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Chairman: Mr. Hans ENGEN (Norway).

FINANCIAL IMPLICATIONS OF THE DRAFT RESOLUTION PROPOSED BY THE AD HOC POLITICAL COMMITTEE ON AGENDA ITEM 23* (A/3055, A/C.5/647) (continued)

At the invitation of the Chairman, Mr. Santa Cruz, Chairman of the United Nations Commission on the Racial Situation in the Union of South Africa, took a place at the Committee table.

1. Mr. GREZ (Chile) asked why the Commission on the Racial Situation in the Union of South Africa wanted to hold its second session of 1956 at Geneva instead of New York.

2. Mr. SANTA CRUZ (Chairman of the Commission on the Racial Situation in the Union of South Africa) regretted that neither the Secretary-General's note (A/C.5/647) nor the twenty-sixth report of the Advisory Committee on Administrative and Budgetary Questions (A/3055) referred to the information he himself had given on the matter.

3. He pointed out that the Commission on the Racial Situation in the Union of South Africa could not be regarded as having its headquarters at New York, since the General Assembly had given it very wide terms of reference which might require it to move about in the course of its work, and that it consisted of three members, appointed in a personal capacity, who had not sought their appointment. One of the members was Mr. Laugier, a former Assistant Secretary-General of the United Nations and at present a member of the United

Nations Educational, Scientific and Cultural Organization's Executive Board and a professor at the Sorbonne, who had agreed to join the Commission only on condition that it held its longer session in Europe, since his engagements would prevent his coming to New York during the summer. The Commission had held both its 1953 sessions and the summer sessions of 1954 and 1955 at Geneva. The *Ad Hoc* Political Committee, which had just requested the Commission to continue its work, was anxious that it should retain the same membership. The Commission on the Racial Situation in the Union of South Africa had therefore requested that it should be permitted to hold one session at Geneva, so that it could still have the advantage of Mr. Laugier's assistance.

4. If lack of funds obliged the Commission to hold its second session in New York, Mr. Laugier would find it impossible to attend and the United Nations could no longer profit from his unique experience.

5. He himself had served the United Nations cause enthusiastically for nearly four years and had felt it a great honour to be able to devote a large part of his time and efforts to the task that had been entrusted to him. If, however, the Secretary-General and such important bodies as the Advisory Committee and the Fifth Committee preferred to change the membership of the Commission on the Racial Situation in the Union of South Africa, in order to make some savings, he was ready to put his own feelings to one side and give up his membership of the Commission.

6. Mr. WEIR (Canada) wondered whether the Fifth Committee would not be running counter to the General Assembly's wishes and betraying its confidence if it recommended a provision to enable the Commission to meet at Geneva despite the General Assembly's decision that it should meet at New York.

7. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) explained that the Advisory Committee had been working on two assumptions: first, that the Commission on the Racial Situation in the Union of South Africa had its headquarters at New York, which the Secretary-General had confirmed (A/C.5/647, para. 4); secondly, that the General Assembly was anxious that the programme of conferences laid down in resolution 694 (VII) should be strictly observed. The resolution provided that all Headquarters-based bodies, with certain specified exceptions, of which the Commission on the Racial Situation in the Union of South Africa was not one, should meet in New York. The Advisory Committee had accordingly felt obliged to consider New York as the meeting-place of the Commission.

8. He further stressed, for the benefit of the Canadian representative, that the Advisory Committee was bound by the General Assembly's decision, which only the General Assembly could alter.

* The question of race conflict in South Africa resulting from the policies of *apartheid* of the Government of the Union of South Africa: report of the United Nations Commission on the Racial Situation in the Union of South Africa.

9. Mr. FENAUX (Belgium) thought that it was not so much a matter of principle as a matter of expediency. As he saw it, the programme of conferences was intended chiefly for the main United Nations bodies rather than ordinary working committees, several of which, such as the Committee on Forced Labour and the Advisory Committee itself, had met at Geneva for reasons of convenience.

10. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) wished to make it clear that the Advisory Committee had never asked to meet at Geneva. It had held a series of meetings there only because it had been instructed to make a study of the European Office.

11. Mr. CUTTS (Australia) said that, while he held Mr. Santa Cruz in the greatest esteem, he feared that the Fifth Committee would be creating a dangerous precedent if it recommended an appropriation of \$11,700 to enable the Commission on the Racial Situation in the Union of South Africa to meet at Geneva. It would mean, first, that the General Assembly's resolutions on the meeting places of United Nations bodies could be ignored with impunity; secondly, that mere personal convenience was sufficient grounds to warrant a budgetary appropriation; finally, that the Advisory Committee's opinion counted for nothing.

12. Once that way had been opened, it was to be feared that the Economic and Social Council and its subsidiary bodies might want to meet more frequently at Geneva and it would be difficult to refuse them permission. The Australian delegation was therefore convinced that, for reasons of principle and in order to avoid creating a precedent, the Committee should refuse the supplementary provision of \$11,700.

13. The CHAIRMAN reminded the Committee that before taking a decision on the Advisory Committee's recommendation in paragraph 6 of its report (A/3055) it had to vote on the amendment proposed by Mexico at the 520th meeting, which would replace the figure of \$17,600 in both sub-paragraphs of that paragraph by the figure \$29,300.

14. Mr. CLOUGH (United Kingdom) pointed out that, if the Mexican amendment were adopted, the words "in accordance with the General Assembly's directives regarding the meeting places of United Nations bodies" would have to be deleted from paragraph 6 (a).

At the request of the representative of India, a vote on the Mexican proposal was taken by roll-call.

In favour: Burma, Chile, Ecuador, Guatemala, India, Indonesia, Iraq, Mexico, Pakistan, Philippines, Uruguay, Yugoslavia.

Against: Australia, Belgium, Brazil, Canada, China, Cuba, Denmark, Netherlands, New Zealand, Norway, Panama, Paraguay, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Afghanistan, Argentina, Byelorussian Soviet Socialist Republic, Costa Rica, Czechoslovakia, Egypt, Ethiopia, France, Greece, Iran, Israel, Liberia, Poland, Saudi Arabia, Syria, Thailand, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Venezuela.

The proposal was rejected by 15 votes to 12, with 19 abstentions.

15. Mr. CUTTS (Australia) asked for a separate vote on paragraphs 6 (a) and 6 (b) of the Advisory Committee's report (A/3055).

Paragraph 6 (a) was adopted by 26 votes to 1, with 17 abstentions.

Paragraph 6 (b) was adopted by 18 votes to 4, with 21 abstentions.

16. The CHAIRMAN proposed that the Rapporteur should report direct to the General Assembly.

It was so decided.

AGENDA ITEM 39

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

(f) United Nations Staff Pension Committee (A/2930, A/C.5/L.348 and Add.1 and 2)

17. The CHAIRMAN invited the Committee to elect three members to the United Nations Staff Pension Committee, in accordance with paragraph 3 of document A/2930.

A vote was taken by secret ballot.

At the invitation of the Chairman, U Khin Maung (Burma) and Mr. Zaitsev (Byelorussian Soviet Socialist Republic) acted as tellers.

Number of ballot papers:	46
Invalid ballots:	1
Number of valid ballots:	45
Abstentions:	0
Number of members voting:	45
Required majority:	23

Number of votes obtained:

Mr. Torres Astorga (Chile)	29
Mr. Clough (United Kingdom)	23
Mr. Watson (United States of America)	21
Mr. Liveran (Israel)	19
Mr. van Braam Houckgeest (Netherlands)	16
Mr. Cutts (Australia)	8
Mr. Forteza (Uruguay)	7
Mr. Cristobal (Philippines)	6
Mr. Kia (Iran)	1

Mr. Torres Astorga (Chile) and Mr. Clough (United Kingdom) having obtained the required majority, the Committee agreed to recommend that they should be appointed members of the United Nations Staff Pension Committee for a three-year term to commence on 1 January 1956.

18. The CHAIRMAN said that a second ballot would have to be taken to elect the third member.

A vote was taken by secret ballot.

At the invitation of the Chairman, U Khin Maung (Burma) and Mr. Zaitsev (Byelorussian Soviet Socialist Republic) acted as tellers.

Number of ballot papers:	46
Invalid ballots:	0
Number of valid ballots:	46
Abstentions:	0
Number of members voting:	46
Required majority:	24

Number of votes obtained:

Mr. Watson (United States of America)	20
Mr. Liveran (Israel)	15
Mr. van Braam Houckgeest (Netherlands)	4
Mr. Forteza (Uruguay)	3
Mr. Cristobal (Philippines)	2
Mr. Cutts (Australia)	2

19. The CHAIRMAN said that as no candidate had obtained the required majority a third ballot would have to be taken.

20. Mr. MONTERO BUSTAMANTE (Uruguay) announced that Mr. Forteza was not a candidate.

21. Mr. CUTTS (Australia) advised the Committee that he would not be able to serve on the Staff Pension Committee if elected.

22. Mr. MENDEZ (Philippines) said that Mr. Cristobal was not a candidate.

A vote was taken by secret ballot.

At the invitation of the Chairman, U Khin Maung (Burma) and Mr. Zaitsev (Byelorussian Soviet Socialist Republic) acted as tellers.

Number of ballot papers:	48
Invalid ballots:	1
Number of valid ballots:	47
Abstentions:	0
Number of members voting:	47
Required majority:	24

Number of votes obtained:

Mr. Watson (United States of America)	26
Mr. Liveran (Israel)	16
Mr. van Braam Houckgeest (Netherlands)	3
Mr. Cristobal (Philippines)	1
Mr. Kia (Iran)	1

Mr. Watson (United States of America) having obtained the required majority, the Committee agreed to recommend that he should be appointed a member of the United Nations Staff Pension Committee for a three-year term to commence on 1 January 1956.

23. The CHAIRMAN invited the Committee to elect three alternate members to the United Nations Staff Pension Committee.

A vote was taken by secret ballot.

At the invitation of the Chairman, U Khin Maung (Burma) and Mr. Zaitsev (Byelorussian Soviet Socialist Republic) acted as tellers.

Number of ballot papers:	46
Invalid ballots:	1
Number of valid ballots:	45
Abstentions:	0
Number of members voting:	45
Required majority:	23
Number of votes obtained:	
Mr. van Braam Houckgeest (Netherlands)	42
Mr. Liveran (Israel)	38
Mr. Kia (Iran)	23
Mr. Irons (United States of America)	7
Mr. Cristobal (Philippines)	3
Mr. Cutts (Australia)	3
Mr. Pollock (Canada)	3
Mr. Blanco (Cuba)	2
Mr. Brennan (Australia)	1
Mr. Larrea (Ecuador)	1
Mr. Forteza (Uruguay)	1

Mr. van Braam Houckgeest (Netherlands), Mr. Liveran (Israel) and Mr. Kia (Iran) having obtained the required majority, the Committee agreed to recommend that they should be appointed alternate members of the United Nations Staff Pension Committee for a three-year term to commence on 1 January 1956.

AGENDA ITEM 43

Review of audit procedures of the United Nations and the specialized agencies: reports of the Secretary-General and of the Advisory Committee on Administrative and Budgetary Questions (A/2974, A/2990, A/C.5/L.360) (continued)**

24. Mr. WEIR (Canada) said that, generally speaking, delegations did not appear to be ready to take a decision on the matter at the present session. A number of them doubted whether it was possible to develop a system of audit which would be acceptable to the main specialized agencies. Since the Auditor-General of the Netherlands was to be appointed to the Board of Auditors in accordance with the Fifth Committee's decision at its 519th meeting, there was no longer any urgent need for a decision. Canada welcomed that appointment, and in order to respect the wishes of the countries that had asked for more time in which to consider the question and to obtain further information, the Canadian delegation had joined with several other delegations in drawing up a draft resolution (A/C.5/L.360).

25. According to the draft resolution, the Secretary-General would submit a report in time for the Assembly to be able to take a final decision at its twelfth session. The Canadian delegation would have preferred the report to be submitted to the eleventh session, but in view of the arguments adduced by many delegations it had not pressed the point, realizing that the Secretary-General and the Advisory Committee would thus have ample time in which to complete their study and to circulate their reports well in advance of the twelfth session, so that Governments could examine them at leisure.

26. Mr. GREZ (Chile) said that his delegation endorsed the Secretary-General's recommendations (A/2974, para. 9) for ensuring the complete independence of the Board of Auditors. It also endorsed the recommendations the Advisory Committee had made in its report on the matter (A/2990).

27. Mr. FENAUX (Belgium) said that Belgium, too, was very glad that the Netherlands delegation had presented the Auditor-General of the Netherlands as a candidate and that the Committee had recommended his appointment by a very large majority.

28. He would have liked the second paragraph of the preamble to the joint draft resolution to stress the fact that the Board of Auditors should be completely independent; it must be assumed, however, that the idea of independence was implied in the word "external".

29. Mr. VAN ASCH VAN WIJCK (Netherlands) thanked the Committee for having nominated the Auditor-General of the Netherlands to the Board of Auditors. He would vote in favour of the joint draft resolution, which provided that the system of audit was to be external, thus ensuring the independence of the Board of Auditors, and that a common system of audit should be developed. It was to be hoped that the General Assembly would not take any decision on the matter before the twelfth session. The new members of the Board of Auditors, who would take office in June 1956, would thus have time to familiarize themselves with their new functions.

** Resumed from the 508th meeting.

30. Mr. VENKATARAMAN (India) hoped that the Committee's report to the Assembly would state specifically that the Secretariat should circulate the Secretary-General's report well before the opening of the twelfth session, so that Governments would have time to study it thoroughly.

31. He further proposed that the following additional paragraph should be added to the joint draft resolution:

"2. *Decides* to include in the provisional agenda of the twelfth session of the General Assembly an item under the title 'Review of audit procedures of the United Nations and the specialized agencies'."

32. Mr. BLANCO (Cuba), Mr. GANEM (France), Mr. CLOUGH (United Kingdom) and Mr. AGH-NIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) spoke in glowing terms of the work performed by Mr. Sellar, Auditor-General of Canada, thanks to whose vigour, competence and conscientiousness the United Nations system of audit had been placed on a solid basis.

33. Mr. WEIR (Canada) thanked the preceding speakers for their expressions of appreciation, which he would not fail to bring to Mr. Watson Sellar's attention.

34. On behalf of the sponsors of the joint draft resolution, he accepted the Indian amendment.

The joint draft resolution (A/C.5/L.360), as amended, was adopted unanimously.

35. Mr. TURNER (Controller) pointed out that the change in the composition of the Board of Auditors would have financial implications. The cost of the external audit had been estimated at \$30,000—a sum which experience had shown to be sufficient while the audit of the main Headquarters accounts was carried out by staff made available by the Auditor-General of Canada. The supplementary provision necessary would depend on how the staff needed for the detailed audit was to be provided and on the extent to which a somewhat longer time might need to be spent initially by staff unfamiliar with the accounts. The Secretary-General had not been able to consult the Board and so was unable to give an exact figure, but the additional expenses for a whole year would probably be somewhere between \$10,000 and \$15,000. As, however, the change in the composition of the Board of Auditors would not go into effect until the second half of 1956, there was no need at present to ask for additional appropriations for 1956; if necessary, that request could be submitted to the eleventh session of the General Assembly.

AGENDA ITEM 54

Registration and publication of treaties and international agreements: report of the Secretary-General (concluded)

DRAFT REPORT OF THE FIFTH COMMITTEE TO THE GENERAL ASSEMBLY (A/C.5/L.364)

36. After an exchange of views, in which Mr. VAN ASCH VAN WIJCK (Netherlands), Mr. CUTTS (Australia), Mr. FENAUX (Belgium) and Mr. MENDEZ (Philippines), Rapporteur, took part, Mr. VAN ASCH VAN WIJCK (Netherlands) requested that the second sentence of paragraph 8 of the English text of the draft report (A/C.5/L.364) should be amended to bring it into line with the French text, which was clearer.

37. Mr. CLOUGH (United Kingdom) proposed that the words "measures the Committee contemplated", in the second sentence of paragraph 13, should be replaced by "measures which the Committee might contemplate".

It was so decided.

The draft report (A/C.5/L.364) was adopted as amended.

AGENDA ITEM 48

Use of income derived from the Staff Assessment Plan: report of the Secretary-General (A/2946, A/3035, A/C.5/643, A/C.5/L.363) (continued) ***

38. Mr. MERROW (United States of America) regretted that there had been a misunderstanding between the United States Government and the Secretary-General concerning the reimbursement of taxes levied by local authorities. His Government could not agree to an arrangement whereby the amount standing to its credit would be used for the reimbursement of taxes levied by a state—the State of New York, for example. There would be no difficulty concerning the reimbursement of tax on 1955 salaries if the supplementary appropriation of \$1,630,000 for 1955 recommended by the Secretary-General (A/C.5/643, para. 9) was voted by the Assembly. That sum would cover the reimbursement of both the Federal and State income tax to be paid in 1956 with respect to 1955 income.

39. In the view of the United States, the Secretary-General's proposal for reimbursement of 1956 taxes should relate solely to Federal taxes. That was the reason for the amendment (A/C.5/L.363) proposed by the United States delegation to paragraph 4 of draft resolution A proposing the establishment of a tax equalization fund (A/C.5/643) and accordingly no provision had to be made for them at the present session. Furthermore, local taxes on 1956 income would not fall due until 1957. Adoption of the United States amendment would give the Secretary-General time to study the matter further, as suggested by the Advisory Committee (A/3035, para. 8).

40. Mr. TURNER (Controller) pointed out once again that the Secretary-General's proposals (A/C.5/643) contemplated reimbursement of State income taxes in accordance with past practice and with the interpretation confirmed by the Assembly in 1949 (A/1232, para. 26). He was, of course, aware that the problem of State taxes gave rise to certain questions of principle and policy and that those might merit further study as suggested by the Advisory Committee. The Secretary-General's sole concern was to find a solution which would, to the extent possible, meet existing difficulties while maintaining the principles upon which the General Assembly had already declared itself. Should the United States amendment be approved, it should, in the Secretary-General's opinion, be clearly understood that that would in no way modify the General Assembly's prior decision that such taxes were in fact reimbursable and that, in the absence of any decision to the contrary, such reimbursement would become a charge against the regular budget instead of against the Tax Equalization Fund. As the United States representative had pointed out, there would be no difficulty in 1956 if the Assembly voted the appropriation of \$1,630,000 requested by the Secretary-General for re-

*** Resumed from the 518th meeting.

imbursement of 1955 taxes. The Secretary-General would therefore undertake to make definitive proposals on the matter at the Assembly's eleventh session in the hope that a final and complete solution consonant with the interests of all Member States might be reached.

41. Mr. CHECHYOTKIN (Union of Soviet Socialist Republics) thought that the discussion should for the time being be limited to the Secretary-General's proposals concerning the reimbursement of taxes to be levied on 1956 salaries. The United States amendment was incompatible with many provisions of the plan proposed by the Secretary-General, for the Secretary-General had prepared that plan on the basis of the principle, accepted in 1949, that all income taxes, including those levied by a constituent state of a Federal State, must be reimbursed. It now appeared that the Secretary-General should have conducted negotiations with two different parties, namely, the Federal authorities and the local authorities. The convention between the United Nations and the Government of the United States of America (resolution 22 B (I)), signed by the United States in 1946, provided, however, for only two parties: on the one hand the United Nations and on the other the United States; in other words, the Federal Government, which, as was clear from sections 1 and 31 of the Convention, also represented the local authorities. The obligation therefore lay with the Federal Government to take the necessary action so that the United Nations would no longer be required to make supplementary appropriations for the reimbursement of taxes levied on the income of United States staff members.

42. Mr. FENAUX (Belgium) recalled that his delegation had often expressed regret that some Member States had not ratified the Convention on Privileges and Immunities of the United Nations. It was pleased at the success of the steps taken by the Secretary-General, whose plan would provide a solution for many of the difficulties thus far encountered.

43. His delegation supported the Advisory Committee's suggestion (A/3035, para. 8) that the matter of taxes levied by local authorities should be studied. It hoped that at that second stage of the negotiations the authorities of the State of New York would show the same understanding as had the Federal authorities and it accepted the United States amendment.

44. His delegation wished to point out that, while it had always regretted the inequality among Member States resulting from the problem under consideration, it had never lost sight of the debt of gratitude owed by all Member States to the United States for that country's substantial contributions to the United Nations programmes, in particular the programmes financed by extra-budgetary funds.

45. Mr. FRIIS (Denmark) said that, after having received the clarification requested at the previous meeting, he would be able to vote in favour of the United States amendment. His delegation was pleased that the efforts of the Secretary-General and the United States authorities had led to such considerable progress towards a final solution. There were still some steps to be taken in order to do away with the remaining difficulties but that could not be done immediately. He hoped that reference would be made in the Rapporteur's report to the importance attached by delegations to the Advisory Committee's observation in paragraph 8 of its report regarding further negotiations on the question of local taxes.

46. Mr. CHECHYOTKIN (Union of Soviet Socialist Republics) requested that the United States amendment should be voted on separately.

The United States amendment (A/C.5/L.363) was adopted by 35 votes to 5, with 6 abstentions.

47. The CHAIRMAN pointed out that the adoption of draft resolution A contained in the annex to the Secretary-General's report (A/C.5/643) would automatically imply the adoption of the remaining proposals set out in that annex. He further pointed out that paragraph 1 (a) of draft resolution A and paragraph 1 of draft resolution C in the annex should be amended as suggested by the United States representative at the 518th meeting. He put draft resolution A to the vote.

Draft resolution A, as amended, was adopted by 42 votes to 5.

48. The CHAIRMAN proposed that the Committee should recommend the appropriation of the sum of \$1,630,000 as a supplementary estimate for 1955 for the purpose of reimbursement of taxes on the 1955 salaries of staff members.

The proposal was adopted by 40 votes to 5, with 2 abstentions.

49. Mr. GANEM (France) explained that, contrary to its attitude at previous sessions, his delegation had voted in favour of the appropriation of \$1,630,000, in order to show clearly that it hoped that the arrangement proposed by the Secretary-General would prove fully satisfactory and that the Assembly would no longer be required to make appropriations for the reimbursement of taxes.

50. He had not, however, been able to vote in favour of the United States amendment, because he felt that a dangerous concession was involved and that in the case at issue it would have been better to adopt a less rigid position that did not lessen the authority of the United Nations or entail further difficulties for some of the specialized agencies.

The meeting rose at 6.15 p.m.