

United Nations
**GENERAL
ASSEMBLY**

TWENTY-FIFTH SESSION

Official Records



**FIFTH COMMITTEE, 1396th
MEETING**

Wednesday, 25 November 1970,
at 10.45 a.m.

NEW YORK

Chairman: Mr. Max H. WERSHOF (Canada).

AGENDA ITEM 73

Budget estimates for the financial year 1971
(continued) (A/7822, A/7937, A/7968, A/7987 and
Add.1, A/8006, A/8008 and Add.1 to 4, A/8032,
A/8033, A/8072, A/8122, A/8133, A/C.5/1296,
A/C.5/1298, A/C.5/1302 and Corr.1 and Add.1,
A/C.5/1303 and Add.1, A/C.5/1305, A/C.5/1307,
A/C.5/1309, A/C.5/1310, A/C.5/1315 and
Corr.1, A/C.5/1317, A/C.5/1319, A/C.5/1320
and Corr.1, A/C.5/1322 and Corr.1, A/C.5/
1329, A/C.5/1331, A/C.5/1332, A/C.5/1333,
A/C.5/L.1041, A/C.5/L.1049, A/C.5/L.1053,
A/C.5/L.1055, A/C.5/XXV/CRP.7, A/C.5/
XXV/CRP.9, A/C.5/XXV/CRP.11, A/C.5/XXV/
CRP.13 to 16)

**Salary scales for the Professional and higher
categories (continued)*** (A/8008/Add.3, A/C.5/
1303 and Add.1, A/C.5/L.1049, A/C.5/L.1053,
A/C.5/XXV/CRP.7, A/C.5/XXV/CRP.9, A/C.5/
XXV/CRP.11, A/C.5/XXV/CRP.13 to 16)

**PROPOSAL CONTAINED IN DOCUMENT
A/C.5/L.1049 (continued)* AND DRAFT RESO-
LUTIONS** A/C.5/L.1053, A/C.5/XXV/CRP.14
AND A/C.5/XXV/CRP.16

1. Mr. McGOUGH (Argentina) introduced an amend-
ment (A/C.5/XXV/CRP.15) to the text of the United
States proposal (A/C.5/L.1049) to replace in the text
the words "without consolidation of classes of post
adjustment" by the words "after consolidation of two
classes of post adjustment", and recalled that, when
his delegation had stated its position on the question
of salary scales at the 1391st meeting, it had suggested
a salary adjustment formula of 6.5 per cent. In the
light of the views expressed during the debate, his
delegation had modified its original suggestion and was
submitting the revised version in the form of an amend-
ment to the United States proposal. The amendment,
which quoted the words used by the Advisory Commit-
tee on Administrative and Budgetary Questions in para-
graph 58 (b) of its report (A/8008/Add.3), was not new
but merely a modification of an already well-known
concept. He hoped that the United States representa-
tive would consider incorporating it into his own pro-

posal in an effort to reach a solution which would be
just and equitable to the staff of the United Nations.
The 1.5 per cent difference between the original United
States and Argentine proposals was virtually equal to
the amount of the post adjustment.

2. Mr. FAURA (Peru), introducing—on behalf of
Algeria, Colombia, Ecuador, Peru, Saudi Arabia,
Senegal, Somalia and Tunisia—a draft resolution
(A/C.5/XXV/CRP.14),¹ asked the members of the
Committee to consider the draft in the spirit in which
it had been offered and to recognize the sincerity of
its sponsors.

3. In July 1970, the Staff Association had submitted
to the International Civil Service Advisory Board a
document in which it had employed the same methods
of comparison as the Board itself had used in 1965,
and the Administrative Committee on Co-ordination
had submitted a further document in which it had, sub-
ject to the reservation entered by IAEA, recommended
an increase of approximately 10 per cent in base salaries
to take effect on 1 January 1971. After studying those
documents, however, ICSAB had informed the ACC
that it felt that its proposal for a 10 per cent increase
should be reduced to 8 per cent. The Secretary-General
had accepted that reduction and had so informed the
Advisory Committee on Administrative and Budgetary
Questions, which had agreed to the amount but had
proposed that the effective date should be changed
to 1 July 1971. Because of the forthcoming review of
the entire salary system, which would require some
time, it would be at least three years before the staff
would have even a possibility of a salary increase and
by then the 8 per cent would undoubtedly have been
whittled down to something like 2 per cent.

4. ICSAB, the ACC, presided over by the Secretary-
General, and the Advisory Committee—all expert
bodies—had agreed to an increase of 8 per cent. There
was therefore no doubt about the amount; there was
doubt only about the effective date. Naturally an ele-
ment of judgement was involved. In that respect, it
was worth noting that, despite his accustomed defer-
ence to the views of the Advisory Committee, the
Secretary-General had twice come before the Fifth
Committee to plead for an 8 per cent salary increase
as of 1 January 1971. That could mean only that the
Secretary-General, after having given serious consider-
ation to the Advisory Committee's proposal, had come
to the conclusion that there was ample justification
for insisting on an 8 per cent increase as of 1 January
1971. In his view, no one could be better qualified
than the Secretary-General to determine what was just
and appropriate for his staff.

Resumed from the 1394th meeting.

¹ For the text of this document, see A/8099, para. 66.

5. It was worth remembering that, because of the serious situation that had arisen in Geneva in 1962 as a consequence of the salaries paid in that city, the Advisory Committee had recommended that great powers and authority should be given to ICSAB so that it could make a study in depth of all problems related to salaries in the United Nations family.

6. It was unfortunate that the Fifth Committee had not been able to hear the voice of the staff in the Fifth Committee because the staff would certainly have given their complete backing to the Secretary-General and would have thanked the Committee for its interest in the staff.

7. Mr. RHODES (United Kingdom), introducing—on behalf of Argentina, Brazil, Canada, Denmark, the Philippines, and the United Kingdom—a draft resolution (A/C.5/XXV/CRP.16),² said that the sponsors would have preferred to submit a comprehensive text dealing with all aspects of salary scales but had instead concentrated on the question of a thorough review of the whole United Nations common system of salaries. They had felt that the review should be carried out by ICSAB because it was already in existence, it was undeniably an expert body, it already had the necessary background information and it would not have to start from scratch as an intergovernmental body would have to do. Moreover, ICSAB was acceptable to the specialized agencies, whereas the proposal for an intergovernmental committee would involve consultations with the specialized agencies, which would in turn have to consult their governing bodies, before a new committee could be set up, thus entailing a substantial delay before the review could even start.

8. The sponsors had tried to reflect in their draft resolution not only the views expressed during the debate—in rather general terms so as to afford the Board room for manoeuvre—but also those of the Administration and staff. They had taken account of the constitutional position of all parties. In the hope that the review could be submitted to the General Assembly for consideration at its twenty-seventh session, they had tried to lay down a realistic time-table, affording sufficient time for prior consideration of the review by the ACC and the Advisory Committee.

9. The sponsors had been informed that part B of their draft resolution might be interpreted to mean that they advocated no increase in salaries at all. That was not the case. What they had tried to do was to state the generally held view that after the Fifth Committee's decision on the question of the salary scales at the current session there should be no further salary adjustment—exclusive of post adjustments—until the review had been completed. He therefore hoped that the question raised in part B of the draft resolution would be voted upon after the Committee had decided the question of salaries. If that could not be done, he would withdraw that part of the draft resolution.

10. His delegation would appreciate a ruling by the Chairman on the order in which he intended to put the various proposals before the Committee to the vote.

² *Idem*, para. 77.

11. The draft resolution (A/C.5/XXV/CRP.16) was compatible with operative paragraphs 1, 2 and 4 of draft resolution A/C.5/XXV/CRP.14 just introduced by the Peruvian representative. It merely spelled out the question of the review in greater detail.

12. Mr. NAITO (Japan) said that ICSAB, the Advisory Committee and the Controller had stressed the importance, from the point of view of staff members' pensions, of consolidating two classes of post-adjustment in base salary. If the United States proposal (A/C.5/L.1049) were amended along the lines suggested by the Argentine delegation (A/C.5/XXV/CRP.15), it would better meet staff needs. His delegation therefore endorsed that amendment.

13. Mr. SANU (Nigeria) said that little had been said in the debates to convince his delegation that an increase of 8 per cent from 1 January 1971 was justified. Normal operation of the post-adjustment system would narrow the gap between United Nations and United States civil service scales, and it seemed illogical to propose an increase for 1 January 1971 merely because it was assumed that United States civil service salaries would be increased during 1971. At the 1394th meeting his delegation had expressed the hope that the United States delegation would be able to modify its position concerning the consolidation of two classes of post adjustment. It would, therefore, support the Argentine amendment. It was important that the Fifth Committee should reach a decision on the subject by consensus. It was to be hoped, therefore, that the United States proposal, as modified by Argentina, would serve as a suitable compromise.

14. Mr. WEI (China) said that all staff members were dedicated to the principles and ideals of the United Nations. Upon joining the Secretariat, a staff member took an oath pledging loyalty to the United Nations and undertaking to discharge his functions and regulate his conduct in the interests of the United Nations only. His delegation had noted that the salaries of such dedicated persons were already higher than those of United States civil servants who earned considerably more than civil servants in the developing countries. Confucius had said that persons dedicated to principles and ideals but ashamed of poor clothes and bad food were not fit to converse with. Guided by the words of Confucius and out of respect for the dedication of the staff, his delegation would abstain in any vote on a proposal to increase staff salaries.

15. It would be interesting to know whether post adjustments could be added to pensionable remunerations. For instance, could one class of post adjustment be applied to a pension in New York and another to a pension in Bangkok?

16. Mr. KEENLEYSIDE (Canada) said that, having examined the United States proposal and finding the Argentine suggestion a suitable modification of it, his delegation was inclined to support the amended proposal. It hoped therefore that the United States would find it possible to accept the Argentine amendment.

17. Mr. HALL (Jamaica) asked if the Advisory Committee's recommendations (A/8008/Add.3, para. 58) were still before the Committee.

18. The CHAIRMAN replied in the affirmative.

19. Mr. MEYER PICON (Mexico) asked whether the take-home pay of the staff would in fact increase by about 2 per cent as the result of consolidating two classes of post adjustment. In his statement in the general discussion (1388th meeting) he had agreed that the review of United Nations salaries be entrusted to ICSAB provided it was assured that the Board would have sufficient time to fulfil the task properly. He hoped that that assurance would be given before the Fifth Committee was required to vote.

20. Mr. GUPTA (India) said that almost every member had called the contents of ICSAB's report into question. In addition, very many had said that, in view of the change in the structure of the Organization since 1956, the whole set of principles, criteria and guidelines for determining salary scales for the United Nations and specialized agencies should be reviewed. The only question was who should make the review.

21. The sponsors of draft resolution A/C.5/L.1053 felt that an intergovernmental body of highly qualified experts should do so, not ICSAB. The following were some of the reasons which had led them to that conclusion. First, ICSAB had been appointed not by the General Assembly but by the Secretary-General in his capacity as Chairman of the Administrative Committee on Co-ordination, and it reported to ACC; Governments too were concerned about the criteria and guidelines for determining the salary system. Secondly, although for the past five years ICSAB had been supposed to make a thorough review of the system, for various reasons it had failed to do so. Thirdly, under its terms of reference, ICSAB was supposed to review, and make recommendations on, salaries and allowances. There was, however, a slight difference between reviewing salaries and allowances and reviewing the principles, criteria and guidelines for determining salaries and allowances. Fourthly, the situation was very little different from that in 1955 when the General Assembly had considered the salary increase proposed for 1956. At that time, too, ICSAB had been a body with expertise and experience and yet the Salary Review Committee had been established.

22. It was by no means certain, as the United Kingdom representative had contended, that ICSAB was ready to do the work or that it was more acceptable to the specialized agencies. Its terms of reference had changed since then but it was interesting to note that in the discussions on the establishment of a review committee during the tenth session of the General Assembly not a single delegation had mentioned ICSAB. Indeed, at the 523rd meeting of the Fifth Committee, the United Kingdom representative had said that, in view of the importance the committee's findings would have, it should consist of experts nominated by Governments, while the United States representa-

tives had said it would be best, in the interests both of good administration and of the staff and Governments, if the review were entrusted to a small and representative group of experts appointed by Member States. It was for those same reasons that the sponsors of draft resolution A/C.5/L.1053 would prefer the review to be undertaken by an intergovernmental body rather than by ICSAB.

23. Apart from their suggestion that the review should be undertaken by ICSAB, the sponsors of draft resolution A/C.5/XXV/CRP.16 had submitted a constructive proposal. However, in view of operative paragraph 2 of part A of that draft resolution, he wondered whether the review would in fact be made by ICSAB. Who would appoint the panels of subsidiary groups of experts and from what countries or organizations would the experts come? Experts from certain countries were, to some extent, conditioned to the Noblemaire principle. An intergovernmental body of experts would at least have the merit of having been appointed by the General Assembly and it, too, could be assisted by panels and subsidiary groups of experts. It was to be hoped that the sponsors of draft resolution A/C.5/XXV/CRP.16 would agree to hold informal consultations with the sponsors of draft resolution A/C.5/L.1053, with a view to incorporating into their text the idea to which nearly all developing and many developed delegations attached so much importance.

24. Mr. TODOROV (Bulgaria) said that his delegation fully endorsed the Indian representative's comments. It therefore proposed a number of amendments³ to draft resolution A/C.5/XXV/CRP.16. They would make it clear that a special expert committee should be set up to formulate principles governing the salary scales of international civil servants.

25. Mr. RHODES (United Kingdom) said that the key point in the Indian representative's statement was that ICSAB's terms of reference had been changed since 1956. They had indeed been revised following a recommendation by the 1956 Salary Review Committee. In its report,⁴ the Salary Review Committee had believed that inter-organization machinery outside the secretariats and free from the pressure of day-to-day administration was needed for the purpose of providing detached and uniform advice to the various governing or legislative bodies on their common administrative problems. It had added that the body which in the United Nations structure seemed most readily capable of adaptation to meet that need was ICSAB, but to undertake the requisite role the Board would need a small secretariat and would need to be able to draw upon outside expertise when that seemed necessary.

26. The sponsors of draft resolution A/C.5/XXV/CRP.16 would be very willing to discuss possible amendments to their proposal with any interested delegation.

³ Text subsequently issued as document A/C.5/XXV/CRP.17.

⁴ See *Official Records of the General Assembly, Eleventh Session, Annexes*, agenda item 51, document A/3209 (separate fascicle), paras. 296 to 301.

27. Mr. BENDER (United States of America) said that, in his statement at the 1394th meeting, the Controller had said that failure to consolidate two classes of post adjustment in the proposed increase would not only adversely affect the pensions of staff members but harm the solvency of the Tax Equalization Fund. As a result of that statement, several representatives, while agreeing that the increase should not exceed 5 per cent, had said they would be unable to support the United States proposal unless it provided for the consolidation of two classes of post adjustment. The Argentine delegation had submitted a formal amendment to that effect (A/C.5/XXV/CRP.15), which had been supported by Canada, Japan and Nigeria.

28. Although it still felt that consolidation was not called for in 1971, in deference to the views of many delegations and of the Controller, his delegation had decided to accept the amendment submitted by Argentina and to incorporate it into its own amendment (A/C.5/L.1049). Its acceptance of the Argentine amendment represented its contribution to the effort to reach consensus. His delegation realized that there was still a gap between its recommendation and that of the Advisory Committee. It realized, too, that a large element of judgement was involved, and it respected the views of the Advisory Committee. Nevertheless, an increase of 5 per cent was more consistent with the factual data submitted to the Fifth Committee than an increase of 8 per cent. His delegation would expect that, if its proposal was accepted, the Secretariat would prepare for the Committee the consequential changes which would have to be made in annex I of the Staff Regulations.

29. Mr. MAHMASSANI (Lebanon) suggested that members of the Fifth Committee did not disagree with ICSAB's recommendations but were concerned about the amount of money which would be required to put them into effect. No problems would be solved by establishing new bodies. ICSAB was an expert body and it had decided that an 8 per cent increase from 1 January 1971 was justified. The Advisory Committee had not disputed the amount of the increase but had suggested that it should take effect from 1 July 1971 rather than from 1 January 1971. The question the Fifth Committee had to decide, therefore, was whether to adopt the recommendation of ICSAB or that of the Advisory Committee.

30. Draft resolution A/C.5/XXV/CRP.16 was unsatisfactory because it did not go to the heart of the question. In any case, part B of the text should be so revised as to make it clear that increases could be approved during the twenty-fifth session of the General Assembly.

31. The United States proposal (A/C.5/L.1049) was unsatisfactory too. Compromises on the question of staff salaries were not acceptable. His delegation could not, therefore, accept that proposal.

32. Draft resolution A/C.5/XXV/CRP.14 was the only one of the proposals before the Fifth Committee which took a clear decision and endorsed the ICSAB

recommendation. If a draft resolution endorsing the Advisory Committee's recommendation was submitted, his delegation would give careful consideration to it as well as to draft resolution A/C.5/XXV/CRP.14. In the absence of such a resolution, it would vote in favour of draft resolution A/C.5/XXV/CRP.14.

33. Mr. FAROOQ (Pakistan) said that his delegation fully supported the Argentine amendment to the United States proposal, having particular regard to the statement by the Controller at the 1394th meeting, and appreciated the spirit of compromise shown by the United States delegation in accepting it.

34. He asked what would be the financial implication of the establishment of the special committee of experts described in operative paragraph 1 of draft resolution A/C.5/L.1053 and, if that committee was appointed, what ICSAB's position would be during the period of its existence.

35. Mr. TURNER (Controller), replying to the representative of China, said that post adjustments were non-pensionable cost-of-living differentials; the incorporation of one or more classes of post adjustment would raise the level of the pensionable element of the United Nations salaries.

36. The representative of Mexico had asked for confirmation that consolidation of two classes of post adjustment increased the real emoluments of the staff by some 2 per cent. That was not really so, although the cost estimates gave that impression. Consolidation produced a small increase of well under 2 per cent in the real income of staff with dependants and that only in the short run. The increase was eventually offset by the fact that, as the base figure for the cost-of-living index was raised by 10 per cent, the date of the following post adjustment was deferred. However, for single staff—some 20 per cent of the total—consolidation did produce a larger increase because, whereas the post adjustment for a single person was only two-thirds of the married rate, consolidation had to be made, for technical reasons, at the full married rate.

37. Replying to the representative of Pakistan, he said that the Secretariat would need guidance from the sponsors of draft resolution A/C.5/L.1053 before it could calculate the financial implications of the special committee of experts.

38. Mr. ARBOLEDA (Colombia) said that his delegation would have no particular difficulty in subscribing to the provisions of part A of draft resolution A/C.5/XXV/CRP.16. It was generally recognized that the salary system did contain serious anomalies and that considerable difficulties and dissatisfaction had arisen. Part B of the draft resolution, however, dealt with the crucial and sensitive issue of salary increases pending completion of the review of the salary system. He noted that the sponsors considered that the review should be carried out by ICSAB in that the establishment of a new body would entail an undesirable delay. Both the Secretary-General and the Advisory Commit-

tee had agreed that there was a need to revise the salary system. India had argued that ICSAB was appointed by the Secretary-General and was therefore not an organ of the General Assembly. However, in resolution 1981 B (XVIII) of 17 December 1963, the Assembly had endorsed ICSAB's terms of reference and thus signified its approval of the Board. Furthermore, ICSAB was appointed by the Secretary-General, who was entrusted by the Assembly with the administration of the Organization and thus responsible for questions related to the remuneration and retention of staff.

39. The United States text (A/C.5/L.1049) was useful but would entail reducing to 5 per cent the 8 per cent salary increase recommended by both ICSAB and the Advisory Committee. An 8 per cent increase would be barely equitable and a 5 per cent increase would, even after consolidation of two classes of post adjustment as proposed by the Argentine delegation, be below the figure requested as a minimum for ensuring the efficient functioning of the Organization. The lower percentage increase could lead to an even more marked flight from the Organization of technical staff and a greater reliance on fixed-term staff. That would be the final blow to the idea of a career structure for a stable international staff, which was the only guarantee of the Organization's efficiency.

40. As to draft resolution A/C.5/XXV/CRP.14, introduced by the Peruvian representative, his delegation would stress that the Secretary-General had twice appeared before the Fifth Committee to press for an increase in staff salaries. That he had done so was a clear indication of the importance which he attached to the Fifth Committee's endorsement of his request as originally formulated. His second appearance was evidence of his serious concern at the consequences of any delay in a solution of the salary problem. Those consequences could be extremely grave. His delegation considered that a vote in favour of draft resolution A/C.5/XXV/CRP.14, of which his delegation was a sponsor, would be a vote of complete confidence in the Secretary-General by the Fifth Committee.

41. Mr. CLELAND (Ghana) said that his delegation's views on the defects of the Noblemaire principle were well known and the consensus in the Fifth Committee with regard to the need for a review of the criteria governing the salary system was therefore gratifying. While ICSAB was made up of eminent persons with the necessary expertise to undertake such a review, its composition did not reflect that of the United Nations—seven of its members were from the richer countries and four from the poorer. Consequently, the views of the developing countries would not be adequately reflected in its work. His delegation would therefore prefer the review to be carried out by an intergovernmental body, and would have no difficulty in accepting draft resolution A/C.5/L.1053 providing for the establishment of a special committee of experts. The reasoning behind that draft resolution had been described in detail by the representative of India, to whose statement he himself had nothing to add.

42. Mr. RHODES (United Kingdom), referring to comments by the representatives of Lebanon and Colombia, said that such legitimate doubts as persisted with regard to part B of draft resolution A/C.5/XXV/CRP.16 could be removed by the insertion, after the words "no further increases" of the words "beyond such increases as may be approved by the General Assembly at the twenty-fifth session".⁵

43. The CHAIRMAN announced that the sponsors of draft resolution A/C.5/L.1053 had been joined by: Ceylon, Ghana, Mali, Mongolia, Rwanda, the United Arab Republic and the Upper Volta.

44. The sponsors of draft resolution A/C.5/XXV/CRP.14 had been joined by the Dominican Republic and Guatemala, while those of draft resolution A/C.5/L.1054—relating to agenda item 75—had been joined by Australia, and those of draft resolution A/C.5/XXV/CRP.16 had been joined by Australia, Greece, Japan and Pakistan.

The meeting rose at 1.05 p.m.

⁵ Text subsequently issued as document A/C.5/XXV/CRP.16/Add.1.