

Committee (A/9852); (b) approve the administrative and budgetary provisions of the draft Agreement between the United Nations and WIPO; and (c) take note of chapter VI, section A.6, of the report of the Economic and Social Council (A/9603).

It was so decided.

62. The CHAIRMAN said that, in accordance with the Committee's decision at its 1651st meeting, the Rapporteur

would report direct to the General Assembly at its plenary meeting concerning the decisions of the Committee.

63. With the exception of the consideration of the draft paragraph to be submitted by the Netherlands delegation, the Committee had thus concluded consideration of agenda item 75.

The meeting rose at 10.40 p.m.

1689th meeting

Wednesday, 11 December 1974, at 3 p.m.

Chairman: Mr. Costa P. CARANICAS (Greece).

A/C.5/SR.1689

AGENDA ITEM 72

Financial reports and accounts for the year 1973 and reports of the Board of Auditors (concluded):*

(b) United Nations Development Programme (concluded)*

*United Nations Fund for Population Activities
(A/9607/Add.1, vol. II; A/9763/Add.1)*

1. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the financial report and accounts of the United Nations Fund for Population Activities (A/9607/Add.1, vol. II), said that the Advisory Committee's report (A/9763/Add.1) was self-explanatory. Although there had been some problems, as could be seen from paragraph 4, the Advisory Committee had realized that 1973 was a transitional year and had therefore not wished to discuss the disagreement which had emerged between the Board of Auditors and the Fund concerning the "rolling plan" and the annual funding in the operations of the Fund, but hoped that the parties would find a solution within the framework of the new financial regulations which had come into force in January 1974.

2. He drew attention to paragraph 7 of the report of the Advisory Committee.

3. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out.¹

It was so decided.

AGENDA ITEM 82

United Nations salary system (continued):

(a) Report of the Secretary-General (continued) (A/9738 and Add.1 and Add.1/Corr.1, A/9891);

(b) Report of the International Civil Service Advisory Board (continued) (A/9630, A/9709, A/9919, A/C.5/1652)

* Resumed from the 1652nd meeting.

¹ Text subsequently adopted by the General Assembly (resolution 3303 (XXIX)).

4. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) suggested that the Committee should take a decision on the composition of the International Civil Service Commission so that the Secretary-General could submit to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee the names of candidates for appointment to the Commission.

5. Mr. DAVIDSON (Under-Secretary-General for Administration and Management) said that, by its resolution 3042 (XXVII), the General Assembly had decided that the Commission should have 13 members; what remained to be decided was the number of full-time members. If the Fifth Committee were now to decide to approve the Advisory Committee's recommendation (A/9891, para. 19) that there should be 2 full-time members, the Administration would have no difficulty in completing its consultations with the Advisory Committee.

6. Mr. MSELLE (United Republic of Tanzania) agreed that the Fifth Committee could proceed on the understanding that it approved the Advisory Committee's recommendation and that the Under-Secretary-General for Administration and Management should hold consultations with the Advisory Committee concerning the list of candidates. If the negotiations did not begin until the Fifth Committee had taken a decision on the establishment of the Commission, there would be no time for it to take a decision on the list of candidates.

7. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) agreed that the Committee was now inclined to support the Advisory Committee's recommendation and that the Under-Secretary-General should go ahead with the negotiations.

Mr. Garrido (Philippines), Vice-Chairman, took the Chair.

8. Mr. NAGGAGA (Uganda) said that his Government had not so far made any formal reservations or suggestions with regard to the draft statute of the International Civil Service Commission. It had, however, pointed out the need for a co-ordinated approach to personnel problems through such a commission. The Commission's mandate should therefore

be broad enough to enable it to perform its functions, taking into account the human aspects involved.

9. In view of the fact that staff members had experienced an erosion of the purchasing power of their salaries since 1971 owing to inflation and other upheavals, his delegation accepted the recommendation of ICSAB (A/9630, para. 36) for a net salary increase of 6 per cent effective 1 January 1975 for the Professional and higher categories. In the light of the Secretary-General's remarks in document A/9709, paragraph 13, that recommendation was conservative. His delegation also agreed with the Advisory Committee that piecemeal adjustments might cause serious distortions in the salary scales of the staff in the Professional and higher categories. While it was true that the United Nations civil service was better treated than most national civil services, that was a necessary element if it was to attract the best candidates throughout the world. Finally, his delegation accepted the conclusions in paragraph 29 of the Advisory Committee's report (A/9919).

10. Mr. AKASHI (Japan) said his delegation noted with satisfaction that the revised version of the draft statute of the International Civil Service Commission now met the difficulties that had been mentioned in the Fifth Committee at the preceding session and in the communications from Governments, and that his own delegation's comments on the indivisibility of the powers of the Commission, the authority of the General Assembly and the need to specify staff representation had been taken into account. It endorsed the comments and suggestions made by the Advisory Committee and agreed that the Commission should start its work with the existing staff to be transferred from the organizations in the common system. In that connexion, it noted with concern that two of the largest agencies in the system appeared to be unwilling to surrender any posts to the Commission, despite the fact that it would take over some of the functions performed by their secretariats. His delegation hoped that the Commission would become operational as soon as possible.

11. With regard to the salary system, he said that the Committee could not avoid dealing with an interim adjustment because, even if the International Civil Service Commission was set up immediately, it was unlikely to be in a position to make any recommendations on the subject before the autumn of 1976. His delegation accepted the ICSAB calculation that the cumulative shortfall between the increase in the cost of living and the degree to which the post adjustment system compensated for that increase amounted to 3.35 per cent. With regard to the movement of the national civil service salaries in seven countries where organizations in the common system were located, his delegation had estimated the changes between 1971 and 1974—a shorter period than ICSAB had taken—and had found that the unweighted average of the index amounted to 2.8 per cent. If those two factors were taken into account, the increase of about 6 per cent might be justified. His delegation was aware that United Nations remuneration was higher than the comparable remuneration in the United States civil service, the difference being quite pronounced in New York but much less so in Washington. It noted that there was no generally accepted view as to the degree to which the expatriation factor had to be reflected in order to adjust the United Nations salary upwards.

12. Although his delegation would have preferred the postponement of a salary adjustment to a later date, it could find no convincing reason to postpone the interim adjustment of the base salary until an indefinite future date. It would not, therefore, object to the 6 per cent increase, but without the consolidation of the two classes of post adjustment. It would also concur with the recommendations on children's allowance and assignment allowance, but agreed that no action should be taken with regard to the other allowances. Finally, his delegation associated itself with the hope that a comprehensive review of the entire salary system would be undertaken by the new Commission.

13. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) noted that nearly three years had passed since the General Assembly had decided to establish the International Civil Service Commission, but the question remained unresolved. His delegation thought that the Fifth Committee had everything it needed to take a decision on the establishment of the Commission. The 13 members should be selected on the basis of equitable geographical representation, and the Commission must be established as an organ of the General Assembly. As part of its work it should prepare recommendations to the General Assembly on the salaries of staff in the Professional and higher categories and General Service staff, and on such matters as allowances and pensions.

14. His delegation could not agree that the Commission should be divided into full-time and part-time members; all the members must have equal status, participate equally in the adoption of decisions and bear full responsibility for the Commission's work. Nor could it agree that the Commission should have 2 full-time officers, a Chairman and a Vice-Chairman, but it could accept the idea of a full-time Chairman. It would have difficulty in supporting the proposal of the Secretary-General and the recommendation of the Advisory Committee that the Chairman and Vice-Chairman should be appointed by the General Assembly. It would be preferable for the Chairman to be chosen by the members of the Commission for one year and to be eligible for re-election.

15. The Commission should immediately begin consideration of the report of the Special Committee for the Review of the United Nations Salary System² and should base its work on the Special Committee's recommendation that the salaries of United Nations staff members should not exceed those of United States civil servants by more than 15 per cent. It would also be appropriate to approve the Special Committee's recommendation that the Expert Committee on Post Adjustments should become a subsidiary organ of the Commission.

16. The Commission's secretariat should be established in conformity with the principle of equitable geographical distribution of posts. With regard to the Commission's budget for 1975, his delegation was basically in agreement with the comments and recommendations of the Advisory Committee in paragraphs 36 to 50 of its report (A/9891).

² *Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 and corrigendum.*

17. His delegation could not support the recommendations of ICSAB concerning a salary increase and increases in the children's and assignment allowances. The recommendation for a 6 per cent salary increase, in particular, was premature and unjustified, since the effects of inflation and the cost of living were always taken care of by the post adjustment system, as both ICSAB and the Advisory Committee had noted in their reports. ICSAB had considered material submitted by the secretariats of the organizations in the United Nations system—in other words, by the staff themselves, who naturally had an interest in improving their own salaries. The organizations maintained that their remuneration was inadequate, and ICSAB had therefore recommended the restoration of the ratio of United Nations salaries to those of the United States civil service to the one existing on 1 July 1971. ICSAB itself recognized, in paragraph 27 of its report (A/9630), that the method used by the organizations in measuring the loss of income reached a higher figure than ICSAB would consider justified and, in paragraph 28, that the real income indices of certain duty stations were slightly overstated. It would be appropriate to recall General Assembly resolution 2742 (XXV) in which the Assembly had decided that no further adjustment of the base salary scales for the Professional and higher categories should be made until the review of the salary system had been completed. Responsibility for the review had passed from the Special Committee for the Review of the United Nations Salary System to the International Civil Service Commission. The General Assembly had never revoked that resolution and consequently the question of adjustments to base salaries remained the prerogative of the Commission.

18. The Advisory Committee stated in paragraph 10 of its report (A/9919) that a comparison between United Nations salary rates and those for corresponding grades in the United States federal civil service showed that the net pay of United Nations staff in the Professional and higher categories serving in New York was much higher than that of their counterparts in the United States federal civil service. Furthermore, the proposed 6 per cent salary increase would entail enormous additional expenditures, totalling some \$26 million for the United Nations system as a whole. In his delegation's view, the Fifth Committee could not take such far-reaching decisions at a time when the United Nations was already experiencing acute financial difficulties. His delegation could not understand why the Advisory Committee, having recognized that the proposals put forward by ICSAB were unjustified, had nevertheless agreed with them. His delegation could not support the Advisory Committee's conclusions and recommendations or accept the financial implications of their adoption.

19. Mr. SCHMIDT (Federal Republic of Germany) said that his Government attached considerable importance to finding a satisfactory and equitable salary system for the remuneration of United Nations staff. The overriding objective was to avoid delaying action for another year, and to take whatever decision was necessary to improve the salary system, even though there might be some doubts about the details of the proposals before the Committee. His Government therefore recommended, as a first step, acceptance of the draft statute of the International Civil Service Commission submitted by the Secretary-General in document A/9738, and modified by the Advisory Commit-

tee in document A/9891. The improved version seemed to meet the criticisms voiced against the original draft, especially with regard to the structure of the Commission and the division of responsibilities. The appointment of only a Chairman and a Vice-Chairman as full-time officers, and the vesting of all powers in the Commission as a whole, seemed to do away with the inequalities which might have existed within the Commission under the terms of the previous draft. If the Commission was not set up at the current session, the overhauling of the salary system might have to be postponed, and it might be necessary to resort to makeshift arrangements. The unsatisfactory nature of such a solution was probably best seen when dealing with the proposals of ICSAB for an increase in the salary rates and in certain allowances. The current salary system would become even more out of line with economic and monetary developments in Member States, and interim arrangements would only increase the inherent difficulties of the system. Action should therefore be taken on the proposals, bearing in mind the Committee's responsibility to the employer, not only for the United Nations but for all other organizations adhering to the so-called common system.

20. With reference to the questions whether and by how much the base salary should be increased, his delegation considered that no valid formula existed under which the Noblemaire principle could be applied as an interim solution. The suggestion by the Special Committee for the Review of the United Nations Salary System, in 1972, that United Nations salaries should not exceed comparable United States civil service salaries by more than 15 per cent had never been adopted by the General Assembly, and the situation as a whole had changed considerably. His delegation therefore felt that the only valid interim solution should be based on whether and to what extent the take-home pay of United Nations staff had been eroded by economic developments since the last salary increase in 1971. Depending on how the calculations were made, different estimates of the decline in the purchasing power of United Nations Professional salaries would be obtained. A loss of at least 3 per cent seemed to be a widely accepted figure. Other calculations, depending on whether they referred to staff members with or without dependents, could lead to much higher percentages. Under those circumstances, the increases proposed by ICSAB and endorsed by the Advisory Committee did not seem unreasonable. The final figure chosen would be, to a certain extent, a political one and, in order to facilitate the decision, his delegation could concur with the recommendations of ICSAB and the Advisory Committee, including the proposed increases in the dependency and assignment allowances.

Mr. Caranicas (Greece) resumed the Chair.

21. Mr. BOUAYAD-AGHA (Algeria) said that the 6 per cent increase as from 1 January 1975 recommended by ICSAB as an interim measure was not excessive; indeed, it was less than the amount recommended by either the Secretary-General or the Federation of International Civil Servants' Associations (FICSA), and his delegation supported it.

22. With regard to the International Civil Service Commission, his delegation would prefer a Commission of 5 full-

time members appointed by the General Assembly; that would ensure that all geographical regions were represented. It agreed with ICSAB that some tension might arise if there were two categories of members. However, it was open to any suggestion, and the proposal that there should be a full-time chairman and a full-time vice-chairman was not a bad one. His delegation entirely agreed with the Advisory Committee on the need to make it quite clear that the full-time members were independent of any secretariat and that their remuneration should be determined by the General Assembly without reference to the common system, so that they would not be personally affected by the recommendations they made. His delegation would like the list of candidates for appointment by the General Assembly to be published; otherwise, it might be forced to circulate the one it had in its own possession, which it believed was accurate. Finally, he pointed out that his delegation would have difficulty in agreeing to a Chairman or a Vice-Chairman of Swiss nationality.

23. Mr. MATSEIKO (Ukrainian Soviet Socialist Republic) said that his delegation could not accept the proposals for a 6 per cent salary increase and increases in the children's allowance and assignment allowance, which would add \$7,440,000 to the total annual assessments of Member States. The documents before the Committee showed that there was a complete lack of agreement between ICSAB and the Advisory Committee concerning the proposed innovations. The arguments adduced in support of the proposals were unconvincing, indeed worthless. In paragraph 13 of its report (A/9919) the Advisory Committee expressed doubts about supporting the proposed salary increase, but unfortunately it had decided not to oppose ICSAB's recommendation. His delegation was alarmed by the "flexible" attitude of the Advisory Committee, for, if that Committee had doubts, it was reasonable to conclude that the proposal had not been justified.

24. Although the Special Committee for the Review of the United Nations Salary System had concluded that United Nations salaries should not exceed those of United States civil servants by more than 15 per cent, the comparative figures given in the annex to the Advisory Committee's report showed that the current net remuneration of United Nations staff was considerably higher than that of their counterparts in the United States civil service—a fact which the Advisory Committee accepted. In the light of those figures, it would be better for the Fifth Committee to think of bringing United Nations salaries into line with the Special Committee's recommendations. Despite the provision made in General Assembly resolution 3042 (XXVII) for a 'comprehensive review of the United Nations salary system by the International Civil Service Commission, the Committee was again considering, in the language of the ICSAB report, "an interim step . . . designed to restore a measure of equilibrium to a situation in flux" (A/9630, para. 37). His delegation favoured a solution of the problem that would be acceptable to all the parties and would take account of past decisions of the General Assembly.

25. The Secretary-General had produced no evidence in support of the recommendations for increases in the children's allowance and the assignment allowance; he had merely supported ICSAB's view. The reasons advanced in paragraphs 46 to 61 of the ICSAB report for changes in the

present benefits gave rise to doubts. For example, in paragraph 57, it was stated that the assignment allowance had been introduced to meet the extra costs of furnished accommodation, while in paragraphs 59 and 60 an attempt was made to justify the proposed 75 per cent increase as "an inducement to field service". With regard to the proposal to increase the children's allowance by 50 per cent, his delegation thought that the arguments given in paragraph 46 were inconsistent. It could not accept such "justifications" and would not support the recommendations.

26. The United Nations salary system obviously needed improvement, but the various proposals that had been made were only half measures. Effective decisions must be based on a comprehensive study of the whole problem, which was a task for the proposed International Civil Service Commission. At the twenty-eighth session, his delegation had stated its view that the Commission should be an intergovernmental organ required to make recommendations to the General Assembly. It supported article 2 of the draft statute and the Advisory Committee's recommendation, in paragraph 11 of its report (A/9891), that the membership of the Commission should not exceed 13 persons chosen on the basis of broad geographical representation. All the members of the Commission should bear full responsibility for its work and participate equally in the adoption of draft decisions and recommendations. The members of the Commission would of course choose a Chairman, whose term of office should be one year and who would be eligible for re-election. His delegation could not accept the Secretary-General's proposal, supported by the Advisory Committee, that the Chairman and Vice-Chairman should be appointed by the General Assembly. It hoped that the Fifth Committee would recommend the establishment of the Commission as from 1 January 1975, so that the latter would be able to begin as soon as possible its consideration of the important questions awaiting comprehensive and objective study.

27. The SECRETARY-GENERAL recalled that, in his statement at the 1639th meeting of the Committee, he had mentioned (A/C.5/1614, para. 3) the ICSAB recommendations, pointed out that they had system-wide implications and expressed the hope that the Fifth Committee, when considering those recommendations, would not take a decision within the narrow context of the Organization's immediate budgetary problems. He emphasized, on behalf of the Administrator of UNDP and the executive heads of all the agencies, the importance of action being taken at the current session. The recommendations, which the Advisory Committee largely supported, were modest, and he doubted whether the interim adjustments would be enough until the proposed Commission could report on its full-scale review of the salary system. That doubt would increase if positive action on the recommendations was not approved at the current session. ICSAB's mandate had been to examine the extent to which international civil service salaries had deteriorated in relation to the level approved by the General Assembly that went into effect in 1971 and the relative movements in national civil services during the same period, and to make recommendations. Although some delegations might find some matters on which to put questions or express reservations with regard to ICSAB's calculations, the essential point was that the 11-member

board, composed of experts with long experience in reviewing many aspects of the problem, had spent 12 days on the matter in 1973 and had gone into it in far greater depth than most people were able to do. It seemed, therefore, that the Fifth Committee would be wise to accept the judgement of the experts to whom it had entrusted the study, all of whom were men of sound judgement and integrity. He urged that the Board's judgement, as supported by the Advisory Committee, should be accepted.

28. Mr. WHITLAM (Australia) said that his delegation supported the Advisory Committee's proposals on the International Civil Service Commission.

29. With regard to remuneration of staff in the Professional and higher categories, his delegation supported the recommendations, concerning a 6 per cent increase and concerning dependency and assignment allowances, as it believed that only a well-paid Secretariat could attract the skilled personnel needed by the United Nations. It regretted that the Advisory Committee had not been more enthusiastic about the recommendations.

30. Mr. DIPP GOMEZ (Dominican Republic) pointed out that, while his delegation believed that the remuneration of United Nations staff members should be appropriate to their functions and in accordance with the Noblemaire principle, it seemed that they were between 127 and 145 per cent of United States civil service salaries. His delegation was somewhat confused by the data presented in the three documents before the Committee (A/9630, A/9709, A/9919) in support of the recommendation for a 6 per cent increase effective 1 January 1975, and it had reservations concerning the recommendation. He drew attention to paragraph 13 of the Advisory Committee's report (A/9919), which stated that the Advisory Committee accepted the view, implicit in the Board's recommendation, that the increases proposed by the Secretary-General and by FICSA would not, in the prevailing circumstances, be justified, but that it had decided not to oppose the Board's recommendation. Such reluctant acceptance of the recommendation made it clear that the evidence in support of it had not been convincing. Indeed, paragraphs 38 and 39 of the ICSAB report (A/9630) showed that some members of the Board had expressed serious reservations. Moreover, the recommendation would mean an additional burden of \$16.2 million for the United Nations budget alone as well as a burden for Member States, particularly the developing countries, which had to pay for the high cost of imported inflation.

31. His delegation had some reservations with regard to the usefulness and high cost of the proposed staff for the International Civil Service Commission and felt, moreover, that there were a number of existing bodies which could study administrative and personnel matters. In any event, the Commission, if it was established, should be headed by a board of at least 3 out of the 13 members.

32. Mr. Sanaullah KHAN (Pakistan) expressed concern at the fact that so important an item as the draft statute of the International Civil Service Commission was being considered at the eleventh hour. His delegation was happy to note that the new text for article 18 of the draft statute made it quite clear that basic policies with respect to all

matters for which the Commission was responsible would be the responsibility of the Commission as a whole and spelt out the latter's responsibilities. Although his delegation had initially favoured having 1 permanent member, it would be prepared to accept the proposal for 2 full-time members. Accordingly, it endorsed the amendment to article 2 of the draft statute proposed by the Advisory Committee in paragraph 21 of its report (A/9891) and the consequential changes proposed in paragraph 22. It also supported the Advisory Committee's proposals on budget estimates contained in paragraphs 36 to 50 of its report. Thus, his delegation supported the draft statute of the International Civil Service Commission. Finally, he again expressed disappointment at the fact that, by giving undue attention to trifles, the Committee was now being forced to proceed with unseemly haste on important constitutional questions.

33. Mr. LAHLOU (Morocco) said that the reports before the Committee were not conclusive. The proposed 6 per cent salary increase would have been fair if the rate of inflation had been the same in all the United Nations headquarters countries and if currency fluctuations had been of equal intensity. Any step that was taken would therefore be merely temporary, for a more thoroughgoing reform was necessary.

34. His delegation was in favour of the establishment of the International Civil Service Commission but felt that, in order to be effective, the Commission must always have political support and due regard for equitable geographical distribution and must not play an administrative role. Some autonomy was necessary, and the members must be sufficiently representative to guarantee the necessary cohesion between them and the legislative bodies. His delegation could not yet determine its position on the size of the membership but felt that there should be at least 2 full-time members, although that should not affect the statutory equality of all members of the Commission.

35. Mr. STOTTLEMYER (United States of America) said that his delegation would limit its remarks to the salary question *per se*, which, for purposes of presentation, it would divide into five basic components: the proposed increase in base salary; the proposal, rejected by the Advisory Committee, for consolidating two classes of post adjustment into the basic salary scale; the proposal, also rejected by the Advisory Committee, to reduce the waiting period for the application of post adjustments from four to three months; the recommended increase in the children's allowance; and the proposal to revise assignment allowances. Since the first of those proposals was by far the most significant, the greater part of his statement would be devoted to it.

36. His delegation's examination of the proposed salary increase was based on certain major considerations. First, it recognized that staff members stationed in most of the main United Nations duty stations were currently being subjected to serious inflationary and currency fluctuation pressures. Although the currency float had added an element of instability which affected the salaries of many staff members of the United Nations and its sister agencies, the existing system of remuneration fortunately did a fairly good job of offsetting those influences. Secondly, his delegation believed that, to act responsibly, the Fifth

Committee must bear in mind the financial situation of the Organization before it took a decision on altering the existing salary system. Any increase in staff salaries must be considered and fully justified within the context of the continuing serious financial problems facing the United Nations. Thirdly, any action taken should be placed within the context of the policies of Member States at their national levels, taking fully into account the fact that most States were currently exercising financial austerity as a national policy.

37. His delegation wished to reiterate first of all its belief that problems of morale within the international civil service were more the result of the absence of an effective personnel management policy and related machinery than a question of remuneration. An improvement in personnel management could lead to greater staff productivity without an increase in the number of staff, and also to a more stable budget. That objective would be very difficult to achieve, but it should be borne in mind.

38. With reference to the recommendations of ICSAB and the Advisory Committee, he said that, after careful consideration, his delegation had concluded with regret that it could not support the recommended 6 per cent increase in the net base salary of staff members in the Professional and higher categories. Since its inception, the Organization had applied the Noblemaire principle whereby, to facilitate recruitment and retention of staff members from all Member States, United Nations salaries were based on those of the highest paid national civil service, which had always been that of the United States. In that connexion, he noted from the Advisory Committee's report that no conclusive evidence had been produced to corroborate the assertion that the United States civil service might no longer be the highest paid. Taking into account the expatriate status of staff members, the principle that the basic remuneration of United Nations personnel would be reasonable if it did not exceed United States salaries by a margin of more than 15 per cent had been set forth by the Special Committee for the Review of the United Nations Salary System, and subsequently concurred in by ICSAB. United Nations net remuneration currently exceeded that of United States net civil service salaries by some 22 to 46 per cent at the grade levels traditionally used by the United Nations for comparative purposes. A 6 per cent salary increase would mean that United Nations salaries would exceed United States salaries by 29 to 54 per cent, taking into account the latest United States pay increase. Including the movement in the post adjustment in New York on 1 December 1974, the total increase would average 9.4 per cent. While the General Assembly had not called on ICSAB in 1973 to examine the basic principles of the existing salary system, his delegation believed, as did the Advisory Committee, that the Board's recommendations had been made with too little regard for the Noblemaire principle. ICSAB had recommended the 6 per cent salary increase on the basis of two factors: the combined effect of losses since 1 July 1971 in the real income of staff members; and the average improvement in the real income of national civil services in the seven headquarters countries.

39. His delegation did not consider those arguments valid, for several reasons. First, on 1 July 1971, the date of the last salary increase, United Nations rates had been set

disproportionately and inequitably high. Secondly, United Nations remuneration had basically kept pace with inflation and other cost-of-living increases by means of the post adjustment system, whereby the staff was automatically compensated for each rise of 5 index points in the cost of living in their cities of residence. As acknowledged by the Advisory Committee, the United Nations coped with that problem better than most national civil services. Thirdly, the point made by ICSAB that a rise in real income of national civil services in the seven United Nations headquarters cities justified an increase for United Nations staff was not relevant, since those civil services were not the base used for determining United Nations salary rates. In fact, the Special Committee for the Review of the United Nations Salary System had found in 1972 that salaries outside New York were half, or less than half, the level of remuneration paid by the United Nations. To use those salaries as the basis for the salary scale of the United Nations would therefore result in an over-all decrease, not an increase. Moreover, the fact that over-compensation had taken place in the past was not, in the view of his delegation, justification for continued and increased over-compensation; no organization, national Government or private enterprise could operate on that basis, nor could it guarantee to maintain fully the purchasing power of salaries.

40. Referring to the comparison between United Nations and United States salaries, he pointed out that the combination of automatic increases of post adjustment and successive base salary increases had substantially widened the margin of the United Nations salary level over that of the United States. Margins had ranged from 10 to 29 per cent in 1956 and from 19 to 35 per cent in 1972; currently, the figures were 22 to 46 per cent. If the recommendations of the Secretary-General were accepted, the differential in favour of the United Nations would be 29 to 54 per cent, or even higher if other United Nations allowances, fringe benefits and other factors were taken into account. His delegation therefore felt compelled to urge a halt in that ever-widening salary disparity.

41. If a proposal was made to use a national civil service other than that of the United States as the base for computing United Nations salaries, then the salaries, benefits, hours of work, vacation pay, and so on, would have to be taken into consideration. If, as a result, the entire benefits package exceeded that of the United States civil service, then the latter should be replaced by that other national civil service for the purpose of calculating United Nations remuneration. The United Nations could not, however, justify a salary increase based on a selective choice of elements from several different civil service systems. His delegation was convinced that the use of any other system would result in a definite decrease in over-all United Nations salaries, although it would have no objection in future to accepting a different national civil service, or an average of civil services in headquarters cities, as the basis for United Nations remuneration.

42. He drew attention to the information on comparisons between United Nations and United States civil service salaries contained in the annex to the Advisory Committee's report and suggested that members might wish to compare United Nations remuneration with that of their own civil services. He also noted paragraph 13 of that

report, in which the Advisory Committee accepted the view, implicit in the ICSAB report, that the proposed increases would not, in present circumstances, be justified. Yet the Advisory Committee had decided not to oppose the 6 per cent increase. His delegation sincerely regretted being placed in a posture of opposition on that question. There was basic agreement on one major point, namely, the urgent need for a comprehensive review of the entire United Nations salary system. It was to be hoped that that review would allay the sense of insecurity on the part of the staff and the frustration on the part of the administrators of the agencies within the United Nations system. Piecemeal adjustments such as the one that was proposed were causing a serious distortion in the salary scale as well as general dissatisfaction. Once made, such distortions were virtually impossible to rectify.

43. Regarding the consolidation of two classes of post adjustment into base salaries, his delegation fully shared the views expressed by the Advisory Committee in paragraph 19 of its report. It also concurred in the opinion in paragraph 22 of the same document concerning the proposal to reduce the waiting period for the application of post adjustment changes from four to three months. With reference to the suggested increase in the children's allowance, his delegation considered such a step unjustified until the United Nations basic remuneration ratio to United States civil service salaries was not more than 115 per cent. However, it was willing to reconsider its position if other delegations appeared to favour the increase.

44. Finally, his delegation agreed with the proposed revision of the rate of assignment allowances for duty stations outside Europe and North America.

45. He reminded the Committee of the high cost of the recommendations currently before it; approximately 75 per cent of the United Nations budget was for personnel costs, and for 1975 the Secretary-General's proposed increase would cost an additional \$32.4 million net for the entire United Nations system. Without the consolidation of two classes of post adjustment or a reduction in the waiting period for post adjustment changes, the additional cost was estimated at \$26 million net. The proposal would increase the assessments of Member States without increasing programme benefits, at a time when most of those States were exercising financial austerity at the national level, and it would therefore appear to be inconsistent and inflationary in nature.

46. For the reasons he had mentioned, the United States would oppose the proposed 6 per cent pay increase, the consolidation of two classes of post adjustment into the base salary, and the reduction in the waiting period for the application of changes in post adjustments.

AGENDA ITEM 75

Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency: report of the Advisory Committee on Administrative and Budgetary Questions (concluded) (A/9578, A/9603 (chap. VI, sects. A.3, 5 and 6), A/9813, A/9852, A/9857, A/C.5/1625)

47. Mr. RHODIUS (Netherlands) said that, after consultations with certain delegations, he had revised the proposal

that he had submitted at the previous meeting; the revised draft decision read as follows:

"The Fifth Committee

"Recommends to the General Assembly that it should take the following decision:

"The General Assembly,

"Recalling Article 17, paragraph 3, of the Charter,

"Decides to give, at its thirtieth session, specific consideration to the item concerning administrative and budgetary co-ordination."

48. The CHAIRMAN said that, if there was no objection, he would take it that the Netherlands proposal was adopted by consensus.

It was so decided.

AGENDA ITEM 73

Programme budget for the biennium 1974-1975 (continued)* (for the previous documents, see the 1670th meeting; A/9606, A/9608/Add.11-15, A/9854, A/C.5/L.1209)

Question of the separate preparation and submission of the programme and budget of the United Nations Industrial Development Organization and of administrative autonomy for UNIDO (A/9792, A/C.5/1616 and Corr.1, A/C.5/1633, A/C.5/L.1209)

49. The CHAIRMAN drew attention to the note (A/C.5/L.1209) he had prepared in consultation with the Chairman of the Advisory Committee on Administrative and Budgetary Questions, in paragraph 5 of which it was proposed that, in the light of the recommendation of the Second Committee (see A/C.5/1633) that the question of the preparation of the UNIDO budget and of the administrative autonomy of UNIDO should be transmitted to the Second General Conference of UNIDO, the Fifth Committee should postpone its own consideration of the question until the thirtieth session.

50. If there was no objection, he would take it that the Committee agreed to his proposal.

It was so decided.

AGENDA ITEM 81

Personnel questions (continued)** (A/C.5/L.1172):

(b) Other personnel questions: reports of the Secretary-General (continued)** (A/8454, A/8826, A/9608/Add.5, A/9841 and Corr.1, A/C.5/1600, A/C.1601 and Add.1, A/C.5/1603, A/C.5/1639, A/C.5/L.1212)

51. Mr. SAFRONCHUK (Union of Soviet Socialist Republics), introducing the draft decision submitted by his

* Resumed from the 1687th meeting.

** Resumed from the 1687th meeting.

delegation (A/C.5/L.1212), said that the documents before the Committee covered a very broad range of problems, with the result that there had not been time for adequate study and discussion of the proposals contained in the report of the Joint Inspection Unit (see A/8454) and the views of the Committee had not been made sufficiently clear. Divergent opinions on the matter were also given in the reports of the Secretary-General (A/C.5/1601 and Add.1), and of the Advisory Committee on Administrative and Budgetary Questions (A/9841 and Corr.1). For instance, the Secretary-General, in paragraph 47 of document A/C.5/1601, said that at least two of the recommendations of the Joint Inspection Unit—recommendations 16 and 17—should be considered at an interagency level. The Advisory Committee considered, in chapter V of its report, that various other recommendations, in addition to recommendations 16 and 17, fell within the areas of competence of the proposed International Civil Service Commission as set out in articles 13 and 14 of its draft statute.

52. In view of the extensive financial implications of the proposals, which could not be properly assessed at the current stage, the lack of time for Governments to study the documents submitted during the session and the variety of views expressed in the Committee, his delegation considered it desirable that the JIU report, with all other relevant documentation, should be passed for study to the Commission which was about to be set up, with a request that that Commission should submit its recommendations to the General Assembly at its thirtieth session. That was particularly desirable in view of the short time at the Fifth Committee's disposal and the other matters on its agenda.

53. Mr. THOMAS (Trinidad and Tobago) said that, at the 1665th meeting his delegation had pointed out several short-comings in the JIU report. At the end of the general discussion (1671st meeting) the Under-Secretary-General for Administration and Management had outlined a series of plans and projects which the delegation of Trinidad and Tobago considered very comprehensive. It had therefore decided not to introduce any other proposal at the current stage. He wished to ask the Soviet representative whether he anticipated an increase in the number of full-time members of the International Civil Service Commission to enable them to discuss the JIU report, since under their terms of reference they were to give priority to a complete review of staff salaries and conditions of service.

54. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) pointed out that all the JIU recommendations had an impact on the salary system, and both the Secretary-General and the Advisory Committee had said that many of them could not be implemented until they had been examined by the Commission. The latter could certainly deal with both sets of problems, since they were inter-related, although he was not prepared to say at the current stage how that would affect the ratio of full-time to part-time members. The Soviet Union had always considered that the new Commission should work as a whole.

55. Mr. NAUDY (France) expressed surprise at the draft decision submitted by the representative of the Soviet Union and said that his delegation had not had time fully to appreciate its scope. The discussion on the JIU report had already been postponed from year to year; it had been the

subject of a lengthy debate, and the proposals of JIU and the Administrative Management Service and the conclusions of the Secretary-General and the Advisory Committee all seemed to converge. There was general agreement on the need to modernize the Organization's personnel policies and the JIU recommendations had been adopted in principle. The Soviet proposal therefore appeared to be a retrograde step. His delegation agreed that the new Commission must study the details and the implementation of the recommendations, but the general principles of personnel policy should be defined by a legislative organ of the whole such as the Fifth Committee. Pending receipt of the Advisory Committee's report on the administrative and financial implications of those proposals, he failed to see the value of the Soviet proposal.

56. Mr. TALIEH (Iran) expressed surprise at the draft decision submitted by the Soviet representative, because many of the JIU recommendations had been made some time earlier and it was urgent that action should be taken on them. His delegation intended to submit a proposal but was awaiting the report of the Advisory Committee on the administrative and financial implications.

57. Mr. STOBY (Guyana) endorsed the remarks made by the representative of Iran.

58. Mr. SOKALSKI (Poland) said that many of the arguments put forward by the Soviet representative when introducing the draft decision should allay the doubts expressed by the representative of Iran. Since the Bertrand report had been submitted in 1971, some of the information given in the document and many of its recommendations were outdated. Additional information was therefore necessary before it could be constructively discussed. He did not think that the Committee had time to take a decision on a report which was not fully up to date and, if it did so, the decision would be hasty and would tend to perpetuate the current situation. His delegation therefore endorsed the Soviet proposal, which it considered deserved full consideration.

59. Mr. MSELLE (United Republic of Tanzania) pointed out that the reports of JIU and the Administrative Management Service referred to a wider range of topics than the reorganization of the system of recruitment and conditions of service mentioned in the Soviet proposal. Many of the subjects discussed fell within the exclusive jurisdiction of the Secretary-General. For instance, of the recommendations of the Administrative Management Service, summarized in the Secretary-General's report (A/C.5/1601/Add.1), was it intended that the Commission should be asked to study recommendation 1 on the revision of the 100 series of the Staff Rules and the completion of the Personnel Manual, or recommendation 3 on the establishment of a personnel advisory committee to advise the Assistant Secretary-General for Personnel Services on new personnel activities, policies and practices? Those were matters which the Secretary-General must settle immediately. He agreed that some of the recommendations such as those on job classification and recruitment, might have a bearing on the work of the Commission, but many had nothing to do with the system-wide application referred to in the Commission's terms of reference.

60. If the Commission was established, it could hardly start working before July 1975. It would therefore be extremely difficult for it to consider those important questions and report to the General Assembly at its thirtieth session. The Commission had been asked to look into matters which were not even included in its draft statute. The Bertrand report had been produced in 1971, and a decision on it was urgent. In view of the fact that the programme budget for the biennium would have to be discussed at the thirtieth session, it was unlikely that there would be more time at that session to deal with the JIU recommendations than at the current one.

61. His delegation wished to await the circulation of the proposal mentioned by the representative of Iran before taking a definite decision on the draft decision proposed by the Soviet Union.

62. Mr. SETHI (India) said that it was difficult for him to comment in detail on the Soviet proposal because he did not have all the relevant documents with him. The Fifth Committee must come to some decision on the matter, and his delegation awaited the proposal announced by the representative of Iran and the document on the administrative and financial implications with great interest. In its statement at the 1666th meeting, his delegation had said that the proposals in the Bertrand report were so broad that they could not be decided on by the Fifth Committee and several of them would have to be passed to the International Civil Service Commission for further study.

63. The Secretary-General's report enumerated the recommendations but did not quote the whole text. In view of the number and importance of those recommendations, it would be impossible to decide upon all of them immediately. Some of them clearly fell within the competence of the International Civil Service Commission in accordance with articles 13 and 14 of its draft statute. The Soviet Union's proposal was therefore reasonable. He did not consider that the postponement of a decision as proposed by the Soviet Union would in any way affect the prerogatives of the Secretary-General, as the Tanzanian representative had implied. It was difficult to reply to the doubts expressed by the representative of Trinidad and Tobago as to whether the Commission would have time to complete consideration of so vast and complex a set of problems before the thirtieth session of the General Assembly. His delegation's first reaction to the Soviet proposal was favourable, and it considered that it deserved careful consideration by the Committee.

64. The CHAIRMAN suggested that further discussion of the matter should be postponed pending circulation of the proposal by the representative of Iran and of the Advisory Committee's report on the administrative and financial implications.

It was so decided.

The meeting rose at 6.15 p.m.

1690th meeting

Thursday, 12 December 1974, at 10.30 a.m.

Chairman: Mr. Costa P. CARANICAS (Greece).

A/C.5/SR.1690

ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF DRAFT RESOLUTIONS I AND II SUBMITTED BY THE FOURTH COMMITTEE IN DOCUMENT A/9892 CONCERNING AGENDA ITEM 65* (A/9608/ADD.15, A/C.5/1643/REV.1, A/C.5/1644)

1. The CHAIRMAN invited the Committee to consider the administrative and financial implications of draft resolutions I and II submitted by the Fourth Committee in its report on the question of Namibia (A/9892, para. 19). The Secretary-General stated that adoption by the Assembly of the draft resolutions would involve supplementary appropriations of \$331,000 and \$55,000 under sections 23 and

27 respectively of the programme budget for the biennium 1974-1975.

2. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to the Advisory Committee's report (A/9608/Add.15) on the statements of administrative and financial implications submitted by the Secretary-General (A/C.5/1643/Rev.1 and A/C.5/1644). His Committee was concerned by the apparent lack of co-ordination between the activities of the United Nations Commissioner for Namibia and his staff and those of the secretariat of the United Nations Council for Namibia, and felt that the situation should be improved in order to ensure the most efficient use of the resources approved by the General Assembly. With regard to draft resolution I of the Fourth Committee, he pointed out that the amount of \$70,000 for certain legal fees and studies included in the Secretary-General's estimate had been omitted from the supplementary appropriation recommended by the Advisory Committee because the requirements for contractual legal fees and studies in connexion with the Decree on the Natural Resources of Namibia could not be accurately quantified, and it would therefore be

* Question of Namibia:

(a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;

(b) Report of the United Nations Council for Namibia;

(c) Report of the Secretary-General;

(d) United Nations Fund for Namibia: reports of the United Nations Council for Namibia and of the Secretary-General;

[(e) Appointment of the United Nations Commissioner for Namibia].