

UNITED NATIONS

General Assembly



Distr.  
RESTRICTED

A/AC.21/AP/36  
15 April 1948



UNITED NATIONS PALESTINE COMMISSION

Communication Received by Mr. Ghosh of the Advance Party  
from the Finance Secretary of the Government of Palestine  
on the subject of the Accounts Clearing Office in Cyprus.

The following communication, concerning the establishment of an Accounts Clearing Office in Cyprus, has been received by Mr. Ghosh of the Secretariat Advance Party from the Finance Secretary of the Palestine Government.

GOVERNMENT OF PALESTINE

Ref: F/17/48

Chief Secretary's Office,  
Jerusalem  
7th April, 1948.

Dear Mr. Ghosh,

I promised to let you have a note on the proposed conditions of service for the Accounts Clearing Office which it is proposed to set up in Cyprus. In this connection, I understand that Mr. Stavropoulos had been enquiring of Mr. McGeagh whether, in the event of a truce between the Arabs and Jews, this office could not operate in Palestine. It is of course impossible to give a direct answer to this hypothetical question, but I have no doubt that if a genuine truce happily came about, thereby restoring the conditions which at present make it impossible to carry on Government work efficiently, the Clearing Office could undertake its work in Palestine; this would of course be preferable from our own and every one else's point of view - provided, of course, that Conditions really were normal once again.

The following are the present proposals for terms of service; you will appreciate that they are provisional, pending approval by the Secretary of State.

A. Non-Expatriates

- (1) On agreement terminable at one month's notice.
- (2) At a salary computed on the basis of that drawn in respect of officer's substantive post 1.4.48 plus an amount equivalent to the compensatory high cost-of-living allowance for which eligible at 1.4.48.
- (3) Any increment which would have fallen due during period of service in Cyprus to be added to above with effect from relevant date.
- (4) Period of service to be leave-earning at Palestine rates.
- (5) Hotel board and lodging to be paid for by Government (Class II hotels for First Division staff and Class III for Second Division) subject to contributions by the officer, at daily rates, towards cost of board, on scales indicated in attached schedule.
- (6) Second Division staff may be required to share bedrooms - i.e. if additional cost otherwise involved - or to pay the difference themselves.
- (7) As alternative to (5) and (6) above, if officer wishes to make his own arrangements he may receive daily allowance of 10/-, for Second Division, or 15/-, for First Division; these are almost exactly half the rates payable for temporary absence from station in Palestine.
- (8) Passage of officer himself to Cyprus, and, ultimately, back to Palestine to be paid by Government.

B. Expatriates

- (1) Employment on a continuing basis with service regarded as pension-earning and leave-earning.
- (2) Compensatory high-cost-of-living allowance at, the rate applicable at 1.4.48.
- (3) Officers to be eligible either for continued separation allowance as at termination of Mandate (so long as they remain eligible therefore) or to be eligible for refund of cost of return passage of wife to Cyprus.
- (4) As regards board and lodging, same conditions as set out in (5) and (7) above.
- (5) Passages from Palestine to Cyprus, and from Cyprus, to domicile, payable by Government.

You wished me to put on record the following considerations which led us to advise some of these terms of service. Regarding (2) of A, we had in mind the possibility of applying the Cyprus cost-of-living rates, but for the following three reasons were unable to so:-

- (a) We do not yet know what they are, and when we do they may not prove adaptable to our salary structure;
- (b) We cannot afford any more delay before offering some definite conditions of service in order to recruit staff (in this connection, should the terms be revised, it will be necessary to permit anyone not prepared to accept the revised conditions to withdraw from his agreement to serve).
- (c) Many of the staff, although they will be living temporarily in Cyprus, will through their families suffer the impact, not only of the high cost of living in Palestine on which the existing rates are based, but in all probability a price inflation even higher than that existing at the moment.

Reference (5) of A, we have deliberately specified Class II hotels for First Division and Class III hotels for Second Division, although we understand that the accommodation is not up to the parallel standard in Palestine, in order to avoid any suggestion that the Clearance Office is being run on luxury lines. The latter consideration also applies in the case of (6) of A.

Regarding the deductions towards the cost of board, which are referred to in (5) and (7) of A, these have been designed to take into account the following factors:-

- (a) that the officer is serving away from home or from his 'station' in respect of which an out-of-pocket element is always held to arise;
- (b) that, even in the case of a bachelor, it will not be possible to discount some continuing commitments in Palestine,

(c) that the service in Cyprus will be temporary and therefore analogous to periods of duty away from an officer's station. Rates of allowance in force in Palestine for temporary absences are:-

(i) First Division Officers

LP 1.300 mls a day (or approx. LP 39 a month),

(ii) Second Division Officers

LP 1.050 mls a day (or approx. LP 31.500 mls a month),

(iii) Officers with salaries less than LP 180 p.a.

800 mls a day (or approx. LP 24 a month).

There would probably be no one in the last mentioned category amongst those recruited in Palestine for the work in Cyprus.

Reference (7) of A, the advantage financially lies with the officer who chooses to accept Government-provided accommodation. This is desirable in that concentration of staff in one restricted locality will make for efficiency of work.

Reference (8) of A, it is not intended to refuse permission for an officer's wife and/or family to accompany him provided that it is at his own expense and that he is able to secure the necessary visa and to arrange transport. I understand that few are likely to avail themselves of this opportunity such as it is.

With regard to the terms for expatriates, the same comments as above apply, with the exception that there is the particular consideration referred to in (3). As I mentioned to you, a system of separation allowances was introduced when families were compulsorily evacuated from Palestine, and were permitted to continue in view of the necessity to discourage families from coming out to Palestine in view of the approaching termination of the Mandate, or from staying here until near the end. Ex hypothesi, therefore, there is no justification for continuing separation allowances; but, by the same token, there would be no justification for refusing to say family passages, in accordance with the existing Regulations, from the United Kingdom to Cyprus and back again. This would, in almost all cases, be more costly than the continuation of an allowance equivalent to the present separation allowances (which are incidentally halved in most cases by the income tax liability).

Whatever the final decision on this point may be, it is unlikely that the cost will be noticeably affected one way or another.

Without more precise information than we have at present, it is not possible to give you a clear idea of what the element in respect of board and lodging to be, paid for by Government is worth to the officer concerned; moreover, it will vary according to the grade of the officer. However, you may gain some idea from the fact that it looks at present as though hotel rates (all-in) will be approximately as follows:-

Class II - 23/- a day;

Class III - 18/- a day.

This would mean that a Second Division officer (Grade II), if married but without children, would receive value amounting to 14/- (i.e. after deduction has been made) and a First Division officer (again married without children) would get value amounting to 17/-. You will appreciate that these are at present largely hypothetical - that is to say, until we know exact costs of board and lodging at the hotels.

In the circumstances I am sure you will feel, as I do, that these terms are the least which can reasonably be offered if we are to recruit the staff we need (i.e. a good nucleus of those who are actually acquainted with the work which will be involved).

If there is any further information which I can give you in connection with these proposals-I will of course be glad to do so.

Yours sincerely

/s/ D.G. STEWART

P.S. I promised to let you have a copy of our Regulations governing subsistence allowance etc. when staff are absent from their station on duty. These were recently revised, and I enclose a copy of Staff Circular No. 17 of 23.8.47, which deals with the matter.

Mr. D. Ghosh,

United Nations Palestine Commission,  
Jerusalem.

Reference	Post	Deduction per diem		
		If married with children	If married without children	If single
(i)	Second Division - Grade III	1/-	2/-	3/-
	Second Division - Grade II	2/-	4/-	5/-
	Second Division - Grade I	4/-	6/-	7/-
(ii)	First Division	6/-	8/-	9/-
(iii)	Superscale	8/-	10/-	12/-

Civil Service Commission,  
Jerusalem

23rd August, 1947

U/120/37.

Staff Circular No. 17

Subject: SUBSISTENCE, LODGING, ART ALLIED ALLOWANCES

I am directed to refer to Staff Circular No. 8/47 of the 18th January 1947, and to inform you that the Committee appointed to review the rates at present payable for subsistence and lodging allowances, the manner in which they are paid, and certain cognate matters such as allowances payable on transfer and on first appointment, have now reported and have made a number of recommendations for changes in the rates payable and in the procedure to be adopted in dealing with claims.

2. These recommendations have been approved, with a few minor exceptions, by Government, and it has been decided that the changes, which are set out in A to H in paragraph 4 below, shall have effect from the date of this circular.

3. These amendments will appear in due course in the revised General Regulations:

the current General Regulations, insofar as they are effected by the changes, may be deemed to have been modified accordingly. General Regulations 474 to 480, as they appear in Chief Secretary's Circular No. 77 of 4th June 1944, are those principally concerned.

4. The amendments are as follows:

A. SUBSISTENCE AND LODGING ALLOWANCES

General Regulations 474, 475, 476(i) to (v), where now relevant, will be interpreted within the framework of a new schedule of subsistence and lodging allowances, as set out in this sub-paragraph.

The schedule, it will be observed, is based on periods of absence from station, while the categories, or groups, of officers have been slightly altered from those obtaining prior to the issue of this Staff Circular.

	Subsistence Allowance for 6 to 12 hours' absence from station	Subsistence & Lodging Allowance for absence from station overnight	Monthly Rate (per day)
GROUP I Chief Justice, Members of Ex.Co., Presidents of Assize Courts,* & all let Division Officers	350 mils	1600 mils	1300 mils
GROUP II 2nd Division Officers in Grades L, I, II & III or their equivalents, or on fixed salaries above LP.180 a year, or on salary scales with a maximum above this figure.	300 mils	1250 mils	1050 mils
GROUP III Officers with maximum salaries of LP.180 a year or less	250 mils	900 mils	800 mils
GROUP IV Field officers. Allowances fixed at discretion of head of department.	125 mils (Max)	450 mils (Max)	

\*Presidents of Assize Courts may draw 2500 mils daily during commission of assizes.

Field allowances may continue to be paid at the discretion of Heads of Departments, in accordance with general Regulation 476(iii)(c), but within the limits set out in Group IV in the above table. They may be paid at Group III rates when the officer concerned is touring in a settled or urban area and is compelled to stay in classified hotels.

The special rate of field allowances of LP.6 a month, payable under sub-paragraph (1) of Schedule I following General Regulation 483 to certain personnel of the Departments of Surveys and Land Settlement, will continue to be paid.

#### B. PROCEDURE FOR PAYMENT OF ALLOWANCES,

All claims for subsistence and lodging allowances as laid down in General Regulations may be authorized by the head of Department. Claims under Staff Circular 51 of 1945 and Staff Circular 51 of 1946 will continue to be adjudicated by the Accountant General, as noted below in (C) and (D). Claims which under general Regulation 460 are now submitted to the Chief Secretary should be submitted to the Civil Service Commissioner.

Paragraph (a) of the Certificate on Form F.9, the form used for submission of claims for allowances need no longer be signed by the Officer who submits the claim.

#### C. ALLOWANCES PAYABLE ON TEMPORARY AND ON PERMANENT TRANSFER. GENERAL REGULATIONS 477(I) and 479

Para. 3(1) of Staff Circular No. 51 of 29th September, 1945, which governs these allowances, should be amended to read "Temporary Transfer" instead of "Temporary Absence on Duty".

Allowances for temporary transfer may be paid in accordance with the above staff circular.

Allowances for temporary absence on duty may be paid as in the table in sub-paragraph 4 above, subject to a limit of 31 days, after which claims will fall to be dealt with under the above staff circular.

An officer's dependants, other than wife and children, may be taken into account in the adjudication of a claim.

The Accountant General will continue to decide claims made under the terms of Staff Circular No. 51 1945.

#### D. ALLOWANCES PAYABLE TO EXPATRIATE OFFICERS FIRST AMENDMENT

The Accountant General will continue to decide claims under Staff Circular No. 51 of 1946, which concerns allowances to certain expatriate officers on first appointment, and these allowances may be payable in respect of periods of less than one month.

#### E. NON-EXPATRIATE OFFICERS ON FIRST APPOINTMENT.

Consideration will be given to the grant of assistance *ex gratia* to non-expatriate officers on first appointment, who, because they are non-expatriate, are ineligible for assistance under Staff Circular No.51 of 15th July, 1946.

#### F. "OFFICER FAMILY"

The definition in General Regulation 462 is replaced by: -

"The term 'an officer's family' means an officer's wife and children up to a maximum of five persons in addition to himself. The term 'children' means children below the age of eighteen who are unmarried and dependent upon the officer. For the purpose of transport, subsistence and lodging allowances, the term 'an officer's family' may, subject to Government's prior approval, be interpreted to include bona fide dependents, provided that the maximum of five persons in addition to the officer is not exceeded."

#### H. ALLOWANCES FOR STUDY LEAVE IN U.K. GENERAL REGULATORY 480(111) (a) and (b)

L.1 or 7/6 a day may now be paid as in General Regulation 480(iii) for duty while on leave of absence in the United Kingdom.

Officers who proceed to U.K. on duty may continue to be paid Palestine rates as in General Regulation: 480(ii)(c).

K. G. LINDSAY  
Civil Service Commissioner

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