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**FIFTH COMMITTEE, 523rd
MEETING**

**Tuesday, 6 December 1955,
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Chairman: Mr. Hans ENGEN (Norway).

AGENDA ITEMS 56 AND 38

Personnel questions: report of the Secretary-General (A/2996, A/3036, A/C.5/L.358/Rev.1, A/C.5/L.359) (continued) *

Budget estimates for the financial year 1956 (A/3038, A/3039, A/C.5/632, A/C.5/636, A/C.5/L.368, A/C.5/L.369, A/C.5/L.370) (continued)

1. Mr. CARRIZOSA (Colombia), speaking on behalf of the four sponsors of the revised draft resolution on education grants (A/C.5/L.358/Rev.1) had redrafted their text in the light of the observations made during the debate. In particular, they were proposing a compromise between their views and those of the United States delegation with regard to the date when the amendment to the Staff Regulations should become effective. They had fixed the date as 1 September 1956, the beginning of the next school year.

2. Mr. CLOUGH (United Kingdom), introducing the draft resolution (A/C.5/L.359) submitted by his delegation, said that it specified the only action with regard to education grants which the General Assembly could take at the present time. If that draft resolution were adopted, his delegation would be able to accept the revised four-Power draft resolution in substance. He therefore asked for the United Kingdom draft resolution to be put to the vote before the four-Power draft resolution.

3. Mr. GANEM (France) supported the proposal to establish a review committee to undertake a general review in 1956 of the salary, allowance and benefits system. According to the United Kingdom and United States draft resolution (A/C.5/L.368), the review committee would be composed of nine members. It was of course desirable that the membership of a body of that kind should be limited, but it should not be forgotten that the question of salaries and allowances had many aspects, including psychological ones. The number of members should be increased to eleven to facilitate acceptance of the review committee's recommendations by the Fifth Committee.

4. The Secretary-General had proposed that the Headquarters cost-of-living allowance should be increased

from 7.5 per cent to 10 per cent (A/C.5/636). In view of all the factors involved, the French delegation was in favour of that proposal and it supported the Netherlands draft resolution (A/C.5/L.370) to that effect.

5. The French delegation had always favoured the principle that the children of staff members should be educated in the manner of their country. Staff members should have an international spirit, but they should also maintain close links with their country of origin. It was very difficult to meet the latter condition, particularly in the United States. In the course of the Committee's debate, it had been pointed out that the proportion of United States staff members was relatively high. Some stateless staff members had adopted United States nationality and other staff members had changed their nationality for personal reasons. There could be no question of the Committee advising the Secretary-General to encourage such naturalizations, but it should be recognized that they were almost inevitable, because United Nations Headquarters were in New York. There would certainly not be the same tendency if United Nations Headquarters were in a small country. He wondered, for instance, how many staff members of the European Office had acquired Swiss nationality since 1946; the number was probably very small. The French delegation had maintained, at the time, that United Nations Headquarters should be in the capital of a small country, in Copenhagen or Vienna, for instance. Some Member States, including the USSR, had opposed the proposal. It was now clear that the traditional democracies were not the only ones to make mistakes which they later regretted.

6. The French delegation had always been anxious to ensure that the children of staff members should have the opportunity to be taught their mother tongue and their national culture. It would therefore vote for the revised four-Power draft resolution.

7. Mr. LIVERAN (Israel) pointed out that there was no difference of principle between the United Kingdom draft resolution (A/C.5/L.359) and the revised four-Power draft resolution. The only question was which steps should be taken immediately. By making a choice between those steps, the United Kingdom prejudged the review committee's decisions.

8. Under the four-Power draft resolution, staff members would be given the means to have their children taught their mother tongue in the country in which they were serving. The annex to the draft resolution was therefore very important. The four sponsors had fixed 1 September 1956 as the date for the measure to become effective, which would enable the staff members concerned to make all the necessary arrangements for the next school year. For those reasons, the Israel delegation would vote for the revised draft resolution.

9. Mr. ROBERTSON (Director of Personnel) said that the Secretary-General, who had always taken an interest in the question of education grants, would be

* Resumed from the 518th meeting.

happy to see the Committee adopt the revised four-Power draft resolution. However, he suggested that the date should be altered from 1 September 1956 to 1 January 1956.

10. The first part of the draft resolution laid down more flexible conditions for the grant of the education allowance; the Secretary-General hoped there would be no decision to delay implementation until September 1956. September was, of course, the beginning of the school year, but it should not be forgotten that the problem already existed for some staff members whose children were already going to school. Furthermore, the recommendations in the draft resolution were in line with the international Civil Service Advisory Board's conclusions (A/2996, annex I), which had been approved by the specialized agencies. The United Nations, the specialized agencies and the Advisory Board all held the same views in the matter.

11. The Secretary-General would like the increase in the education grant to become effective on 1 January 1956 also, as that would make it possible to alleviate certain difficulties which staff members were now facing.

12. The Secretary-General was making those suggestions because he had gone very carefully into the matter, taking into account the views expressed by the staff representatives, and because he knew how important the question was for Secretariat members. Headquarters staff members who sent their children to the International School and paid \$680 a year in school fees for each child now received an education grant of \$200 a year. If the Secretary-General's proposal were adopted, they would receive \$340 a year. Without that improvement, the conditions of service at different duty stations would continue to vary to an inappropriate degree, especially in the case of staff members on the lower salary levels and staff members with two or more children. Even with that improvement, such staff members would still have to shoulder a heavy financial burden. He therefore expressed the hope, on behalf of the Secretary-General, that the Committee would adopt the revised four-Power draft resolution, with the amendment he had suggested.

13. Mr. LARREA (Ecuador) said that the sponsors of the revised draft resolution had agreed to 1 September 1956 as the date for the amended Staff Regulations to become effective. They had agreed to that date in a spirit of compromise, although they preferred 1 January 1956. They would be very willing to revert to the latter date, but they felt that it was for the Fifth Committee to make the decision. He was gratified to hear from the Director of Personnel that the Secretary-General endorsed the revised draft resolution; that entirely justified the initiative taken by its sponsors.

14. Mr. MERROW (United States of America) said that he had been surprised to hear the Director of Personnel suggest that no compelling reasons had been developed in the discussion to substitute a later effective date for 1 January 1956 as the date for the amendment to the Staff Regulations to become effective. The United States delegation had already explained in detail why it opposed the 1 January 1956 date. It was prepared to vote for the revised draft resolution as it stood, provided that the date, 1 September 1956, was not changed.

15. Mr. CUTTS (Australia) said that he had criticized the original draft resolution proposed by the four Latin American delegations, but he would have no

hesitation in voting for the revised text, which was entirely satisfactory.

16. Mr. PINARD (Canada) hoped that the Secretary-General would not press for the date 1 January 1956. The Canadian delegation would then have less difficulty in voting for the revised draft resolution, which was, in its opinion, a satisfactory compromise.

17. Mr. LARREA (Ecuador) thanked those delegations which, after having criticized the original four-Power draft resolution, had stated that they would support the revised draft. The sponsors of the draft resolution attached no fundamental importance to the date when the amendment to the Staff Regulations would become effective, and would prefer the Chairman to put the new text to the vote as it stood.

18. Mr. MENDEZ (Philippines) said that the Director of Personnel had advanced convincing reasons for changing the effective date of the draft resolution. He therefore formally proposed that the words "1 September 1956", at the end of operative paragraph 1 of the revised draft resolution, should be replaced by the words "1 January 1956".

19. After some discussion in which Mr. CLOUGH (United Kingdom), the CHAIRMAN, and Mr. LARREA (Ecuador) took part, Mr. CLOUGH (United Kingdom) agreed that the revised four-Power draft resolution and the oral amendment of the Philippines should be put to the vote before the United Kingdom draft resolution.

The Philippine amendment was adopted by 17 votes to 16, with 14 abstentions.

20. The CHAIRMAN put to the vote the revised draft resolution (A/C.5/L.358/Rev.1), as amended.

At the request of the United States representative, a vote was taken by roll-call.

Poland, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Saudi Arabia, Syria, Uruguay, Yemen, Yugoslavia, Argentina, Australia, Belgium, Bolivia, Brazil, Burma, Chile, China, Colombia, Cuba, Denmark, Ecuador, Egypt, Ethiopia, France, Greece, Guatemala, Haiti, India, Indonesia, Iran, Iraq, Israel, Liberia, Mexico, Norway, Panama, Peru, Philippines.

Against: Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Byelorussian Soviet Socialist Republic, Czechoslovakia.

Abstaining: Sweden, Turkey, Venezuela, Canada, Netherlands, New Zealand, Pakistan.

The revised draft resolution, as amended, was adopted by 34 votes to 7, with 7 abstentions.

21. Mr. CLOUGH (United Kingdom) withdrew his draft resolution (A/C.5/L.359).

22. Mr. FRIIS (Denmark) said that he had voted for the four-Power draft resolution on the understanding that the question of education grants would also be considered by the committee which was to review the whole system of salaries and allowances.

23. The CHAIRMAN asked the Committee to consider the draft resolution of the United Kingdom and the United States relating to salary differentials, cost-of-living adjustments and dependency allowances (A/C.5/L.368).

24. Mr. CLOUGH (United Kingdom) explained that his delegation had presented two draft resolutions jointly with the United States delegation. One of them (A/C.5/L.369) would continue for 1956 the additional dependency credit authorized under General Assembly resolution 894 (IX), but would not make any change in the cost-of-living adjustment until the General Assembly had considered the report of the review committee to be established under the other draft resolution (A/C.5/L.368). The review committee would be instructed to undertake a comprehensive review of the system of salaries and allowances. In view of the importance which the committee's findings would have, the sponsors of the draft resolution had thought it best for the committee to consist of experts nominated by Governments. Under paragraph 3, States which were not Members of the United Nations but were members of specialized agencies would have an opportunity to put forward their views. Paragraphs 5 and 6 provided for the specialized agencies to be brought into the review.

25. The United Kingdom and United States delegations thought it would be better if the Advisory Committee on Administrative and Budgetary Questions did not take a direct part in the work. It might be useful, however, if the review committee did not hesitate to ask the Advisory Committee for any information it needed. That was a point on which it would be valuable to have the opinion of the Chairman of the Advisory Committee.

26. Mr. MERROW (United States of America) restated the considerations which had led his delegation to join with that of the United Kingdom in putting forward the draft resolution in document A/C.5/L.368. First, there was general agreement that the time was ripe to review the entire system of salaries, allowances and benefits of staff members. Second, it was desirable to co-ordinate the action of the United Nations in the matter with that of the specialized agencies. Such co-ordination would be facilitated by the participation in the review committee of representatives of United Nations Member States and of States members of the specialized agencies. Third, experience showed that it would be best, in the interests both of good administration and of the staff and Governments, if the review were entrusted to a small and representative group of experts appointed by Member States.

27. If the Assembly favoured the review, it would be both premature and undesirable to approve at that session an increase in the cost-of-living adjustment. As its name implied, the purpose of the adjustment was to reflect variations in the cost of living. The cost-of-living index for New York had increased by only 1.2 points between November 1951, the date of the last cost-of-living adjustment, and October 1955. Under the common policy developed by the Administrative Committee on Co-ordination and used by the United Nations in its field Offices and by the specialized agencies, such a small rise did not call for an increase in the cost-of-living adjustment. It was true that there might be other factors, such as an increase in national salaries and wages, to justify a review of the system of remuneration of international civil servants. The only way to solve the problem, however, was to undertake the proposed study in order to evolve a system that could be applied in all specialized agencies and all United Nations field offices. Hence, an increase in the cost-of-living adjustment granted to Headquarters staff members should not be granted at the present time

since it would destroy the basis for co-operation between the United Nations and the specialized agencies on the matter.

28. For those reasons the United Kingdom and United States delegations proposed in document A/C.5/L.369 to defer the question of the cost-of-living adjustment until the next session. Deferment was especially justified as the additional dependency credit and the increased education grant had already made some improvement in the situation of staff members.

29. The review committee might meet in the spring of 1956. It would have available documentary material prepared by the Secretary-General and the heads of the specialized agencies and would naturally be at liberty to request any further information it needed. It appeared that the committee might meet in New York, but there was nothing to prevent it from holding a second session in Europe if necessary. The selection of experts would be left to Governments, but it could be assumed that they would appoint only individuals having wide experience of personnel matters and a knowledge of the administration of international organizations.

30. Mr. FEKKES (Netherlands) said that his delegation would support the United Kingdom and United States draft resolution to establish a review committee. It would ask that the second draft resolution (A/C.5/L.369) should be voted on in parts because, while it would be able to vote for operative paragraph 1 concerning the additional dependency credit, it would not be able to approve paragraph 2, which sought to defer any change in the cost-of-living adjustment. The Netherlands delegation was convinced of the need to increase the cost-of-living adjustment, and had submitted a draft resolution to that effect (A/C.5/L.370).

31. Mr. PINARD (Canada) agreed with the Secretary-General that the system of salaries and allowances should be such as to attract the most competent and qualified personnel, but, like the United States and United Kingdom representatives, he thought it better to undertake a comprehensive review rather than to take piecemeal action.

32. Canada accordingly supported the Secretary-General's proposal for a review of the whole system in 1956 (A/2996). As the Advisory Committee had recommended (A/3036), the review committee should be appointed by the General Assembly and should consist of experts nominated by Governments. On the other hand, interim decisions at the current session should be avoided, as they might not be consistent with the establishment of a lasting and equitable system.

33. For those reasons, and for the reasons put forward by the sponsors, the Canadian delegation would support the two draft resolutions of the United Kingdom and the United States.

34. Mr. HAGBERG (Sweden) wished to say that, although some delegations thought that there was no urgent need to increase the cost-of-living adjustment for Headquarters staff, the Swedish delegation did not agree with them. Like the Belgian delegation, it had been impressed by the Secretary-General's figures showing that in the case of some categories of staff the net salary had increased only a few points, whereas the New York cost-of-living index had risen by about twelve points. The Swedish delegation therefore endorsed the Secretary-General's proposal to increase the cost-of-living adjustment from 7.5 per cent to 10 per cent (A/C.5/636), on the clear understanding that the

increase was an interim measure which only partially restored the purchasing power of staff members, and also that the increase should not prejudice the findings of the general review of salaries in the United Nations and the specialized agencies to be undertaken in 1956.

35. It was important that the United Nations should continue to have a competent and well-paid staff. It should not be forgotten that the staff enjoyed very limited security of tenure and promotion opportunities, and that life was very much more expensive for non-American staff members at their duty station than in their country of origin. For those reasons, the Swedish delegation would vote in favour of the Netherlands draft resolution.

36. Mr. ABOU-GABAL (Egypt) thought that consideration should be given to the Secretary-General's proposals, especially in so far as they concerned staff members in the lower and middle grades. He would vote in favour of the Netherlands draft resolution.

37. Mr. TSAMISSIS (Greece) pointed out that, in view of its small contribution to the United Nations budget, Greece had always advocated a policy of economy. In the case in point, however, it was necessary to consider the human aspect of the problem and also the fact that the United Nations must remunerate its staff members suitably if it wished to continue to have a staff of high quality. Hence, the Committee should not wait for the results of the review to be undertaken in 1956, especially as the time involved was likely to be longer than was at present foreseen. For that reason, the Greek delegation would vote for the Netherlands draft resolution. It would also vote for the draft resolution presented by the United Kingdom and the United States to establish a review committee.

38. Mr. VENKATARAMAN (India) said that while he appreciated the difficulty of associating staff representatives with the review committee's work he hoped that when the committee considered the scale of salaries and wages for staff members, staff representatives would have an opportunity of expressing their views. Subject to that reservation, he would vote for the United Kingdom and United States draft resolution.

39. The ceiling on the cost-of-living adjustment should not be removed unless the experts concluded that it should, but the Indian delegation would agree to raising the ceiling from \$800 to \$1,000 as proposed by the Netherlands delegation. It would accordingly vote for the Netherlands draft resolution.

40. Mr. ASHA (Syria), Mr. MONTERO BUSTAMANTE (Uruguay) and Mr. NATANAGARA (Indonesia) also supported the Netherlands draft resolution.

41. Mr. CUTTS (Australia) agreed with the views that had been expressed on the membership of the review committee, and said he would vote for the United Kingdom and United States draft resolution. With regard to the cost-of-living adjustment, however, he had not been convinced by the Secretary-General's arguments and would vote against the Netherlands draft resolution.

42. After an exchange of views in which Mr. FRIIS (Denmark), Mr. CLOUGH (United Kingdom), Mr. GANEM (France) and Mr. FENAUX (Belgium) took part, it was decided that paragraphs 1, 2 and 3 of the United Kingdom and United States draft resolution (A/C.5/L.368) should be amended to provide that the review committee would consist in all of eleven

experts, nine of whom would be nominated by Member States of the United Nations and two by States which were members of specialized agencies but not of the United Nations.

43. Mr. FENAUX (Belgium) thanked the sponsors for accepting those amendments.

44. Mr. TURNER (Controller), in reply to a question by Mr. ASHA (Syria) concerning the financial implications of the establishment of a review committee, stated that it was not clear from the draft resolution whether members of the committee were to be considered as representing the Governments which nominated them or as individual experts. The question whether the United Nations should pay travel and subsistence was therefore not readily determinable under the governing resolution on the subject (resolution 231 (III)). If the members were to be regarded as individual experts, then travel and subsistence clearly were payable by the United Nations. If, however, they were to be regarded as representatives of Governments, then it did not necessarily follow that travel and *per diem* should not be paid. Resolution 231 (III) provided, *inter alia*, that (a) in the case of a Commission of Enquiry established by the General Assembly, travel and subsistence should be paid; (b) in the case of Commissions of the Economic and Social Council to which members were nominated by Governments in consultation with the Secretary-General, travelling expenses — but not subsistence — should be paid by the United Nations. It appeared to the Secretary-General that the salary review committee, even if considered as consisting of government representatives, would be essentially a committee of inquiry and that the United Nations should pay travel and subsistence expenses. He desired, however, to have the Committee's guidance on the question.

45. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that he had not had time to consult his colleagues but thought it would be best for the Advisory Committee to have nothing to do with the review committee's work, especially in view of the fact that there had been a difference of opinion on the subject of the review committee between the Advisory Committee and the Secretary-General. However, the Advisory Committee would be very willing to supply the review committee with any information and documentation it might need.

46. Mr. TURNER (Controller) said that he would like the words "of the operations" in operative paragraph 1 of the draft resolution (A/C.5/L.368) to be deleted, as he felt that they were too restrictive.

47. Mr. LIVERAN (Israel) said that for the same reason he would like the word "operating" in the second paragraph of the preamble to the English text to be deleted.

48. Mr. CLOUGH (United Kingdom) accepted those amendments and thanked the representatives who had proposed them.

The United Kingdom and United States draft resolution (A/C.5/L.368), as amended, was adopted unanimously.

49. At the request of Mr. MENDEZ (Philippines) and Mr. FENAUX (Belgium), Mr. CLOUGH (United Kingdom) agreed to delete the word "only" in the first line of operative paragraph 1 of the remaining joint draft resolution submitted by the United Kingdom and the United States (A/C.5/L.369).

50. The CHAIRMAN reminded the Committee that the Netherlands had asked that the operative part of the draft resolution should be voted on in parts. He put paragraph 2 to the vote first.

Paragraph 2 of the joint draft resolution (A/C.5/L.369) was rejected by 27 votes to 13, with 4 abstentions.

51. The CHAIRMAN accordingly proposed that the Committee should proceed at once to vote on the Netherlands draft resolution (A/C.5/L.370).

The Netherlands draft resolution was adopted by 31 votes to 10, with 3 abstentions.

52. Mr. TURNER (Controller) said that, as a result of the voting, the \$500,000 appropriation originally requested by the Secretary-General (A/C.5/636, para. 10) could be reduced by \$87,000.

53. The CHAIRMAN informed the Committee that it would accordingly have to vote a supplementary appropriation of \$413,000 when considering the budget at the second reading.

The meeting rose at 12.50 p.m.