

Geneva, October 25th, 1947.

**LEAGUE OF NATIONS**

**SUPPLEMENTARY ACCOUNTS**

**for the Winding-up Period after the Close of the League Accounts  
on July 31st, 1947.**

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**NOTE BY THE SECRETARY-GENERAL**

As stated in the Final Report of the Board of Liquidation (document C.5.M.5.1947, page 52), there remained outstanding on the date of the Board's dissolution on July 31st, 1947, a few matters of secondary importance, for the settlement of which a small staff was retained, sufficient funds having been left with the Secretary-General to defray the expenses of the winding-up period and to pay any outstanding accounts.

The Secretary-General was also to receive any outstanding payment, the amount so collected being made available to cover expenditure.

Any balance remaining after the payment of all additional expenditure and settlement of all accounts was to be remitted to the International Labour Office for payment into the Staff Pensions Fund.

The Secretary-General has the honour to circulate to the States Members the accounts covering the winding-up period. They have been duly audited by the League auditor, whose report is annexed.

According to the Final Report of the Board of Liquidation of the League, the following funds were entrusted to the Secretary-General on July 31st, 1947, with a view to the final winding-up of the League's business:

A.

*Transitory Accounts.*

|  | Swiss francs |
|--|--------------|
| 1. Amount due to a former League official (balance of indemnity on termination of contract in 1940) . . . . .  | 7,000.—      |
| 2. Claim to the refund of a blocked League remittance to the Permanent Court of International Justice . . . . .  | 14,000.—     |
| 3. Balance from Rockefeller Grant for Analytical Research Work destined to cover printing costs of the English edition of the last economic publication of the League (" Europe's Population in the Inter-war Years ") | 22,346.35    |
| 4. Balance in the Library Building Fund . . . . .  | 4,202.—      |

*Liquidation Accounts.*

|   |                   |
|---|-------------------|
| 5. Provision released from the budget of 1946 for still undischarged League liabilities . . . . .   | 89,999.05         |
| 6. Allocation for winding-up expenses released from the 1947 credits:   |                   |
|   | Swiss francs      |
| (a) Winding-up expenses of the Secretariat . . . . .  | 73,352.—          |
| (b) Amount placed at the disposal of Mr. P. G. Watterson as Trustee in respect of lawyer's fee and expenses of Trustee in connexion with case pending for recovery of income tax levied on officials of the League on mission in the United States <sup>1</sup> . . . . . | 31,500.—          |
|   | <u>104,852.—</u>  |
| Total . . . . .   | 242,399.40        |
| 7. To this total have to be added receipts amounting to . . . . .   | 49,677.97         |
| giving a grand total of . . . . .   | <u>292,077.37</u> |

At the end of the winding-up of the League of Nations' business on October 25th, 1947, the position was as follows:

1. The sum of Swiss francs 7,000 due to a former official of the Secretariat was paid into the personal account of this official with Lloyds & National Provincial Foreign Bank Ltd., Geneva.
2. Notwithstanding the efforts made, it has not yet been possible to obtain reimbursement of the blocked remittance of Swiss francs 14,000 and it remains, as it was, blocked. The rights of claimant have been transferred, according to a decision of the Board of Liquidation, to the Staff Pensions Fund of the International Labour Office.
3. The balance from the Rockefeller Grant for Analytical Research amounting to Swiss francs 22,346.35 destined to cover the printing costs of " Europe's Population in the Inter-war Years " was transferred to the United Nations to be used for this purpose.

|   |                |
|---|----------------|
|   | Swiss francs   |
| 4. Out of the Swiss francs 4,202 in the Library Building Fund, an amount of   | 2,277.85       |
| was spent for improvement of the Historical Collection of the League of Nations and the remaining . . . . .   | 1,924.15       |
| were handed over, in accordance with a decision of the Board of Liquidation, to the Head of the United Nations Library in Geneva,   | <u>4,202.—</u> |
| as Trustee, to cover the cost of the preparation and printing of a Guide to the Historical Collection, the balance, if any, to be utilised for further improvement of the Collection. |                |

<sup>1</sup> See Final Report of the Board of Liquidation (document C.5.M.5.1947, Chapter 10).

Swiss francs

|   |  |           |
|---|--|-----------|
| 5. The provision for undischarged liabilities was made up as follows: |  |           |
| Provision for liabilities of the Secretariat . . . . .                |  | 69,980.75 |
| "      "      "      of the Court . . . . .                           |  | 20,018.30 |
|   |  | <hr/>     |
|   |  | 89,999.05 |

The expenditure incurred against this credit is the following:

|   | <i>For the<br/>Secretariat</i> | <i>For the<br/>Court</i> |           |
|---|--------------------------------|--------------------------|-----------|
|   | Swiss francs                   |                          |           |
| Definite expenditure . . . . .  | 25,165.50                      | 3,380.30                 |           |
| Following the decision of the Board of Liquidation, regarding repatriation and removal expenses of the former officials, that in the few cases outstanding the amounts due be lodged with the International Labour Office, which had consented to deal with claims received after the close of the liquidation (Final Report of the Board of Liquidation, page 24, section C), there was lodged with the International Labour Office in respect of the League Secretariat, a sum of . . . . . | 18,338.—                       |                          |           |
| and in respect of the Permanent Court of International Justice a sum of . . . . .   |                                | 12,686.70                |           |
|   | <hr/>                          | <hr/>                    |           |
| Total . . . . .   | 43,503.50                      | 16,067.—                 |           |
|   |                                |                          | <hr/>     |
|   |                                |                          | 59,570.50 |

leaving a balance of . . . . . 30,428.55  
which was included in the amount transferred to the Staff Pensions Fund of the International Labour Office.

Swiss francs

|  |           |           |
|--|-----------|-----------|
| 6. Out of the allocation for winding-up expenses of . . . . .  |           | 104,852.— |
| an amount of . . . . .   | 67,489.92 |           |
| was spent for winding-up expenses proper, and an amount of . . . . .   | 31,500.—  |           |
| paid to a Trustee to meet legal and administrative expenses in connexion with taxation cases in the United States still pending. | <hr/>     | 98,989.92 |
| The balance of . . . . .   |           | 5,862.08  |
| was included in the amount transferred to the Staff Pensions Fund of the International Labour Office.                            |           |           |
| 7. Likewise was included in the amount transferred to the Staff Pensions Fund the balance of receipts amounting to . . . . .     |           | 35,511.17 |

Details of the administration of these funds will be found in the Statement showing the disposal of the funds (page 4) and in the Liquidation Accounts (page 5).

*B.*

In the Board's Final Report, it is stated in Chapter 10, B, that an amount of Swiss francs 37,623.34 is still outstanding in respect of debts due to the Secretariat Publications Service, either from sales agents or from private customers. This amount has been subsequently adjusted to Swiss francs 37,496.65 owing to some of the publications having been returned to the Secretariat. Swiss francs 3,378.45 have been collected during the winding-up period, leaving an unpaid balance of Swiss francs 34,118.20, which, according to the Board's decision, has been referred to the International Labour Office for collection.

STATEMENT SHOWING THE DISPOSAL OF AMOUNTS TAKEN OVER BY THE SECRETARY-GENERAL  
TO MEET WINDING-UP EXPENSES

(In Swiss francs.)

|  |                   | Expenditure | Transferred to the<br>Staff Pensions Fund<br>of the I.L.O. |
|--|-------------------|-------------|--|
| <i>A. Debts: Creditors.</i>  |                   |             |  |
| Mr. Le Bosquet . . . . .   | 7,000.—           | 7,000.—     |  |
| Blocked League remittance to the<br>former Permanent Court of Inter-<br>national Justice . . . . .   | <u>14,000.—</u>   |             |  |
|  | 21,000.—          |             | 14,000.—   |
| <i>B. Special Funds not belonging to the League of Nations.</i>  |                   |             |  |
| Rockefeller Grant for Analytical Research<br>Work . . . . .  | 22,346.35         | 22,346.35   |  |
| Library Building Fund . . . . .  | 4,202.—           | 4,202.—     |  |
| <i>D. Commitments.</i>   |                   |             |  |
| Provision in respect of undischarged liabilities<br>released from the League budget for 1946 .   | 89,999.05         | 59,570.50   | 30,428.55  |
| <i>E. 1947 Accounts.</i>   |                   |             |  |
| Allocation for winding-up expenses:  |                   |             |  |
| (a) Winding-up expenses of the<br>Secretariat . . . . .  | 73,352.—          | 67,489.92   | 5,862.08   |
| (b) Amount placed at the disposal<br>of a Trustee in respect of<br>legal and administrative ex-<br>penses regarding taxation<br>cases in the United States . | <u>31,500.—</u>   | 31,500.—    |  |
|  | 104,852.—         |             |  |
|  | 242,399.40        | 192,108.77  | 50,290.63  |
| Supplementary receipts . . . . .   | 49,677.97         | 14,166.80   | 35,511.17  |
|  | <u>292,077.37</u> | 206,275.57  | 85,801.80  |

LIQUIDATION ACCOUNTS: FOR THE PERIOD AUGUST 1ST, 1947, UNTIL FINAL WINDING-UP OF THE LEAGUE'S BUSINESS

| RECEIPTS  | Swiss francs |            | EXPENDITURE  | Swiss francs |            |
|---|--------------|------------|--|--------------|------------|
| 1. Allocation for winding-up expenses:  |              |            | I. (a) Remuneration to Members of the Board of Liquidation . . . . .                                     | 3,000.—      |            |
| (a) Winding-up expenses of the Secretariat . . .  | 73,352.—     |            | Salaries of the Secretary-General and staff . . .  | 44,837.—     |            |
| (b) Amount placed at the disposal of a Trustee in respect of legal and administrative expenses regarding taxation cases in the United States. | 31,500.—     | 104,852.—  | Other staff charges . . . . .  | 182.50       |            |
|   |              |            | Travelling expenses and subsistence allowance of members of the Board and of Secretariat staff . . . . . | 741.20       |            |
| 2. Provision for undischarged liabilities released from the League 1946 budget:   |              |            | Office and incidental expenses . . . . .   | 7,615.57     |            |
| (a) In respect of the League Secretariat . . . .  | 69,980.75    |            | Printing . . . . .   | 8,622.45     |            |
| (b) In respect of former Permanent Court of International Justice . . . . .   | 20,018.30    | 89,999.05  | Supervision of revenue and expenditure . . .   | 2,491.20     |            |
|   |              |            |  | 67,489.92    |            |
| 3. Extraordinary receipts: <span style="float: right;">Swiss francs</span>  |              |            | (b) Expenditure according to special decision of the Board of Liquidation:                               |              |            |
| (a) In respect of contributions:  |              |            | Legal and administrative expenses regarding taxation cases in the United States . . .                    | 31,500.—     | 98,989.92  |
| Haiti . . . . .   | 35,000.—     |            |  |              |            |
| Nicaragua . . . . .   | 155.10       |            | 2. Settling of undischarged liabilities:   |              |            |
|   | 35,155.10    |            | (a) In respect of the League Secretariat . . . .   | 43,503.50    |            |
| (b) Received from the liquidator of Nansen Office .   | 6,546.15     | 41,701.25  | (b) In respect of former Permanent Court of International Justice . . . . .                              | 16,067.—     | 59,570.50  |
|   |              |            |  |              |            |
| 4. Supplementary receipts:  |              |            | 3. Paid to the International Labour Office its share of contributions received:                          |              |            |
| (a) Interest earned . . . . .   | 3,078.45     |            | (a) In respect of Haiti . . . . .  | 14,126.04    |            |
| (b) Profit on exchange . . . . .  | 1,514.53     |            | (b) In respect of Nicaragua . . . . .  | 40.76        | 14,166.80  |
| Deduct: Loss on exchange . . . . .  | 0.01         |            |  |              |            |
|   | 1,514.52     |            | Amounts transferred to the Staff Pensions Fund of the International Labour Office:                       |              |            |
| (c) Sale of publications . . . . .  | 3,378.75     |            | (a) Balance on provision for winding-up expenditure . . . . .  | 5,862.08     |            |
| (d) Miscellaneous receipts . . . . .  | 5.—          | 7,976.72   | (b) Balance on provision for undischarged liabilities  | 30,428.55    |            |
|   |              |            | (c) Balance on extraordinary receipts:   |              |            |
|   |              |            | £ Sterling 294 3s. 1d. = Sw. fr. . . . .   | 5,088.85     |            |
|   |              |            | Swiss francs . . . . .   | 22,445.60    |            |
|   |              |            |  | 27,534.45    |            |
|   |              |            | (d) Balance on supplementary receipts . . . . .  | 7,976.72     | 71,801.80  |
|   |              | 244,529.02 |  |              | 244,529.02 |

ANNEX

REPORT BY M. U. A. J. BRUNSKOG (*Auditor*) ON THE AUDIT OF THE ACCOUNTS PRESENTED BY THE SECRETARY-GENERAL OF THE LEAGUE OF NATIONS AS TRUSTEE

1. In accordance with paragraph 8 of the Resolution on the Dissolution of the League of Nations adopted by the last Assembly of the League on April 18th, 1946, and paragraph 6 of my Report on the Audit of the Accounts presented by the Board of Liquidation of the League of Nations on July 31st, 1947 (see document C.5.M.5.1947, pages 73-74), I have examined the accounts presented by the Secretary-General as Trustee.

2. As shown in the Report of the Secretary-General, the funds transferred to him by the Board of Liquidation are divided into two groups:

- (a) Transitory Accounts, and
- (b) Liquidation Accounts.

3. The method of the distribution of the balances of the transitory accounts is explained in the Report. An amount of Swiss francs 1,924.15 was handed over to the Head of the United Nations' Library in Geneva as Trustee. The relevant accounts will be audited by me and my report thereon will be distributed in the same manner as my reports on the audit of the accounts of the International Labour Organisation.

4. With regard to the receipts and expenditure in connexion with the final winding-up, I would refer to the table attached. The accounts concerning the utilisation of the amount of Swiss francs 31,500 transferred to Mr. P. G. Watterson, former Chief Accountant of the League of Nations, for supervising the lawsuit pending in connexion with the recovery of income tax levied on former officials on mission in the United States during the war, will be audited by me and my report thereon will be attached to Mr. Watterson's report.

5. I have audited the receipts and expenditure accounts and have found them to be in conformity with the Regulations adopted by the League of Nations. I also certify the correctness of the distribution of the last assets of the League of Nations.

(Signed) Uno BRUNSKOG,  
*Auditor.*

October 25th, 1947.