

Dual distributionTENTH REPORT OF 1948 OF THE  
ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONSRevision of cost-of-living allowances

1. In its second report of 1948 (A/598, paragraph 34), the Advisory Committee on Administrative and Budgetary Questions stated:-

"Owing to a significant rise in the cost of living in the headquarters area, proposals to increase the cost-of-living allowance in 1948 have been laid before the Committee. These proposals will be the subject of a separate report by the Committee."

2. The whole question of cost-of-living allowances for staff members both at headquarters and at the Geneva office was reviewed by the Advisory Committee at a number of meetings during its second and third sessions of 1948. The Committee's recommendations are set forth below under separate heads.

Headquarters office

3. In a note dated 23 August 1948, the Secretary-General informed the Committee that the cost of living in the New York area, as computed by the United States bureau of Labour Statistics, showed an increase of more than 25 per cent by comparison with May 1946. The relevant table appears as an annex to this document.

4. To meet this situation, the Secretary-General submitted revised proposals for an adjustment of the allowance which were the subject of joint discussion between the Committee and the Secretariat. The Committee also heard the views of the Staff Committee (headquarters office).

5. On 28 September 1948, the Advisory Committee communicated the following recommendations to the Secretary-General:

- (1) That, as a provisional, interim measure, an increase of 7-1/2 per cent in the cost-of-living adjustment should be granted to eligible staff members at headquarters, with effect from 1 October 1948;
- (2) That the allowance for all eligible staff members should be calculated upon a uniform base salary of \$2,000;
- (3) That differentials of \$100 should be applied respectively between

each of the following categories of staff members:

- (a) Single without dependants;
- (b) Single with dependants;
- (c) Married.

The effect of the Committee's recommendations is as follows:

	<u>Single without dependants</u>	<u>Single with dependants</u>	<u>Married</u>
Adjustment 22-1/2%	\$450	\$550	\$650

The Committee further recommended that the existing ceiling on the cost-of-living allowance (\$7,000) should be maintained, but that it would be appropriate to refer the matter (for review in conjunction with the whole question of the remuneration of staff members) to the working party of three independent experts whose appointment has been recommended by the Committee (A/598, paragraph 24).

6. The additional cost of the above adjustment is estimated at \$126,000 for the remainder of 1948 from 1 October, and at \$489,000 for 1949.

Geneva office

7. As a repercussion of the adjustment to the cost-of-living allowance at headquarters, requests for a review of their remuneration were submitted by the Geneva staff to the Secretary-General. Evidence was presented to the Advisory Committee showing that a comparable increase in the cost of living has occurred in Geneva. The Committee, however, was of the opinion that the salary scales set for Geneva in 1946 were sufficiently liberal to enable most of the increase in cost of living to be absorbed without hardship to the staff members. Moreover, it would, in the view of the Committee, be inappropriate to agree to any increase which would raise the level of United Nations remuneration at Geneva above that of the specialized agencies located there.

Nevertheless, the Committee felt justified in recommending that (as a provisional measure subject to review upon completion of the Joint United Nations-specialized agencies survey of cost of living), a 5 per cent cost-of-living allowance be granted to staff members in the Geneva office, with effect from 1 January 1949, the allowance to be calculated at a flat rate covering the whole salary range.

8. The cost of this allowance is estimated at \$114,000 for 1949, but the Committee hopes that every effort will be made to meet the additional cost out of savings.

Conclusion

9. The Committee recommends that the whole question of cost-of-living allowances, both at headquarters and at the Geneva office, should be reviewed by the working party of experts referred to in paragraph 5 above.

ANNEX

## COST OF LIVING IN THE NEW YORK AREA

Table showing the rise in the  
cost of living since May 1946

(Prepared from information published by the  
United States Bureau of Labour Statistics)

	<u>1946</u>	<u>1947</u>	<u>1948</u>
January		115.1	124.5
February		114.6	124.0
March		117.3	122.4
April		116.7	124.4
May	100.0	115.7	124.8
June	101.2	116.9	126.0
July	107.1	117.3	128.6
August	108.3	118.2	
September	111.3	120.6	
October	113.9	120.5	
November	115.0	121.7	
December	115.0	122.9	

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