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FOURTH ANNUAL BUDGET AND WORKING CAPITAL FUND  
OF THE UNITED NATIONS

Report of the Fifth Committee

Rapporteur: Mr. O.P. MACHADO (Brazil)

1. In accordance with instructions given by the General Assembly on 24 September 1948, the Fifth Committee has considered the regular annual budget estimates of the Organization for the financial year 1949, as reviewed by the Advisory Committee on Administrative and Budgetary Questions in its second report of 1948 (A/598). The estimates approved by the Fifth Committee were in the amount of \$32,483,750 and showed a total reduction of \$985,837 in the Secretary-General's main estimates (A/556).

The Fifth Committee, at its 145th meeting, accepted the estimate of the Secretary-General of miscellaneous income in the amount of \$788,550 to be applied in the reduction of this estimated expenditure for 1949 for the purpose of assessment of contributions from Members to the fourth annual budget.

As a result of subsequent actions taken by the Fifth Committee on the supplementary estimates for 1949 submitted by the Secretary-General, the total estimates for 1949 were brought to \$43,487,128 and the total 1949 miscellaneous income to \$4,794,550; the net amount to be assessed for the 1949 budget is therefore \$38,692,578.

This amount, plus the supplementary appropriations for 1948, approved by the Fifth Committee in the amount of \$4,460,541, will bring the total to be assessed during 1949 to \$43,153,119. However, in view of lapses on appropriations for 1947 (\$1,326,327) and on 1946 obligations (\$118,858) and in view of the adjustments in respect of miscellaneous income actually collected in 1947 (plus \$118,847) and estimated for 1948 (minus \$61,727.00) the total to be assessed during 1949 is \$41,650,814.

2. The Committee had before it the estimates of the Secretary-General (A/556), the second report of 1948 of the Advisory Committee on Administrative and Budgetary Questions (A/598) and a number of information papers on specific

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sections or projects in the 1949 estimates submitted by the Secretary-General at the request of the Committee. In the course of its meetings, the Committee received additional reports from the Secretary-General and from the Advisory Committee, on the basis of which it submitted to the General Assembly, in accordance with rule 142 of the rules of procedure, the following reports on the financial implications of policy recommendations made by other Committees:

Assistance to Palestinian refugees A/726

United Nations Special Committee on the Balkans A/736

Technical assistance for economic development A/745

Re-establishment of the Interim Committee  
of the General Assembly A/747

United Nations Conciliation Commission in  
Palestine A/786

Holding of a second part of the third session  
of the General Assembly A/769

United Nations Commission on Korea A/795

In addition to the above questions, the Committee was required to consider and approve supplementary estimates for inclusion in the 1949 budget, for the United Nations Commission on India and Pakistan (A/C.5/275, A/757), the Committee of Good Offices on the Indonesian Question (A/C.5/276, A/758), decisions of the Economic and Social Council at its seventh session (A/C.5/257, A/C.5/279, A/744, A/765), increases in cost-of-living allowances (A/C.5/257, A/730) and a number of further estimates resulting from decisions taken by the Committee itself on items of its agenda.

Throughout its deliberations the Committee had the assistance of the Chairman of the Advisory Committee, who was invited to sit with the Committee and to participate in its discussions.

3. At the opening meeting of the Committee on 27 September 1948, the Secretary-General presented his budget and stated, inter alia, that he would raise no objection to any of the budgetary recommendations of the Advisory Committee on Administrative and Budgetary Questions except in the case of the expatriation allowance for staff members serving away from their home countries. There ensued, during three meetings of the Fifth Committee (105th to 107th), a general discussion of the Secretary-General's statement and of the administration and financing of the Organization. It appeared to be the opinion of a majority of the Committee that the financial policy and administration of the United Nations had improved and that the Secretary-General and the Advisory Committee were to be commended for the progress made. There were also recurring references to the need for a careful check on staff expenses, the importance of transferability of staff, the proportion of monies spent for information purposes, the desirability of  
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co-ordination of specialized agency activities and budgeting and the importance of work-planning to avoid undue expansion of United Nations activities. In connexion with work-planning, some members expressed the view that the machinery for the control of programmes and priorities was inadequate, while others considered that it was premature at this stage to establish additional formal machinery for work-planning within the United Nations or between the United Nations and the specialized agencies.

4. At the 152nd and 153rd meetings, particular attention was given, in the course of the discussion of paragraphs 2 to 5 of the draft appropriation resolution (Appendix A of the Advisory Committee's second report of 1948 - A/598), to the powers and discretion that could be exercised by the Secretary-General in giving effect to the budgetary decisions of the Fifth Committee and of the General Assembly. Discussion originated from a proposal of the delegation of Belgium to amend the draft resolution by the addition of a paragraph to the effect that the General Assembly should approve the allocation of the amount voted for each part, section, chapter and item as set out in the Secretary-General's budget estimates, as amended by decisions taken in the course of the third session, either on the proposal of the Advisory Committee in its reports, or at the instigation of the Fifth Committee. It was explained that the intention of this and of a number of similar, though modified, proposals put forward by other delegations, was to ensure that the Assembly's decisions were fully respected by stressing the fact that credits could be used only for the specific purposes for which they had been allotted. Particular importance was attached by several delegations to the need: (i) of restricting the power of transfer within section 17 of the budget (Common staff costs) as recommended by the Advisory Committee (paragraph 158 of A/598) and accepted by the Secretary-General; (ii) of ensuring that funds allocated for contractual printing were not used for other purposes - a condition which, the Committee was assured, the Secretary-General was also willing and ready to accept; and (iii) of ensuring that expenditure on personnel as approved by the General Assembly was not exceeded, or the manning tables departed from, subject to the right of the Secretary-General, within the ceiling fixed by the manning tables, to make such use of the Secretariat personnel as he saw fit and to his right, within the limits fixed by the amounts voted for this purpose to engage such temporary staff as might be found necessary. With respect to personnel costs, the Committee was further assured, on the Secretary-General's behalf, that the sums voted for established posts would be regarded as a maximum limit for expenditure and that it was, and would continue to be, the Secretary-General's practice to submit each year to the General Assembly for its approval, a complete list of permanent posts and related data.

Having regard to these assurances, and in particular to the fact that regulation 11 of the Provisional Financial Regulations states that "the

adoption of the budget shall constitute an authorization to the Secretary-General to incur obligations and make expenditures for the purposes for which appropriations have been voted and up to the amounts so voted", the Belgian and other proposals which had been put forward were withdrawn.

#### BUDGET ESTIMATES FOR FINANCIAL YEAR 1949

5. The Committee began a more detailed "first reading" of the budget estimates at its 124th meeting, after deciding to use chapter IV and the draft appropriation resolution contained in the second report of 1948 of the Advisory Committee (A/598) as the basis for its discussions. During the next twenty meetings of the Committee, questions of principle and specific proposals for reduction or increase in the amounts recommended by the Advisory Committee were discussed and voted upon. Subsequently, the Committee held numerous further meetings for the purpose of dealing with supplementary estimates with respect to the items referred to in paragraph 2 above.

At a second reading at the 175th to 177th meetings of the Committee the amounts for each section of the budget were confirmed.

6. During the first reading, certain questions which had a bearing on the estimates in several sections of the budget were examined separately; namely, the use of Spanish as a working language, tax equalization, contractual printing and expatriation allowances. In the first two of these cases, separate reports were presented to the General Assembly (A/704 and A/703) in view of the fact that they appeared on the agenda of the General Assembly as separate items; in the latter cases the results of the Committee's deliberations are set forth hereunder.

7. In the light of the proposal of the Union of Soviet Socialist Republics to reduce substantially the amounts recommended for printing in all sections of the budget, the Secretary-General presented a paper (A/C.5/235) showing the amounts in each section estimated for printing. Several amendments to the Advisory Committee's recommendations on this item were put forward and discussed at the 140th and 141st meetings of the Committee. Particularly in view of increases in the amounts already voted for translation and the desire to make possible a reduction of the backlog of printing in the three non-working official languages, the Committee decided:

(a) To adopt an Australian proposal to accept the Advisory Committee's estimates with the understanding that the question of more economical methods of producing small editions for permanent reference should be referred to the Advisory Committee for report, and that the Secretariat should put into effect any recommendations that would allow the backlog of printing to be further reduced within the limits of the appropriations voted (35 votes to none with 7 abstentions); and



(b) To approve the Advisory Committee's recommendations on amounts for contractual printing as summarized in document A/C.5/235 and totalling \$2,147,830 (35 votes to none, with 12 abstentions).

At the 175th meeting, however, during the second reading of the estimates, the Committee accepted by 14 votes to 7, with 11 abstentions, a proposal by the Soviet delegation to reduce by \$150,000 the total sum approved for printing on the first reading.

8. In connexion with expatriation allowances, the Committee had before it the recommendations of the Advisory Committee that such allowances should be discontinued after a staff member had been in residence at his duty station for two years, in accordance with the limitations set on the allowance by the Fifth Committee in 1947 (A/598, paragraph 35), and the recommendations of the Secretary-General to continue the allowance for all staff members serving away from their home countries (A/C.5/220). After hearing and discussing further the reasons of the Secretary-General for desiring to maintain the allowance, the Committee adopted unanimously a proposal of the Soviet delegation to suspend the present limitation restricting the payment of the allowance to the first two years of service away from a staff member's home country pending a comprehensive review of the salary and allowance system to be undertaken by the Secretary-General, with the assistance of a working-party of three independent experts, for consideration at the fourth regular session of the General Assembly. It was agreed that this general review of the salary and allowance system, as recommended in paragraph 24 of the second report of 1948 of the Advisory Committee (A/598), should also include a review of the question of home leave and a comparative study of the salary scales and allowance schemes of other international organizations.

A summary of the specific actions taken on each section of the budget follows:

PART I. Sessions of the General Assembly, the Councils, Commission and Committees

9. The Committee decided, at its 126th meeting, to accept the recommendation of the Advisory Committee with respect to the amounts to be appropriated for section 1 (\$1,326,700) with the understanding that the reduction of \$38,940 on the Secretary-General's estimates was to be achieved by providing for one rather than two sessions of the International Law Commission in 1949. Supplementary estimates totalling \$379,500 were subsequently approved as a result of decisions to re-establish the Interim Committee of the General Assembly (A/747) and to hold a second part of the third session.

10. Section 2, relating to expenses of the Security Council (\$472,300) was accepted at the 145th meeting without reduction on the recommendation of the

Advisory Committee, after discussion of the contractual printing estimates as a whole.

11. Discussion of section 3 raised a number of questions with respect to number and location of meetings of the Economic and Social Council and its subsidiary organs. The Advisory Committee's recommendations as to the amount to be appropriated for this section, i.e. \$391,840, were accepted at the 128th meeting by 25 votes to none, with 9 abstentions, subject to the following reservations:

(a) After hearing the President of the Economic and Social Council, at its 127th meeting, on the reasons for the decision of the Council to hold its ninth session in Geneva, the Committee approved in principle the appropriation of the necessary additional funds by 24 votes to 12, with 6 abstentions.

(b) The Committee also approved in principle, at its 127th meeting, by 16 votes to 6, with 5 abstentions, the provision of the necessary funds from the Working Capital Fund to carry out the decision of the Economic and Social Council that the Social Commission should, if necessary, hold a second session in 1949.

As a result of these decisions and of the provisions made for meetings of the Interim Co-ordinating Committee for International Commodity Arrangements, the estimates for this section were later increased by \$46,940.

11 (a) With respect to Regional Economic Commissions (section 3b), the Committee accepted, at its 128th meeting, a proposal by the United States of America that the recommendations of the Advisory Committee to reduce the Secretary-General's estimate to \$48,110 be approved, with the proviso that, should a second session in 1949 of the Economic Commission for Asia and the Far East and the Economic Commission for Latin America be found necessary by the Economic and Social Council, funds for this purpose would be made available from the Working Capital Fund (28 votes to none, with 6 abstentions).

11 (b) The estimates for meetings of the Permanent Central Opium Board and the Drug Supervisory Body (section 3a), as recommended by the Advisory Committee (\$45,000), were approved by the Committee at its 127th meeting (28 votes to none, with 5 abstentions).

12. For section 4 (Trusteeship Council and Committees and Commission thereof), the estimate of \$150,000 as recommended by the Advisory Committee, was approved at the 127th meeting (32 votes to none, with one abstention).

#### PART II. Special conferences, investigations and enquiries

13. In connexion with section 5 the Committee approved, at its 128th meeting, the recommendation of the Advisory Committee to grant funds sufficient to hold the Conference on Conservation and Utilization of Resources at Lake Success. The proposal to hold the Conference at a place in the United States

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outside the interim headquarters, in accordance with the decision of the Economic and Social Council at its seventh session, was rejected by 27 votes to 6, with 5 abstentions. With regard to meetings of the experts on housing, the Committee approved by 25 votes to 5 with 10 abstentions, a proposal submitted by the Union of Soviet Socialist Republics that the estimates be reduced by \$13,560 to allow for one meeting instead of two, with the provision that the necessity for a second meeting be reviewed by the General Assembly at its fourth regular session. The estimates for section 5, as amended (\$72,130) were then approved by the Committee, at its 128th meeting, by 32 votes to none, with 7 abstentions. This total was later increased by \$14,200 to provide for meetings of the Committee of Experts on International Research Laboratories (A/765) and the Conference on World Road Transport.

PART III. Headquarters, New York

14. At its 175th and 177th meetings, the Committee confirmed estimates for section 6 in the sum of \$5,249,503. This total comprised \$1,347,300 for the United Nations Special Committee on the Balkans (A/721, A/736) \$3,000,000 for the United Nations Conciliation Commission in Palestine (A/779, A/786) and \$344,000 for the Commission on Korea, all of which estimates were the subject of special reports to the General Assembly. In addition, the Committee, at its 171st meeting, adopted by 24 votes to none, with 6 abstentions the recommendation of the Advisory Committee (A/757) that the estimates for the United Nations Commission on India and Pakistan be approved in the amount of \$326,089. At the same meeting, the Advisory Committee's recommendation (A/758) that the estimates for the Committee of Good Offices on the Indonesian Question be approved in the amount of \$215,114 was adopted by 26 votes to none, with 6 abstentions. The estimates under this section make provision also, in the amount of \$17,000, for a Commission of Enquiry into the effects of chewing the coca-leaf (A/765).

15. After considerable discussion of the powers and responsibilities of the Secretary-General and of the Fifth Committee with respect to the manning tables of the Organization, the Committee approved, at its 128th meeting, the proposal of the Soviet delegation to reduce by \$18,000 the credits for the Executive Office of the Secretary-General recommended by the Advisory Committee (17 votes to 10, with 13 abstentions). The amount of \$332,360 for section 7 was then approved by 34 votes to none, with 4 abstentions.

16. The Committee accepted, at its 128th meeting, by 36 votes to none, that an amount of \$645,400, as recommended by the Advisory Committee, be appropriated with respect to section 8 (Security Council Affairs);

17. At the same meeting the Committee accepted, by 25 votes to none the amount (\$162,200) recommended by the Advisory Committee for section 9 (Military Staff Committee Secretariat) on the understanding that the language staff attached to this Committee should, so far as possible, assist in reducing the backlog accumulated in the Translation Division at Lake Success.
18. After discussion of the role of consultants, particularly in connexion with the economic development work of the United Nations, the Committee rejected, at its 129th meeting, a proposal of the delegation of Burma to retain the Secretary-General's recommendation of \$40,000 for consultants for the Department of Economic Affairs (15 votes to 12, with 12 abstentions). Proposals of the delegation of the USSR to reduce the estimates for consultants by a further 10,000, established posts by \$30,000 and temporary assistance, travel on official business and travel on home leave by a further \$5,000 each were rejected by the Committee. After assurances from the Assistant Secretary-General for Economic Affairs that the Department would continue to do everything possible to give the highest priority to the needs of countries which had suffered from the war, the Committee accepted the amount (\$1,853,000) recommended by the Advisory Committee for section 10 (26 votes to none, with 15 abstentions). Subsequently, the estimates under this section were increased by \$328,000 comprising \$288,000 for technical assistance for economic development (A/745), on which the Committee reported separately to the General Assembly, and \$40,000 for additional statistical activities consequent on resolutions adopted by the Economic and Social Council at its seventh session (A/744).
19. In connexion with section 11 (Department of Social Affairs) the Committee discussed at some length, at its 129th meeting, the question of liaison with specialized agencies and also the question of high-grade posts in the Department. The recommendations of the Advisory Committee to approve the estimates for this section in the amount of \$1,231,000 were adopted by 27 votes to 2, with 10 abstentions. As a result of consideration by the Fifth Committee of the financial implications of decisions taken at the seventh session of the Economic and Social Council a sum of \$25,125 was later added to the estimates of this section in connexion with freedom of information and narcotic drugs (A/765).
20. The recommendations of the Advisory Committee with respect to the appropriations for section 12, Department for Trusteeship and Non-Self Governing Territories were accepted by the Committee at its 130th meeting by 31 votes to none, with 2 abstentions.
21. The Committee discussed the estimates for section 13, Department of Public Information, at its 130th - 134th meetings. After a general discussion
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of the programme and activities of the Department and its costs, the Committee considered, at its 134th meeting, specific proposals presented by the Netherlands, Belgium, the Union of Soviet Socialist Republics and the United Kingdom, and by the Advisory Committee, with the following results:

(a) A Netherlands proposal requesting the Advisory Committee to examine the possibility of a percentage ceiling for financing information activities to be established by 1952 was rejected, on a roll-call vote, by 23 to 16, with 8 abstentions.

(b) A Belgian proposal to refer reductions proposed by the Belgian delegation (A/C.5/236) to the Advisory Committee for report during the third regular session of the General Assembly was rejected by 28 votes to 12 with 7 abstentions.

(c) A further Belgian proposal that these reductions, totalling \$578,170 in the estimates for section 13 should be approved by the Fifth Committee was rejected, on a roll-call vote, by 17 to 4, with 2 abstentions.

(d) The Belgian proposal for reducing the estimate of this section by \$578,170 as modified by a Soviet proposal to allow the Secretary-General, if necessary, and with the concurrence of the Advisory Committee, to draw on the Working Capital Fund to the extent of \$200,000 was then rejected by 27 votes to 9, with 8 abstentions.

(e) A United Kingdom proposal to reduce the estimates, as recommended by the Advisory Committee by a further 5 per cent, was rejected by 27 votes to 13, with 7 abstentions.

(f) The Committee then voted to approve the recommendations of the Advisory Committee regarding the estimates (\$2,860,050) for the Department of Public Information by 38 votes to none, with 8 abstentions.

22. The Committee considered, at its 134th and 136th meetings, the estimates for, and administrative questions concerning Library Services (section 13a). The Committee approved the point of view expressed in paragraphs 132 and 133 of the second report of 1948 of the Advisory Committee (A/598) with respect to the organization of library services and library policy, and agreed to request the Secretary-General to submit a special report on these questions to the next regular session of the General Assembly. The Committee also noted with satisfaction the assurance given by the Assistant Secretary-General that, until a definite library policy was established, the Geneva library would continue on the present basis and would effect no transfer of books, except for those volumes existing in duplicate. The Committee then approved, by 36 votes to none, the amount (\$378,110) recommended by the Advisory Committee for section 13a.

23. The Committee adopted, at its 134th meeting, the recommendations of the Advisory Committee with respect to the estimates (\$465,380) for section 14 (Legal Affairs), special note being taken of the suggestion that the work of the Department on the Treaty Series would be greatly facilitated, and economies effected, if Members were able, when drawing up treaties in a non-official language, to have a second and equal text agreed in one of the working languages of the United Nations. Subsequently, the Committee approved a supplementary estimate of \$15,000 for the purpose of facilitating the registration and publication of treaties.

24. At its 138th to 140th meetings, the Committee considered the recommended appropriation for Conference and General Services (section 15), giving special attention to the proposal of the Advisory Committee to reduce the estimates, as submitted by the Secretary-General, by \$225,000 in the expectation of increased efficiency in the translation services (A/598, paragraph 146). At its 140th meeting, the Committee decided:

(a) To reject, on a roll-call vote of 20 to 10, with 7 abstentions, a proposal of the Argentine delegation to add to the Secretary-General's original estimates for section 15 the sum of \$225,000 to be applied to the translation of official records and publications in the non-working languages;

(b) To adopt a proposal presented by the delegations of Brazil, India, the United Kingdom and Turkey, as amended by the delegation of Argentina, rejecting the reduction recommended by the Advisory Committee with respect to the estimate for translation services, requesting the Secretary-General to use any savings arising from increased output of translators to reduce the backlog of translation of official records and to increase the number of important documents issued in the non-working official languages, and requesting the Advisory Committee to study and report on this problem to the next regular session of the General Assembly (24 votes to 1, with 10 abstentions);

(c) To adopt a proposal of the Argentine delegation, as amended by the delegation of Brazil, that the simultaneous system of interpretation should constitute an invariable practice of the United Nations without prejudice to the use of consecutive interpretation into the working languages on such occasions as the organ or the subsidiary organ concerned may decide. It was further agreed, by 36 votes to none, with 1 abstention; that a report by the Secretary-General should be submitted to the Advisory Committee for study and report to the next regular session of the General Assembly;

(d) To adopt, by 23 votes to none, with 17 abstentions, the recommendations of the Advisory Committee concerning section 15, as amended with respect to translation services, the effect of which was to approve an appropriation for this section in the amount of \$6,864,000. This total was later increased by \$46,000 in connexion with verbatim records for the Trusteeship Council.

25. At its 137th meeting, the Committee adopted by 38 votes to none, with 2 abstentions, the recommendations of the Advisory Committee (\$1,345,500) with respect to section 16 (Administrative and Financial Services). The Committee also voted supplementary appropriations of \$20,000 for the promotion of training in public administration and \$21,420 for a review of the salaries and allowances system.

26. In connexion with section 17 (Common Staff Costs) the Committee discussed three main questions at its 143rd and 144th meetings, namely expatriation allowances, review of the system of salaries and allowances, and reimbursement for national income taxes. The decisions of the Committee with respect to the first two of these questions are noted in paragraph 8 of this report. In connexion with the estimate for reimbursement of national income taxation paid by staff members with respect to salaries and allowances received from the United Nations in 1948, the Committee decided, by a roll-call vote of 29 to 6, with 4 abstentions, to reject a proposal of the delegation of the Union of Soviet Socialist Republics to delete from the estimates \$500,000 to be provided for this purpose. At its 144th meeting, the Committee approved an appropriation for this section in the amount of \$4,379,200 on the basis of the recommendations of the Advisory Committee, as amended by the Committee's decisions regarding expatriation allowances.

27. The estimates for section 18 (Common Services) were considered by the Committee at its 142nd meeting. In conformity with its previous decision to restore the reduction of \$225,000 for translation services which had been proposed by the Advisory Committee, in order that the output of documents, particularly in the non-working official languages, might thereby be increased the Committee decided, by 18 votes to 5 with 18 abstentions, to maintain the estimate originally submitted by the Secretary-General for supplies for internal reproduction. The amount recommended by the Advisory Committee for this section, as amended (\$2,069,700), was then approved by 38 votes to none, with 2 abstentions. An amount of \$14,000 was later added in connexion with verbatim records of the Trusteeship Council.

28. The Committee, at its 142nd meeting, also approved, by 42 votes to none, with 2 abstentions, the estimates as recommended by the Advisory Committee

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(\$295,090) for section 19 (Permanent Equipment). In addition, the Committee approved a supplementary amount of \$75,000 for replacement of property sold at the Palais de Chaillot.

29. At its 141st meeting, the Committee discussed the recommendations of the Advisory Committee concerning section 20 (European Office). Following an assurance by the representative of the Secretary-General that everything possible would be done to assist permanent delegations accredited to the Economic Commission for Europe in finding suitable office accommodation in Geneva, the recommendation of the Advisory Committee that the appropriation for this section should be reduced to \$3,513,590 was approved by 38 votes to none, with 2 abstentions. Supplementary estimates for this section were approved in the amount of \$169,000, comprising \$30,000 for the holding of the **ninth session of the Economic and Social Council in Geneva**; \$25,000 for the Committee on Trade and Development of the Economic Commission for Europe; and \$114,000 for cost of living allowances in Geneva.

30. The recommendations of the Advisory Committee concerning section 21 (Information Centres - other than Information Services, European Office) were considered at the 144th meeting of the Committee, which decided, by 24 votes to none, with 6 abstentions, to adopt a proposal submitted by the delegation of the USSR that the Advisory Committee should be requested to investigate the activities of the Information Centres with a view to the rationalization of their administration, and to report on this matter to the next regular session of the General Assembly. On this understanding, the Committee adopted, by 32 votes to none, with 3 abstentions, the recommendation of the Advisory Committee with respect to the 1949 appropriation (\$719,990) for this section.

31. Sections 22 and 23 (Economic Commission for Asia and the Far East and Economic Commission for Latin America) were considered at the 142nd meeting of the Committee, which approved the estimates of \$455,080 and \$365,530 respectively as submitted by the Secretary-General and concurred in by the Advisory Committee (40 votes to none, with 1 abstention). On the basis of decisions taken by the Economic and Social Council at its seventh session, the Committee subsequently approved as supplementary estimates, \$132,300 for the former Commission and \$19,900 for the latter. It also took note of the observations of the Advisory Committee set forth in paragraphs 190-197 of its second report for 1948 (A/598) and agreed that these observations should be called to the attention of the Economic and Social Council. The delegation of Chile drew attention particularly to the proposals contained in paragraph 198, in which the Advisory Committee emphasised the importance of instituting favourable working arrangements



between the United Nations and the host countries where regional commissions are established, having regard to the difficulties occasioned by the rates of exchange of the currency as well as variations in the cost of living in such areas.

32. The recommendation of the Advisory Committee that the estimate for hospitality be approved at \$20,000 was accepted unanimously by the Committee at its 144th meeting.

33. The Committee considered, at its 144th and 145th meetings, the Advisory Committee's recommendations regarding section 25 (Advisory Social Welfare Functions). A proposal by the delegation of the USSR that the appropriation for this section should be reduced by 50 per cent and that beneficiary Member States should contribute the remaining 50 per cent was rejected by the Committee on a roll-call vote of 35 to 3, with 3 abstentions. The Committee then considered a proposal of the French delegation that the amount recommended by the Advisory Committee be increased by \$65,000 for the following purposes;

- (i) \$30,000 for films;
- (ii) \$21,000 for a Far Eastern Administrative Unit;
- (iii) An additional \$14,000 for the European Administrative Unit.

(This sum to be added to the amount already approved under section 20)

The effect of this proposal, which was adopted by 21 votes to 14, with 7 abstentions, was to re-establish the appropriation for section 25 at the amount originally submitted by the Secretary-General. In the course of the Committee's discussion, a number of delegations stressed the importance of ensuring that the United Nations did not become permanently involved in operational activities in the social and economic fields which fell more particularly within the terms of reference of various specialized agencies. There was general agreement in the Committee that it was of great importance that the sums appropriated for advisory social welfare services should not be used in such a manner as to duplicate the activities of the specialized agencies. The view was expressed that in order to avoid the danger of such duplication it was essential that these sums should not be expended on functions or services which were a special responsibility of a specialized agency, except in agreement with the executive head of that agency. It was also the opinion of the Committee as a whole that, in approving the estimates for 1949 under this section, the attention of the General Assembly should be specially called to paragraph 202 of the second report of 1948 of the Advisory Committee (A/598), and, in particular, to the observation that if the advisory social welfare programme should continue, further consideration should be given to the extent to which Governments themselves pay for the services rendered.

34. At its 124th meeting the Committee approved, by 34 votes to none, with 10 abstentions, the estimates for part IX (sections 26-30) relating to the International Court of Justice in the amount of \$650,000 as recommended by the Advisory Committee.

35. Prior to a section by section review of the estimates, inclusive of supplementaries, at the 175th to 177th meetings of the Committee, a general exchange of views took place concerning the budget as a whole. Concern was expressed by many delegations lest the rapidly mounting expenditures imposed upon the Organization should seriously endanger its financial stability and its capacity to carry out effectively the essential tasks for which it was created. It was the sense of the Committee that Member Governments, no less than the Secretariat, had a special responsibility to ensure that the activities and programmes of the Organization during the coming year were kept within manageable proportions having regard to the resources available and the necessity of using those resources with economy and prudence. With these considerations in mind, the Committee took note of the decision of the Secretary-General at the outset of the present financial year to set aside a certain percentage of the appropriations granted by the General Assembly, to be expended only when and as absolutely necessary. The Committee, in commending this decision, was of the opinion that, in view of the present financial stringency and of the concern felt by Member Governments over the growing size of the budget, such measures should be continued and, if possible, amplified during 1949. In these circumstances, the Belgian delegation agreed not to proceed with a proposal it had made for blocking 10 per cent of the budget appropriations for all items, which amount could be expended only with the concurrence of the Advisory Committee.

36. In general, the estimates were approved, in second reading, without objection. Specific proposals were made, however, with respect to the following items:

(a) A proposal by the USSR delegation to reduce the estimates for printing by \$300,000 was rejected by 11 votes to 8, with 3 abstentions, but a similar proposal for a reduction of \$150,000 was approved by 14 votes to 7, with 11 abstentions.

(b) A proposal by the USSR delegation to reduce the amount for technical assistance for economic development (under section 10) from \$288,000 to \$25,000 was rejected, on a roll-call vote, by 40 to 6, with 2 abstentions. A proposal of the Belgian delegation to reduce this item to \$170,000 was also rejected, on a roll-call vote, by 32 to 6, with 11 abstentions.

(c) In the case of section 13 (Department of Public Information) the Committee rejected, by 29 votes to 14, with 3 abstentions, a proposal by the USSR delegation to reduce the estimates by \$500,000, and, by 26 votes to 14, with 6 abstentions, a similar proposal to effect a reduction of \$250,000. A Belgian proposal to reduce these estimates by 5 per cent was defeated by 23 votes to 16, with 7 abstentions.

(d) In connection with section 20 (European Office) the Committee approved, by 14 votes to 9, with no abstentions, a proposal of the USSR delegation to increase by \$12,490 the allocation for the Committee on Trade and Development of the Economic Commission for Europe.

(e) A proposal of the USSR delegation to reduce by \$571,000 the estimates under section 25 (Advisory Social Welfare Services) was rejected by 23 votes to 5, with 8 abstentions.

37. On the basis of a report by the Advisory Committee (A/770) the Fifth Committee, at its 168th meeting approved, by 38 votes to none, with 2 abstentions, a supplementary estimate of \$487,000 to provide for an increase in the cost-of-living allowance paid to headquarters staff. A further supplementary estimate in the amount of \$3,797,000, representing the cost of converting salaries and allowances from a net to gross basis for the purposes of the Staff Assessment Plan was also approved, without objection, at the 171st meeting of the Committee.

38. Consequent on the decision of the General Assembly that Spanish should be adopted as a working language of the Assembly, provision was made for this purpose in the budget estimates (section 26) in the amount of \$347,466 representing the sum which the Secretary-General had submitted as his estimate of the cost of this proposal (A/624). At the 176th meeting of the Committee, the USSR delegation proposed that consideration of this estimate be deferred until the second part of the session in order that the adoption of Russian as a working language might be considered at the same time. A similar request was made by the Chinese delegation, who felt that the General Assembly should have an opportunity of discussing the position of both Chinese and Russian as well as Spanish as working languages. On a roll-call vote, however, the USSR proposal was defeated by 41 votes to 7, with 1 abstention. A proposal of the United States delegation to reduce the estimate to \$300,000 was then approved without objection, after an assurance had been given that, since the original estimate had been based on a 12-month period whereas it would, in fact, take time to recruit the necessary staff, such a reduction would not in any way prejudice or impede the implementation of the General Assembly's resolution. Section 26 was then approved by 40 votes to none, with  
dd /8 abstentions.

8 abstentions.

39. A number of delegations indicated their inability to approve section 6 of the budget estimates in view of the provision made therein for certain activities which they considered unconstitutional.

40. After accepting a revised estimate of miscellaneous income of \$4,794,550, the Committee, at its 177th meeting, approved by 31 votes to none, with 6 abstentions, a total appropriation for 1949 of \$43,487,128.

41. The Committee took note of the possibility that during the second part of the third regular session of the General Assembly, matters might arise which would require supplementary appropriations to be voted with a view to their assessment and collection during the financial year 1949.



WORKING CAPITAL FUND: And unforeseen and extraordinary expenses

42. At its 157th meeting the Committee considered the provisions of the draft resolution relating to the Working Capital Fund as contained in appendix C of chapter I of the second report of the Advisory Committee of 1948 (A/598). A proposal presented by the Union of Soviet Socialist Republics that the Fund for 1949 be established in the sum of \$15,000,000, subject to the understanding that it could be increased by any sum up to \$5,000,000 which the General Assembly might decide to allocate for assistance to Palestinian refugees, was rejected by 27 votes to 4, with 2 abstentions. In the course of this and of subsequent meetings, attention was called by several members of the Committee to the heavy inroads which had already been made into the Working Capital Fund and to the necessity of ensuring that further calls upon the Fund, particularly during the first six months of 1949, were kept to an essential minimum. The draft resolution, as recommended by the Advisory Committee, was approved, at the Committee's 157th meeting, by 30 votes to none, with 4 abstentions.

43. The Committee decided that a separate resolution relating to further advances from the Working Capital Fund to the Interim Commission of the International Trade Organization should be presented for adoption by the General Assembly, in view of the fact that these advances related to the financial year 1948 as well as to 1949. Under this resolution, adopted by the General Assembly on 18 November 1948 (A/717), a further advance to the Interim Commission of the International Trade Organization of \$344,843 was authorized, subject to the general provisions governing advances to specialized agencies as set out in paragraph (d) of the draft resolution on the Working Capital Fund.

44. Consequent upon the recommendation of the Fifth Committee, as endorsed by the General Assembly on 19 November 1948 (A/726), to authorize an immediate advance from the Fund in connexion with assistance to Palestinian refugees, the draft resolution as initially approved was modified by the inclusion of an additional paragraph making provision accordingly.

45. At its 154th meeting, the Committee considered the provisions of the draft resolution on unforeseen and extraordinary expenses as recommended by the Advisory Committee (appendix B of Chapter I of the second report of 1948, A/598). In order to give effect to decisions which the Committee had already taken in principle, the inclusion in the draft resolution, of the following provisions was agreed to:

- (a) On the basis of texts submitted by the Secretary-General (A/C.5/249) and jointly by the delegations of Chile, China, the United States of

America and Venezuela (A/C.5/243), a provision was included, authorizing the withdrawal of funds from the Working Capital Fund to meet the expenses of second sessions of the Social Commission, the Economic Commission for Asia and the Far East and the Economic Commission for Latin America, should such sessions be found necessary by the Economic and Social Council.

(b) On the basis of a text submitted by the Secretary-General (A/C.5/249), as redrafted by the representative of France, a provision was also included (by 26 votes to 6, with 8 abstentions) authorizing withdrawals from the Working Capital Fund to meet the expenses of the proposed Economic Commission for the Middle East, should this Commission be established in 1949.

There being no objection to the other provisions of the draft resolution, the text as a whole was approved by 35 votes to none, with 2 abstentions. 46. In the discussion of the draft resolution, differences of opinion were expressed as to the meaning of the terms "unforeseen" and "extraordinary". It was pointed out, however, that agreed definitions of these terms had been accepted by the General Assembly and were to be found in the resolution relating to the Working Capital Fund adopted at the second part of the first regular session.

47. In consequence of the foregoing decisions, the Fifth Committee has the honour to recommend to the General Assembly the adoption of the following resolutions:-

A.

APPROPRIATION RESOLUTION FOR THE FINANCIAL YEAR 1949

THE GENERAL ASSEMBLY

RESOLVES that for the financial year 1949:

1. An amount of \$ 43,437,128 (U.S.) is hereby appropriated for the following purposes:

A. THE UNITED NATIONS

PART I. SESSIONS OF THE GENERAL ASSEMBLY, THE COUNCILS, COMMISSIONS AND COMMITTEES.

Section

1. The General Assembly and Commissions and Committees thereof .....	\$ 1 706 200	
2. The Security Council and Commissions and Committees thereof .....	472 300	
3. The Economic and Social Council and Commissions and Committees thereof .....	\$ 438 780	
(a) Permanent Central Opium Board and Drug Supervisory Body .....	45 000	
(b) Regional Economic Commissions ..	<u>48 110</u>	531 890
4. The Trusteeship Council and Commissions and Committees thereof .....	<u>150 000</u>	\$ 2 860 390

PART II. SPECIAL CONFERENCES, INVESTIGATIONS AND INQUIRIES

5. Special Conferences .....	86 330	
6. Investigations and Inquiries .....	<u>5 248 303</u>	5 334 633

PART III. HEADQUARTERS, NEW YORK

7. Executive Office of the Secretary-General .....	332 360	
8. Department of Security Council Affairs .....	645 400	
9. Military Staff Committee Secretariat ..	162 200	
10. Department of Economic Affairs .....	2 181 000	
11. Department of Social Affairs .....	1 256 125	
12. Department for Trusteeship and Information from Non-Self Governing Territories .....	812 490	
13. Department of Public Information ....	\$2 860 050	
A. Library Services .....	<u>378 110</u>	3 238 160
14. Department of Legal Affairs .....	480 380	

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/15. Conference

15. Conference and General Services .....		\$6 825 000	
16. Administrative and Financial Services .....		1 387 120	
17. Common Staff Costs .....		4 379 200	
18. Common Services .....		2 083 700	
19. Permanent Equipment .....		<u>370 090</u>	\$24 153 225
PART IV. EUROPEAN OFFICE			
20. The European Office (excluding direct costs, Chapter III, Secretariat of the Permanent Central Opium Board and Drug Supervisory Body) .....	3 667 880		
Chapter III, The Secretariat (direct costs) of the Permanent Central Opium Board and Drug Supervisory Body .....	<u>41 200</u>	<u>3 709 080</u>	\$ 3 709 080
PART V. INFORMATION CENTRES			
21. Information Centres (other than Information Services, European Office)...		<u>719 990</u>	\$ 719 990
PART VI. REGIONAL ECONOMIC COMMISSIONS (Other than the Economic Commission for Europe)			
22. Economic Commission for Asia and the Far East .....		587 380	
23. Economic Commission for Latin America .....		<u>385 430</u>	\$ 972 810
PART VII. HOSPITALITY			
24. Hospitality .....		20 000	\$ 20 000
PART VIII. ADVISORY SOCIAL WELFARE FUNCTIONS			
25. Advisory Social Welfare Functions ..		631 000	\$ 631 000
PART IX. UNDISTRIBUTED EXPENSES			
26. Cost of the adoption of Spanish as a Working Language .....		300 000	\$ 300 000
B. INTERNATIONAL COURT OF JUSTICE			
PART X. THE INTERNATIONAL COURT OF JUSTICE			
27. Salaries and Expenses of Members of the Court .....		375 000	
28. Salaries, Wages and Expenses of the Registry .....		205 000	
29. Common Services .....		60 000	
30. Permanent Equipment .....		10 000	\$ 650 000



PART XI. COST OF CONVERTING SALARIES AND ALLOWANCES FROM NET  
TO GROSS AND INCREASE IN HEADQUARTERS COST OF LIVING ALLOWANCES

31. Cost of converting salaries and allowances from net to gross and increase in headquarters cost of living allowances .....	<u>\$4 286 000</u>	<u>4 286 000</u>
		\$43 637 128
32. Global reduction on provisions for Contractual Printing .....		<u>- 150 000</u>
		<u>\$43 487 128</u>

2. The appropriations granted by paragraph 1 shall be financed by contributions from Members after adjustment as provided by regulation 17 of the Provisional Financial Regulations. For this purpose miscellaneous income for the financial year 1949 is estimated at \$ 4,794,550 (U.S.).

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

4. The Secretary-General is authorized

- (i) To administer as a unit the appropriations provided under section 3a and section 20, chapter III, as detailed under paragraph 1.
- (ii) To transfer credits from sections 26 and 31 to other sections of the budget as are appropriate.
- (iii) To apply the reductions under section 32 to the various sections concerned.
- (iv) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to transfer credits between sections of the budget.

5. In addition to the appropriations granted by paragraph 1, an amount of \$23,000 (U.S.) is hereby appropriated for purchase of books, periodicals and maps, and library equipment from the income of the Library Endowment Fund in accordance with the objects and provisions of the endowment.

B.

RESOLUTION RELATING TO THE WORKING CAPITAL FUND

THE GENERAL ASSEMBLY

RESOLVES that:

1. The Working Capital Fund shall be maintained to 31 December 1949 at the amount of \$20,000,000 (U.S.);
2. Members shall make advances to the Working Capital Fund in accordance with the scale adopted by the General Assembly for contributions of Members to the fourth annual budget;
3. There shall be set off against this new allocation of advances, the amounts paid by Members to the Working Capital Fund for the financial year 1948; provided that, should the advance paid by any Member to the Working Capital Fund for the financial year 1948 exceed the amount of that Member's advance under the provision of paragraph 2 hereof, the excess shall be set off against the amount of contributions payable by that Member in respect of the fourth annual budget, or any previous budget.
4. The Secretary-General is authorised 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;
  - (b) Such sums as may be necessary to finance commitments which may be duly authorized under the provisions of the resolution relating to unforeseen or 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 purposes, do not exceed \$250,000 to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities. Advances in excess of the total of \$250,000 may be made with the prior concurrence of the Advisory Committee. The Secretary-General shall submit, with the annual accounts, an explanation of the outstanding balance of the revolving fund at the end of each year;
  - (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.

budgets. In making such loans, which shall be repayable within two years, the Secretary-General shall have regard to the proposed financial resources of the agency concerned, and 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 \$3,000,000 and for any issue which would increase the balance outstanding (including amounts previously advanced and outstanding) in respect of any one agency to an amount in excess of \$1,000,000; and, within these amounts, to make available to the Interim Commission for the International Trade Organization, additional loans not to exceed \$344,843 for the period 1 January 1949 to 31 December 1949;

(e) Such sums as, together with the sums previously advanced and outstanding for the same purpose, do not exceed \$500,000 to continue the staff housing fund in order to finance advance rental payment, guarantee deposits and working capital requirements for housing the staff of the Secretariat. Such advances shall be reimbursed to the Working Capital Fund following the recovery of the rental advances, guarantee deposits and working capital advances;

(f) Such sums as, together with sums previously advanced and outstanding for the same purpose, do not exceed \$75,000 to continue a revolving fund to finance loans to certain staff members for purchase of furniture and household goods;

(g) In consultation with the Advisory Committee on Administrative and Budgetary Questions, such sums up to \$5,000,000 for assistance to Palestine refugees in accordance with the provisions of the resolution adopted by the General Assembly at its 163rd plenary meeting on 19 November 1948.

C.

RESOLUTION RELATING TO UNFORESEEN AND EXTRAORDINARY EXPENSES

THE GENERAL ASSEMBLY

RESOLVES that, for the financial year 1949,

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 \$2,000,000 (U.S.), if the Secretary-General certifies that they relate to the maintenance of peace and security or to urgent economic rehabilitation; or
- (b) Such commitments as relate to expenses occasioned by an eventual second session of the Social Commission, of the Economic Commission for Asia and for the Far East and of the Economic Commission for Latin America not to exceed \$22,760, \$19,300 and \$10,000 respectively under each of these three headings, on approval of the holding of such sessions by the Economic and Social Council.
- (c) Such commitments as may be necessary to provide for expenses for the proposed Economic Commission for the Middle East should the Economic and Social Council decide that this Commission be created in 1949;
- (d) Such commitments, duly certified by the President of the International Court of Justice, relating to expenses occasioned:
  - (i) By the appointment of assessors (Statute, Article 30) or of witnesses and experts (Statute, Article 50);
  - (ii) By the maintenance in office of judges that have not been re-elected (Statute, Article 13, paragraph 3);
  - (iii) By the holding of sessions of the Court away from The Hague (Statute, Article 22);

and which do not exceed \$25,000, \$40,000 and \$75,000 respectively under each of these three headings;

The Secretary-General shall report to the Advisory Committee and to the next regular session of the General Assembly all commitments made under the provisions of this resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the General Assembly in respect of such commitments.