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17 September 1945.

My dear Mr. Secretary:

During the past few months representatives of the Office of the Comptroller General of the United States have called on this Administration to present informal requests for permission to examine our accounts.

On each occasion we expressed regret that such permission could not be granted, and explained our reasons in considerable detail. Since representatives of the Comptroller General have again made the same request, and have enquired whether the Administration has changed its position, I consider it desirable to state the reasons which have prompted our position. These reasons are set forth in the enclosed letter.

I shall be very grateful if the Department of State will transmit this letter to the Comptroller General, together with any comments which the Department might consider appropriate.

Sincerely yours,

Herbert H. Lehman  
Director General.

The Honorable  
The Secretary of State  
Washington, D.C.

Enclosure

by hand

DA/Carl B. Spaeth/hc

Clearance: HECaustin

✓ X-310 —  
✓ X-321 - (Exam)



130-Comptroller Henry W. S.

17 SEP 1943

The Honorable  
Lindsay C. Warren  
The Comptroller General of the United States  
Washington, D. C.

Dear Mr. Warren:

From time to time during the past few months representatives of the Office of the Comptroller General of the United States have called at the Headquarters of this Administration to present informal requests for permission to examine our accounts. On each occasion we expressed regret that such permission could not be granted, and we explained our reasons in considerable detail. On September 11 Messrs. Hall and Correll from your office called to inquire if there had been any change in the Administration's position. In order to avoid any possible misunderstanding, I would like to state the reasons which have prompted our position, and to communicate this statement to you through the Department of State.

The United Nations Relief and Rehabilitation Administration was created by an agreement of forty-four United and Associated Nations following the meeting of their representatives at Atlantic City in November of 1943. This agreement was ratified according to the constitutional processes of the several governments, and of course was ratified by the Congress of the United States. Pursuant to the agreement, the Administration was set up as a distinct entity, the employees of which were to be responsible to the Administration and not to any member government. In order, however, that the several governments should enjoy maximum access to the Administration, a rather elaborate machinery for liaison between the Administration and the Governments was established.

In the first place, each government was authorized to name a representative and alternates to the Council of the Administration, "which shall be the policy-making body of the Administration". It was provided that this policy-making body should convene in regular session not less than twice a year, and in such special sessions as a designated Central Committee might deem necessary. Thus, through its member on the Council, each government was placed in a position to make proposals with regard to the Administration's policies, both of a substantive and procedural character. Furthermore, certain governments, including the Government of the United States of



America, were authorized to name members to a Central Committee of the Council, which was authorized to meet between sessions of the Council, and to make "policy decisions of an emergency nature". This Central Committee of the Council has met at regular sessions in Washington since 1943, and all sessions of the Committee have, I believe, been attended either by the representative of the United States or by his alternate.

In addition to providing for the Council and its Central Committee, the Governments created a number of special technical, administrative committees to advise and follow the work of the Administration. Among these committees is the Committee on Financial Control, established by Resolutions 24 and 25, which were unanimously adopted by the First Session of the Council. The Government of the United States is represented on the Committee on Financial Control, and the United States representative was elected Chairman of that Committee and has served in that capacity since its organization.

A copy of Resolution 25, which defines the functions of the Committee on Financial Control, is attached hereto. You will note that the Committee is given broad powers with respect to the auditing of the accounts of the Administration.

In addition to providing for the above described supervision of the Administration's activities by the member governments, the Council adopted Resolution No. 44 (copy attached), which named the auditors of the Administration and set forth detailed instructions to the Committee on Financial Control, particularly with respect to the functions of its Audit Subcommittee.

In view of the comprehensive machinery thus established for communications between the Administration and the member governments with respect to auditing and financial matters, machinery which gives all of the governments, including the Government of the United States, adequate opportunity to go into any matter relating to our accounting and financial policy, we have taken the position that in seeking information or in bringing proposals to the attention of the Administration, the member governments are bound to employ the machinery which they have established. It would not only be impractical from an administrative standpoint, but also improper for the Administration to permit the several government departments of forty-seven members to enjoy independent access to our records and accounts, and to make independent representations with respect to questions of the Administration's procedure and policy. If the Administration were to grant permission to the auditors of the General Accounting Office of the United States Government to examine and supervise accounts, we feel that we could not refuse similar requests by the accounting offices of any of the other forty-six member governments.



However, I wish to emphasize that this necessary administrative ruling does not preclude representations or inquiries by the Government of the United States through the channels which have been established by the basic UNRRA agreement, and by the resolutions to which I have referred.

I therefore recommend that your office raise any questions on our finances and accounts which it may have through the Honorable William L. Clayton, Assistant Secretary of State, who was designated by the President both as the United States member of the UNRRA Council, and as member of the Central Committee. I believe that you will find Mr. Clayton and his staff fully informed with respect to our auditing and administrative techniques, and that they will be able to obtain for you through the established procedures any information which your office, as a United States Government agency, may require in connection with your Government's contribution to, or dealings with the Administration.

In concluding, I wish to reiterate that there is no aspect of our accounting or administrative procedure with respect to which questions may not be raised through the procedures and methods established by the agreements approved by the Government of the United States.

Very sincerely yours,

Herbert H. Lehman  
Director General

Enclosures

FA:CG  
DA:CS:vbl  
14 September 1945

*by hand*

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*RS*