

C236401

COMMITTEE 5

Administrative and Budgetary Questions. Enclosed is a detailed report prepared by Mr. J.E. Jones of the Department of Finance. The Committee's deliberations were protracted and very technical and the eventual reports submitted to the Assembly form the basis for the future physical functioning of the United Nations. They may be summarized briefly as follows:

1. Emoluments of principal officials of the Secretariat.

(a) Secretary-General. A net salary of \$20,000 plus a representation of \$20,000 per annum, together with furnished residence and its repairs and maintenance.

(b) Assistant Secretary-Generals. A net salary of \$13,000 and allowance of \$7,500 to \$11,500.

(c) Top Ranking Directors. A net salary of \$11,000 plus an allowance of \$3,000 to \$6,000.

2. Tax exemption. This question aroused considerable controversy due to the fact that Senator Vandenberg believed that the American Congress would not approve of tax exemption for United States nationals employees of the Organization. To achieve equalization of salaries, the Committee finally recommended that, pending the accomplishment of tax exemption, the Budget of the Organization should contain a contingent appropriation to refund tax payments and that an amount equivalent to such refunds to employees because of income tax be added to the budget contributions of the members whose nationals in the service of the Organization were required to pay income tax on their salaries and allowances received from the Organization.

3. Draft provisional staff regulations and staff rules.

The regulations and rules drawn up by the Preparatory Commission were on the whole approved with only minor changes, some of which were presented by the Canadian delegation.

4. Draft provisional financial regulations. The draft provisional financial regulations as drawn up by the Preparatory Commission were also approved with minor amendments, the most important of which were presented by the Canadian delegation.