



CONTENTS

	Page
Personnel policy: reports of the Secretary-General and of the Advisory Committee on Administrative and Budgetary Questions (<i>continued</i>)	249

Chairman: Mr. Awni KHALIDY (Iraq).

Personnel policy: reports of the Secretary-General and of the Advisory Committee on Administrative and Budgetary Questions (A/2533, A/2555, A/C.5/561) (*continued*)

[Item 51]*

Question concerning procedure

1. The CHAIRMAN said that numerous points on the agenda were still outstanding, and proposed that the Committee, in order to speed its work, should consider at first reading the various proposed amendments to the staff regulations. Any delegation which subsequently wished to modify any given regulation would thus be free to proceed, without a two-thirds majority vote being required to reconsider a previous decision.

In the absence of any objections the proposal was adopted.

2. The CHAIRMAN explained that no decision adopted in respect of any of the staff regulations would prevent the Committee from subsequently considering the point raised by the Australian representative, concerning the respective competence of the Administrative Tribunal and of the Secretary-General.

Establishment of a special fund for the payment of indemnities (A/C.5/L.257)

3. The CHAIRMAN requested the Committee to consider first the Argentine draft resolution concerning the possible establishment of a fund for the payment of indemnities (A/C.5/L.257).

4. Mr. CAFIERO (Argentina) introduced his delegation's draft resolution under which the General Assembly would request the Secretary-General to present at its ninth session a detailed report on the possibility of establishing a special fund to be used for the payment of indemnities. The amount of indemnities at any particular time might well be so large that payment would involve Member States in considerable expense. The contingent liability fund would consequently have a number of advantages. In the first place, the sums deposited would bear interest, which would propor-

tionately reduce contributions by Member States. Secondly, the Assembly would in future have the necessary sums at its disposal for the payment of indemnities, and would consequently be spared the recurrent discussion of the matter every year.

5. Sir Alec RANDALL (United Kingdom) thought the word "indemnity" was perhaps somewhat ambiguous. Indemnities were normally paid to staff members in pursuance of the staff regulations, and the amount involved was entered in the ordinary United Nations budget estimates. If by the term in question the Argentine delegation meant the indemnities payable by reason of special awards, he would not raise any basic objections to the Secretary-General being asked to report on the subject. He did not, however, see in what way the provision proposed by the Argentine delegation would be superior to the existing system under which the Secretary-General requested the General Assembly to approve supplementary appropriations. He would be inclined to support the suggestion made in the draft resolution that the General Assembly should request the Secretary-General to present a report on the matter. He felt, however, that the words "or desirability" should be inserted in the third paragraph of the draft resolution after the word "possibility", and that the paragraph should be supplemented at the end by the phrase "together with the comments of the Advisory Committee thereon".

6. Mr. CAFIERO (Argentina) stated that he had no objection to the amendments suggested by the United Kingdom representative. He explained that the word "indemnities", as used in the draft resolution, was intended to include both those entered in the current United Nations budget estimates and the compensation payable by reason of special awards.

7. Mr. ASHA (Syria) said he failed to see how estimates of expenditure entered in the 1954 budget, which the Committee was to examine during the current session, could be the subject of a report to be presented to the ninth session of the Assembly.

8. Mr. CAFIERO (Argentina) replied that the Argentine draft resolution was in no way connected with the indemnities to be considered by the Committee during the current session.

9. Mr. VANER (Turkey) said that the Secretary-General, in his report, should also discuss whether the establishment of such a fund would be compatible with the provisions of Article 17 of the Charter.

10. Mr. FENAUX (Belgium) pointed out that the word "indemnities" applied to several categories of payments, and the draft resolution should make it clear which indemnities were meant. He would also like to hear the Advisory Committee's views on the proposal.

11. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, like the United Kingdom represent-

* Indicates the item number on the agenda of the General Assembly.

ative, he could not see what advantages the proposed provision offered. Without wishing to anticipate the attitude of the Advisory Committee, he said the proposal seemed to cut across important constitutional issues and hence caused him some misgivings.

12. Mr. CAFIERO (Argentina) explained that his delegation was not asking the General Assembly to take a decision, but only to request the Secretary-General to present a report on the possibility and desirability of establishing a fund. The Secretary-General, in his report, would take into account the doubts expressed by the Turkish representative and by the Chairman of the Advisory Committee, and would state whether the establishment of such a fund was or was not reconcilable with the provisions of the Charter.

13. Mr. VANER (Turkey) observed that the difficulties raised by the Argentine draft resolution derived from the use of the word "fund", which signified a reserve for contingencies; that sort of reserve was common in commercial accounting but quite unknown in public accounts. So far as public accounts were concerned, the standard practice was for the legislature to appropriate funds for a financial year, and to enact special legislation if it anticipated that expenditure would continue beyond that year. If the matter were approached from the constitutional angle, it would be realized that the General Assembly could not delegate its powers, not even to the Secretary-General, and could not relinquish its power to scrutinize expenditure each year.

14. It was true, as the Belgian representative had said, that the word "indemnities" was too vague, but the Argentine representative should have no difficulty in particularizing by referring to the staff regulations which provided for the payments to which the proposal referred.

15. Mr. GANEM (France) thanked the Argentine delegation for a proposal which forced the Committee to consider a delicate problem. In that connexion, he recalled that the same delegation had in its time been the first to propose the establishment of the United Nations Postal Administration, which had finally come into being in spite of the resistance naturally induced by bureaucratic lethargy. Nevertheless, in the case under discussion many of the delegations might perhaps feel unable to give immediate support to the proposal. Perhaps the Argentine delegation might consent not to press its proposal and instead agree to an arrangement whereby the Committee, in the Rapporteur's report, should request the Secretary-General and the Advisory Committee to prepare, in time for the ninth session, a report to the Committee on the financing of indemnities, that report to take the views expressed in debate into account.

16. Mr. CAFIERO (Argentina) stated that if the Secretary-General did not consider a resolution necessary for the purpose of preparing such a report, his delegation would not press its draft resolution and would agree to the solution suggested by the French representative.

17. Mr. FENAUX (Belgium) stressed that, whichever solution was adopted, the Committee had to specify what indemnities were meant. As yet the only precise reference was given in the wording of the agenda item, which was reproduced in the heading of the draft resolution.

18. Mr. HAMMARSKJOLD (Secretary-General) stated that if the Committee expressed a wish to that

effect in the Rapporteur's report, he would undertake a study on the possibility and desirability of making budgetary arrangements for the payment of indemnities, and report the results of that study to the ninth session of the General Assembly.

19. Mr. AHSON (Pakistan) (Rapporteur) observed that the Committee would be discussing the draft report, and would consequently have every opportunity for suggesting modifications. He hoped the Argentine representative would assist him in drafting the relevant passages.

20. Mr. BRENNAN (Australia) said he saw no reason why that point should not be mentioned in the report. Nevertheless, a distinction should be drawn between the indemnities normally payable under the staff regulations and those awarded as compensation to dismissed staff members. In the case of the former, the establishment of a contingency fund would be in some ways advantageous, and might even facilitate the re-organization of the Secretariat. In the case of the latter, on the other hand, the proposal was open to serious objections of principle. A fund was indeed conceivable only if meant for financing recurrent expenditure, the approximate amount of which could be calculated in advance. In the case under discussion, it was quite unclear on what basis the amount to be placed in the fund was to be estimated.

21. Mr. M. I. BOTHA (Union of South Africa) said that if the study requested by the Argentine delegation were undertaken, the Secretary-General and the Advisory Committee should not regard the debate as implying that the Committee favoured the establishment of such a fund.

22. Mr. HAMMARSKJOLD (Secretary-General) observed that in his earlier remarks he had used the words "budgetary arrangements" rather than the term "fund". Indeed, he felt that the various solutions possible, and not merely the proposal for the establishment of a contingency fund, should be studied. He would be grateful for the Argentine representative's opinion on the point.

23. Mr. CAFIERO (Argentina) replied that he was not opposed to the formula suggested by the Secretary-General, provided that the final result was the same. There already existed a pension fund, and the establishment of a fund for the payment of indemnities awarded to officials leaving the service might also be contemplated.

24. Mr. ASHA (Syria) felt that it was preferable to speak of "budgetary arrangements", as suggested by the Secretary-General, rather than of a "fund". The United Nations Joint Staff Pension Fund, to which the Argentine representative had referred, was maintained with contributions paid both by the United Nations and by the staff. Similar means of financing could hardly be employed in the case of the fund of which the Argentine delegation was thinking.

25. Mr. VANER (Turkey) considered that even the expression "budgetary arrangements" was too wide. The alternative was either a fund, or else a reserve for unforeseen expenditure resulting from the application of the staff regulations.

26. Mr. FRIIS (Denmark) said that preferably a broad term should be used, for the Committee should avoid giving the impression that it favoured any particular procedure. The Danish delegation did not, in principle, support the idea of a fund. The Secretary-Gen-

eral would, in his report, bear in mind the different views expressed on the subject.

27. Mr. KIA (Iran) said his delegation attached great importance to the statement made by the Chairman of the Advisory Committee, and wished it to be mentioned in the Committee's report.

28. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) explained that he had only intended to convey to the Committee his doubts concerning the advisability of establishing the proposed fund; those doubts were certainly shared by the other members of the Advisory Committee. Such a measure would create numerous difficulties of an institutional nature. There already existed in the Organization several funds, such as the Joint Staff Pension Fund and the Working Capital Fund. It seemed preferable to follow the methods applied in the past, which took the form of supplementary appro-

priations, rather than resort to new methods. The establishment of a contingency fund for the payment of indemnities would, furthermore, remove such expenditure from the General Assembly's control, whereas the Secretary-General, as stated in document A/2533, attached the utmost importance to that control. Naturally, however, there was no objection to the Secretary-General examining the Argentine delegation's proposal.

29. The CHAIRMAN said at that stage the Committee was not discussing the substance of the matter; it was expected merely to decide whether its report to the General Assembly should say that the Secretary-General should present a detailed report on the question at the ninth session.

It was so decided.

The meeting rose at 11.50 a.m.