

UNITED



NATIONS

OFFICIAL RECORDS OF THE THIRD SESSION OF  
THE GENERAL ASSEMBLY

SUPPLEMENT No. 7

---

ADVISORY COMMITTEE ON ADMINISTRATIVE  
AND BUDGETARY QUESTIONS

FIRST REPORT OF 1948  
TO THE GENERAL ASSEMBLY

A/534

Lake Success

New York

1948

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## ERRATUM

The following correction should be made to the *Official Records of the third session of the General Assembly*, Supplement No. 7:

*Page 6*

*Delete the last two lines of the first sub-paragraph of paragraph 30 and substitute the following:*

“ . . . above \$3,000,000 in total or \$1,000,000 in the case of any one agency.”

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The functions of the Advisory Committee on Administrative and Budgetary Questions were defined by the General Assembly at the first part of the first session as follows:

“(a) To examine and report on the budget submitted by the Secretary-General to the General Assembly;

“(b) To advise the General Assembly concerning any administrative and budgetary matters referred to it;

“(c) To examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with such agencies;

“(d) To consider and report to the General Assembly on the auditors’ reports on the accounts of the United Nations and of the specialized agencies.”

During its first session of 1948, which was held at the temporary headquarters from 1 to 19 March, the Advisory Committee considered a number of matters referred to it by the General Assembly at its second regular session or otherwise falling within the competence of the Committee. These are the subject of the present report.

The Committee wishes to acknowledge the continuous assistance of the Secretary-General and his principal officers, whose unfailing co-operation facilitated the Committee’s task.

The Committee will make a report on the budget estimates for 1949 at the end of its summer session.

The members of the Committee are:

Mr. Thanassis Aghnides (Chairman)

Mr. Andre Ganem

Dr. C. L. Hsia

Mr. V. Kabushko

Mr. O. P. Machado<sup>1</sup>

Sir William Matthews

Dr. Jan Papanek

Mr. Donald C. Stone

Mr. N. Sundaresan

Th. AGHNIDES  
*Chairman*

24 March 1948

<sup>1</sup> Absent from the March session owing to ill health.

## CHAPTER I

## Work-planning and Co-ordination

PROPOSAL FOR THE ESTABLISHMENT OF A  
WORK-PLANNING COMMITTEE

1. The Fifth Committee, in its report to the second regular session of the General Assembly (document A/498), requested the Advisory Committee to examine and report to the following session on the whole problem of work-planning both within the United Nations and in relation to the work programmes of the specialized agencies.

2. In its study of the problem, the Advisory Committee has had before it proposals submitted to the Fifth Committee by the Belgian delegation (document A/C.5/179) and by the Canadian delegation (document A/C.5/W.55), together with a report of the third session of the Co-ordination Committee (document E/625) and a Note by the Secretary-General calling the attention of the Advisory Committee to certain cognate questions reviewed by the Economic and Social Council at its sixth session.

3. It will be recalled that, at its ninety-sixth meeting, the Fifth Committee discussed at some length the Belgian proposal to establish a work-planning committee of the United Nations (document A/C.5/179) and the alternative Canadian proposal to assign to the Interim Committee of the General Assembly the following tasks (a) to consider any recommendation or decision by one of the three Councils involving expenditures beyond the approved budget estimates; (b) to recommend, after consultation whenever possible with the Advisory Committee on Administrative and Budgetary Questions, to the Secretary-General that necessary advances should be made from the Working Capital Fund; and (c) to report its conclusions to the General Assembly (document A/C.5/W.55). The Canadian proposal was intended solely as a temporary measure for the period between the second and third regular sessions of the General Assembly.

4. Both proposals are closely linked with the question of the relationship between the main organs of the United Nations, particularly in the exercise of budgetary functions by the General Assembly. While the Councils may make recommendations or adopts resolutions involving expenditures for which budget estimates have not previously been approved by the General Assembly, such expenditures can only be incurred prior to the following session of the General Assembly if:

(a) They can be met from savings on existing appropriations, or

(b) They are of such a nature that they can be financed from the Working Capital Fund through the exercise by the Secretary-General (in

certain cases with the concurrence of the Advisory Committee) of authority conferred upon him by Part C of resolution 166 (II) of the General Assembly.

Where recourse is made to the Working Capital Fund, it is incumbent upon the Secretary-General thereafter to present a supplementary estimate to reimburse the Fund, but this procedure tends to prejudice the free exercise by the General Assembly of its budgetary powers having regard to the difficult situation which would arise from a rejection of the estimate.

5. In the exercise of its budgetary responsibilities, the Fifth Committee fully recognized the difficulties inherent in the present structure and operation of the main organs of the United Nations. It was also clear that the Committee was unwilling without further consideration to recommend the creation of new machinery. Concern was expressed lest the creation of a new body should interfere in budgetary matters with the prerogatives of the Assembly and the responsibilities of the Secretary-General. Attention was also drawn to the danger of creating between the General Assembly and the Fifth Committee, or between the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions, an additional body which might tend to complicate rather than simplify existing machinery.

6. On the suggestion of the representative of Mexico, the Fifth Committee agreed that the Advisory Committee should study the whole problem and that its report to the third regular session of the General Assembly should indicate in what manner the terms of reference of the Advisory Committee might be adjusted to meet the problem. The Belgian and Canadian proposals were thereupon withdrawn, though the representative of Belgium requested that the Advisory Committee's report on the subject should include more precise views regarding regular consultation between the Advisory Committee and the Co-ordination Committee, since through the agency of the latter body, a better co-ordination could be achieved between the activities of the United Nations and those of the specialized agencies.

7. The Committee was informed that the Secretary-General attaches great importance to this problem for the further reason that it affects his own administrative and financial responsibilities and his relations with specialized agencies. In this connexion, attention is called to the terms of General Assembly resolution 125 (II):

"Considering that it is essential, in order to prevent overlapping of activities and duplication of effort, to develop more effective co-ordination

in the economic and social fields among the organs and subsidiary organs of the United Nations, among the United Nations and the specialized agencies and among the specialized agencies themselves, and to provide means for assessing the relative urgency and importance of projects . . .” the General Assembly therefore calls upon . . . the Members, the Economic and Social Council, the specialized agencies and the Secretary-General to undertake certain specific tasks of programme, administrative and budgetary co-ordination.

8. The question was the subject of discussion by the Co-ordination Committee, of which the Secretary-General is Chairman, at its third session in Geneva in January 1948. The Co-ordination Committee reported specifically on this item, as also on the closely related subjects of budgetary and programme co-ordination, to the sixth session of the Economic and Social Council.

9. The Council, during its sixth session, adopted on 10 March 1948 the following resolution:

*“The Economic and Social Council*

*“Requests the Commissions of the Council to establish priorities of work in their respective programmes based on the urgency and importance of the projects in fulfilling the purposes of Article 55 of the Charter of the United Nations and to indicate these priorities in their reports to the Economic and Social Council.*

*“Requests the Secretary-General to submit to the seventh session of the Council suggestions regarding the form and character of the reports of Commissions and other subsidiary organs of the Council.”*

The Advisory Committee believes that action on the foregoing lines by the Economic and Social Council, in conjunction with the efforts of the Co-ordination Committee, should tend to produce a solution of the problem without the creation of new machinery.

10. The Committee fully appreciates the special status of the Security Council, much of whose work cannot be planned in advance. This special status is recognized not only in the Charter but in the General Assembly resolution 166 (II) on unforeseen and extraordinary expenditures, which authorizes the Secretary-General in cases relating to peace and security to withdraw up to \$2,000,000 from the Working Capital Fund without consultation with the Advisory Committee.

11. The Trusteeship Council has established no subsidiary organs, and has agreed that it will undertake only one mission annually to visit and report on territories under trusteeship agreement; therefore, a relatively smaller problem of work-planning and priorities is involved. Problems of conflicting jurisdiction between the Economic and Social Council and the Trusteeship Council can be dealt with in the future, as in the past, by *ad hoc* arrangements, while any problems of overlapping with work of the specialized agencies

in Trust Territories can be referred in the first instance to the Co-ordination Committee.

12. As a result of its consideration of the problem, the Advisory Committee has arrived at the following conclusions:

(i) Co-ordination of programmes and of priorities between and within such programmes can best be achieved by the Governments themselves, acting in the General Assembly and the Councils of the United Nations, and in the conferences and governing bodies of the specialized agencies. This point has already been emphasized in General Assembly resolution 125 (II).

(ii) The Economic and Social Council, as a work-planning and co-ordinating body, as defined in Chapters IX and X of the Charter, constitutes an appropriate centre for harmonizing the actions of nations in the attainment of the desired ends. But this instrument can be effective only if the representatives of Member nations speak with the same voice in the General Assembly, the Councils and the specialized agencies and if the Secretary-General is enabled to furnish the detailed information required, with appropriate analyses, in such a manner as will ensure a constructive and critical judgment on the relative urgency and priority of projects.

(iii) The Secretary-General's co-ordinating responsibility derives from his position under the Charter as the chief administrative officer for the United Nations. With his staff of experts in political, economic, social and legal fields and the flow of information on political, economic and social conditions throughout the world, he is in a privileged position to advise the Councils and the General Assembly on the urgency and priority of projects proposed by the Members or by the specialized agencies. The Committee accordingly urges that the Secretary-General should be assisted in every way in the exercise of this important function.

(iv) The role of the Advisory Committee in this matter arises from its mandate to examine, on behalf of the General Assembly, the budgets of the United Nations and the administrative budgets of the specialized agencies and to advise the General Assembly concerning any administrative and budgetary matters referred to the Committee. In three previous reports (documents A/C.5/134, A/CN.1/1 and A/336) the Committee has brought to the attention of the Assembly the overall problem of work-planning, as related to the finances of the Organization. The Committee reaffirms its views that the primary responsibilities for work-planning and priorities belong to the Members, to the General Assembly and the Economic and Social Council, and to the Secretary-General; and it does not believe it necessary therefore to extend its terms of reference in order to broaden its powers in this field. Within its present terms of reference, the Advisory Committee will continue to examine (when necessary in consultation with the appropriate committees) the procedure established for the fulfilment of this function, and to



appraise the results of the procedure as reflected in the various budgets.

13. To sum up, the Advisory Committee is of the opinion that it is premature at this stage of the organization to establish additional formal machinery for work-planning within the United Nations or between the United Nations and the specialized agencies.

#### RELATIONS WITH SPECIALIZED AGENCIES

14. By resolution 125 (II) the General Assembly requested the Secretary-General, in consultation with the specialized agencies, through the Co-ordination Committee, and in consultation with the Advisory Committee on Administrative and Budgetary Questions, to prepare a report and to make recommendations to the Economic and Social Council and to the third regular session of the Assembly with respect to certain questions of administrative and budgetary co-ordination between the United Nations and the specialized agencies.

The General Assembly commended to the attention of specialized agencies having agreements with the United Nations, certain recommendations of the Advisory Committee concerning their budgets and questions of administrative co-ordination arising from the budget review (resolution 165 (II)).

During the March session of the Advisory Committee the Secretary-General reported progress made under these resolutions and consulted the Committee on various problems related thereto.

Furthermore, in view of certain policy recommendations previously made by the Committee, its advice was sought by the Secretary-General on the principles and methods to be followed in obtaining reimbursement from the specialized agencies for services and facilities provided by the United Nations.

15. The Advisory Committee is glad to observe the spirit of co-operation that prevails between the United Nations and the specialized agencies, and it commends the efforts already made to achieve the objectives set by the General Assembly. Particular attention is drawn to the following points:

(i) The Committee learned that the comparative study of administrative and financial systems which it had suggested is under way, and it is confident that such a review will stimulate the development of the most effective budgetary, administrative and financial practices in the United Nations and in the specialized agencies.

(ii) The Committee was informed that the Co-ordination Committee had not yet fully considered the feasibility of improved budgetary co-ordination at the level of the General Assembly and the annual conferences of the agencies. It is hoped, however, that concrete recommendations will be formulated in the Co-ordination Committee for joint discussion with the Advisory Committee at its summer session.

(iii) The Committee notes the progress made at a technical level in arriving at a plan for greater uniformity in the presentation of the budgets of the United Nations and of the specialized agencies. Members of the United Nations and of the specialized agencies which serve on committees of financial control or comparable bodies dealing with budgets of the agencies will no doubt pursue this objective and take all necessary steps to ensure that the definitions of objects of expenditure and the form of the various budgets are such as to assist the General Assembly and national financial organs in making a comparison of costs of common types of services.

(iv) The Committee understands that the specialized agencies will transmit their budgets or budgetary estimates for 1949 to the Secretary-General by 1 July 1948, or earlier if the governing body of the agency should act on the estimates before that date. The work of the Committee would be facilitated if appropriate summaries and analyses were attached to these estimates. The importance of consultation with the United Nations Secretariat during the period of preparation of the budgets by the specialized agencies is again emphasized.

The Committee stresses the necessity for the greatest possible measure of co-ordination of programmes and budgets between (a) the United Nations and the specialized agencies, and (b) between the various specialized agencies.

(v) The Committee understands that the Secretary-General of the International Civil Aviation Organization will propose to the Council of that agency that its fiscal year should coincide with that of the United Nations and the majority of the specialized agencies. The work of the Co-ordination Committee in connexion with the schedule of annual conferences also holds promise of a system that will facilitate programme and budgetary co-ordination.

(vi) Finally, the Committee notes that the United Nations Educational, Scientific and Cultural Organization has adopted specific measures to meet the recommendations of the General Assembly regarding that agency.

16. At the specific request of the Secretary-General, the Committee has reviewed the present policy of cost recovery for facilities and services furnished to the specialized agencies by the United Nations. The policy in this matter was previously examined by the Committee at its summer session in 1947, particularly in connexion with the Geneva budget estimates. While the relevant paragraphs of the Committee's report (document A/336, paragraphs 189, 190 and 227) continue to represent the opinion of the Committee, some elaboration may be helpful:

(i) The size of a meeting or the length of a loan of services should be considered in determining whether any charges should be made. If, for example, an agency or agencies wish to hold a two-day meeting in rooms available at Lake Success, Manhattan, Geneva, or other premises

under the management of the United Nations, it appears reasonable to provide necessary facilities free of rental or maintenance expenses, provided that no abnormal demands on staff and facilities are entailed. It is expected that like courtesies would be extended to small United Nations meetings held in areas in which the specialized agencies possess equivalent facilities. Staff loans of short duration might also be arranged on a reciprocal basis, only travel and *per diem* cost being chargeable to the borrowing agency.

(ii) Major conferences or continuing administrative arrangements should be serviced on the basis of a reasonable recovery of all additional expenses incurred on behalf of the borrowing agency. It is agreed that, at Lake Success, these expenses will not normally include such overhead costs as will in any event be incurred, whether or not facilities and services are supplied to specialized agencies. At Geneva, however, the normal establishment was based upon the assumption that a considerable proportion of the total work-load would be attributable to specialized agencies. It appears equitable, therefore, to recover, without meticulous cost accounting, a substantial share of total costs, corresponding to this proportion of the total work-load. The Committee draws the attention of the Administration and the agencies requiring services to the fact that such an arrangement will call for the payment of an appropriate share of overhead costs at Geneva, together with a share of direct service

costs and costs of supplies. Payment is also contemplated of an appropriate share of maintenance costs, though not of rental.

(iii) The Committee suggests that where loans of personnel are made on a basis of reimbursement the rates established by the United Nations need not include such items as United Nations contributions to workmen's compensation, group life insurance or allowances having only an insignificant bearing on the total daily rate. The Committee also favours a simplification of the accounting processes through a reduction in the number of rates; average rates for groups of personnel—senior, intermediate, junior and secretarial-clerical—might usefully be adopted.

17. On the question of recovery of expenditures made by the United Nations for services to the specialized agencies, one member of the Committee has expressed the opinion that "these expenditures must be fully recovered from the specialized agencies". He considers that "such a solution of the question must be deemed objective and just, proceeding from the existence of separate budgets for the United Nations and the specialized agencies, from the dissimilar membership of these organizations, and also from the agreements which exist between the United Nations and the specialized agencies". He further expressed the view that the system of accounts could be simplified without violating the principle of full recovery.

## CHAPTER II

### The 1948 Budget

#### TRANSFERS OF APPROPRIATIONS BETWEEN BUDGET SECTIONS RESULTING FROM ORGANIZATIONAL CHANGES IN THE SECRETARIAT

18. In the course of the session the Secretary-General requested authority of the Committee to transfer appropriations between certain sections of the 1948 budget in order to give effect to transfers of functions approved by him on the recommendation of the Management Survey.

19. The principal item involved is a transfer of \$184,957 from sections 8, 14 and 15 to section 13, in order to establish a centralized library service (excluding the language reference services) within the Department of Public Information.

The Committee understands that the reorganization is not necessarily a permanent one, and that it has been undertaken as a measure of expediency in the circumstances of the moment.

Clearly, the creation of a library at headquarters worthy of the Organization must wait upon the establishment of the permanent headquarters. While appreciating that a centralization of the service is a desirable end, the Committee does not feel that in normal circumstances the Department of Public Information would

be the appropriate location. In fact, the library service, in its present form, is not closely allied to the other functions now assigned to any one of the eight departments.

The Committee proposes to give further consideration to the matter when it receives a report on the economy and efficiency of the reorganization represented by the above transfer, together with the views of the Administration on the findings of the Management Survey as a whole. It will await also the views of the Committee of Library Experts, which is due to meet at headquarters in July 1948.

Bearing in mind, however, that the Secretary-General believes that such a transfer, regarded as a provisional measure, affords the best solution, the Committee does not feel justified in withholding its concurrence in the necessary budget transfer. It notes that additional expenditure is not involved.

20. The Committee considered and approved the following requests:

(a) To transfer \$45,740 from section 15 to section 13 (transfer of the Sales Section from the Department of Conference and General Services to the Department of Public Information).

(b) To transfer \$11,840 from section 15 to section 13 (transfer from the Department of Conference and General Services of certain printing operations connected with the printing of publications of the Department of Public Information).

(c) To transfer \$15,040 from section 11 to section 10 (transfer of certain statistical functions from the Department of Social Affairs to the Department of Economic Affairs).

21. Subject to the reservations indicated in paragraph 19, the Committee concurs in the following transfers of credits between appropriation sections:

Section Number	Section Title	Increase (dollars)	Decrease
8	Department of Security Council Affairs		7,050
10	Department of Economic Affairs	15,040	
11	Department of Social Affairs		15,040
13	Department of Public Information	242,537	
14	Legal Department		4,420
15	Department of Conference and General Services		231,067
		<u>257,577</u>	<u>257,577</u>

TRANSFERS OF APPROPRIATIONS BETWEEN BUDGET SECTIONS RESULTING FROM THE APPLICATION OF SAVINGS TO NEW EXPENDITURES

22. In addition to the foregoing, authority was requested by the Secretary-General for transfers of appropriations to meet the following expenses: United Nations Appeal for Children; films for advisory social welfare functions; transfer of two interpreters to Geneva; certain alterations and improvements in the temporary headquarters premises.

23. In reviewing the administrative budget for the United Nations Appeal for Children, now estimated to amount to approximately \$317,000 in 1948, the Committee has considered two distinct aspects: (a) budgetary procedure in connexion with the financing of the project, and (b) justification for the expenditure.

It may be noted that the project, initiated by a resolution of the General Assembly in 1946 and by subsequent action on the part of the Economic and Social Council at its fourth session, was considered at the second regular session of the General Assembly by the Third Committee, whose report was adopted by the General Assembly without reference to the Fifth Committee. Thus, no opportunity was afforded to the Fifth Committee either of debating the method of financing this Appeal or of scrutinizing the administrative cost.

Nevertheless, it is recognized that the Administration could not have foreseen, at the time of the General Assembly, the additional adminis-

trative expenditure that has resulted from the extension of the campaign dates in most of the participating countries. Approximately \$127,000 of the proposed expenditure for 1948 is of this unforeseen character.

With regard to the various items for the administration of the Appeal, the Committee emphasizes the need to keep travel to a minimum, to enlist voluntary helpers wherever feasible, and to make the fullest possible use of Secretariat personnel on loan, without imposing a burden on the Appeal. In urging that any tendency to continue temporary staff beyond the period of need should be resisted, the Committee is mindful of the experience of national Governments in liquidating temporary special projects. The Committee was informed that the total estimated expenditure could, it was anticipated, be met within existing appropriations for 1948.

In view of the peculiar circumstances of the case, the Committee concurs in the transfer of an amount of \$267,520 from sections 21 and 29 to section 16, for the purpose of completing the work of the United Nations in connexion with this Appeal. At the same time, however, it would stress the importance of financial control by the United Nations Secretariat.

24. The Committee is satisfied that the remaining requests to which reference is made in paragraph 22 are justified, and accordingly it concurs in the following transfers of appropriations between sections:

	Increase (dollars)	Decrease
Section 13 .....		25,500
Section 15 .....		12,750
Section 16 .....	267,520	
Section 17 .....	12,750	
Section 21 .....		187,520
Section 24 .....		16,875
Section 28 .....		49,000
Section 29 .....		80,000
Section 32 .....	65,875	
Section 35 .....	25,500	
<b>TOTAL</b>	<b>371,645</b>	<b>371,645</b>

FINANCIAL IMPLICATIONS OF RESOLUTIONS ADOPTED BY THE ECONOMIC AND SOCIAL COUNCIL AT ITS SIXTH SESSION (FEBRUARY-MARCH 1948)

25. The Secretary-General presented a report to the Committee on the financial implications of resolutions adopted by the sixth session of the Economic and Social Council, amounting to a total of approximately \$650,000. Of this sum \$403,000 related to economic rehabilitation, \$137,000 to expenditures that will be absorbed in the budget, \$63,000 to urgent requirements for which no budgetary provision has been made, and \$47,000 to matters to be deferred until the third regular session of the General Assembly. While no immediate action was re-

quired of the Committee, the Secretary-General desired that the action taken by him under Provisional Financial Regulation No. 38 should be a matter of record with the Committee.

26. The Committee would wish to make the following comments on the action so taken:

(1) A number of resolutions introduced by delegations and commissions were substantially modified or postponed in view of their financial implications; the resolution proposing the re-introduction of verbatim records is a case in point;

(2) The Secretary-General signified his intention and ability to undertake, without additional staff, a number of new projects recommended by the Council but not provided for in the 1948 budget. It appears, however, to the Committee that the regular departmental staff might be expected to absorb even more of the proposed new workload by reassignments from less urgent activities. The absorption of new projects within the budget appears to indicate an effort on the part of the Secretary-General to meet criticism advanced in connexion with the 1948 budget to the effect that every new activity seemed to involve new staff;

(3) The Secretary-General informed the Committee that he intends to postpone the implementation of a number of resolutions until the General Assembly has been able to take ap-

propriate budgetary action. The Committee fully supports the Secretary-General in the exercise of his responsibility in this matter;

(4) It appears that the Secretary-General may have classified certain projects of the Council as requiring immediate implementation not because of their intrinsic urgency but because the expenditures are small and the Council has requested early reports. The Committee considers this to be wrong in principle and recommends that, in future, the Council should be informed that many projects and studies on non-urgent matters can only be prepared as staff becomes available upon completion of other projects or as additional funds are made available by the General Assembly.

(5) While the Secretary-General is fully competent under the terms of resolution 166 (II) of the General Assembly to take necessary steps to finance any work which he may certify as relating to economic rehabilitation, the Committee would urge that each item within the programmes of the new or proposed regional economic commissions should be weighed carefully against the standard of urgency and priority of all the programmes of the United Nations, in view of the heavy and continuing financial burden which the Commissions will entail.

27. The Committee will await further information regarding these programmes at its summer session.

### CHAPTER III

#### The Working Capital Fund

##### FINANCIAL POSITION OF THE FUND

28. The Committee was informed that, as on 29 February 1948, a total of \$19,938,000.00 had been advanced by Members to the Working Capital Fund. Of this sum, \$7,098,928.91 had been utilized by the Secretary-General to finance budgetary expenditures pending receipt of annual contributions, for unforeseen and extraordinary expenses or for the purposes of the various sub-funds authorized by the Working Capital Fund resolution. The balance of funds available on 29 February 1948 was thus \$12,839,071.09, of which \$11,006,119.38 was invested in short-term securities.

##### FINANCING OF PRELIMINARY WORK ON THE PERMANENT HEADQUARTERS SITE

29. Under resolution 182 (II) of the General Assembly, the Secretary-General was authorized to utilize, with the prior concurrence of the Advisory Committee, a sum not exceeding \$1,000,000 from the Working Capital Fund to continue detailed architectural and engineering planning work in preparation for the construction of the permanent headquarters.

The Committee has agreed to commitments not exceeding a total of \$755,000 in this respect.

##### LOANS TO SPECIALIZED AGENCIES

30. Paragraph 4 (d) of part C of resolution

166 (II) relating to the Working Capital Fund 1948 authorized the Secretary-General to make loans to specialized agencies or the preparatory bodies thereof provided that the prior concurrence of the Advisory Committee was obtained before outstanding loans were permitted to rise above \$2,000,000 in total or \$1,000,000 in the case of any one agency.

The Committee has been kept fully informed by the Secretary-General of the position regarding such loans, and has agreed that the total of loans outstanding by 30 June 1948 may be increased to \$3,550,000, to cover primarily continuing requirements of the Interim Commission of the World Health Organization and those of the Conference on Trade and Employment or the Interim Commission of the International Trade Organization.

Outstanding loans authorized at 15 February 1948 stood as follows:

	<i>Dollars</i>
1. World Health Organization Interim Commission . . . . .	1,451,500
2. International Refugee Organization . . . . .	20,000
3. International Conference on Trade and Employment . . . . .	977,887
<b>TOTAL</b>	<b>2,449,387</b>

31. It is hoped that the World Health Organization will be established by the latter half of 1948, and its Interim Commission has agreed to recommend to the first World Health Assembly that the organization should make provision in its first budget for repayment of the loans made to it by the United Nations. Since, however, there will necessarily be some delay in collecting contributions, the United Nations may not receive reimbursement until 1949, that is, until after the expiry of the two-year period provided in the Working Capital Fund resolution, and in such event the Secretary-General will need sanction from the General Assembly to extend the period within which repayment must be made.

32. The expenditure in connexion with the International Trade Conference has necessarily been met by the United Nations in the first instance. Since, however, it is expected that these advances (amounting to possibly \$1,200,000 by 30 June 1948) will be recoverable from the International Trade Organization when established, the resources of the Working Capital Fund have been utilized.

33. The Committee has asked the Secretary-General to formulate, for its consideration, a statement of a general principle to determine, in connexion with the creation of new organizations as a result of conferences called by the United Nations, which expenses may properly be borne on the United Nations budget and which should be regarded as recoverable from the new organization concerned.

34. However, the opinion was expressed by one member of the Committee that "all expenditures connected with the creation of a new organization, even one resulting from a conference called by the United Nations, must be covered by this new organization".

#### REVOLVING FUND TO FINANCE MISCELLANEOUS SELF-LIQUIDATING PURCHASES AND ACTIVITIES

35. The Committee has also considered an interim report by the Secretary-General on the status of the sub-funds under the revolving fund to finance miscellaneous self-liquidating purchases and activities, which was established under the authority of paragraph 4 (c) of part C of resolution 166 (II) of the General Assembly.

The limits of these sub-funds stood, on 20 February 1948, at \$338,548, and while the Committee agrees that some flexibility is desirable it believes that all necessary operations can now be carried out within a limit of \$390,000. It has therefore reduced the limit of its prior authorization from \$490,000 to \$390,000.

The Committee considers it desirable that the Secretary-General should maintain the sub-funds under paragraph 4 (c) of part C of the above resolution at the lowest level consistent with their purposes, and that all practical steps should be taken to obviate unnecessary delays in reimbursement from delegations.

## CHAPTER IV

### Accounts and Audit

#### SIMPLIFICATION OF THE ACCOUNTING SYSTEM

36. In accordance with a request made by the Fifth Committee at its ninety-fourth meeting, the Committee has reviewed the present system of budgetary accounting. It was assisted in this task by two members of the Board of Auditors.

The Committee had before it two reports from the Secretariat, the first dealing with a history of the accounting regulations of the United Nations and with the steps necessary for a simplification of the system; the second proposing the establishment of a revolving fund to cover the purchase of stores and supplies, and designed to simplify the accounting system, particularly in connexion with paper supplies for printing.

37. The simplifications of the accounting system which have been proposed by the Secretary-General appear to meet the principal criticisms made by the Advisory Committee and the Auditors. Apart from these, the Committee does not consider, on the evidence submitted, that any further changes in the accounting system are required at the present time. Defects revealed by

the 1946 audit have been remedied for the most part by improvements in the administration of the allotment system, by certain controls introduced at departmental level, and by amendments of the Provisional Financial Regulations providing for a clearer segregation of each financial year.

38. The Committee also examined a proposal for the establishment of a revolving sub-fund of the Working Capital Fund for the purchase of stores and supplies. It reached the view, however, that substantially the same purpose could be achieved by means of a temporary account within the 1948 budget. The Secretary-General proposes that such an account should be created within appropriation section 15 (Conference and General Services); the total sum involved at any one time not to exceed \$150,000; all charges to the account to be distributed by the end of the year to the appropriations properly chargeable with the costs. The Committee has assented to the proposal provided that no costs remain as charges to the temporary account at the close of the financial year.

39. Before a final report to the third regular

session of the General Assembly is made on these questions, however, the Committee believes it appropriate to review the provisions of Financial Regulations 6, 11, 12, 13, 32 and 35. Accordingly, the Committee has requested the Secretary-General, in consultation with the Board of Auditors, to submit to its June session any proposals for changes in the regulations which may appear necessary in the light of experience.

#### INTERIM REPORT ON THE AUDIT OF THE 1947 ACCOUNTS

40. During its previous session, the Committee received informally from the Board of Auditors data on its mid-year examinations of the 1947 accounts. The Committee had these data under consideration, as also the views of the Administration, and has dealt with the various points raised.

41. The Board of Auditors discussed with the Committee questions concerning the existing organization and functions of the Internal Audit Division. As a result, the Committee is not convinced that an internal audit, in the accepted sense, serves an essential purpose in the Organization, and since there is evident need to stimulate and maintain efficiency in the various sections of the Secretariat, an adjustment of functions to permit the division to undertake tasks of administrative inspection and supervision may be desirable. The Committee would wish to re-

ceive the considered views of the Secretary-General on this question and on the cognate question of co-ordination between the Audit and Management Engineering Divisions.

42. In connexion with the financing of specialized agencies, the Committee feels that care should be taken to ensure that sums advanced from the Working Capital Fund to finance the establishment of an agency are in all cases submitted to audit by the United Nations. For that purpose a distinction should be drawn between the initial stage before ratification of the inter-governmental agreement and the subsequent period when the agency, upon establishment, assumes liability for loans advanced by the United Nations and its own responsibilities for audit.

43. The Board of Auditors, under the able chairmanship of Mr. Watson Sellar, Auditor-General of Canada, has made an outstanding contribution to the work of the United Nations, and in recording its appreciation the Committee desires to pay a tribute to the retiring member, Mr. V. Shishov, of the Ukrainian Soviet Socialist Republic, who has rendered devoted and invaluable service to the Organization.

#### SCOPE OF THE AUDIT OF THE 1948 ACCOUNTS

44. As the Board of Auditors for 1948 will not be constituted, as such, until 1 July 1948, the scope of the audit of the 1948 accounts will be considered by the Committee at a later session.

## CHAPTER V

### Joint Staff Pension Scheme

#### PROPOSALS OF THE STAFF BENEFIT COMMITTEE

45. By resolution 162 (II) the General Assembly requested the Advisory Committee to examine and report on the proposals of the Staff Benefit Committee for a permanent pension scheme (document A/398), together with the observations thereon of certain delegations (documents A/C.5/183, A/C.5/195 and A/CN.1/W.32).

The need for a revision of the Provisional Retirement Scheme approved by the General Assembly in 1946 (resolution 82 (I)) arises largely from the fact that actuarial valuation disclosed that the annual cost of the benefits under the Provisional Scheme represented 24.51 per cent of salaries, whereas the scheme was

based on the assumption that its cost would not exceed 21 per cent, of which the staff member would contribute one-third (7 per cent) and the Organization two-thirds (14 per cent). The Staff Benefit Committee therefore put forward two alternative series of benefits, each costing approximately 21 per cent of salaries, but based on differing assumptions in regard to the compulsory retirement age for staff members: the one, that the retirement age would be raised to sixty-five years, the other, that it would remain at sixty years. Inasmuch as the General Assembly subsequently rejected a proposal to raise the retirement age from sixty to sixty-five years, the Advisory Committee has considered only the proposals for a pension scheme based on a retiring age of sixty years.

46. The following table gives a summary comparison of the benefits under (a) the Provisional Scheme and (b) the new scheme proposed by the Staff Benefit Committee, together with a comparison of costs expressed as a percentage of salaries.

Type of benefit	Provisional Scheme		Scheme proposed by Staff Benefit Committee	
	Cost expressed as per cent of salary	Rate of benefit	Rate of benefit	Cost expressed as per cent of salary
Retirement pension	13.09	1/60 Based on average salary during last five years	1/60 Maximum of 50 per cent of average salary during last ten years	12.62
Disability pension	3.23	Same as retirement pension, with minimum of 33-1/3 per cent	Same as retirement pension, with minimum of 33-1/3 per cent	3.13
Withdrawal benefits:				
Within first 5 years of service	.06	Participant's own contributions plus interest; in cash	Participant's own contributions plus interest; in cash	.06
After first 5 years of service	.53	Actuarial equivalent in cash	Actuarial equivalent in cash	.51
Widows' pensions:				
In active service	2.32	50 per cent of disability pension	50 per cent of disability pension	2.24
After service retirement	1.59	50 per cent of participant's pension	50 per cent of participant's pension	1.52
After disability retirement	.31	50 per cent of participant's pension	50 per cent of participant's pension	.30
Death benefits to dependants:				
In active service	1.57	Benefit payable to one dependant at discretion of Committee for period as determined; benefit to be not greater than that payable to a widow	None	
After service retirement	1.35			
After disability retirement	.46			
Death benefit payable to any designated beneficiaries		None	Participant's own contributions plus interest; payable on death in active service when no widow's pension is payable	.50
	<u>24.51</u>			<u>20.88</u>

47. It will be noted that the actuarial cost of this new proposal is 20.88 per cent of salaries, and the Staff Benefit Committee recommends that the cost should be met, as hitherto, by a contribution of 7 per cent of salaries by participants in the scheme and 14 per cent by the Organization. The Committee was informed that if, as is the ultimate objective, all staff members were participants in the scheme, the charge to the budget of the Organization in respect of its own contributions would amount to approximately \$1,400,000 a year, on the basis of the present cost of salaries. It should, however, further be noted that certain benefits to orphan children of deceased staff members are at present provided not from the Pension Fund but as a direct charge to the budget of the Organization. The actuarial cost of these benefits to orphans was stated to be 1.48 per cent of salaries, so that the total cost of the non-effective

services would be 22.36 per cent, rather than 20.88 per cent of salaries. It was represented by the Staff Benefit Committee that if the cost of the benefits to orphans is transferred from the general budget to the Pension Fund, the latter should be financed by contributions totalling 22.50 per cent of salaries, of which the staff would be willing to contribute one-third (7½ per cent of salaries), leaving two-thirds (15 per cent of salaries) to be met by the Organization.

48. The Advisory Committee believes that it would be preferable to include the orphans' benefits within the general Pension Scheme, but suggests that the General Assembly itself should determine whether the cost thereof should also be found within a total contribution rate of 21 per cent. Were the orphans' benefits to be so included within the 21 per cent, some reduction in other benefits would be inevitable. The Advisory Committee has asked the Staff Benefit



Committee to prepare, for the information of the General Assembly, a schedule showing what scaling-down of other benefits would result from the inclusion of the provision for orphans' benefits within a contribution rate of 21 per cent. The Advisory Committee would suggest, in any case, that a reduction in benefits could justifiably be made without causing hardship: to eliminate pensions for staff members' widows without dependent children until they reach the age of forty years.

Subject to the foregoing observations, the Advisory Committee believes that the proposals of the Staff Benefit Committee are well conceived and that they should in the main be accepted.

#### COMMENTS ON THE COST OF THE SCHEME; RECOMMENDATION RELATING TO THE WITH- DRAWAL BENEFIT

49. In connexion with the liability of the Organization to make up any deficits in the Fund, the Advisory Committee desires to point out that the cost of the scheme is already high, and that should actuarial valuation disclose a surplus on the Fund, that surplus should be used to reduce the cost of the scheme and not to vary the benefits.

50. The report of the Staff Benefit Committee leaves unresolved a number of questions; for example, the entitlement of a staff member's widow who is herself a member of the Secretariat; or whether a woman who marries a staff member within, say, one year of his retirement should be eligible for a widow's pension. The Advisory Committee hopes that the detailed regulations to be drafted will cover these and other questions.

51. The Advisory Committee would also suggest that the present method of payment of benefits to staff members withdrawing from the scheme after five years' service should be reconsidered, without affecting the amount of the benefit itself. The Staff Benefit Committee proposes that such staff members should receive, as withdrawal benefit, a lump-sum payment equal to the actuarial equivalent of the pension to which the participant has become entitled. This proposal is based on the reasonable assumption that in an international organization a certain proportion of the staff will serve for relatively short periods, and that payment of a lump-sum benefit on termination of service will facilitate the participant in resuming a career upon return to his own country. While the Advisory Committee recognizes that there is some force in this argument, it feels that payment of a lump-sum benefit tends to defeat the main purpose of the scheme, which is to provide continuing protection for staff members at a time when they may not be in a position to earn. Accordingly, the Committee recommends that, as a compromise, where staff members withdraw from the scheme after ten years' service, their withdrawal benefit should take the form of a deferred annuity; but that where withdrawal takes place after com-

pletion of five years' but before completion of ten years' service, the participant should have the option of taking either the deferred annuity or its actuarial equivalent as a lump-sum payment.

#### SPECIALIZED AGENCIES

52. The Advisory Committee has constantly borne in mind the desirability of evolving a pension scheme which will cover both the United Nations and the specialized agencies: a common scheme of that character is at the root of common conditions of service for the various secretariats and would facilitate the interchange of staffs. The Committee understands that the United Nations scheme is broadly acceptable to some specialized agencies; it noted, however, in the course of its discussion, that the International Bank and the International Monetary Fund are considering independent pension schemes for their respective staffs. Both the benefits and the cost (18 per cent of salaries) of these schemes are lower than those of the proposed United Nations scheme. The Advisory Committee, which heard an explanation of the Bank's proposals from representatives of that organization, has formed the opinion that the main difference between the schemes lies in the age of retirement, which in the Bank is sixty-five years. The Committee hopes that before reaching a decision, the two specialized agencies concerned will reconsider the United Nations proposals and make every effort to adopt them. In the contrary event, however, the Committee trusts that the Staff Benefit Committee, in conjunction with the specialized agencies, will consider ways and means by which a staff member transferring from one organization to another will at the same time be enabled without difficulty to transfer his accrued rights or their actuarial equivalent from the one pension scheme to the other.

#### POSSIBLE FUTURE CHANGES IN THE PENSION SCHEME

53. Changes in mortality rates, rates of interest and similar factors will in all probability necessitate further changes in the Pension Scheme in future. These may take the form either of changes in contribution rates or in benefits, and the Advisory Committee deems it of the utmost importance that the right of the General Assembly to make such changes, to apply either to existing or future participants, should be expressly reserved. While it hopes that the General Assembly will be able to adopt a pension scheme which will not need amendment for a considerable time, the Advisory Committee believes that the entitlement of a staff member must necessarily be liable to change by action of the General Assembly at any time before the staff member retires, although the Committee would agree that once a staff member has retired, his pension should continue to be governed by the regulations in force at the time of retirement. (Such a condition was included in the Provisional Scheme, and the Advisory Commit-



tee is of opinion that a similar one should form part of any future scheme.)

54. The foregoing examination has been devoted mainly to the underlying principles of the scheme, leaving it to the Staff Benefit Committee to proceed with the drafting of detailed regulations in the light of the Advisory Committee's views.

In its work, the Advisory Committee was assisted by the preparatory work done by the Staff Benefit Committee, and by the clear reports presented by that Committee, whose task in effect had been to determine how the benefits in the Provisional Scheme could with least hardship be reduced in order to make the scheme actuarially sound with a contribution rate not exceeding 21 per cent of salaries.

## CHAPTER VI

### Recommendations relating to the payment of travelling and subsistence expenses to representatives to the General Assembly and members of commissions and other bodies

55. By resolution 164 (II) the General Assembly referred to the Advisory Committee the question of payment of travelling expenses and subsistence allowances to members of commissions, for consideration and report to the third regular session.

In its study of the problem, the Committee has examined the relevant documents, including the proposal submitted to the Fifth Committee by the Belgian delegation with respect to expenses incurred by Governments as the result of participation in commissions of inquiry or conciliation (document A/C.5/W.58). The Committee has also taken note of the existing practice of the United Nations in regard to the payment of travelling expenses and, in certain cases, of subsistence allowances to representatives or members of the General Assembly, the Councils, the commissions, sub-commissions and other organs or subsidiary organs of the United Nations, in order to arrive at sound and equitable recommendations.

56. Existing practices may be summarized as follows:

#### A. *The General Assembly and Commissions and Committees thereof*

##### (1) *The General Assembly session*

Travelling expenses are paid for five representatives of each Member. The representatives are not entitled to subsistence allowances.

##### (2) *The Advisory Committee on Administrative and Budgetary Questions*

Travelling expenses and subsistence allowances are paid to each of the individual members.

##### (3) *Committee on Contributions*

Travelling expenses and subsistence allowances are paid to each of the individual members.

##### (4) *Interim Committee of the General Assembly*

Neither travelling expenses nor subsistence allowances are paid by the United Nations.

#### B. *The Security Council and Commissions and Committees thereof*

##### (1) *The Security Council*

Representatives to the Council do not receive either travelling expenses or subsistence allowances.

##### (2) *Atomic Energy Commission*

Representatives to this Commission do not receive either travelling expenses or subsistence allowances.

##### (3) *Commission for Conventional Armaments*

Representatives to this Commission do not receive either travelling expenses or subsistence allowances.

#### C. *The Economic and Social Council and Commissions and Committees thereof*

##### (1) *The Economic and Social Council*

Representatives to the Council do not receive either travelling expenses or subsistence allowances. Rapporteurs of commissions attending the meetings of the Council are entitled to travelling expenses and subsistence allowances.

##### (2) *Fiscal Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

##### (3) *Transport and Communications Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

##### (4) *Statistical Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(5) *Sub-Commission on Statistical Sampling*

Members of this Sub-Commission are entitled to travelling expenses and to subsistence allowances.

(6) *Economic and Employment Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(7) *Sub-Commission on Employment and Stability*

Members of this Sub-Commission are entitled to travelling expenses and to subsistence allowances.

(8) *Sub-Commission on Economic Development*

Members of this Sub-Commission are entitled to travelling expenses and to subsistence allowances.

(9) *Commission on Human Rights*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(10) *Sub-Commission on Freedom of Information*

Members of this Sub-Commission are entitled to travelling expenses and to subsistence allowances.

(ii) *Sub-Commission on Prevention of Discrimination and Protection of Minorities*

Members of this Sub-Commission are entitled to travelling expenses and to subsistence allowances.

(12) *Commission on the Status of Women*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(13) *Population Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(14) *Narcotic Drugs Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(15) *Social Commission*

Representatives to this Commission are entitled to travelling expenses but not to subsistence allowances.

(16) *Permanent Central Opium Board and Drug Supervisory Body*

Members of these two bodies are entitled to travelling expenses and to subsistence allowances.

D. *The Trusteeship Council and Commissions and Committees thereof*

(1) *The Trusteeship Council*

Representatives to the Council do not receive either travelling expenses or subsistence allowances.

E. *Special Conferences*

(1) *Conference on Freedom of Information*

(2) *International Conference on Housing<sup>1</sup>*

(3) *International Maritime Conference*

(4) *Conference on Passports and Frontier Formalities*

No payments are made to representatives of Governments represented at special conferences.

F. *Investigations and inquiries*

(1) *Trusteeship Visiting Mission to Africa*

Members of this Mission are entitled to travelling expenses and subsistence.

(2) *United Nations Palestine Commission* (created by the second regular session of the General Assembly)

Representatives to this Commission are entitled to travelling expenses and subsistence allowances.

(3) *United Nations Special Committee on the Greek Question (UNSCOB)*

Representatives and alternate representatives to this Committee are entitled to travelling expenses and subsistence allowances.

(4) *United Nations Temporary Commission on Korea*

Representatives and alternate representatives to this Commission are entitled to travelling expenses and subsistence allowances.

G. *Economic Commission for Europe; Economic Commission for Asia and the Far East; Economic Commission for Latin America (prospective)*

Representatives to these Commissions are entitled to travelling expenses but not to subsistence allowances.

57. The need for a more rational treatment will be as apparent to the General Assembly upon examination of the above schedule as it is to the Advisory Committee.

58. There appear to the Committee to be only two main categories of membership in the organs and subsidiary organs of the United Nations: (a) representatives of participating Members; and (b) members serving on commissions, committees and other bodies in their individual capacity.

<sup>1</sup> Conference postponed.

It may be noted that the Secretary-General introduced, in March 1946, a provisional rule (SGB/9) making a clear distinction between the two categories:

"The travel expenses and allowances of officials representing Governments to international conferences, commissions and committees will *not* be paid by the United Nations, but the travel expenses and allowances of members of expert commissions will be met by the United Nations."

The General Assembly has, however, taken action varying this rule in a number of specific cases covered by resolutions 70 (I), 106 (S-I), 164 (II), 166 (II), 181 (II).

59. The Committee is of the opinion that the Secretary-General should continue to pay to members of commissions or committees who are selected in an individual capacity an allowance to cover their subsistence at the meeting place of the commission or committee. The accepted principle that such a payment represents subsistence and not a fee for services is confirmed.

As regards representatives of Members participating in commissions or committees, adoption of the following principles is recommended:

(a) That neither travelling expenses nor subsistence allowances should be paid out of United Nations funds in respect of representatives to organs or subsidiary organs in continuous or virtually continuous session, or in respect of representatives to organs or subsidiary organs the members of which have a particular local interest in the region served; and

(b) That travelling expenses, but not subsistence allowances, should be paid out of United Nations funds in respect of one representative of each Member participating in (i) organs or subsidiary organs meeting periodically, or (ii) commissions of inquiry or conciliation instituted by the General Assembly or by one of the Councils and working away from headquarters.

60. It is desirable, in the view of the Committee, to maintain the present practice of paying travelling expenses and subsistence allowances (a) to a rapporteur or chairman of a committee or sub-commission serving in an expert capacity who is called upon to present its report to a parent body, and (b) to a member of a commission acting as its representative on a second commission or committee of the United Nations. In no case, however, should the expenses of more than one person be borne on the United Nations budget.

61. The Committee has also considered the question of the retroactive reimbursement of Members represented on certain commissions of inquiry or conciliation, and is of the view that the principle of payment of travelling expenses and subsistence allowances to representatives and alternate representatives—a principle adopted by the General Assembly in the cases of the Special Committee on Palestine (UNSCOP), the Special Committee on the Greek Question

(UNSCOB) and the Temporary Commission on Korea—should not apply retroactively.

62. With a view to facilitating the administration of the policies suggested, it is recommended that each organ, within the limits of its own jurisdiction, should define the character of any new commission or committee, that is, whether composed of members serving in an individual capacity or of representatives designated by Member Governments.

The Secretary-General should, as in the past, issue rules implementing the general policy of the General Assembly and determining the specific scales of travelling expenses and subsistence allowances under that policy. The Committee further suggests that in the determination of such scales, regard should be had to those applicable to official travel of staff members.

The Committee recognizes, of course, that, in the past, certain decisions were taken with respect to payments to representatives to the General Assembly and the Councils and to members of certain commissions and committees. The recommendations of the Committee are so framed as not to interfere with these decisions except in cases where overriding considerations of an administrative or financial order suggest the desirability of a change. It may be noted in this connexion that while, under the general principles defined in paragraph 59, representatives to the Economic and Social Council and the Trusteeship Council would be entitled to travelling expenses, the Committee suggests that the existing practice should be maintained as an exception to those principles. In doing so, it takes account of the high honour and privilege of representation in the Councils of the United Nations.

The Committee's recommendations which are summarized in appendix A, and the budgetary implications of which are shown in appendix B, are not intended to affect commitments entered into for the year 1948 under resolutions of the General Assembly.

63. One member of the Committee states that, in his opinion, "the decision for the creation of the investigating commission in Greece and the Korean Commission is in contradiction with the Charter". He objects "categorically to the inclusion in the United Nations budget of any expenditures whatsoever connected with the activity of these commissions, and considers such expenditures mentioned in the report of the Advisory Committee completely illegal".

In the opinion of the Committee, however, its report should not be used as a vehicle for the expression of political views by any one of its members. The Committee considers therefore that, in the light of its terms of reference, the above statement is *ultra vires*, involving as it does a personal judgment on issues which have already been resolved by decision of the sovereign Assembly. The statement is inserted only because of the repeated, insistent demand of the Committee member in question.

## Appendix A

The following schedule shows how the foregoing recommendations would be applied to the particular organs and subsidiary organs of the United Nations.

1. *Bodies for which no travel or subsistence would be paid:*

- (a) Security Council,
- (b) Economic and Social Council,
- (c) Trusteeship Council,
- (d) Atomic Energy Commission,
- (e) Commission for Conventional Armaments,
- (f) Interim Committee of the General Assembly,

(g) Special conferences to which Governments are invited to send representatives,

*No change from present practice.*

(h) Regional Economic Commissions,

*Change from present practice.*

2. *Bodies for which travel would be paid:*

(a) Five representatives of each Member to the General Assembly,

(b) Commissions of the Economic and Social Council to which representatives are nominated by Governments in consultation with the Secretary-General and subsequently confirmed by the Council,

*No change from present practice.*

(c) Commissions of inquiry or conciliation instituted by the General Assembly or the Security Council, e.g., Palestine Commission, Special Committee on the Greek Question (UNSCOB), Temporary Commission on Korea, etc. (Such commit-

tees or commissions which are already receiving subsistence in addition to travel expenses should be continued on this basis until their work is completed. Any new commissions or committees of this type should be authorized on the basis of travel only),

*Change from present practice.*

3. *Bodies for which travel and subsistence would be paid:*

(a) Advisory Committee on Administrative and Budgetary Questions, Contributions Committee of the General Assembly, Board of Auditors,

(b) Sub-Commissions of the Economic and Social Council on which the members serve in a personal capacity.

(c) Visiting missions of the Trusteeship Council,

(d) Advisory committees of an expert character established by the Secretary-General, e.g., Staff Benefit Committee, International Civil Service Advisory Board, Committee of Library Experts, etc.,

*No change from present practice.*

## Appendix B

## BUDGETARY IMPLICATIONS OF THE COMMITTEE'S RECOMMENDATIONS ON TRAVELLING AND SUBSISTENCE EXPENSES (ON THE BASIS OF THE 1948 BUDGET FIGURES)

Section 6	Decrease (dollars)
Chapter II .....	170,000
Chapter III .....	131,960
Section 33	
Chapter I .....	11,250
Chapter II .....	27,500
TOTAL DECREASE	340,710

## CHAPTER VII

## Form of the 1949 Budget

64. The Committee has reviewed the form of the 1949 Budget proposed by the Secretary-General. It notes with satisfaction that every effort is being made to meet the various suggestions made by the Fifth Committee and the Advisory Committee last year. The structure of the appropriation sections will be substantially the same as in 1948, the principal difference being that the common services and similar estimates for the European and other branch offices, instead of being included in the same section as the corresponding estimates for headquarters, will be separated into sections specifically related to the office concerned: for example, the total costs of the Geneva office will be segregated into a special part of the budget. The cost of activities or the totals of common types of expenditure, which may be borne on a number of different appropriation sections, will be shown in separate statistical annexes.

65. The Committee also notes that the objects of expenditure which form the basis of the budget items have to a large extent been stand-

ardized with those used by specialized agencies. It hopes that the objective of a common form of budget for the United Nations and the specialized agencies will be steadily pursued, in so far as differences in the character of the organizations permit.

66. The preparatory work by the Secretariat in connexion with the compilation of the 1949 estimates appears to the Committee to have been soundly conceived, and to hold the promise of improved details to justify the estimates in terms of concrete workload data and authority for projects undertaken. The Committee has again emphasized to the Secretariat the importance of efficient scheduling of meetings to avoid uneven workload. It has suggested also that, since in its view a document so important and so widely used as the budget should be printed, consideration might be given to the question of providing certain standard information regarding the organization and functions of departments in separate notes which would not need to be reprinted each year.

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