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

Statement by the Chairman of the Advisory Committee on Administrative and Budgetary Questions at the 571st Meeting of the Fifth Committee

1. We listened yesterday to the remarkable and lucid exposé of Mr. Hunn, the distinguished Rapporteur of the Salary Review Committee, when he introduced the report of that Committee.

It is now my privilege to introduce the Advisory Committee's report. The picture will be complete when the Secretary-General will also, in due course, expound to you his views on this important matter.

Mr. Chairman, my introductory statement on our report will be very brief.

- 2. In paragraph 2 the Advisory Committee refers to the fact that the time-limit set by the Fifth Committee was too short for an exhaustive study. This item was referred to the Advisory Committee on the third of January and our report had to be completed by the evening of the eighteenth. It is obvious that even limiting ourselves to the points of difference between the Secretary-General and the Salary Review Committee, we could not hope to deal with every matter at issue and some are of an extremely complex nature in as thorough and detailed a manner as we would otherwise have wished.
- 3. Nevertheless, the Advisory Committee hopes that its report may perhaps facilitate the Fifth Committee's discussion of this item.
- 4. Perhaps the most convenient procedure would be for me first to enumerate those points on which the recommendations of the Advisory Committee differ from those of the Salary Review Committee. I will refer, for this purpose, to the table annexed to the Advisory Committee's report (document A/3505).

The first point is ll(ii) dealing with the base scales for the P-2 level;

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The second point is ll(iii) concerning the proposed longevity increments;

The third point is 14(iii)a, concerning the dependency allowance for a divorced or widowed staff member with one or more dependent children (this is not in fact a point of difference with the Salary Review Committee but a point of concurrence in the Secretary-General's additional proposal);

The fourth point is 23(ii), regarding the length of <u>paid</u> maternity leave; and

The fifth point is 29 concerning the machinery for dealing with certain pay and personnel problems.

- 5. I would like now to refer briefly to two or three other points which are important enough to merit special attention. The first of these concerns the base salary scales for the Professional and higher categories. Let me first say, Mr. Chairman, that, through a regrettable error, one part of the section of the Advisory Committee's report dealing with this point got left out. An appropriate corrigendum to document A/3505 has been issued. It would be useful perhaps if I briefly explained the point at issue.
- 6. The Salary Review Committee has recommended that for the Professional and higher categories the existing base salary scales should be retained with a few exceptions which are covered by points 11 (i) to 11 (vii) of document A/3505. The Secretary-General, for his part, has expressed serious reservations in this regard. He considers that a flat increase of 5 per cent in salaries of Headquarters Professional staff, in addition to the other proposals, would have been justified. The Secretary-General, however, adds and I quote:

"Having regard, however, to the over-all budgetary problem as it has developed under the pressure of the extraordinary conditions now prevailing, the Secretary-General this year restricts himself to laying the issue before the General Assembly with his strong recommendation of a more equitable solution than the one proposed by the Committee."

7. Now, Mr. Chairman, this question of the base salary scales is fundamental to the whole of the system proposed by the Salary Review Committee which, as the Advisory Committee understands, has fully considered this question. The

Advisory Committee does not therefore propose at this stage to undertake a further critical study of this matter. However, inasmuch as the Secretary-General does not appear to press this as a point of difference between him and the Salary Review Committee and in view of the fact that a change in base salaries calculated to make an adjustment in the case of New York would call for a re-casting of the whole system, the Advisory Committee agrees, on balance, with the Salary Review Committee.

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- 8. Let me now turn, Mr. Chairman, to point ll (vii), which deals with the classification of the main headquarters offices of the Organizations for the purposes of the post adjustment. Except for New York, the Advisory Committee has not attempted, because of the time factor, to determine the appropriateness or otherwise of the classifications proposed by the Salary Review Committee in respect of the various locations. As you will see from its report (A/3505), the Advisory Committee has nevertheless some doubt about placing Paris, Montreal and New York in the same class for this purpose.
- 9. As regards New York, Mr. Chairman, the Secretary-General states, in paragraph 97 of document A/C.5/691, that he does not contest the Salary Review Committee's view that Class 4 was appropriate for New York as of 1 January 1956. However, as of January 1957, New York is, in the opinion of the Secretary-General, closer to Class 5 than to Class 4.
- 10. Now, if we are to consider the situation as of January 1957, it may be argued that this should be done not only in respect of New York but also in regard to the other locations, including Geneva which is the base, where some upward movement may have occurred during 1956 in the cost of living. A determination of the extent of such movements in the cost of living of international officials is a complex task and would be justified if such movements are prima facie known to be significant, especially as a considerable element of judgement is involved where such factors as commutation to work, domestic help and medical expenses are concerned. While, therefore, it is possible that as of January 1957, Class 4 may be slightly unfavourable to staff at New York, the Advisory Committee is not entirely convinced that there is sufficient justification at this stage to place New York in Class 5.

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11. As regards salaries in the General Service category at New York, the Advisory Committee concurs in the recommendations of the Salary Review Committee as well as in the Secretary-General's specific proposal for a further increase, approximately 7 per cent of the level of remuneration which was in force at the end of 1954. This is in addition to the 2 1/2 per cent cost-of-living allowance granted as from 1 January 1956. The Secretary-General's proposal constitutes an implementation of the general principles endorsed by the Salary Review Committee; indeed that Committee had anticipated such an increase.

Thank you, Mr. Chairman.