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*Chairman:* The Maharaja Jam Saheb of NAWANAGAR (India).

### Permanent financial regulations of the United Nations (A/1331, A/1412, A/C.5/L.50)

[Item 41]\*

1. The CHAIRMAN opened the debate on the question of the permanent financial regulations of the United Nations and introduced the various documents on that item which were before the Committee.

2. Mr. ANDERSEN (Secretariat) gave a brief account of the facts that led up to the drafting of permanent financial regulations for the United Nations, which might be adopted by the specialized agencies also. As a result of negotiations between the United Nations and the specialized agencies, agreement had been reached on the permanent financial regulations proposed by the Secretary-General as they appeared in document A/1331. The Advisory Committee on Administrative and Budgetary Questions had suggested certain amendments (A/1412) which the Secretary-General had transmitted to responsible administrative officers of the specialized agencies with a request for their comments.

3. The International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, and the World Health Organization had pointed out that the changes which the Advisory Committee had recommended for article XII could apply to the United Nations only, and that the corresponding article in the financial regulations of the specialized agencies would have a different text although the principle should remain unchanged.

4. The WHO preferred the retention of the regulation the Secretary-General had proposed for article XIV, paragraph 1, and was anxious to have article XV, paragraph 2 also retained. It was of the opinion that the proper place of the last-named provision was in the body of the financial regulations.

5. UNESCO did not accept the Advisory Committee's recommendation regarding article IV, paragraph 3 because, in its view, the draft proposed by the Advisory

Committee tended to limit the definition of legal obligations to goods supplied and services rendered. With respect to paragraph 5 of that article, UNESCO held that the provisions contained in the next text of that paragraph were applicable to the United Nations only and not to the specialized agencies, in view of the different manner in which the budgets of those agencies were drawn up and executed. Finally, UNESCO preferred the text proposed by the Secretary-General for article V, paragraph 3 to the one recommended by the Advisory Committee.

6. The International Civil Aviation Organization observed that the adoption, by that agency, of the permanent financial regulations as proposed for the United Nations would raise constitutional difficulties for that specialized agency. Nevertheless, its secretariat had said that, in so far as was possible, the ICAO financial regulations would conform to the model of the United Nations.

7. Apart from its objection to article XII, the ILO had said it was prepared to accept, for presentation to their Finance Committee, the changes recommended by the Advisory Committee. The International Telecommunication Union had recently adopted a new set of financial regulations as a provisional measure; the permanent regulations of the United Nations would be studied carefully after they were adopted and the provisional financial regulations of the ITU might be amended in the light of that study.

8. The United Nations Secretariat had been invited by the secretariat of the Preparatory Committee of the Inter-governmental Maritime Consultative Organization to assist in drafting a set of financial regulations for that specialized agency. In all likelihood, therefore, its financial regulations would be very similar to those of the United Nations.

9. As to the World Meteorological Organization, the question of its financial regulations would arise at its first Congress in 1951.

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

10. For his part, the Secretary-General accepted all the recommendations of the Advisory Committee. The only difficulty, therefore, arose from the hesitation some specialized agencies felt in adopting the Committee's recommendations.

11. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had tried, as far as possible, to maintain the text of the financial regulations proposed by the Secretary-General. On many points, it had refrained from making recommendations which it considered justified, in order to enable the greatest possible number of specialized agencies to adopt the new financial regulations.

12. It appeared, however, that the few recommendations of the Advisory Committee had led to fresh disagreements, due, largely, to an exaggerated desire for autonomy which some specialized agencies appeared to harbour. Once again, therefore, it seemed impossible to achieve the goal, so greatly desired, of complete co-ordination between the United Nations and its specialized agencies. Mr. Aghnides, however, thought it was time real progress was made; he stated that the Advisory Committee was prepared to re-consider, if necessary, its recommendations concerning the financial regulations.

13. Mr. MACHADO (Brazil) fully endorsed the remarks of the Chairman of the Advisory Committee. He thought that means should be sought to obtain practical results in co-ordination and that purely theoretical considerations should no longer be considered. He recalled that in the Economic and Social Council, the Brazilian delegation had requested that body to prepare a report on co-ordination describing the progress achieved and the points of disagreement.

14. As to the financial regulations, it did not appear to him normal that States which were Members of both the United Nations and the specialized agencies found themselves unable to agree on the same financial regulations for all the international organizations. It was also strange that the Secretariats of the United Nations and of the specialized agencies could not reach a larger measure of agreement.

15. He recalled that during a joint meeting of the Joint Second and Third Committee and the Fifth Committee, reference had been made to the fact that some specialized agencies did not succeed in collecting the full amount of the contributions due from their members (253rd meeting,<sup>1</sup> paras. 7-9). Under the provisions of article IV, paragraph 1, however, the Secretary-General was authorized to incur obligations and make payments for purposes for which the appropriations had been voted and up to the amounts so voted. It would therefore be wise to settle the question whether the Secretary-General could collect contributions corresponding to the amount of the credits authorized.

16. He supported the Advisory Committee's recommendations. He thought, however, that it might be helpful to insert after article V, paragraph 1, a new paragraph permitting Member States to pay part of their contributions to the expenses of the Organization

in currencies other than United States dollars. That might be characterized as a temporary measure, necessitated by the lack of balance in the world economic situation and, therefore, it should not be included in permanent financial regulations. The provision would not harm the interests of any Member State and if it were adopted the Committee would not have to revert to the matter each year.

17. The Brazilian representative therefore suggested the following text:

"The Secretary-General is authorized to receive contributions in other currencies than United States dollars.

"After determining the amounts needed by the United Nations in the corresponding fiscal year in other currencies than United States dollars, the Secretary-General shall notify the Member Governments, fixing the time limit for such payments and also the criteria for the participation in these amounts."

18. In reply to a question from Mr. YAWAR JUNG (India), Mr. ANDERSEN (Secretariat) stated that the total expenditure incurred by the United Nations during the fiscal year 1949 in currencies other than United States dollars had amounted to 22 per cent of the total expenses of the Organization. At the beginning of each financial year, the Bureau of Finance calculated the obligations of the Organization which had been contracted in currencies other than United States dollars and then informed Member States concerning the contributions they could pay in those currencies.

19. Mr. POLLOCK (Canada) was happy to note that the Secretary-General accepted the recommendations of the Advisory Committee. That was to be expected in view of the close collaboration between the Secretary-General, the Advisory Committee and the Board of Auditors when drafting the permanent financial regulations.

20. He had noted the objections raised by various specialized agencies, but there was no need to exaggerate the difficulties they entailed. Furthermore, it was not merely a matter of co-ordination: specialized agencies sometimes viewed the problems they had to solve from an angle different from that of the United Nations. Nonetheless, he agreed with the Chairman of the Advisory Committee that the financial regulations of the United Nations and the specialized agencies should be as uniform as possible.

21. The Canadian delegation would support the recommendations of the Advisory Committee because it believed that the financial regulations adopted by the Committee would in the main be those of the United Nations.

22. He recalled that during the conferences held by the various specialized agencies, his delegation had always urged them to establish better co-ordination between their activities and those of the United Nations. He hoped that the specialized agencies would as far as possible adopt the permanent financial regulations of the United Nations. The Committee might state in its report to the General Assembly that it would like the specialized agencies to adopt the financial regulations

<sup>1</sup> See *Official Records of the General Assembly, Fifth Session, Joint Second and Third Committee, 48th meeting.*

of the United Nations subject only to slight modifications, where very unique requirements had to be taken into account.

23. Mr. HAMBRO (Norway) expressed full agreement with the Canadian representative. He proposed that the draft permanent financial regulations should be examined article by article.

24. Lord CROOK (United Kingdom) supported the recommendations of the Advisory Committee which represented a great improvement on the text proposed by the Secretary-General, particularly with regard to paragraphs 3 and 5 of article IV, the original text of which was not without danger. Likewise, the recommendation of the Advisory Committee concerning paragraph 4 of article V greatly improved the original text of that paragraph.

25. He also expressed full support for the Advisory Committee's recommendation concerning the title of the new regulations (A/1412, para. 3): he believed that it would be inadvisable to speak of "permanent regulations" when it was impossible to tell in advance whether some of the provisions might not have to be altered in the future.

26. He regretted that he could not support the amendment suggested by the Brazilian representative. The idea underlying that amendment was excellent, but a provision of that kind should be included in the report of the Committee on Contributions and not in the financial regulations.

27. It was unfortunate that only one representative of the specialized agencies was present at the meeting of the Committee. He believed that it would be wrong to place too much emphasis on the objections submitted by some specialized agencies because the financial regulations of the United Nations would be only a model which they would not be bound to adopt in its entirety. Furthermore, governments which were represented both in the United Nations and the specialized agencies should make sure that their delegations acted consistently.

28. The CHAIRMAN asked the Committee to examine article by article the financial regulations of the United Nations as contained in document A/C.5/L.50.

#### ARTICLES I AND II

29. In reply to Mr. BRENNAN (Australia), Mr. AGHNIDES (Chairman of the Advisory Committee) confirmed that the Advisory Committee had approved the wording of paragraph 2.

*Articles I and II were adopted unanimously.*

#### ARTICLE III

30. Mr. BRENNAN (Australia) proposed that paragraph 3 should be amended to read: "... such information, annexes and explanatory statements as may be requested by or on behalf of the General Assembly and such further annexes or statements ..."

31. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) and Lord CROOK (United Kingdom) supported the amendment proposed by the Australian representative.

*The Australian amendment was adopted unanimously.*

32. Mr. BRENNAN (Australia) pointed out that the operation described in paragraph 7 was actually carried out in two stages: the General Assembly first determined the level of expenditure of the United Nations for the coming financial year and it was only then that it made the necessary appropriations to cover that expenditure. In those circumstances, he did not think it was necessary to authorize the Secretary-General to make transfers from one section of the budget to another, unless it were clearly stated in paragraph 7 that the General Assembly was to adopt each part, section, chapter and article of the budget separately.

33. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) thought it would be better not to amend the text proposed by the Secretary-General and recommended by the Advisory Committee for that paragraph.

34. Mr. BRENNAN (Australia) suggested that it should be stated explicitly that the General Assembly should also adopt the supplementary estimates for any given financial year. Paragraph 8 relating to supplementary estimates did not, as a matter of fact, specify that the General Assembly should adopt them and make the necessary appropriations.

35. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that the Board of Auditors had collaborated closely in the preparation of the financial regulations. All the provisions contained in those regulations had been examined in great detail and he did not think, therefore, that the amendment proposed by Australia would lead to any progress in the long run.

36. Mr. BRENNAN (Australia) withdrew his amendment.

37. Mr. POLLOCK (Canada) thought it could have been stated at the end of paragraph 9 that the General Assembly should examine the supplementary estimates and adopt them in the same way as it adopted the regular budget. Nevertheless, in view of the manner in which the draft financial regulations had been prepared, he did not insist upon his suggestion.

*Article III, as amended, was adopted unanimously.*

38. Miss WITTEVEEN (Netherlands) suggested that the Advisory Committee's comments on paragraph 3 of article III (A/1412) should be inserted in the Committee's report to the General Assembly.

*It was so decided.*

#### ARTICLE IV

39. Mr. BRENNAN (Australia) thought that the Advisory Committee should be invited to suggest the measures to be taken if the United Nations were to find itself in financial difficulties which would oblige the Secretary-General to limit expenditure to the total amount of the expected receipts.

40. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) accepted the suggestion made by the representative of Australia.

41. Mr. MACHADO (Brazil) did not think that the United Nations was likely to find itself in such a position since it had a Working Capital Fund amounting

to \$20 million. The question was, however, extremely important. Hitherto, the Assembly had always authorized the Secretary-General to incur obligations up to the amounts voted. There seemed, however, to be some contradiction between the provisions of paragraph 1 of article IV and the draft resolution adopted on 23 October 1950 by the joint meeting of the Joint Second and Third Committee and the Fifth Committee (A/1441, para. 65, amended).

42. Mr. HAMBRO (Norway) pointed out that it had always been understood that the authorization given to the Secretary-General to incur obligations up to the amounts voted did not in any way bind the Secretary-General to spend all the amounts so voted, but merely the sums necessary for the proper working of the United Nations.

43. Mr. ANDERSEN (Secretariat) emphasized that the Secretary-General had been considering the question raised by the Australian delegation for some time. In the light of experience, he had concluded that it was not necessary at that juncture to adopt provisions such as those suggested by the representative of Australia.

44. The CHAIRMAN said that the Australian representative's suggestion had been merely that the Advisory Committee on Administrative and Budgetary Questions should study the provisions. The question would be studied by that body during the coming year.

45. He added that the Norwegian representative's remarks were entirely to the point.

46. Mr. POLLOCK (Canada) said that it had been his understanding, from the remarks made by Mr. Andersen at the beginning of the meeting, that certain specialized agencies did not entirely agree with the contents of paragraphs 3 and 5 of article IV. In his view, however, those provisions were not of a nature likely to raise difficulties for specialized agencies.

*Article IV was adopted without amendment.*

#### ARTICLE V

47. The CHAIRMAN read out the text of the Brazilian amendment to article V (para. 17, above).

48. Mr. HAMBRO (Norway) feared lest the insertion of such a provision might raise many difficulties for the Secretary-General. Indeed, if such a provision were adopted, any State could claim to make its contribution in currency other than United States dollars.

49. He appreciated the Brazilian representative's reasons for proposing his amendment, but he knew from experience that the Secretary-General of the League of Nations had at times found himself in a very embarrassing situation when Member States had insisted on making their contribution in their national currency and it had not been accepted by the Bank for International Settlement.

50. In his view contributions should be made in the currency on which the budget was based.

51. Mr. MACHADO (Brazil) thought that the second part of his amendment met the objections of the Norwegian representative.

52. Miss WITTEVEEN (Netherlands) thought that instead of providing for that matter in the financial regulations of the United Nations, the Secretary-General should, as before, be authorized each year to accept

contributions in currencies other than United States dollars. Indeed, since the amount of payments made in currencies other than United States dollars varied each year, the Secretary-General should be left to determine, in consultation with the Chairman of the Committee on Contributions, the amount of contributions to be received in those currencies.

53. Mr. FRIIS (Denmark) said that his delegation was grateful to the Brazilian representative for raising that important question. Nevertheless, in view of the great difficulty of dealing with that matter in the body of the financial regulations, it might be much better to continue the existing practice. The problem, moreover, concerned not only the United Nations but also the specialized agencies.

54. Mr. HAMBRO (Norway) wished to know the Administration's attitude towards the Brazilian amendment. He feared that the Secretary-General might have great difficulty in determining the countries which could or could not pay part of their contribution in currency other than the United States dollar.

55. Mr. ANDERSEN (Secretariat) emphasized that, after repeated study of the problem, the Secretary-General had come to the conclusion that, generally speaking, it would be inadvisable to provide in the financial regulations for an exceptional situation which might not continue in the future; the Secretary-General therefore felt that in the present case it would be preferable if the General Assembly gave him, as in the past, the necessary authorization when it examined the report of the Committee on Contributions.

56. Furthermore, the Brazilian proposal as it stood was too restrictive. If it were included in that form in the financial regulations, the Secretary-General would not have the necessary freedom of action in determining the expenditures which the United Nations was called upon to make in currencies other than United States dollars. Indeed, the amounts involved were sometimes very small, and in such cases it would hardly be worth while for the Secretary-General to approach the governments concerned. In the past the Secretary-General had adopted the practice of fixing a limit in order to avoid administrative difficulties.

57. Mr. YAWAR JUNG (India) said that his delegation attached the greatest importance to the question, which the Brazilian representative had done well to raise. The Indian delegation considered that such a provision ought to be included in the financial regulations, even if it had to be deleted later as useless. It was necessary to avoid the situation in which the financial regulations stated that contributions should be paid in United States dollars, when in practice the Secretary-General allowed certain States to pay part of their contributions in other currencies.

58. Mr. FOURIE (Union of South Africa) noted that the report of the Committee on Contributions dealt with that problem. The Fifth Committee might possibly resume consideration of the question when it dealt with the report of that Committee.

59. Miss WITTEVEEN (Netherlands), Chairman of the Committee on Contributions, read out a passage from paragraph 37 of the Committee's report (A/1330) which stated that "In view of the continuing dollar shortage in many countries the General Assembly may

wish again to empower the Secretary-General to accept part of the 1951 contributions in currencies other than United States dollars."

60. She added that it might be possible to overcome some of the difficulties raised by the Brazilian amendment if the words "the Secretary-General is authorized" were replaced by the words "the Secretary-General may be authorized".

61. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that at the second session the General Assembly had been faced with the same problem and had decided to include, not in the text of the provisional financial regulations but in the accompanying resolution (163 (II)), a provision authorizing the Secretary-General to accept a portion of the contribution of Member States in a currency other than United States dollars. Resolution 163 (II) thus stated that the General Assembly resolved that the Secretary-General be empowered to accept, at his discretion, and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial year 1948, in currencies other than United States dollars. The Fifth Committee might take a similar decision at the current session.

62. Mr. MACHADO (Brazil) emphasized the practical importance of his proposal. In view of the considerable expenditures which the United Nations and the specialized agencies incurred in currencies other than United States dollars, it was essential to lay down principles governing the apportionment among the States concerned of the expenditures to be paid in those currencies.

63. Nevertheless, he would withdraw his proposal so as not to delay the Committee's work.

64. Mr. YAWAR JUNG (India) supported the suggestion of the Chairman of the Advisory Committee on Administrative and Budgetary Questions.

65. Mr. BRENNAN (Australia) wondered whether the Advisory Committee on Administrative and Budgetary Questions could not consider during the coming year, along with other questions, the possibility of applying the unspent balance of appropriations to contribute in arrears.

66. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that his Committee could do so.

67. Mr. LEVI (Yugoslavia) wished to know the reasons why the Advisory Committee had recommended the adoption of the additional sentence in the new paragraph 4 of article V.

68. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) stated that the Committee had decided in favour of laying down the principle, at the beginning of the paragraph, that "contributions and advances shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General" and of placing after that provision another provision to some extent mitigating its effects, as follows: "or as of the first day of the financial year to which it relates, whichever is later." The Advisory

Committee had not considered it desirable to grant the governments a longer period, because they tended to delay paying their contributions as long as possible, and that was a source of inconvenience, especially when the Working Capital Fund was depleted.

69. Mr. LEVI (Yugoslavia) was afraid that the provision in question would give rise to certain difficulties, since the financial year did not begin on the same date in every country.

70. It appeared, moreover, that paragraph 4 of article V disagreed somewhat with provisions of paragraph 1 of article V, which provided that "Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund."

71. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) emphasized that the Advisory Committee was well aware that it was scarcely possible to hope that every State would pay its contribution within thirty days of receipt of the communication of the Secretary-General, and for that reason the provision relating to the Working Capital Fund had been inserted. The Committee had nevertheless wished to encourage States to pay their contributions as soon as possible and had decided in favour of laying down the principle that "Contributions and advances shall be considered as due and payable in full within 30 days".

72. Lord CROOK (United Kingdom) was of the opinion that the fears of the representative of Yugoslavia were unfounded in view of the provisions contained in the second sentence of paragraph 4 of article V.

73. Mr. HALL (United States of America) stated that the United States delegation had also been concerned about the question raised by the representative of Yugoslavia, because in the United States the financial year did not begin until July and that country could accordingly not make any payment before July or August; but his fears had been allayed by insertion of the provision mentioned by the United Kingdom representative.

74. Mr. HAMBRO (Norway) agreed with the statements made by the United Kingdom and the United States representatives.

75. Recalling that the financial year began in January in some countries and in April or even October in others, he believed that efforts should be made on the international level to bring about greater simplicity and uniformity in this matter.

*Article V was adopted without amendment.*

#### ARTICLE VI

76. Mr. BRENNAN (Australia) believed that it should be clearly pointed out that the scale of advances made by Member States to the Working Capital Fund and the scale of assessments for the expenses of the United Nations were identical. He therefore proposed to add, in the second sentence of paragraph 2, after the words "made in accordance with the scale of assessments as determined by the General Assembly", the words "for the expenses of the United Nations."

77. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions)

tions) expressed complete agreement with the proposal of the Australian representative.

*The proposal was adopted.*

78. Mr. POLLOCK (Canada) inquired the exact meaning of the words "appropriate authority" in paragraph 7. The use of such an expression in the financial regulations might suggest that there was some authority other than the General Assembly, but the General Assembly alone decided in the last instance. He would accordingly prefer to have that phrase deleted from the paragraph.

79. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) replied that those words had been inserted in order to simplify the work of the specialized agencies. The paragraph should accordingly be retained.

*Article VI was adopted as amended.*

#### ARTICLE VII

80. Mr. LEVI (Yugoslavia) was of the opinion that paragraph 2 was unnecessary. The United Nations had in fact already received voluntary contributions for the purposes of the United Nations International Children's Emergency Fund, and the Secretary-General had accepted those contributions without having to refer to any article of the financial regulations. The General Assembly could in future accept voluntary contributions after adopting resolutions to that effect. The representative of Yugoslavia therefore proposed that paragraph 2 should be deleted.

81. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had decided in favour of including that paragraph because it protected the Secretary-General in certain respects. In particular he drew the attention of the Yugoslav representative to the conditions laid down in the paragraph.

82. Mr. FOURIE (Union of South Africa) pointed out that paragraph 2 was not intended to apply to cases such as that cited by the representative of Yugoslavia. He recalled in this connexion that in the document relating to the United Nations telecommunication system (A/1454, para. 12), concerning which the Committee had not yet made any decision, the Secretary-General had been asked to examine the possibility of receiving voluntary contributions.

83. Mr. FRIIS (Denmark) objected to the elimination of paragraph 2, because he believed that a provision of that kind was useful. The Organization might receive important contributions, and the Secretary-General would have to know the conditions under which he could accept them.

84. Mr. MACHADO (Brazil) agreed with the statement made by the representative of Denmark. The Secretary-General should not be required to accept a gift made to the Organization under conditions that would be difficult to accept.

85. Mr. LEVI (Yugoslavia) recalled that, with respect to the construction of the permanent Headquarters, the Secretary-General had had to ask the advice of the Headquarters Advisory Committee. In future the Secretary-General would himself be the judge and could accept gifts without asking the advice of

anyone. The representative of Yugoslavia did not, however, press his proposal to the vote.

*Article VII was adopted.*

#### ARTICLE VIII

*Article VIII was adopted.*

#### ARTICLE IX

86. Mr. POLLOCK (Canada) wished to know the circumstances in which the Secretary-General would invest funds. He recalled that at the joint meeting of the Joint Second and Third Committee and the Fifth Committee a resolution (A/C.2&3/L.20-A/C.5/L.53) had been adopted to place the services of the Investments Committee at the disposal of the specialized agencies.

87. Mr. ANDERSEN (Secretariat) replied that in matters concerning the Joint Staff Pension Fund the Secretary-General followed the advice of the Investments Committee. In the case of the Working Capital Fund the Secretary-General made only short-term investments, ordinarily for three months and in no case for more than one year. The moneys were invested in government bonds, and in one case only were they deposited with a bank at a higher rate of interest. The Investments Committee ordinarily dealt only with long-term investments.

88. Mr. POLLOCK (Canada) approved the provisions of article IX in these circumstances. He stressed the importance which his delegation attached to that question. His delegation had raised it in order to insure that in making these investments as well as those for the Pension Fund, the Secretary-General was following sound policies.

*Article IX was adopted.*

#### ARTICLES X TO XII

*Articles X to XII, inclusive, were adopted.*

#### ARTICLE XIII

89. Miss WITTEVEEN (Netherlands) asked that the remarks made by the Advisory Committee in document A/1412 concerning paragraph 1 should be mentioned in the report of the Committee.

*It was so decided.*

90. Mr. MACHADO (Brazil) said that he was very anxious to have the Secretariat take note of the fact that when a body adopted a resolution having financial implications the figures presented by the Secretariat and those finally adopted often differed to a large extent.

*Article XIII was adopted.*

#### ARTICLES XIV AND XV

*Articles XIV and XV were adopted.*

#### ANNEX: PRINCIPLES TO GOVERN THE AUDIT PROCEDURES OF THE UNITED NATIONS

*The annex was adopted.*

*The financial regulations of the United Nations (A/C.5/L.50), as amended, were adopted in their entirety.*

91. Mr. FOURIE (Union of South Africa), Rapporteur, asked, in connexion with the question of contributions paid in currencies other than United States dol-

lars, where the text of the provision previously mentioned by the Chairman of the Advisory Committee (para. 61, above) could best be inserted.

92. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) was of the opinion that that provision should be mentioned in the resolution relating to the report of the Committee on Contributions and in the report of the Fifth Committee on the agenda item, financial regulations.

93. Mr. FRIIS (Denmark) recalled that it had been implied that the governments which were members of the specialized agencies should, in the case of each such agency, work for the adoption of a text similar to that which the Commission had just adopted for the United Nations. The only changes necessary would be a few drafting amendments. His delegation would certainly recommend that Danish representatives on the specialized agencies should support that point of view.

94. It appeared from the statement made by Mr. Andersen that certain specialized agencies had proposed further amendments to that text. The Chairman of the Advisory Committee had reported that the Committee had rejected those suggestions. The Committee should not, however, neglect any aspect of the question; it would therefore be well for the Secretariat to publish

a document showing the amendments thus presented and the reasons why the Advisory Committee was led to reject them. This might be of some assistance to Member States anxious to press for co-ordination. The representative of Denmark did not desire, however, that the suggestion should result in overburdening the Advisory Committee with work.

95. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) stated that the Committee had worked in close contact with Mr. Andersen, who was very well informed concerning the opinion of the specialized agencies. The Committee had tried to satisfy the specialized agencies while at the same time not yielding on any matters of principle. The financial regulations constituted an extremely important element of co-ordination. He wished in that regard to express his satisfaction with the remarks previously made by the representative of Canada.

96. The CHAIRMAN proposed a draft resolution to transmit to the General Assembly the United Nations financial regulations in the form in which they had been adopted by the Committee.

*The draft resolution was adopted unanimously.*

The meeting rose at 5.30 p.m.