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Chairman: Mr. W. H. J. VAN ASCH VAN WIJCK
(Netherlands).

AGENDA ITEM 51

Personnel questions:

- (a) United Nations salary, allowance and benefits system: outstanding questions from the eleventh session (A/3656, A/3681, A/3723, A/C.5/719) (continued)

DEFINITION OF DEPENDENCY (concluded)

1. Mr. ZAFRA (Philippines) said that his delegation approved of most clauses of the Secretary-General's draft definition of dependency (A/3656, para.19) and, in order not to impede their adoption, had voted at the 627th meeting in favour of the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/3681, para.15). The Philippines had reservations, however, concerning some of the clauses.

2. The first was the provision that the dependency benefit would be payable in respect of the spouse whose occupational earnings did not exceed in principle the salary for the lowest entry level (normally G-1, step 1) in the area (A/3656, para. 19 (b)). That provision was less a test of dependency than of whether the spouse earned more or less than messengers in the Headquarters area; it disregarded the possibility that a spouse, even if employed, might remain dependent on the staff member, as would be the case if the spouse's whole earnings were devoted to some commitment other than his or her own subsistence. Furthermore, that provision would in practice discriminate against earned income in favour of unearned income, for a staff member who had an unearned income in addition

to his salary, would continue to receive dependency benefit for his spouse, while a staff member whose spouse earned as little as, say, \$3,600 a year, would not qualify for the allowance.

3. The provision that the dependency benefit payable in respect of children should be offset (reduced) by virtue and in the amount of any income tax deduction allowable in respect of the child which accrued to the benefit of the family (A/3656, para. 19 (c)), established a relationship between staff income and national tax laws which ran counter to the policy hitherto followed by the United Nations.

4. The record of the Committee's discussion on the definition of dependency at the previous meeting confirmed his delegation's impression that the minds of delegations were not firmly made up on the subject; the decision to adopt the definition had perhaps been taken hastily, and might be reconsidered on second reading.

MACHINERY FOR DEALING WITH CERTAIN PAY AND PERSONNEL PROBLEMS

5. Mr. BENDER (United States of America) recalled that, at the eleventh session (587th meeting), his delegation, which in the Salary Review Committee had stressed that the proposed machinery should be set up immediately, had concurred in the suggestion made by the Chairman of the Advisory Committee for a compromise which would enable the Administrative Committee on Co-ordination (ACC) to take interim action in the course of 1957. He welcomed the information given in paragraph 32 of the Secretary-General's report (A/3656) concerning the matters which ACC had requested the International Civil Service Advisory Board (ICSAB) to study.

6. In the light of that information, the United States felt that, rather than seek to develop the machinery further at the present stage, the Committee should await the results of ICSAB's action.

7. The CHAIRMAN suggested that the Committee should take note of paragraphs 28 to 33 of the report of the Secretary-General (A/3656) and paragraphs 17 to 19 of the report of the Advisory Committee (A/3681).

It was so decided.

DENTAL COSTS INSURANCE (A/3723, A/C.5/719)

8. Mr. TURNER (Controller) said that the Secretary-General's report (A/C.5/719) was the outcome of the further study of the question of dental costs insurance recommended by the Advisory Committee at the eleventh session (A/3535, para. 15 (d)) and approved by the Fifth Committee at its 589th meeting. The Secretary-General recommended adoption of the Group Health Dental Insurance Plan (GHDI plan), and the Advisory Committee concurred in that recommendation. The Secretary-General accepted the Advisory

Committee's recommendation in paragraph 11 (a) of its report (A/3723) that the plan should be adopted on an experimental basis.

9. The Advisory Committee had not, however, endorsed the Secretary-General's proposal for the equal sharing of premium costs between the United Nations and staff members. Instead, the Advisory Committee recommended that approximately one-third of the cost of participation in the plan should be borne by the United Nations and the remaining two-thirds by the participating staff. The Secretary-General failed to see why the Advisory Committee should base its recommendation on the situation which had prevailed with regard to the sharing of medical insurance premium costs prior to 1 June 1957, when the United Nations had subsidized the base medical/hospital plans to the extent of approximately one-third of the costs. The medical subsidy had since been increased from one-third to one-half; and, in the Secretary-General's opinion, dental insurance, as a branch of general medical coverage, should be subsidized in the proportion approved by the General Assembly for the medical plan. He had been asked by the Staff Committee to bring to the Fifth Committee's attention a statement to the effect that the Staff Committee strongly supported the Secretary-General's proposal that the GHDI plan should be instituted and that premium costs should be shared equally between the United Nations and staff members.

10. The plan, which was the result of careful study, was regarded by the Administration as a gratifying example of constructive collaboration between the Administration and the elected representatives of the staff.

11. Mr. QUIJANO (Argentina) said that his delegation supported the plan proposed by the Secretary-General, which would meet a clearly recognized need of the staff. With regard to the extent of the subsidy, the Salary Review Committee, of which he had been a member, had considered it desirable to provide a dental scheme on a shared cost basis (A/3209, para. 245). Furthermore, the dental plan should be regarded as the natural complement of the existing medical insurance coverage for staff; his delegation accordingly supported the Secretary-General's proposal for the equal sharing of premium costs between the United Nations and staff members, instead of the Advisory Committee's recommendation that approximately one-third of the cost should be borne by the United Nations.

12. Mr. MONK (Canada) asked how far the best prevailing local conditions, on which the conditions of employment of staff in the General Service category were based, included the provision of dental insurance schemes of the type proposed by the Secretary-General.

13. The Salary Review Committee's recommendation that New York should be put in class 4 for post adjustment purposes (A/3209, para. 146 (a)) had been based on the recognition that there were factors in New York which materially altered the pattern of expenditure as compared with Geneva. One of those factors was expenditure on medical and dental care which, in the Salary Review Committee's opinion, would remain appreciably higher in New York than at Geneva even after an improved insurance scheme has been introduced. It appeared, therefore, that that Committee's

recommendation of class 4 for New York had been based on the assumption that more extensive medical and dental plans would be adopted. New York, however, had been placed in class 5 and, as a result, staff members in the Professional category with one or more dependents received between \$225 and \$350 a year more than they would have received in class 4. To some extent, those increases could reasonably be regarded as an allowance for medical and dental costs, and to that extent they weakened the case for a dental insurance scheme subsidized by the United Nations.

14. His delegation's comments on the Secretary-General's proposals and the Advisory Committee's recommendations would be based on the assumption that schemes of the type proposed were part of the best prevailing local conditions in the New York area, and that the placing of New York in class 5 for post adjustment purposes had not reduced the need for a dental plan. On those assumptions, Canada supported the Advisory Committee's recommendations that the plan should be adopted on an experimental basis and that no subsidy should be paid by the United Nations in respect of the alternative proposal in paragraph 18 (a) of the Secretary-General's report, which provided increased coverage for certain pre-existing conditions.

15. Before the Committee determined the subsidy, it would do well to consider the actual size of the premiums. If there was no United Nations subsidy, a staff member with a family would pay only \$72 a year, and a single staff member only \$19.80. Those rates seemed very modest bearing in mind conditions in Canada and, probably, other countries where the cost of dental treatment was reasonable. Furthermore, the incidence of the GHDI plan premiums on staff incomes did not appear inequitable. Assuming there was no subsidy, a staff member with a family whose income level was midway between \$4,200 and \$5,100 a year, would pay a premium of approximately 1.5 per cent of his income, and a single staff member with the same income would pay less than 0.5 per cent. When it was borne in mind that the dentists participating in the proposed plan accepted the indemnities provided by the plan in full payment for members with incomes of \$5,000 a year or less, those proportions seemed reasonable. Since, however, both the Secretary-General and the Advisory Committee had concluded after careful study that a subsidy was justified, Canada accepted their judgement.

16. Nevertheless, a 50 per cent subsidy was far too generous. Adoption of the Advisory Committee's recommendation for a subsidy of one-third would provide the staff with dental insurance at bargain rates. A staff member with a family in the \$4,200 to \$5,100 income range would pay only \$40 a year, and a single staff member in that range less than \$14. It might be reasonable to reduce the subsidy to 25 or even 20 per cent of total premiums; in deference to the Advisory Committee, however, Canada would support its recommendation.

17. Mr. GREZ (Chile) said that his delegation wholeheartedly supported the Secretary-General's proposals, and felt in particular that the equal sharing of premium costs between the United Nations and staff members was a fair and humane provision.

18. Mr. DONNER (Netherlands) asked whether the premiums for the plan could be reduced by making it

compulsory for staff below a certain income level to join. If the United Nations was to be asked to share the cost of the staff's dental insurance, individual staff members should be prepared to bear their share.

19. Mr. PAREJA (Peru) said that his delegation preferred the subsidy proposed by the Secretary-General both for the reason stated by the Chilean representative and because the Committee should not retreat from the principle of equal shares endorsed by the General Assembly for medical coverage, of which dental coverage should be regarded as an integral part. He therefore proposed that paragraph 11 (c) of the Advisory Committee's report (A/3723) should be amended to read as follows:

"That there should be an equal sharing of premium costs between the United Nations and staff members."

20. Mr. BENDER (United States of America) strongly endorsed the recommendation of the Secretary-General and the Advisory Committee that the GHDI plan should be adopted. He could not agree with the Argentinian representative's interpretation of the Salary Review Committee's opinion on the sharing of costs. It was clear from paragraphs 245-248 of the Salary Review Committee's report (A/3209) that its recommendation for a fifty-fifty sharing referred only to the medical insurance arrangements and not to the dental plan, in respect of which the Salary Review Committee had merely referred to a shared-cost basis without specifying the actual percentage to be borne by the Organization and staff respectively. He agreed with the Advisory Committee that the type of dental plan envisaged was more nearly analogous to the old medical insurance scheme, in which the United Nations had borne one-third of the cost of participation, than to the new medical insurance scheme in which the Organization participated on a fifty-fifty basis. He had been impressed by the Canadian representative's statement; a strong argument could be made against any subsidy in view of the small premiums involved. Nevertheless, he was prepared to support the Advisory Committee's recommendation that one-third of the cost of participation in the plan should be borne by the United Nations.

21. Mr. CLOUGH (United Kingdom) believed that all members of the Committee were agreed that the conditions of service in the United Nations should be such as to give staff members the impression that they were working for a model employer. That did not mean, however, that they should be paid twice for anything. He shared the Canadian representative's doubts as to whether the proposed dental insurance scheme did not provide benefits at United Nations expense which the salary increases approved at the previous session were already intended to cover.

22. His delegation was rather disappointed at the type of scheme that had been submitted. It had understood the Salary Review Committee's intention to be that the staff should be insured against exceptionally heavy charges occasionally incurred for dental treatment rather than routine dental expenses and it would have preferred a plan along those lines. The GHDI plan covered reimbursement for practically all routine costs, but it was open to doubt to what extent it covered exceptional expenses. Nevertheless, since the scheme was of the type for which the staff had expressed its preference and, since it had been carefully examined by the Advisory Committee, his delegation was prepared to support it. It found it very difficult, however, to see

the need for more than a one-third subsidy. The monthly premium rates indicated at the end of the Advisory Committee's report would not entail any hardship, even for a staff member with dependants. He would therefore support the Advisory Committee's recommendation on the sharing of costs.

23. Mr. LARREA (Ecuador) believed that the United Nations salary and allowance system should be adequate to provide for all the needs of the staff and thus give them the necessary security. That was, however, a goal for the future rather than an immediate reality. In the meantime, he supported the Secretary-General's proposal and, consequently, the Peruvian representative's amendment. The Secretary-General was to be commended for having based his proposals on humanitarian rather than exclusively financial considerations. The low share of the premium costs that would be borne by the staff under the Secretary-General's proposal was an argument in favour of the GHDI plan, because the staff would then be convinced that they were working for an organization that was solicitous for their welfare.

24. Mr. ALVARADO (Venezuela) considered that it was difficult to form a precise opinion of the merits of the dental insurance plan, as a number of imponderables were involved. He therefore agreed with the Advisory Committee's suggestion that the plan should be adopted on an experimental basis. He agreed with the Secretary-General that premium costs should be equally shared between the United Nations and staff members, as that principle had already been approved by the General Assembly and applied in the case of the medical insurance scheme.

25. Mr. TURNER (Controller), replying to the Canadian representative, said that it was impossible to isolate the many and complex factors that went to make up the concept of best prevailing local conditions. As the Secretary-General pointed out in his report, dental insurance was a relatively new idea and at the pioneering stage. Generally speaking, the insurance facilities now available or proposed for United Nations staff would not be such as to bring their conditions of service out of line with best prevailing local conditions. Many local employees enjoyed infinitely more medical coverage than United Nations staff. It was not unusual, for example, for employers in the New York area to pay the full cost of such insurance.

26. He agreed with the Canadian representative that dental costs in New York had been one of the factors taken into account by the Salary Review Committee in recommending that New York should be placed in class 4 for post adjustment purposes. It was impossible to say, however, whether or not the Salary Review Committee's medical and dental insurance recommendations would have been the same, if it had envisaged placing New York in class 5. In any event, the General Assembly's decision concerning class 5 had been dictated by other considerations and had not been made conditional on any limitation of the medical or dental insurance plans. It might interest the Committee to know that United Nations staff members at Geneva enjoyed a measure of dental protection as part of their medical coverage, in other words, they had for some time had subsidized dental insurance.

27. The Netherlands representative's suggestion, that individual premiums might be lower if the scheme were made compulsory for staff members below a certain

income level, raised a very important point of principle. He doubted whether many delegations would consider it proper for an international organization like the United Nations to introduce an element of compulsion in the matter. Furthermore, he believed that such an arrangement would substantially increase the total cost to Member Governments, because wider participation would increase total premium payments and, hence, the charge on the United Nations budget. One hundred per cent participation by the staff, whether voluntary or compulsory, would not reduce the cost of the premiums initially, although it was possible that a reduction in premium rates could be negotiated after some years, depending on experience. A condition of the GHDI plan, and indeed of all similar insurance schemes, was that a substantial percentage, normally 75 per cent, of the staff should enroll. Questionnaires and intensive canvassing indicated that there was a good prospect that a substantial majority of staff members would join the plan as proposed by the Secretary-General. It was questionable whether the same would hold true if the plan were approved with the subsidy rate proposed by the Advisory Committee.

28. Mr. DONNER (Netherlands) was not entirely convinced by the Controller's answer. He could not agree that it would be inappropriate for the United Nations to make the scheme compulsory. Many Member States made such schemes compulsory in their public service.

The Advisory Committee's recommendation, that the base Group Health Dental Insurance Plan should be adopted on an experimental basis, was adopted by 58 votes to none, with 1 abstention.

The Peruvian representative's amendment, to the effect that there should be an equal sharing of premium costs between the United Nations and staff members, was rejected by 31 votes to 22, with 4 abstentions.

The Advisory Committee's recommendation, that approximately one-third of the cost of participation in the base Group Health Dental Insurance Plan should be borne by the United Nations and the remaining two-thirds by the participating staff, was adopted by 45 votes to 1, with 10 abstentions.

29. The CHAIRMAN said that, if there were no objections, he would assume that the Committee recommended the adoption of the Group Health Dental Insurance Plan on the terms recommended by the Advisory Committee in paragraphs 11 and 12 of its report (A/3723).

It was so agreed.

(d) Review of the staff regulations and of the principles and standards progressively applied thereto: report of the Secretary-General (A/C.5/726)

30. Mr. GREZ (Chile) said that his delegation endorsed the Secretary-General's report (A/C.5/726), thus implicitly reiterating the position it had consistently taken on the very important point at issue.

31. Mr. CHECHETKIN (Union of Soviet Socialist Republics) drew attention to two recent developments. Firstly, the General Assembly had approved the new form of the budget, thereby giving the Secretary-General greater scope for the flexible use of the Secretariat and, secondly, the General Assembly had enjoyed the Secretary-General to ensure a more equitable geographical distribution of the staff. In the light of those developments, the Secretary-General might find it

advisable to re-examine the provisions of Staff Regulation 9.1 (a) with particular reference to its last paragraph. It might well be possible to improve that Regulation in the light of experience. It would be interesting to hear the Secretary-General's views on that question either immediately or at the thirteenth session.

32. Mr. ROBERTSON (Director of Personnel) said that, although the General Assembly's recommendations relating to geographical distribution (resolution 1097 (XI)) and to the more flexible use of staff as a result of the new form of the budget (A/3550, para. 74), were recent, they had been taken into account by the Secretary-General in drafting his report (A/C.5/726). He did not wish to anticipate the discussion of the Secretary-General's reports on geographical distribution (A/C.5/718/Rev.1) and the proportion of fixed-term staff (A/C.5/724). However, it should be noted that, even though the personnel situation of the Organization was relatively stable and a large proportion of staff members had permanent appointments, opportunities still arose under the existing regulations to effect a fair measure of substitution with a view to improving geographical distribution.

33. With regard to Staff Regulation 9.1 (a), part I of the Secretary-General's report (A/C.5/726) attempted to describe how the administration of that provision had worked out in practice. It was clear that the action taken under that provision had been very restricted. In careful administration, a balance had to be struck between the power granted by a legal provision, and day-to-day experience in putting that provision into effect. The Secretary-General would always be reluctant to seek a change in a legal provision before sufficient time had elapsed for a full assessment of its practical effects. He had had considerable powers under the earlier form of Staff Regulation 9.1 (a), and, in fact, the rate of termination had been higher under the old regulation than under the new.

34. If a staff member fell short of the high standards laid down in Article 101, paragraph 3, of the Charter, it was the Secretary-General's continuing practice to apply the existing provisions to effect separation with compensation, short of summary termination. Alternatively, a more flexible procedure might be followed known as an "agreed termination", under which notice of termination was given and terminal indemnities were paid, but the staff member was allowed to resign.

35. Speaking as Director of Personnel, he felt that, before more extensive powers were granted, two factors should be carefully considered: the need for the Secretary-General to be in a position to fulfil the work programmes and the need to avoid undermining the staff's sense of security in such a way that their objectivity or impartiality as international civil servants might be impaired. It was a psychological fact that, if a regulation was amended for precautionary purposes, and not on the basis of past experience, the staff would tend to suspect some hidden threat to their security, and the uncertainty thus engendered was not conducive to the highest efficiency.

36. In paragraph 13 of his report, the Secretary-General said that he did not wish to propose any amendment to Staff Regulation 9.1 (a). It might therefore be advisable to leave it to the Secretary-General to submit proposals to the General Assembly at its thirteenth or a later session, if he felt that he needed further powers because of the recent recommendations relat-

ing to more flexible utilization of staff and changes in geographical distribution, or for some other reason.

37. Mr. CHECHETKIN (Union of Soviet Socialist Republics) said that he would not object to that procedure. However, since it appeared that more flexible utilization of staff and changes in geographical distribution might play an important part in the coming financial year, he hoped that the Secretary-General might make a further report to the General Assembly as its thirteenth session on the administration of Staff Regulation 9.1 (a) and especially of its last paragraph.

38. Mr. AMERASINGHE (Ceylon) said that he presumed the last paragraph of Staff Regulation 9.1 (a) could be invoked either on disciplinary or on other grounds. In the former case, he would like to know whether there were any safeguards to ensure that the consent of the staff member concerned was genuine, and not in any way the result of pressure.

39. He added that it appeared from paragraph 16 of the Secretary-General's report that the conclusions reached by the Special Advisory Board in specific cases had been unimpeachably fair.

40. Mr. ROBERTSON (Director of Personnel) said he could give an absolute assurance that it was neither the practice nor the intention of the Administration to apply pressure in disciplinary cases. Action in such cases was taken after due process, a hearing by the Joint Disciplinary Committee being held under Staff Regulation 10.1.

41. He was happy to agree with the representative of Ceylon about the fairness of the Special Advisory Board's conclusions.

42. Mr. AMERASINGHE (Ceylon) said that he had not intended to suggest that any pressure was applied by the Administration, and he agreed that the procedure provided for under Staff Regulation 10.1 constituted the necessary safeguard.

43. The CHAIRMAN suggested that the Fifth Committee might recommend the General Assembly to take note of the Secretary-General's report (A/C.5/726).

It was so decided.

(e) Proposal to amend article 9 of the Statute of the United Nations Administrative Tribunal: report of the Secretary-General (A/3629, A/3684)

44. Mr. HEYDON (Australia) said that the Secretary-General's report (A/3629) gave an account of the background to the Australian proposal to amend article 9. He would only add that some earlier judgements of the Administrative Tribunal had given rise to heated discussion, mainly because of the large amount of the compensation that had been awarded, and his delegation had considered that controversy over decisions of the Administrative Tribunal was highly undesirable. It had thought that, if the General Assembly gave the Administrative Tribunal guidance on the principles which should govern the award of compensation, such difficulties might be avoided in the future.

45. Circumstances had since changed, and the Advisory Committee's report (A/3684) showed that in the cases that had been dealt with since the General Assembly had adopted article 9 in its present form

(resolution 782 B (VIII)), no difficulty had arisen in applying the article. He would therefore support the Advisory Committee's recommendation, and proposed that, in his draft report on agenda item 51 (e), the Rapporteur should say that the Fifth Committee had decided to defer action on the matter until the Administrative Tribunal's further experience made a review of its Statute appear desirable.

It was so agreed.

AGENDA ITEM 42

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly (continued)*

(b) Committee on Contributions (A/3582, A/C.5/L.479)

46. The CHAIRMAN drew attention to the fact that, under rule 160 of the rules of procedure of the General Assembly, the members of the Committee on Contributions should be selected on the basis of broad geographical representation, personal qualifications and experience.

At the invitation of the Chairman, Mr. Ahaneen (Iran) and Mr. Lawrence (New Zealand) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers:	61
Invalid ballots:	0
Number of valid ballots:	61
Abstentions:	0
Number of members voting:	61
Required majority:	31
Number of votes obtained:	

Mr. R. Charron (France)	59
Mr. A. S. Lall (India)	56
Mr. J. Pareja (Peru)	56
Mr. G. P. Arkadev (Union of Soviet Socialist Republics)	50
One candidate	5
One candidate	3
Two candidates	2
Three candidates	1 each

Mr. R. Charron (France), Mr. A. S. Lall (India), Mr. J. Pareja (Peru) and Mr. G. P. Arkadev (Union of Soviet Socialist Republics) having obtained the required majority, the Committee recommended that they should be appointed members of the Committee on Contributions for a three-year term beginning 1 January 1958.

47. Mr. KHALAF (Iraq), speaking on a point of order, said that he had noted from reports of the Committee on Contributions that it had been the practice in recent years for members of the Committee, unable to attend its meetings, to designate substitutes. He would like to know whether that practice was in accordance with the rules of procedure of the General Assembly.

48. The CHAIRMAN said that the point would be investigated, and that the Secretariat would report on it at a subsequent meeting.

The meeting rose at 1.10 p.m.

*-Resumed from the 622nd meeting.