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UNITED NATIONS SALARY, ALLOWANCE AND BENEFIT SYSTEM:
REPORT OF THE SALARY REVIEW COMMITTEE

Statement by the Secretary-General at the 590th meeting of
the Fifth Committee

Mr. Chairman,

Introductory

I regret very much indeed that circumstances have made it impossible for me to participate more actively in your deliberations. My regret is the greater because I realize that the Fifth Committee's agenda this past session has included many matters of vital import, not alone in terms of the successful and effective working of the United Nations Secretariat, but equally of the present and future capacity of the Organization to fulfil the purposes for which it was established.

Nevertheless, I have regarded it as one of my first obligations, as Secretary-General, to keep in close touch with your proceedings and I can give you my assurance that any views that have been expressed before this Committee in the name of the Secretary-General, have had my full and unequivocal support.

It is true that, from time to time, the Committee has seen fit to differ from the views advanced or from the recommendations made by the Secretary-General, but I believe that in almost every such case there have been reasonable grounds for the conclusions it reached. It is healthy indeed, as well as inevitable that within the purview of an administrative and budgetary committee many problems will arise in the course of a session - some perhaps of major importance, others of lesser significance - on which there is room for honest differences of opinion.

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There have been two recent decisions, however, in the field of salaries, allowances and benefits, which I regret, and which I find it difficult to be persuaded are in the best long-term interests of the United Nations family, and now that you have before you the draft resolution pertinent to the post adjustment system, I wish to take this opportunity again to place my views before you.

II. Post Adjustment for Paris

In the first place, I am deeply concerned that the Committee has not seen fit to endorse the recommendation of the Salary Review Committee with respect to the post adjustment for Paris - namely, that at the base date of 1 January 1956, Class IV should be considered as the appropriate classification. While I realize that the Committee's decision in this matter was intended to be a strictly provisional one, and while I can also understand and indeed appreciate, the attitude taken by individual delegates, the disregard of the considered judgement both of the Review Committee and of the responsible executive head of UNESCO is for me a source of serious concern. Speaking, if I may, not simply as the Secretary-General of the United Nations, but as Chairman of the Administrative Committee on Co-ordination and in that capacity as spokesman for the whole United Nations family, I would remind your Committee that the Salary Review Committee, in reaching its conclusion in favour of Class IV for Paris, both heard evidence from the Statistical Office of the United Nations and considered evidence from the organizations themselves, in this instance UNESCO having the primary interest and concern. In sub-paragraph c. of paragraph 146 of its report, the Salary Review Committee mentions that its conclusions for Paris are based on the "official United Nations" index for that city, and that the approved UNESCO local index was used to provide an independent check of the results. Both indices justified placing Paris in Class IV as of 1 January 1956.

It should be noted that the UNESCO index to which I have made reference is a special index, authorized by the UNESCO General Conference in 1952, with a system of weights reflecting more adequately the expenditure pattern of international officials in Paris. This authorization was based upon evidence which showed that an internationally recruited staff member spent not less than 30 per cent and at certain lower levels as much as 40 per cent of his salary in rent. By agreement with the United Nations, the UNESCO index therefore gives a more

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equitable and realistic weighting of thirteen points to rent as contrasted with the two-point weighting given by the official index in France. At the beginning of 1956 this special index stood at 117. The Salary Review Committee, as a result of its examination of all available data, accepted this figure, which is fifteen points above the index for Geneva, the new base city, as of January 1956.

I am not aware that any objective facts were brought out in the course of the Fifth Committee's consideration of this particular question which could conceivably justify any major departure from the Review Committee's carefully considered judgement. It is certainly incontrovertible, as the evidence presented to the Review Committee showed, that a substantial increase in Paris living costs has occurred for international officials since 1952. In 1952, UNESCO staff were granted a cost-of-living adjustment equivalent to that granted to United Nations staff in New York as a result of a 10 per cent rise in living costs. In practice, however, owing to the method of application adopted by the General Assembly, it resulted in a P-1 receiving a net adjustment of 7 per cent tapering off at the Director level, to 3 per cent only. The international staff of UNESCO have received no adjustment whatsoever since then. If, therefore, Paris is to be placed in Class III as of 1 January 1956, not only is this inequity continued, it is even intensified.

Apart, moreover, from the merits of the case - and of these I am convinced that there is little, if any, room for doubt - it must surely be a matter of grave concern to the Fifth Committee and to the General Assembly that recommendations which are to be formally transmitted to legislative bodies of other organizations carry the fullest possible weight and authority. An infinite amount of time, patience and effort has been devoted over many years to the problem of administrative co-ordination within the United Nations family. I am fearful that much of this effort will be dissipated and hard-won ground rapidly lost if a recommendation which the Director-General and staff of UNESCO could only regard as unjust, were to be made on the basis of too limited support.

For all these reasons, I would very much hope that this Committee might see fit to reflect further on the decision it has provisionally taken, concerning the Paris post adjustment.

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III. Initial Post Adjustment Classification in New York

My second observation arises from the rejection by this Committee of the proposal made by the distinguished representative of the Philippines that, as recommended by the Secretary-General, New York should be placed in Class V as from 1 January 1957 in the system of post adjustments; and from the Committee's approval of the recommendation of the Salary Review Committee that for post adjustment purposes New York be placed in Class IV, at the base date of 1 January 1956.

I wish again to emphasize, as I have very good reason to know, that a decision to this effect will be regarded by the staff of the United Nations Secretariat at Headquarters in New York as providing emoluments that fall short, in the case of many staff members, of meeting the rise in the cost of living in the New York area since 1950. As I have pointed out, the evidence of the increasing costs in the area is nearing the point of justifying, purely on a statistical basis, the granting of my request that the post adjustment classification at New York be introduced at the Class V level with effect from 1 January 1957. I fully recognize that, in terms of the elements reflected in cost-of-living statistics, this point had not been reached at that date, but I was inviting the Committee, in arriving at their decisions concerning the initial adjustment classification in New York, to take into account all the various considerations - including certainly the statistical evidence as to the upward trend, since 1 January 1956, in the New York price level - but basing their conclusions finally on a broad view of the whole situation. I would remind the Committee again that when the Salary Review Committee were meeting, in the first half of 1956, before ever the proposed post adjustment system was devised, I have proposed higher pensionable pay than the Salary Review Committee recommended; I also proposed better career prospects for the professional staff, through the coupling of the P-3 and P-4 grades; and I then concluded (in A/AC.84/R.31) that I thought there was "a case for some immediate increase in pay".

The Salary Review Committee, in due course, produced its report, including its proposals regarding New York post adjustments, but I did not consider that they measured up to the just requirements of the Headquarters professional staff. As I told the Fifth Committee in my presentation in writing (paragraph 95 in A/C.5/691), I had "little doubt that a flat increase of 5 per cent to all such

staff, in addition to other proposals, would be in line with the facts" of the situation. I then went on to say that I would restrict myself to laying the issue before the General Assembly with my strong recommendation of a more equitable solution than the one proposed by the Salary Review Committee. At the same time, I drew attention to the fact that the inadequacy of pensionable remuneration is particularly noticeable at Headquarters, because of the size of the non-pensionable element at New York in relation to the total remuneration.

In the same statement (paragraph 97 of A/C.5/691) I went on to say - and I quote again - "..... in the hope that a solution can be found to the problem outlined in paragraph 95 above, the Secretary-General would not contest the Committee's view that Class IV was appropriate for New York as of 1 January 1956; he does note with some concern that a steady rise in cost of living has taken place in New York during 1956 and that, according to the latest available figures, as of October 1956, New York, is already closer to Class V than to Class IV".

Therefore, the proposal I put forward when I last addressed the Fifth Committee, at its 573rd meeting on 25 January 1957, is essentially an alternative measure to my earlier proposals designed to achieve the immediate increase in emoluments that the professional staff in New York, in my view, require, both in equity and in terms of living costs and standards in the area. As I said at the conclusion of this passage of the statement I made to the Fifth Committee on 25 January:

"If account is taken of all these factors, i.e. of all the elements considered by the Committee and reflected in cost-of-living statistics, and if account is also taken of the real costs of achieving a decent, ordinary standard of living as well, my considered judgement is that the treatment required to do justice here and now, particularly in the face of the greater rise in cost of living at New York throughout 1956, is to place New York in Class V as of 1 January 1957. I recommend accordingly."

Mr. Chairman,

Were the Fifth Committee to feel that this request of mine, which I firmly believe is fully within the general framework of the Salary Review Committee's scheme, cannot be recommended to the General Assembly, I would share the heavy disappointment of the staff.
