

responsibility for continuing survey and review of the position. This Division will provide the machinery whereby FAO may exercise its responsibilities in the field of marketing, international trade, and distribution. It is feared that the budgetary position of the Organization may become restrictive on the activities of the technical Divisions and it is apparent that the use of divisional staffs must be concentrated on projects of the widest possible application for the attainment of FAO objectives, rather than on details which, whilst important in themselves, may have but limited effect in the over-all improvement of production and distribution.

CONSTITUTIONAL, ADMINISTRATIVE, AND FINANCIAL QUESTIONS

Finance

The accounts for the second financial year, ending 31st December, 1947, closed with a surplus of \$145,500.50. Unpaid contributions by member Governments occasion the Organization grave concern. One member Government became ineligible to vote at the Conference as arrears were equal to two full years' contributions. It appears as though a number of members may become affected during 1949.

Budget for 1949

The Conference approved the estimated budget of \$5,000,000 for 1949 with minor amendments. This involves an allocation of \$378,000 from reserve. It was realized that financing from reserves is unsound, and must not be allowed to continue even if it means a curtailment of activities. The Conference approved of the establishment of a special committee composed of qualified representatives of five member States to prepare a new scale of contributions. This committee is to consider the over-all income in relation to anticipated expenditure, the special position of certain member Governments which are weak financially, and the practicability of contributions being paid partly or wholly in currency other than United States dollars. The report of this committee is to be available to the 1949 annual Conference in order that adjustments, if approved, become operative in 1950. In the meantime, New Zealand's contribution remains at \$43,000, and the over-all income from contributions at \$4,609,000.

Pension Scheme

The Conference authorized the Director-General to negotiate and enter into an agreement with the Secretary-General of the United Nations for FAO's entrance into the UN pension scheme, subject to certain conditions covering over-all cost to FAO and the actuarial soundness of the scheme as so amended.