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*Chairman:* Mr. G. G. TCHERNOUCHTENKO  
 (Byelorussian Soviet Socialist Republic).

ELECTION OF A NEW VICE-CHAIRMAN

1. The CHAIRMAN, recalling that Mr. Beaulieu had resigned (see 1249th meeting), said that the Committee must elect a new Vice-Chairman and invited the members to nominate candidates to that office.

2. Mr. ESFANDIARY (Iran) nominated Mr. William G. Olivier (Canada).

3. Mr. KELSO (Australia) and Mr. FAURA (Peru) seconded the nomination.

*Mr. Olivier (Canada) was elected Vice-Chairman by acclamation.*

4. Mr. OLIVIER (Canada) thanked the members of the Committee for the confidence they had shown in him and the honour they had done to his country.

AGENDA ITEM 74

*Budget estimates for the financial year 1969 (continued)*  
 (A/7125, A/7205, A/7207, A/7236, A/7255, A/7280,  
 A/7304, A/C.5/1169 and Corr.1, A/C.5/1175-1179,  
 A/C.5/1182, A/C.5/1183, A/C.5/1185, A/C.5/L.943,  
 A/C.5/L.944, A/C.5/L.946-948, A/C.5/L.950)

*General discussion (continued)*

5. Mr. GHERAB (Tunisia) congratulated the Secretary-General and the Controller on the new method of formulation and presentation of the budget estimates and thanked the Advisory Committee on Administrative and Budgetary Questions for the enlightened advice which it had given in its main report (A/7207).

6. His delegation shared the Secretary-General's anxiety about the financial situation of the Organization, which was due not to a lack of budgetary discipline but to the existence of political problems which could be resolved only when international relations were

truly restored to normal and the big States reverted to the spirit and letter of the United Nations Charter.

7. The budget estimates for the financial year 1969 (A/7205) once again showed a considerable increase over preceding years, but his delegation thought that the Organization had not yet reached the stage where a levelling-off of expenditure could be considered without jeopardizing the development of activities. Consequently, it would continue, as it had done in the past, to accept a reasonable and justified increase in the budget of the United Nations and its family of organizations.

8. It was in that spirit that the Tunisian delegation understood that only a pro memoria provision had been made for technical programmes under part V of the budget. Some delegations believed that technical assistance costs should not appear in the regular budget of the Organization but should be financed by voluntary contributions. His delegation, for its part, considered that there should be a considerable increase in the appropriations under part V in order to meet the expectations of the developing countries. The assistance provided under the technical assistance programmes should be one of the principal means of enabling those countries to increase their resources and meet their development needs. It was therefore to be hoped that the Committee would take into account the general reports to be submitted by the Governing Council of UNDP and the Industrial Development Board.

9. The preparation of the second United Nations Development Decade required a strategy which would stimulate long-term planning. The introduction of a system of project budgeting and continuous programming for the Technical Assistance component of UNDP partly resolved that problem; the creation of technical assistance programming missions would make it easier to ascertain the requirements of the countries requesting assistance. His delegation was convinced that, in that regard, the action by the Department of Economic and Social Affairs and UNIDO would come up to the expectations of the developing countries.

10. On the subject of office space for the Organization, his delegation endorsed the view of the Secretary-General that it would be extremely unfortunate if, for lack of adequate office space, the United Nations were to reduce its economic and social activities, precisely on the eve of the second Development Decade. For that reason, the Secretary-General's proposals concerning, first, a temporary and then a permanent solution to the present crisis were of special interest.

11. His delegation appreciated that a reasonable and controlled growth of the Organization's staff was essential in order to ensure that the work programmes were properly carried out. It was also reassuring to note that a large part of the extra funds requested for that purpose in 1969 related to the economic and social sector, both in New York and in the regional economic commissions. However, his delegation had to endorse the conclusions of the Advisory Committee, which had recommended that the growth of staff be kept to the level strictly necessary to ensure the execution of the essential programmes and activities of the Organization in 1969.
12. The Tunisian delegation welcomed the new procedure adopted by the Secretary-General for the formulation and presentation of the estimates relating to economic, social and human rights activities. That procedure was moving in the direction of the recommendation made by the Advisory Committee in paragraph 50 of its main report that a careful and detailed survey should be undertaken, preferably desk by desk, of existing personnel available in the Secretariat and their deployment and utilization. The survey would be effective only if it fulfilled two prerequisites: its aim should be not merely to make savings in the budget but rather by the use of new administrative methods, to evolve more sensible arrangements adapted to the Organization's special features, with regard to both function and structure. The survey thus had to be the product of a joint effort, carried out on a co-ordinated and methodical basis, by the Secretariat, on the one hand, and the Advisory Committee assisted by outside experts in administrative management, on the other.
13. His delegation had always taken a special interest in the question of the use of the working languages, with which General Assembly resolution 2359 B (XXII) was concerned. In that resolution, the Assembly had recommended a number of measures, including the expansion of the language instruction programme and the introduction of a language bonus for staff in the Professional category. Fortunately, that resolution had enabled the Secretary-General, as he had said in his statement to the Committee at the 1238th meeting (A/C.5/1176), to study in greater detail what measures could be taken to achieve the desired objective. Such measures would, of course, also have to take administrative realities into account, and his delegation was looking forward to hearing the Secretary-General's proposals on the subject.
14. Lastly, so as to enable the Organization continually to increase the scope and effectiveness of its economic, social and human rights activities, his delegation unreservedly supported the suggestions that the Secretary-General should play a more active role in the review and formulation of programmes.
15. Mr. MARTINEZ (Venezuela) commended the Secretary-General on the clear and precise presentation of the budget estimates for 1969 and thanked the Advisory Committee for its thorough report. The changes made in the presentation of the budget estimates were most useful, and they constituted an improvement, since a more complete examination could be made of the budget as a result of the adoption of new procedures of budget formulation and presentation, in particular for economic, social and human rights activities; as he stated in his foreword to the budget estimates, the Secretary-General had endeavoured to provide for total foreseeable needs at the lowest possible cost and the budget estimates had been prepared with the greatest care.
16. The Advisory Committee had said it was convinced that the reduction it had recommended under section 3 would not jeopardize the execution of the work programmes. The Venezuelan delegation was glad that the Advisory Committee's recommendations were based on sound criteria and a correct analysis and that, as the Secretary-General himself had told the Committee at the 1238th meeting, the reduction would not impede the execution of the work programmes.
17. His delegation reiterated its concern at the fact that the programme of conferences and the volume of documentation had not decreased as much as might be desired. As the Advisory Committee pointed out, however, some progress had been made and it was to be hoped that the trend would continue. Similarly, the Advisory Committee said it had been decided that the Committee for Programme and Co-ordination should in future devote greater attention to the question of priorities and that the Secretary-General would provide greater co-operation in that context, particularly with regard to existing programmes and projects of the functional commissions.
18. The comments made by the Chairman of the Advisory Committee, in his statement at the 1238th meeting of the Fifth Committee (A/C.5/1177), concerning the need to provide sufficient resources to enable the Secretariat to employ enough competent staff were most sensible. Like all the Member States, the Secretary-General naturally wanted qualified staff, who should be guaranteed adequate remuneration and security in office. The assurances given by the Advisory Committee on that score was therefore to be welcomed.
19. His delegation was glad that the Advisory Committee emphasized that a clearer and more precise concept had emerged of the respective responsibilities of the various inter-governmental organs and sub-organs and of the progress made in regard to long-term programme planning by the Committee for Programme and Co-ordination, with which the other organs engaged in programming the activities of the United Nations should co-operate as closely as possible.
20. Lastly, his delegation endorsed the Brazilian representative's proposal that a study should be made of ways of increasing income and, in particular, of developing revenue-producing activities.
21. Mr. CZARKOWSKI (Poland) observed that the budget estimates for 1969 showed an increase of approximately \$11 million over the appropriations for the previous year. The total amount of the budgets of the United Nations family of organizations as a whole for 1969 would exceed the budgets for 1968 by \$25 million. Most of those budgets doubled every ten years, while some, such as those of FAO and UNESCO, had doubled in five years. It was undeniable that there were factors which justified some increase

in the budgets, such as the reduction in the purchasing power of most Western currencies owing to monetary difficulties and the rise in prices, and the expansion of international multilateral aid. That did not, however, justify the present rate of increase which far exceeded the rate of growth of national incomes. In the long run, the tendency of the budgets of international organizations to increase at a more rapid rate than national incomes could have serious consequences, one of which was already evident: a number of States were not able to pay their contributions on time. Thus, by 30 September 1968 only \$84 million out of the total amount of contributions due under the regular budget for 1968 had been paid.

22. The excessive increase in the budget was due, in part, to the fact that it included provision for activities which were contrary to the principles of the United Nations Charter, such as appropriations to cover expenditure relating to the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Memorial Cemetery in Korea. The same applied to the inclusion in the United Nations budget of the reimbursement of funds spent on ONUC and UNEF, for the financial aspects of those operations had not been dealt with in accordance with the provisions of the Charter.

23. Each year new programmes were added without a current programme ever being terminated, even if it had become obsolete and useless. That resulted in a proliferation of programmes and such an enormous amount of work that, in many delegations, certain documents, often containing useful conclusions, could never be read because they were so numerous and so lengthy. The smaller the country, the harder it was for it to study all the documentation, to send more and more delegations to new conferences and to take all the decisions required. The result was that Member States lost sight of the over-all programme, which expanded at a rate beyond their absorptive capacity, and that led to a waste of resources. That was perhaps the main reason why the budget of the United Nations was increasing so rapidly. The existing procedure for dealing with the financial implications of decisions adopted by various organs was too liberal. In fact, when the expansion of a programme was under consideration, the financial implications of such a decision were very seldom taken into account, and the notes which the Secretary-General circulated on the subject only received formal attention. Admittedly those notes were generally limited in scope and should contain more detailed information on the long-term financial and administrative implications of new programmes.

24. In that connexion, the Polish delegation agreed with the suggestion made by the Advisory Committee in paragraph 35 of its main report that if the Secretary-General entertained doubts as to the timeliness or value of a new or an existing programme, he should communicate those doubts to the competent body at the earliest possible moment.

25. The question of the formulation of programmes and priorities was just as important. There was certainly much room for improvement in that respect; most of the organs considered that all the items on their programmes were of high priority, and a low

priority was very seldom given to any item. In the circumstances, it was impossible to eliminate unnecessary items from a programme. The Polish delegation thought that priorities should be established by classifying the items within each programme according to a decreasing order of priority and indicating a time-limit for their implementation. Such a method would make it easier to determine which items could be eliminated within a given programme. The Polish delegation was glad to note that the Committee for Programme and Co-ordination had decided to pay greater attention to the problem of priorities.

26. The increase in the budget was not due solely to the inflationary trend of the programme, but also to the present system of administration and staff increase. Any addition to the programme was always followed by an increase in staff, not only because useless or obsolete items were very seldom suppressed, but also because the officials recruited to execute new programmes in most cases received permanent contracts. In the long-run, that practice had many unfortunate consequences. When a specialist recruited for a new project had received a permanent contract, he in fact remained in the Secretariat until retirement age, even if there was no need to continue the project for which he had been recruited; in the circumstances, it was difficult to change the programme. Greater use should be made of fixed-term contracts, or a system of periodic review of permanent contracts should gradually be introduced, similar to that used in the League of Nations, where contracts had been reviewed every seven years.

27. The number of established posts increased each year and the Secretary-General was asking for 607 new posts for 1969, which would bring the total number of permanent staff up to 8,435, as against 6,477 in 1965; that represented an annual average increase of 500. That trend, in turn, led to an increase in the appropriations requested under other chapters of the budget, and the Committee had been informed, for example, that it was necessary to increase the number of offices at Headquarters. Whatever solution was adopted—renting or construction—it would certainly be very costly.

28. When many draft resolutions were introduced, particularly those in the economic and social fields, the argument was advanced that the resulting increase in activities would benefit primarily the developing countries. A study of the relevant documents showed, however, that 90 per cent of the resources voted for those purposes were spent at the headquarters of the organizations in the developed countries and, in fact, helped those countries in their balance of payments. Thus, the real value of a programme that expanded beyond the absorptive capacity of Member States was in fact illusory.

29. Even allowing for the current rate of programme expansion, the staff increases requested were not justified, and the Advisory Committee had stated in that connexion in paragraph 48 of its main report that it was not at all certain that the absorptive capacity had been completely exhausted and that each new programme automatically called for additional staff. The Polish delegation was convinced that there were many hidden possibilities in the Secretariat which, if ex-

ploited, would make it possible to reduce the number of new posts requested by the Secretary-General for 1969 even further than the Advisory Committee had recommended.

30. The Polish delegation believed that in order to restore the balance of the regular budget of the United Nations, the following measures should be implemented: first, the appropriations under the regular budget should be used mainly to cover administrative expenditure, and other categories of expenditure should be financed, to a greater extent than at present, by means of voluntary contributions or extra-budgetary resources; second, expenditure that was included in the budget without legal grounds should be eliminated from the regular budget; third, the machinery for co-ordination and supervision of the budget should be strengthened, although not expanded; fourth, General Assembly resolution 2370 (XXII) concerning a system of preparing and planning the budget in advance should be implemented without delay; fifth, a more flexible staff policy should be adopted in order to take into account changes in programmes; sixth, in the formulation of programmes, the absorptive capacity of Member States should be taken fully into account; and lastly, the desk-by-desk survey recommended by the Advisory Committee should be undertaken as soon as possible in order to help the Secretary-General to make better use of the existing Secretariat staff. Only after the results of that survey were known would it be possible to decide whether or not the staff should be increased.

31. Mr. CONNOLLY (Ireland) said that his delegation had frequently had occasion during the past few years to express its concern about the precarious state of the Organization's finances. The over-all state of insolvency had further deteriorated over the past year, and if no efforts were made to arrest that trend, the time would come when the Organization would be unable to carry out many essential programmes in all spheres of activity. Moreover, the administrative and budgetary improvements currently being made could only assume real significance when the Organization's finances had been revitalized by the liquidation of the accumulated deficit.

32. His delegation hoped that Member States would respond to the exhortation made by the Secretary-General in his statement to the Committee and give their full attention to that urgent continuing problem; the financial crisis confronting the Organization could only be resolved, and the United Nations could only regain its financial integrity, if Member States accepted their collective responsibility for the Organization's expenses.

33. Reference should be made in that connexion to the increasing deficit in the Special Account for the United Nations Force in Cyprus. His delegation had from the outset made clear its opinion that the decision to finance the Force by voluntary contributions alone was a serious departure from the principle of the collective financial responsibility. It felt obliged to reiterate that view, which was moreover, echoed by the Secretary-General's statement in the introduction<sup>1/</sup> to his annual report on the work of the Organiza-

tion that he regarded that method of financing as unsatisfactory. The United Nations could not be an effective instrument for the maintenance of peace without the firm and reliable system of financing needed to perform its peace-keeping functions.

34. With regard to the budget estimates for 1969 as a whole, his delegation had noted the Secretariat's efforts to keep expenditure to the lowest possible level. As the Committee was not yet in possession of the complete budget estimates, it was difficult to make a comparison between the estimates for 1969 and the appropriations approved for 1968. In so far as could be determined now, the increase in the funds required for 1969 over the 1968 appropriations, while not excessive, would nevertheless be considerable. His delegation was not opposed in principle to a moderate increase in budgetary expenses, as it was aware that the Organization was faced with ever-increasing responsibilities in the economic and social fields, and it realized that the Secretary-General must be provided with adequate funds to meet the expenses of programmes authorized by United Nations bodies; nevertheless, it was essential to ensure that all expenditure, particularly if it involved increases over previous years, was rational and fully justified.

35. The establishment of a total work programme in the light of the total resources which Member States were prepared to approve for its implementation was one of the most difficult tasks that the appropriate services of the Secretariat had to undertake—and the Secretary-General's observations on that subject merited serious consideration. As a first step towards the solution of that problem, programme-formulating bodies would have to pay more attention to the administrative and financial implications of proposed programmes, and to their relationship to the Organization's activities as a whole. While the main factor in the decision to recommend a programme of work continued to be its intrinsic value, it was also important that priorities should be set and an attempt made to adhere to them. It might also be worth while establishing some general criteria to govern the formulation, development and approval of programmes. The *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies had performed an invaluable task by drawing attention to that problem, and proposing solutions to it, and the Committee for Programme and Co-ordination had also undertaken constructive work.

36. With regard to manpower, which was one of the most important expenditure items, his delegation, while not underestimating the difficulties involved for the Secretary-General in administering a large number of programmes, thought that care must be taken to ensure that the staff resources of the Secretariat were at all times employed in the most rational manner. The adoption of new programmes should not automatically entail increases in the number of staff; before extra staff were recruited, it should be ascertained that the increased work-load could not be absorbed by existing staff. He welcomed the initiative taken by the Secretary-General in establishing an internal review group to assist him in formulating more accurate assessments of needs in the economic, social and human rights fields. That group would

<sup>1/</sup> Official Records of the General Assembly, Twenty-third Session, Supplement No. 1A, para. 60.

doubtless make a significant contribution to achieving a closer relationship between programme formulation and budget presentation.

37. His delegation had given particular attention to the Advisory Committee's observations with regard to staff increases in the Secretariat, and had noted its reservations about the assessment which had been made of the staff required to implement the various work programmes. It was satisfied that the Advisory Committee had reached its conclusions only after a thorough examination of the situation, and was convinced of the merit of its recommendation that the Secretary-General should undertake a survey of the personnel available to him, their deployment and their utilization. At the present crucial stage in the evolution of the Organization's administrative structure, such a survey could provide the Secretariat with valuable information on how to use its staff more effectively. He appreciated that that would be a major undertaking and that the methodical groundwork required would take some time; as that same question had been referred to in the report of the Committee on the Reorganization of the Secretariat, it might perhaps be advisable to know that Committee's views before making a final recommendation on the subject.

38. Mr. MARTYANOV (Byelorussian Soviet Socialist Republic) said that in spite of the concern that all Member States had expressed about the steady increase in the budget, the Secretariat's budgetary policy was the same as it had always been, and nothing had been done to reduce expenses or to make more effective use of existing staff.

39. In his delegation's view, the additional volume of work arising from the increase in the Organization's work could be absorbed by existing personnel, although reorganization of work or reassignment of staff would be required. The Advisory Committee itself had indicated that in its view existing personnel were not being used as fully as they might be; however, the reductions which it recommended were clearly inadequate half-measures. The Committee should not, therefore merely approve those recommendations but try to find a way to reduce expenditure on staff still further.

40. The expansion of the Secretariat did not only create financial difficulties; it reduced efficiency by making the administrative structure unwieldy and unbalanced. Simplification of the structure and a better distribution of staff would doubtless result in increased efficiency.

41. His delegation considered unjustified the recommendation of ICSAB for a 5 per cent increase in the salaries of staff in the Professional and higher categories; present salaries were adequate, particularly as they were supplemented by a post adjustment. It would be better to postpone a consideration of the question until it had been studied in greater detail.

42. The question of staff was closely connected with that of the geographical distribution of Secretariat posts; many countries were still "under-represented" in the Secretariat, and that state of affairs must be remedied if the Secretariat were to discharge its responsibilities under the United Nations Charter in a spirit of equity.

43. His delegation hoped that Russian could be included among the working languages used in the main bodies of the Organization—a measure which would be fully justified by the increasing importance of Russian in international affairs, particularly in the political, scientific and cultural fields.

44. Noting that appropriations were requested for expenditure related to the so-called United Nations bond issue, the so-called United Nations Memorial Cemetery in Korea and the so-called United Nations Commission for the Unification and Rehabilitation of Korea, he said that his delegation was opposed to any appropriation to finance those activities, which violated the Charter. Those estimates were for illegal expenditure and accordingly should be eliminated from the budget.

45. In connexion with part V, relating technical assistance programmes, his delegation had always maintained that technical assistance activities should not be provided for in the regular budget of the Organization. As usual, his country would make its contribution under part V in its national currency. His country, for its part, assisted the developing countries on a large scale.

#### First reading (continued) (A/C.5/L.943)

SECTION 3. SALARIES AND WAGES (continued) (A/7205, A/7207, A/7236, A/7255, A/7280, A/C.5/L.1169 AND CORR.1, A/C.5/L.944, A/C.5/L.947, A/C.5/L.948, A/C.5/L.950)

*REPORT OF THE SECRETARY-GENERAL ON THE SALARY SCALES FOR THE PROFESSIONAL AND HIGHER CATEGORIES (continued) (A/7236, A/7280, A/C.5/L.944, A/C.5/L.947, A/C.5/L.950)*

46. Mr. OLVER (Secretariat) said that at the 1248th meeting the representative of the United States of America had asked if the Secretary-General could give an absolute assurance that the proposed 5 per cent increase in the salaries of staff in the Professional and higher categories was completely and absolutely justified on the basis of the indices used. In other words, he wondered whether the new index underlying the ICSAB recommendation (A/7236, annex I, para. 29) was valid. The United States representative could rest fully assured on that score. Projections of the movement of the index showed that the 1 per cent which reflected non-measurable factors was not only justified but absolutely essential.

47. The representative of the United States had also asked for an explanation of the concept of "world market rates". ICSAB used that concept, rather than the formula of linking international salaries with salaries in one specific country in an attempt to devise a pattern of remuneration which was attractive enough to enable the United Nations to recruit staff for the Professional and higher categories, including highly qualified specialists, technicians and experts, from all member countries and to serve anywhere in the world. The new concept should therefore provide a solution for the world recruitment problem linked with the world assignment problem.

48. The concept of "world market rates" was still at the theoretical stage and would not form the basis

for decisions until it had been studied by ACC and the Advisory Committee. The session of ICSAB in the spring of 1969 should produce proposals which could be considered by ACC and the Advisory Committee later in the year.

49. Both ICSAB and ACC were trying to develop a new and reliable method of measuring with a high degree of accuracy outside salary changes during the years between the large-scale salary reviews, which were relatively infrequent. Thus during 1967 efforts had been directed mainly to establishing a new international index, which had proved successful enough to form the basis for the interim adjustment proposal.

50. The complexity of the matter was also due to the novelty and technical difficulty of the concept of "world market rates". The first difficult task was to select inside and outside jobs which could be used as a basis for a comparison of salaries. It was necessary to find jobs which were suitable for comparison and thus to consider, besides, home civil services, diplomatic missions in New York and Geneva, business corporations with large-scale international activity and academic institutions. Job comparability was a very complex problem; fringe benefits must also be put on a comparable basis and taxation problems had to be dealt with. It was also necessary to plan all the process of securing data from a great range of employers.

51. Mr. TURNER (Controller) said that he wished to stress that the Secretary-General was convinced that the recommendation by ICSAB on the adjustment of salaries for Professional and higher categories was fully justified. The Secretary-General had expressed the hope that the Fifth Committee would receive that recommendation favourably, but he was aware of the difficulties which States might experience in that respect.

52. He drew the attention of the Committee to document A/C.5/L.950, which had been drawn up by the Secretariat in response to the request made by the representative of the Union of Soviet Socialist Republics at the 1249th meeting. He hoped that the Soviet Union delegation would find the replies given in that document satisfactory.

53. At the 1251st meeting the Tunisian representative had raised the question of how ICSAB had substantiated its recommendation on salary adjustments, and more specifically how it had arrived at the figure of 5 per cent. The greater part of that figure—4 per cent—related to factors that could be measured statistically, whilst the remaining 1 per cent reflected non-measurable factors and represented the element of appraisal which was generally necessary in formulating such recommendations. Moreover, after deduction of staff assessment, the 5 per cent increase would result in a net salary increase ranging from a little over 4.5 per cent for Professionals at the P-1 to P-2 level to around 4 per cent for the senior Professional levels and higher categories.

54. It should also be noted that ICSAB, in suggesting a 5 per cent salary increase for the Professional and higher categories, had not taken any account of the inflationary and other trends which might occur before 1971. It had merely tried to compensate for the fact

that United Nations real incomes had lagged behind those outside since 1964. It was reasonable to assume that real incomes would decrease further because of rises in the cost of living, but ICSAB had not taken that fact into consideration as it did not represent a normal situation.

55. Many delegations had said that the common salary system automatically gave the staff protection against a drop in their purchasing power. Perhaps those delegations had thought that United Nations personnel were thus fully protected against variations in the cost of living. In fact their protection was only partial—as was the case, for example, with post adjustment increases, when the net increase in staff income was not 5 per cent, but averaged around 3.5 per cent for staff with dependants and 2.5 per cent for the others. If the Fifth Committee adopted ICSAB's proposal, the financial position of staff serving in New York would not be appreciably improved because of the rapidly increasing cost of living in that city.

56. In reply to the question asked by the Tunisian representative, he said that the estimates submitted to the Fifth Committee were for the total cost which ICSAB's proposed 5 per cent increase would represent for the United Nations, and there was no reason to foresee any need of supplementary estimates. Moreover, it was obvious that the system of varying post adjustments according to variations in the cost of living would not be ended. It might even be necessary to reassess post adjustments in 1969 or make further adjustments to the salary scale of locally recruited staff. Before the end of 1968 the Secretary-General would review the situation again, and his comments would most certainly be brought to the attention of the Fifth Committee.

57. Mr. ZIEHL (United States of America) thanked the Secretary-General's representatives for their replies to his delegation's questions. As he now understood it, ICSAB's efforts to find a new approach based on "world market rates" to replace the Noblemaire principle was at the present time only at the inquiry stage and had not reached any definite conclusions. The Fifth Committee could therefore expect no answer in the near future.

58. As the United States delegation understood it, the 5 per cent increase proposed by ICSAB was essentially an interim measure until the results of the study being undertaken could be completed. His delegation appreciated the Secretary-General's flat assurance that both ICSAB and he himself believed that a 5 per cent increase was fully justified as an interim measure. Accordingly, the United States delegation would give favourable consideration to the proposal.

59. Mr. JAMBO (Sudan) said that his delegation, while recognizing the financial problems encountered by Professional and higher echelon staff, was not entirely happy about the criteria which ICSAB had adopted in seeking equitable solutions to those problems. Indeed, it was surprised that ICSAB had studied only seven developed countries, when the United Nations had offices in a number of other countries which were less developed. His delegation hoped that the situation in New York would not be the sole

yardstick used in deciding whether United Nations Professional salaries were adequate or not.

60. With regard to the "world market rates", there was no point, in his delegation's view, in plunging the United Nations into the complexities and short-comings prevailing in private business, where the aims were entirely different. The United Nations was not a profit-making body; its role was to serve the international community, and there was a definite moral and humanitarian aspect to its activities. His delegation was not opposed to the 5 per cent salary increases recommended by ICSAB; it felt, however, that it would have been preferable to wait until ICSAB had completed its report and presented it to the Fifth Committee so that that body could have taken a more appropriate and realistic decision on a vital issue, which clearly affected the morale and efficiency of the United Nations Professional staff. Since their salaries included automatic annual increments, the Professional staff would suffer no undue hardships if discussion of the matter were postponed. Furthermore, all further reviews of United Nations salaries should take into account the financial situation of staff in the lower categories.

61. Despite the reservations concerning the ICSAB report which his delegation had just expressed, and which had been stated even more forcibly in the Soviet Union proposal (A/C.5/L.947), his delegation was aware of the problems confronting United Nations officials, and of the many difficulties which they faced by being uprooted from their economic, social and cultural environments. For that reason, the budget planners had to seek a balance more or less satisfactory to everyone. The duty of the Member States was to uphold the morale and efficiency of their international staff, which served not only them but the world community; they should therefore provide as much encouragement and incentive as possible. For that reason, therefore, his delegation felt that it would be unfortunate to defer the ICSAB proposal. Such a move would only arouse feelings of unrest and frustration among members of the Secretariat; it was also likely that the United Nations would have difficulty recruiting the experts it required. It was the duty of the United Nations, within reasonable limits, to request salary increases whenever circumstances so warranted, on condition that such requests were not excessive or too frequent. In the present circumstances, his delegation deemed it suitable to adopt the ICSAB recommendation, which had been supported by the Advisory Committee. If the Soviet Union proposal was put to the vote, his delegation would abstain, but it would vote in favour of the 5 per cent salary increase; although it had certain reservations regarding the criteria adopted by ICSAB, it nevertheless preferred to give the United Nations the benefit of the doubt.

62. Mr. BAGBENI (Democratic Republic of the Congo) referred to the Advisory Committee's recommendation (A/7207, para. 50) that the Secretary-General should urgently undertake a detailed study of the present Secretariat staff, including how and where they were employed. He reiterated his delegation's view that a rational policy of staff utilization, implying a reorganization of work and a strengthening of each official's

duties, was bound to reduce staffing requirements considerably. However, the criteria of geographical distribution and linguistic balance should be borne in mind in the recruitment of new staff; those criteria, as well as the more important questions of ability and qualifications, had to be applied in the selection of candidates. That being so, his delegation associated itself with those who had requested that new posts should be filled largely by nationals of the developing countries. Some of those countries had only recently achieved independence, and it would be unfair to expect candidates from them to have much experience.

63. With regard to the salary scales for the Professional and higher categories, his delegation noted that the information supplied by ICSAB and ACC had revealed a lag of roughly 4 per cent between outside gross salaries and United Nations gross salaries between 1964 and 1968. Such a disparity was likely to affect staff morale and thus reduce the efficiency of the Secretariat. In view of that situation, his delegation felt that a lasting solution must be found. To a large extent, his delegation shared the views embodied in the Soviet Union draft resolution (A/C.5/L.497); however, it deplored no less the lack of realism which it revealed, since the draft did not deal with the immediate problem of confronting the Organization. Therefore, his delegation would abstain if that draft resolution were put to the vote.

64. On the other hand, his delegation supported the draft resolution prepared by the Secretariat (see A/C.5/L.944), although it had certain reservations regarding the adjustment of 1 per cent to be added to the proposed 4 per cent increase. It was stated in annex I to the Secretary-General's report (A/7236) that, on the basis of the index movement, a further lag of 1 per cent could be expected in 1968. Such forecasts of probability were no sound basis on which to review salaries. In that connexion, his delegation might support the French delegation's suggestion at the 1246th meeting, if it were formally submitted. His delegation had reservations about the automatic adjustments of Professional salaries; in its view, it would be necessary to ascertain the findings of further extensive inquiry before any principles could be laid down relating to salary increases.

65. Finally, something must also be done for the lower grades in order to avoid too large a gap in salaries between them and senior staff, which could become a source of bitterness and frustration and create an unhealthy atmosphere within the Secretariat.

66. Mr. BAROODY (Saudi Arabia) said that, although he still supported the case of the junior Secretariat officials, he wished to draw attention to a point which some representatives seemed to have overlooked, namely, that among the Professional and higher categories were many who should be treated as genuine experts and accordingly received the sort of remuneration that was generally paid to specialists in all professions outside the United Nations. It was not easy to recruit competent staff capable of dealing with the many problems confronting the United Nations in its work; nor was there any need to look far in order to find that, in any private business, the experts were much better paid than the Professional staff of the Secretariat. Such staff were an élite, whose

remuneration should be commensurate with the highly skilled service which they gave to the Organization.

67. A number of delegations, in order to explain their reluctance to countenance any salary increase, had had recourse to statistics. Statistics could be misleading; if they had to be brought in, however, he himself had just discovered that wages in the United States had recently risen by over 7 per cent, a proportion greater than that now proposed by ICSAB. Furthermore, if cost-of-living fluctuations were to be evaluated, it should not be overlooked that the majority of Western States, whose approach to economic affairs was Keynesian, were experiencing runaway inflation, whose extent they were trying to understate. For that

reason, the proposed 5 per cent increase was, in his view, a minimum. He could appreciate that the two States which contributed most to the United Nations budget had reasons for reticence; he was none the less surprised that they were not showing the generosity which they had so often evinced on other occasions. He hoped that the ICSAB recommendation would be approved by a large majority in the Fifth Committee.

68. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) and Mr. GHERAB (Tunisia) thanked the Secretary-General's representatives for the explanations and information given in reply to their questions.

*The meeting rose at 1.15 p.m.*