribute to the valuable work done by Mr. Lebeau on the Staff Pension Committee and to express his deep regret that Mr. Lebeau had been obliged to resign.

35. The CHAIRMAN, speaking on behalf of the Committee, endorsed the Colombian representative's statement.

36. Mr. LEBEAU (Belgium) thanked the Colombian representative and the Chairman for their remarks and wished the Staff Pension Committee every success in its work in the future.

#### (e) INVESTMENTS COMMITTEE: CONFIRMATION OF THE APPOINTMENT MADE BY THE SECRETARY-GENERAL

37. The CHAIRMAN explained that the Committee was called upon to confirm the Secretary-General's re-appointment of Mr. Ivar Rooth to the Investments Committee (A/949).

*There being no objection, the appointment made by the Secretary-General was approved.*

#### RE-ESTABLISHMENT OF THE INTERIM COMMITTEE OF THE GENERAL ASSEMBLY (concluded)

38. The CHAIRMAN drew the Committee's attention to the twelfth report of 1949 of the Advisory Committee on Administrative and Budgetary Questions (A/1055) on the financial implications (A/C.5/330) of the draft resolution proposed by the *Ad Hoc* Political Committee (A/1049) regarding the re-establishment of the Interim Committee of the General Assembly.<sup>1</sup>

39. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) wished to emphasize paragraph 2 of the Advisory Committee's report (A/1055) in which it was stated that the Advisory Committee did not see sufficient justification for the establishment of seven posts on a permanent basis in view of the fact that the Interim Committee was to be established for an "indefinite period". Subject to that, however, the Advisory Committee approved the figure of 42,100 dollars.

40. Mr. VOYNA (Ukrainian Soviet Socialist Republic) stated that his delegation considered the existence of the Interim Committee to be a gross violation of the United Nations Charter. It therefore objected to any appropriations being made in order to maintain that Committee, which under-

<sup>1</sup> Discussion on this question was opened by the Fifth Committee in the 208th meeting.

mined the authority of the main organs of the General Assembly.

41. Mr. ROSCHIN (Union of Soviet Socialist Republics), Mr. TARN (Poland) and Mr. STARY (Czechoslovakia) fully supported the view expressed by the representative of the Ukrainian Soviet Socialist Republic.

42. The CHAIRMAN put to the vote the Secretary-General's proposal for an estimate of 42,100 dollars for the re-establishment of the Interim Committee.

*The proposal was approved by 34 votes to 5, with 2 abstentions.*

#### TAX EQUALIZATION — STAFF ASSESSMENT PLAN

43. The CHAIRMAN directed attention to the Secretary-General's report on the staff assessment plan (A/C.5/329) and to the proposed amendments to General Assembly resolution 239 (III), contained in annex D, which would give effect to the recommendations in that report. He suggested that the Committee should first discuss the recommendation of the Secretary-General concerning the application of the Staff Assessment Plan to short-term and locally recruited staff members.

44. Mr. MACHADO (Brazil) pointed out that the Secretary-General's report dealt with two separate points which should not be confused, namely, the question of the reimbursement of income tax and the various changes suggested in the Staff Assessment Plan. In connexion with the latter, the Committee had to decide whether members of the staff were to be assessed on gross or net salary. The decision would be important in view of the plan to change the salary system in the near future. As the United Nations paid 14 per cent of the assessment, a change might mean a substantial increase in the expenses to be met by Member States. He would therefore like to have full information on the financial implications of such changes before deciding on the question.

45. Mr. ANDERSEN (Secretariat) said that no exact calculation had been made of the cost to the United Nations if the staff were assessed on gross salaries. The Secretary-General had, however, allowed a sum of four million dollars in the budget estimates for 1949 to enable him to bring salaries up to the gross level. Fourteen per cent of that sum amounted to about half a million dollars, which was a rough estimate of the probable additional cost if contributions to the pension scheme were to be based on gross salaries. He pointed out, however, that there would be no difference in the pay received by staff members as a result of the implementation of the new system, whether their salaries were assessed on the gross or the net sum, as the recommendations of the Committee of Experts on Salary, Allowance and Leave Systems had based their recommendations on net salaries to facilitate comparison with existing conditions.

46. Mr. TARN (Poland) noted the statement in section 2 of the Secretary-General's report (A/C.5/329) that "the Plan had been applied to staff holding continuing fixed-term contracts and indeterminate contracts without specific adjustment of the formal contracts". Such action appeared to be in contradiction to the terms of resolution 239 (III), part B, paragraph 2 (b) of which directed the Secretary-General "to replace all existing per-

sonnel contracts, except indeterminate contracts and contracts for a fixed term, with contracts providing for the payment of salaries on a gross basis, without provision for reimbursement of national income taxes".

47. Mr. ANDERSEN (Secretariat) explained that the resolution had included the provision quoted in order that the basic objective of the Staff Assessment Plan might be achieved, in spite of the fact that indeterminate and fixed-term contracts could not be altered. That had been possible since the implementation of the Staff Assessment Plan had caused no loss of pay to any member of the staff.

48. The CHAIRMAN asked the Committee if there was any objection to the Secretary-General's suggested changes in articles 1, 4 and 5 of resolution 239 (III) contained in annex A to his report (A/C.5/329). He pointed out that those changes also covered the question of dependency credits for children, which was dealt with in section 5 of the same report.

49. Mr. TARN (Poland) asked whether the children's allowances referred to were payable to fathers only or to mothers as well.

50. Mr. ANDERSEN (Secretariat) said that under the current system such allowances were paid to fathers only, but that the Committee of Experts on Salary, Allowance and Leave Systems had recommended that they should also be paid to mothers under the new system.

51. Mr. ROSCHIN (Union of Soviet Socialist Republics) noted that the Secretary-General was proposing that the question whether contributions and benefits under the Staff Pension Fund were to be calculated on gross or net salaries should be studied further during 1950 and should be the subject of a report to the fifth session of the General Assembly.

52. When the Staff Assessment Plan had originally been introduced, his delegation had considered it to be unnecessary and had abstained from the vote, and he would abstain from voting on the Secretary-General's proposed amendments to the resolution concerning that plan. Nevertheless, he noted that it had been said during the discussion on the 1949 estimates that the extra cost involved by the implementation of the Staff Assessment Plan would amount to only 29,000 dollars;<sup>1</sup> yet the representative of the Secretariat had just said that the cost would be 500,000 dollars in 1950.

53. In his view the plan had been introduced for tactical reasons only, in order to ensure that Member States should exempt their nationals employed by the United Nations from paying national income tax. In that connexion, he noted with regret that his Government was not included among those listed in annex B of document A/C.5/329 as having exempted United Nations staff members from national income taxation, in spite of the statement to that effect made by his delegation in the Fifth Committee during the third session of the General Assembly.

54. The Committee would be better advised to consider the matter, not from the point of view

<sup>1</sup> See *Official Records of the third session of the General Assembly, Part I, Fifth Committee, 110th meeting.*

of whether contributions to the Staff Pension Fund should be calculated on gross or net salaries, but simply whether the Organization should reimburse members of its staff for national income tax they had been obliged to pay.

55. Mr. ASHA (Syria) found several references in document A/C.5/329 to the report of the Committee of Experts on Salary, Allowance and Leave Systems, but had been unable to consult that document. He proposed that the discussion should be adjourned until that report had been submitted to the Committee, and time had been allowed for members to study it.

56. Mr. ANDERSEN (Secretariat), in reply to the USSR representative, said that the Staff Pension Committee had been of the same opinion, namely, that no precise recommendations could be formulated on the question whether the net salary should continue to be regarded as "pensionable remuneration" under the Joint Staff Pension Fund, because gross salaries had been instituted on a wholly provisional basis which might shortly be changed. The Staff Pension Committee had felt that the matter should be studied during the next year, and brought up for consideration again at the fifth session of the General Assembly.

57. With regard to the list of Members which had formally notified the Secretary-General of the exemption of United Nations staff members from national income taxation, the Legal Department reported that it had not yet received such formal notification from the Government of the Union of Soviet Socialist Republics.

58. In reply to the representative of Syria, he said that the report of the Committee of Experts on Salary, Allowance and Leave Systems would be distributed the following day.

59. Mr. MACHADO (Brazil) said it was impossible to decide on the proposed amendments to the resolution relating to the Staff Assessment Plan until it was known how the proposed changes would affect salaries. In that connexion, he fully agreed with the penultimate paragraph of the letter written by the Chairman of the Staff Pension Committee to the Secretary-General, which was reproduced as annex C of document A/C.5/329. He therefore supported the proposal that the discussion should be adjourned until representatives had been able to study the report of the Committee of Experts.

60. Mr. ANDERSEN (Secretariat) said that the basis for assessing the staff was rather a matter of technique than of substance, and would not be in any way affected by any action that might be taken at that or a later session on the recommendations of the Committee of Experts. The Committee might, therefore, decide forthwith on the specific proposals dealt with in document A/C.5/329.

61. Mr. TARN (Poland) suggested that the whole question should be postponed until representatives had had time to study the report of the Committee of Experts.

62. Sir William MATTHEWS (United Kingdom) said that as the Secretary-General had assured the Committee that nothing in the report of the Committee of Experts would affect the appropriations for 1950, there was no need to introduce that report into the current discussion. The solvency of the Joint Staff Pension Fund depended on the 21 per cent contribution, 14 per cent of which was paid by the United Nations, and therefore by the Member States. That pension contribution was related not to gross but to net salaries, which meant that the gross salaries in the estimates had no status as a basis for pension assessment under present arrangements. The whole business then under discussion was simply a question of book-keeping, since the amount of the assessment payable by a member of the staff was first added to his salary, and then deducted.

63. Mr. LEBEAU (Belgium) observed that during the discussion of the Staff Assessment Plan reference had been made to the report of the Committee of Experts on Salary, Allowance and Leave Systems. More than a month previously, he had expressed the view that since the report could not be made available to Governments in sufficient time before the opening of the General Assembly, it was impossible to deal with the questions raised in that report during the fourth session. That argument was strengthened by the fact that the report was still not in the hands of the delegations on the first of November.

64. It was true, however, that the question whether the staff should be assessed on gross or net salary could be decided independently of any recommendations that might be contained in that report.

65. Mr. MACHADO (Brazil) associated himself with the observations of the Belgian representative, except that he did not think the question of assessments could be settled before the Committee had considered the implications of the new salary plan. There was no need to hurry the modifications to the Staff Assessment Plan, and they too could be considered at the next session of the General Assembly.

66. Mr. HSIA (China) thought the question whether pensions should be based on gross or net salaries, and the other matters raised in document A/C.5/329, were more of academic than substantial interest, but the discussion on those matters had involved references to a document which had not yet been submitted to the Committee. He suggested that the discussion should be confined to the documents before the Committee, which were sufficient to enable it to reach decisions on the questions at issue.

67. The CHAIRMAN proposed that the meeting should be adjourned, and that the Secretary-General's report on tax equalization and the Staff Assessment Plan should be taken up at the next meeting, when the Secretary-General would be requested to explain its implications more clearly.

*It was so decided.*

The meeting rose at 1.5 p.m.