



GENERAL ASSEMBLY

Fourth session

Items 38 and 40 of the agenda

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1949

UNFORESEEN AND EXTRAORDINARY EXPENSES FOR 1949 AND
ADVANCES FROM THE WORKING CAPITAL FUND

Report of the Fifth Committee

Rapporteur: Dr. Maria Z.N. WITTEVEEN (Netherlands)

1. In accordance with the instructions given by the General Assembly at its 224th plenary meeting on 22 September 1949, the Fifth Committee considered, at its 229th and 230th meetings, the supplementary estimates for the financial year 1949 as proposed by the Secretary-General (A/C.5/353). The Committee also had before it the twenty-ninth report of 1949 of the Advisory Committee on Administrative and Budgetary questions (A/1157) submitted after examination by that Committee of the Secretary-General's report.
2. The Committee had received earlier an information report by the Secretary-General (A/1007) concerning unforeseen and extraordinary expenses for 1949 and advances from the Working Capital Fund. The Committee discussed certain items of this report at its 211th meeting on 29 October 1949 but noted that action was required to meet unforeseen and extraordinary expenses for 1949 only in connection with supplementary estimates for 1949. Action to authorize additional loans to the Interim Commission of the International Trade Organization was taken in connection with the resolution on the Working Capital Fund (A/1232, resolution III).
3. The gross total of the items comprising supplementary estimates was \$1,057,057. The Secretary-General, however, anticipated savings of \$1,340,105 on the original appropriation of \$43,487,128 for 1949, which made it possible for him not only to absorb these items in the original appropriation, but also to surrender a net amount of \$283,048, with a consequent reduction of the total appropriation for 1949 to \$43,204,080. This saving, together with an additional sum estimated at \$108,890, representing excess miscellaneous income for the year 1949, would be applied in reduction of Members' contributions to the 1950 budget of the United Nations.
4. The supplementary estimates affected the following budget sections: section 6, Investigations and inquiries; section 15, Conference and General Services; section 17, Common staff costs.
5. Included

5. Included under section 6, Investigations and inquiries, was a sum of \$82,000 requested for expenditures in connexion with the United Nations Plebiscite Mission for Jammu and Kashmir. The representatives of the Byelorussian Soviet Socialist Republic and of the Union of Soviet Socialist Republics requested an explanation of what had been accomplished during 1949 and why it had been necessary to incur expenditures as indicated during 1949 for work which would not begin until some time later. The Fifth Committee recognized the need for some advance planning in this connexion, and for that reason, in considering the 1950 estimates, it had approved a continuing credit for this purpose. Some members considered that the 1949 expenditure was excessive. The representative of the Union of Soviet Socialist Republics, stating that his delegation was not in any way opposed to the principle of the Plebiscite Mission, but considered that the present situation did not justify an expenditure of \$82,000 so long as it was not known that the plebiscite would actually be held in 1950, proposed that this amount be deleted. This proposal was defeated by 24 votes to 4, with 3 abstentions.

6. An additional sum of \$129,000 had been requested for retroactive payment of travel and subsistence expenses to alternate members of the United Nations Commission for India and Pakistan (\$74,000), and of the United Nations Commission for Indonesia (\$55,000).

7. On 27 September 1949, the President of the Security Council forwarded to the Secretary-General the following resolution (S/1401), adopted by the Security Council on the same date:

"The Security Council,

"Considering that, in virtue of resolution 231 (III) adopted by the General Assembly on 8 October 1948, it is a matter for its own decision whether, in the case of commissions of inquiry or investigation instituted by it, the representative of a Member participating in such commission needs to be assisted by an alternate,

"Considering that, in cases where this need has been found by the Security Council to exist, the Secretary-General is authorized by the same resolution to reimburse retroactively to States Members the travelling and subsistence expenses of the alternate of their representatives on the said commissions,

"Notes that since the institution of the under-mentioned commissions the representatives of Members that are participating or have participated have each had to be assisted by an alternate:

"1. The Committee of Good Offices, which has now become the United Nations Commission for Indonesia;

"2. The United Nations Commission for India and Pakistan."

8. On receipt of the above resolution, the Secretary-General had instructed the two above-mentioned Commissions to pay travelling and subsistence expenses of alternates, effective as from 27 September 1949.

9. The point at issue was whether the Security Council, in its resolution of 27 September 1949 (S/1401), had correctly interpreted General Assembly resolution 231 (III), the relevant paragraphs of which are as follows:-

"2. Decides that travelling and subsistence expenses shall be payable out of United Nations funds to one representative of any Member participating in a commission of inquiry or conciliation instituted by the General Assembly or by the Security Council, subject to the proviso that an exception to this rule may be permitted on the decision of the organ concerned that an alternate for each member is necessary;

"3. Authorizes the Secretary-General to reimburse retroactively, on the basis of paragraph 2 above, travelling and subsistence expenses incurred by Members participating in existing commissions of inquiry or conciliation instituted by the General Assembly or the Security Council."

10. In a previous note to the Security Council (S/1355), the Secretary-General had stated that, when the Security Council had established the Committee of Good Offices for Indonesia (October 1947) and the Mediation Commission on the India-Pakistan Question (April 1948), it had not at that time determined the necessity for alternate members; the General Assembly had consequently provided no funds for retroactive payments in respect of alternate representation on these Commissions. Should the Security Council approve such retroactive payments, the Secretary-General would be obliged to submit estimates covering the cost to the fourth session of the Assembly for decision.

11. During discussion on this matter in the Fifth Committee, the opinion was expressed that confirmation by the Committee of the validity of retroactive payments pre-dating the determination of need for alternate members by the organ setting up the commission might establish an unfortunate precedent, since there would be a tendency for the initiative in this matter to spring from the members of commissions rather than from the organ

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establishing the commissions. The words "retroactive payment" in the resolution of the General Assembly should be interpreted as retroactive only as far back as the relevant decision, and not dating from the time alternates had been appointed on the Commissions.

12. The Fifth Committee considered that, since this question had not been raised by the Security Council even in January 1949 when the Commission for Indonesia was re-established, the Security Council should have followed the normal procedure and referred such a financial question in the first instance to the General Assembly before passing its resolution. The majority of the Committee were of the opinion, nevertheless, that, since the Council had taken its decision, the Committee could but recommend to the Assembly that the necessary appropriation be made. They considered, however, that the relevant paragraphs of resolution 231 (III) should apply to the future and not to the past in order to avoid repetition of any similar decisions.

13. The representative of the Union of Soviet Socialist Republics was opposed to appropriation of \$129,000 for this purpose and held the view that in any event a decision of this nature would require a two-thirds majority in the General Assembly.

14. The representative of Czechoslovakia asked for a separate vote on the particular sums relating to each of the two commissions.

15. The proposal of the Union of Soviet Socialist Republics to cancel an appropriation of \$74,000 for the United Nations Commission for India and Pakistan was rejected by 27 votes to 4, with 2 abstentions.

16. The proposal of the Union of Soviet Socialist Republics to cancel the appropriation of \$55,000 for the United Nations Commission for Indonesia was rejected by 24 votes to 5, with 3 abstentions.

17. In connexion with "Common staff costs" the Committee considered particularly the request for a net supplementary item of \$708,000 for reimbursement of national income taxation paid or to be paid by staff members on salaries and allowances received from the United Nations in respect of the year 1949 and the reimbursement for state or local income taxation on salaries and allowances received from the United Nations in respect of the years 1946, 1947, 1948 and 1949.

18. The actual requirements under these two headings were as follows:- \$820,000 for reimbursement of national taxation; \$218,000 for reimbursement of state and local taxation. The total requirement of \$1,038,000 was reduced to \$708,000 since there existed a surplus of \$330,000 in the sum of \$480,000 appropriated in 1949 for reimbursement of national income taxation for 1948.

19. The representatives of the Union of Soviet Socialist Republics and
/of Belgium

of Belgium considered that although the General Assembly had recommended that the Secretary-General should omit any reference to reimbursement of income tax in contracts granted to staff members following the second regular session of the Assembly, it seemed from the sums involved that all staff members were benefiting from such reimbursement. The Committee was informed that approximately 25 per cent of the staff were entitled to receive reimbursement under their contracts; 75 per cent had no contractual right as such. The Committee's attention was drawn to the fact that General Assembly resolution 239 (III) authorized the Secretary-General to reimburse income tax paid in 1949. Furthermore, it was pointed out that the Committee had already agreed that state and local taxes would be reimbursed when it was discussing the Staff Assessment Plan.

20. A proposal of the Union of Soviet Socialist Republics to refuse all supplementary appropriations for the reimbursement of national, state and local taxation was rejected by 20 votes to 5, with 4 abstentions.

21. A Belgian proposal that the supplementary item for reimbursement of taxation should be reduced by 75 per cent, i.e., by \$515,000, was rejected by 27 votes to 6, with 5 abstentions.

22. A proposal of the representative of Poland to delete the appropriation of \$218,000 for the reimbursement of state or local taxation was rejected by 28 votes to 5, with 4 abstentions.

23. The additional supplementary items included in the Secretary-General's report were also subjected to a detailed examination. In particular, the representative of the Union of Soviet Socialist Republics requested an explanation regarding an estimated deficit of \$291,000 in contributions to the Staff Pension Fund - the calculation of which should have been based on 14 per cent of the total salary payments involved. The Committee was informed that this calculation was in fact complicated by reason of the continuing transfers from the Provident Fund to the Pension Fund; these transfers, however, were now substantially completed so that this particular difficulty should not arise in the future.

24. The representative of Canada reminded the Committee of its previous report on the supplementary estimates for 1948 (A/796) and wished for information regarding the financial and administrative control of mission activities, which had been the subject of pertinent comment by the Committee during the previous year. The Committee was informed that a considerable advance had been made in this connexion, both in the selection of appropriate personnel for administrative and financial officers and in the preparation of a draft manual on the organization
/of missions

of missions which would soon become effective, and also in the concentration, within the Conference Division of the Secretariat, of all matters bearing on the day-to-day administrative questions affecting overseas mission activities.

25. The Committee noted certain disparities between the estimates of miscellaneous income under certain headings as formerly presented to the Committee, when compared with the items included in the supplementary estimates for 1949. While recognizing the uncertain factors involved in the matter of estimating miscellaneous income, the Committee looked for an assurance that the relevant points in its current discussion would be closely examined by the Secretary-General.

26. Following its review, the Committee adopted the draft resolution contained in Annex B of the Advisory Committee's report on supplementary estimates for 1949 (A/1157) by 30 votes to none, with six abstentions.

27. The Fifth Committee, therefore, decided to recommend to the General Assembly the adoption of the following resolution:

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1949

The General AssemblyResolves that for the financial year 1949:

1. The amount of \$US 43,487,128 appropriated by part A of resolution 252 (III) adopted on 11 December 1948, is reduced by \$283,048 as follows:

<u>Section</u>	Amount appro- priated as adjusted under para.4, part A, <u>resolution 252 (III)</u> dollars(US)	Supplementary appropriation increase or <u>decrease</u> dollars(US)	Revised amounts of <u>appropriation</u> dollars(US)
1. The General Assembly and commissions and committees thereof.....	1,722,540	-	1,722,540
2. The Security Council and commissions and committees thereof.....	418,280	-238,280	180,000
3. The Economic and Social Council and commissions and committees thereof.....	433,180	- 68,180	365,000
3a. Permanent Central Opium Board and Drug Supervisory Body.	61,370	- 24,370	37,000
3b. Regional economic commissions	68,110	- 11,810	56,300
4. The Trusteeship Council and commissions and committees thereof.....	141,640	- 83,640	58,000
Total, Part I.....	<u>2,845,120</u>	<u>-426,280</u>	<u>2,418,840</u>
5. Special conferences.....	82,810	- 19,810	63,000
6. Investigations and inquiries	5,292,243	+140,757	5,433,000
Total, Part II.....	<u>5,375,053</u>	<u>+120,947</u>	<u>5,496,000</u>
7. Executive Office of the Secretary-General.....	491,600	- 37,600	454,000
8. Department of Security Council Affairs.....	797,070	- 47,070	750,000
9. Military Staff Committee secretariat.....	196,400	- 31,400	165,000
10. Department of Economic Affairs.....	2,475,575	- 10,575	2,465,000
11. Department of Social Affairs	1,476,755	- 55,755	1,421,000
12. Department for Trusteeship and Information from Non- Self-Governing Territories	964,240	- 79,240	885,000
13. Department of Public Information.....	3,254,760	-104,760	3,150,000
(a) Library services.....	452,300	-	452,300
14. Department of Legal Affairs..	567,110	- 52,110	515,000
15. Conference and General Services.....	8,260,800	+ 50,200	8,311,000

Section (Part III (Cont.))	Amount appro- priated as "Su- adjusted under para.4, part A, resolution 252(III) dollars(US)	Supplementary appropriation increase or decrease dollars(US)	Revised amounts of appropriation dollars(US)
16. Administrative and Financial Services ...	1,646,420	- 85,420	1,561,000
17. Common staff costs.....	4,502,900	+866,100	5,369,000
18. Common services.....	2,181,700	-	2,181,700
19. Permanent equipment.....	505,090	-	505,090
Total, Part III..	27,772,720	+412,370	28,185,090
20. European Office.....	4,228,050	- 60,050	4,168,000
Total, Part IV...	4,228,050	- 60,050	4,168,000
21. Information centres (other than information services, European Office).....	806,040	- 46,040	760,000
Total, Part V....	806,040	- 46,040	760,000
22. Economic Commission for Asia and the Far East.....	647,660	-122,660	525,000
23. Economic Commission for Latin America.....	405,550	-	405,550
Total, Part VI....	1,053,210	-122,660	930,550
24. Hospitality.....	20,000	-	20,000
Total, Part VII..	20,000	-	20,000
25. Advisory social welfare functions.....	656,900	- 20,300	636,600
Total, Part VIII	656,900	- 20,300	636,600
26. Cost of the adoption of Spanish as a working language.....	-	-	-
Total, Part IX..	-	-	-
27. Salaries and expenses of members of the Court..	375,000	- 34,000	341,000
28. Salaries, wages and expenses of the Registry.....	205,000	- 14,000	191,000
29. Common services.....	60,000	- 11,000	49,000
30. Permanent equipment.....	10,000	- 2,000	8,000
Total, Part X...	650,000	- 61,000	589,000

/31. Cost of converting

<u>Section</u>	Amount appro- priated as adjusted under para.4, part A <u>resolution 252(III)</u> dollars(US)	Supplementary appropriation increase or <u>decrease</u> dollars(US)	Revised amounts of <u>appropriation</u> dollars(US)
31. Cost of converting salaries and allowances from net to gross and increase in head- quarters cost-of-living allowances.....	80,035	- 80,035	-
Total, Part XI...	80,035	- 80,035	-
Grand Total.....	43,487,128	-283,048	43,204,080
32. Global reduction on provisions for contract- ual printing.....	-	-	-
Grand total after reduction...	<u>43,487,128</u>	<u>-283,048</u>	<u>43,204,080</u>

2. Miscellaneous income to be appropriated in aid of the above expenditures, which was estimated at \$US 4,794,550 by paragraph 2, part A of resolution 252(III), is hereby increased by \$108,890 and estimated at \$4,903,440.

3. Amounts not exceeding the above appropriations shall be available for the payment of obligations in respect of goods supplied and services rendered during the period 1 January 1949 to 31 December 1949.
