

3. *Liquidation Operations.*—Liquidation operations will include the finalization of accounting records, the settlement of legal claims and negotiations, the disposition of records and property, and the termination and out-placement of administrative employees. It is assumed that the liquidation of UNRRA will not be considered complete until the following specific tasks have been completed:—

(a) The finalization and audit of all accounting records of the Administration, so that they represent completely and accurately the receipt and disposition of the Administration's total resources. The implications of this assumption for the accounting, commodity and administrative staffs are discussed in detail in the appropriate sections of the detailed budget document.

(b) The final disposition of all records, including the establishment of the UNRRA Archives, and the preservation of all financial documents which must be retained until all claims by or against the Administration have been settled.

(c) The final disposition of all property owned by the Administration, including transfers to successor organizations, sales of surplus property, and finalization of all records relating to such property disposal.

(d) The settlement of all obligations due to employees of the Administration, including matters of pay and allowances, completion and disposition of personnel records, and out-placement service according to plans approved at the Fifth Council Session in Geneva.

(e) It should be emphasized that the proposed budget for 1947 does not include funds for unexpected delays in the completion of the supply program. No provision has been made for the probable delays in procurement and shipment because of the nation-wide coal strike in the United States, which is already paralyzing the productive and transportation facilities of the country. No provision has been made for any other action which might impose increased tasks on the Administration during 1947, or delay the completion of current programs. Operations based on the above assumptions can be supported by the funds requested in this budget. Major tasks not anticipated under these assumptions cannot be undertaken during 1947 without a corresponding increase in the authorization to spend funds for administrative purposes.

4. *Basis of Estimates.*—The primary basis for the 1947 estimates is a detailed analysis and comparison with administrative expenditures in 1946. However, as stated in previous Budget messages of the Director-General, while analyses of the administrative expenditures for past years undoubtedly help to make more accurate estimates of future expenditures than would otherwise be possible, it is not certain that the experience in this respect of any year in UNRRA's life can be a good guide for any other year.

This is peculiarly true with respect to the preparation of estimates of administrative expenditures for the year 1947. It has been necessary to predicate the 1947 estimates on a run-down plan which, however carefully worked out, could not be exact. Such outside factors as the maritime strike just ended, or the coal strike just beginning, should it prove prolonged, must seriously retard completion of UNRRA's programs. Such delays will inevitably require the extension of UNRRA's life, or involve a slower reduction of its staff. The Administration has repeatedly tried to establish fixed terminal dates for UNRRA's procurement and shipping operations. Also, the Administration has asked that after certain dates, it be relieved of its responsibility for guiding and observing distribution of relief and rehabilitation supplies in recipient countries. These efforts have not been successful, largely due to the reluctance of both supplying and receiving countries to see UNRRA dismantled before its programs are substantially completed. In addition, as has been often pointed out to member nations, lack of documentation in the acquisition and shipment of supplies and services is a serious delaying factor, and adds heavily to administrative costs. To gain a perspective on the cost of these delays, it should be noted that a slow down in reduction of a month or so can easily add a million dollars to the administrative cost of 1947.