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Chairman: Sir Claude COREA (Ceylon).

**AGENDA ITEM 44**

**Budget estimates for the financial year 1959 (A/3825  
and Corr. 1, A/3860, A/3971, A/C.5/746, A/C.5/748,  
A/C.5/749, A/C.5/L.514) (continued)**

**Schedule of post adjustments: classification for the  
United Nations Headquarters, New York (A/3971,  
A/C.5/746) (continued)**

1. Mr. QULJANO (Argentina) considered that, in the light of General Assembly resolution 1095 B (XI), the Secretary-General's recommendation (A/C.5/746) that the post adjustment for United Nations Headquarters should be changed from class 5 to class 6 with effect from 1 September 1958 was equitable in principle. Despite the cogent arguments advanced in support of the first part of the proposal made by the United States delegation at the previous meeting, it would be a mistake for the Committee to base its decision solely on the natural desire of some delegations to rectify what they considered a past error by the Fifth Committee and the General Assembly. However, his delegation fully supported the second part of the United States proposal, namely, that the operation of the post adjustment system should be referred to the International Civil Service Advisory Board (ICSAB) or a committee of experts for study and recommendations.

2. Mr. GANEM (France) said that at the eleventh session the Committee had originally adopted a reasonable decision in accordance with the recommendations of the Salary Review Committee (582nd meeting). On a later occasion (593rd meeting) delegations had been represented by newcomers to the Committee who had been moved more by private considerations than by the

general interest; under pressure from various quarters, the Committee had reversed its previous decision, gravely endangering the post adjustment system and jeopardizing the moral authority of the United Nations as *primus inter pares* in the United Nations family. As a result, the General Conference of the International Labour Organisation and the World Health Assembly had within a few weeks adopted decisions conflicting with the accepted recommendations of the Salary Review Committee.

3. The Committee now had an opportunity to repair much of the harm then done, by taking a decision which would be equitable and administratively sound and which would further the general as opposed to any sectional interest. His delegation, for one, had never accepted the principle that salary scales should be subject to automatic adjustment; cost-of-living statistics required intelligent study, and any adjustment had to be made in the light of all the relevant factors. The interests of the staff could never be divorced from the interests of the United Nations as a whole; if had financial practice endangered the existence of the United Nations, the staff would be the first to suffer.

4. The first part of the United States proposal, namely, that a class 6 post adjustment should be applied to New York with effect from 1 January 1959, was eminently wise and had his full support. His delegation had no objection in principle to the second part of the United States proposal, but wished to hear the views of the Controller and also those of the Chairman of the Advisory Committee on Administrative and Budgetary Questions, who had served as Chairman of ICSAB for ten years.

5. Mr. KWEEDJIEHOO (Indonesia) said that to the best of his knowledge the practice of adjusting the salaries of professional and senior staff to variations of 5 per cent in the local cost of living was confined to the United Nations; that impression was borne out by the fact that the New York office of the United States Department of Commerce could provide relevant statistics only for secretarial staff.

6. He asked whether the 5 per cent rise in the local cost of living referred to in paragraph 2 of the Advisory Committee's report (A/3971) was synonymous with the rise of 5.2 points in the relevant Consumer Price Index reported by the Secretary-General (A/C.5/746, para. 4). According to the annex to the Secretary-General's report, the cost-of-living index had risen only 2.5 points—from 123.2 to 125.7—during the nine months' period in question.

7. Mr. MARTIN (Union of South Africa) felt that the inclusion of the present item in the agenda was the direct outcome of the ill-advised decision taken at the eleventh session, which had set up an imbalance between New York and other duty stations of the United Nations family so far as the post adjustment system

was concerned. The first lesson to be drawn from experience since that date was that the maintenance of a common post adjustment system throughout the United Nations family required close co-ordination. In its resolution 1221 (XII), the General Assembly had expressed the hope that the International Labour Organisation (ILO) and the World Health Organization (WHO) would reconsider the date from which changes in the cost of living at Geneva should be measured in determining the post adjustment for their staff members. In its resolution WHA 11.19 of 7 June 1958, the World Health Assembly had requested the Director-General of WHO to raise in the Administrative Committee on Co-ordination (ACC) the question of the variation existing between the United Nations and WHO staff members in the dates from which changes in the cost of living at Geneva should be measured, with a view to restoring the common system. He asked what action had been taken under that resolution.

8. The Committee's main concern should be to re-establish a balanced post adjustment system. In the circumstances, his delegation could not approve the Secretary-General's recommendation as it stood.

9. Mr. HSIA (China) said that his delegation supported the Secretary-General's recommendation, as endorsed by the Advisory Committee. Delegations were understandably attracted by the idea of making savings by dating the change in the New York post adjustment from 1 January 1959 instead of from 1 September 1958, but a question of administrative principle was at stake. It was generally admitted that a mistake had been made in adopting General Assembly resolution 1095 B (XI). However, a wrong decision on the present item would merely make confusion worse confounded. The earlier error could not be rectified by piecemeal measures, but only on the basis of a comprehensive study.

10. Mr. TURNER (Controller) said that in document A/C.5/746 the Secretary-General was not so much making a proposal as reporting the fact that certain conditions prescribed by the General Assembly had been fulfilled and, hence, consequent upon a decision of the Assembly itself, a certain course of action was indicated. He was well aware that many delegations questioned the wisdom of the Committee and the General Assembly in adopting resolution 1095 B (XI). Any representative was entitled to voice objections to a General Assembly decision. The Secretary-General or Secretariat, however, had no alternative but to show the same respect for all majority decisions of the General Assembly, even if certain delegations felt that a particular decision was unwise.

11. The Secretary-General's position was very simple and clear. By its decision in resolution 1095 B (XI), the Assembly had determined a post adjustment relationship of 120 for New York to 100 for Geneva (the base city) as of 1 January 1956 (the base date). There appeared to be some confusion between the date on which effect was given to that particular decision and the base date of the system itself. The base date had always been and would continue to be 1 January 1956. He therefore did not fully understand the reservation implied in paragraph 5 of the Advisory Committee's report. The General Assembly had further determined that changes in the New York post adjustment would only be made when the local cost-of-living index had moved five points—not 5 per cent—averaged over a nine-months' period and for that purpose debits or credits

had begun to accrue from 1 January 1957. On such a basis, a class 6 post adjustment should be applied when the local (New York) cost-of-living index reached the level of 125 averaged over a nine-months' period. As the statistical data in the annex to the Secretary-General's report clearly demonstrated and as the Advisory Committee recognized, that point had been reached in August 1958. Accordingly, a case had been established for applying the revised post adjustment for New York from 1 September 1958.

12. The problem that had arisen in Geneva as a result of the decisions of the ILO and WHO had understandably caused confusion and led to serious doubts whether the actions taken with regard to New York and Geneva were not inconsistent. He could not agree that any such inconsistency had arisen or that it would arise as a result of any action the General Assembly might take at the present session with regard to New York. There might, on the other hand, be some incompatibility between the Advisory Committee's latest report and the short and logical analysis of the Geneva-New York relationship given in its report on the classification for the United Nations Office at Geneva,<sup>1/</sup> which had presumably been accepted by the Fifth Committee when it had adopted resolution 1221 (XII) asking the ILO and WHO to reconsider their decision. Both the ILO and WHO had subsequently decided to refer the matter to ACC for further consideration and advice. At its recent session, ACC had decided, in view of the complexities and technicalities involved, to seek the advice of its Consultative Committee on Administrative Questions.

13. The procedure and policy laid down initially by the Salary Review Committee and accepted by the General Assembly provided for two distinct operations. Post adjustments were determined initially by comparing the city concerned with Geneva on 1 January 1956. That determination was expected to involve broad judgement and the General Assembly had in fact exercised such judgement in determining the initial post adjustment for New York. Any adjustment after the initial determination should be based strictly on time-to-time movements in the local cost-of-living index. The only point on which judgement was involved in that case was whether the local index was appropriate and adequate for international officials. The Advisory Committee had paid particular attention to that point and had found that the Consumer Price Index of the United States Bureau of Labor Statistics could reasonably be considered appropriate (A/3971, para. 4). The use of an index prepared by the United States Bureau of Labor Statistics in itself ensured some measure of independent judgement.

14. A number of delegations had urged that the Secretary-General should request ICSAB or an outside expert committee to review the whole post adjustment system. He was glad to inform the Committee that the Secretary-General had already taken such action. The post adjustment problem had been referred to ICSAB which had considered it early in 1958. Acting on its recommendations and in agreement with the executive heads of the specialized agencies, the Secretary-General had subsequently appointed an independent expert committee composed of persons from outside the United Nations, which would meet early in 1959. He

<sup>1/</sup> See Official Records of the General Assembly, Twelfth Session, Annexes, agenda item 41, document A/3721, para. 5.

hoped that its first major task would be a comprehensive inquiry into the basic problem of the New York-Geneva relationship. Preparatory work was proceeding in the Secretariat with that end in view.

15. There was some misconception about what a decision to revise the New York post adjustment from class 5 to class 6 would involve. It might be assumed that it meant an increase of 5 per cent in the emoluments of Professional staff; that was not so. The revision would in fact result in the following increases in total net remuneration for the middle step in each grade: P-2 (single rate of post adjustment) 2.6 per cent; P-2 (dependency rate of post adjustment) 3.7 per cent; P-3, 2.4 per cent and 3.3 per cent; P-4, 2.2 per cent and 3.1 per cent; P-5, 2 per cent and 2.8 per cent. Those increases were not excessive in the light of the clearly demonstrated movement in the local cost-of-living index since January 1957.

16. The Secretary-General was always conscious of the fact that, as chief administrative officer, he had a basic responsibility to Member Governments to see that their interests, financial and other, were safeguarded to the best of his ability. But he also had a responsibility to see that the legitimate and reasonable rights and interests of the staff were equally protected and safeguarded. Happily, the Secretary-General did not take the view that the two responsibilities were mutually incompatible.

17. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) confirmed that at its last session in March 1958 ICSAB had discussed the common grading system and post adjustments. A report had been submitted on the common grading system, but ICSAB had decided to establish a special committee to consider the technical aspects of the question of post adjustments before giving an opinion to the Secretary-General and ACC.

18. On the substance of the matter, the Advisory Committee could take no stand other than the one it had taken in its report. Legally, there was no escape from the fact that two years previously a decision had been taken that was not conducive to co-ordination within the United Nations family. As an advisory body, the Advisory Committee could not take exception to a General Assembly decision and put forward a different proposal. It had, therefore, regretfully had to accept the Assembly's decision and to concur in the Secretary-General's recommendation. Its mood was, however, reflected in paragraph 5 of its report.

19. While agreeing that a revision in the post adjustment to class 6 was called for, the Advisory Committee did not give any indication of how that revision should be applied. That was for the Fifth Committee to decide. The Advisory Committee did not believe that the transition from one class to another should be automatic and its belief was confirmed by the fact that the Secretary-General had considered it necessary to refer the matter to the Fifth Committee before giving effect to any increase in salaries.

20. The financial aspects of the question were important but they were of less concern to the Advisory Committee than the point of principle raised by the French representative, among others. If nothing could be done about the General Assembly's earlier decision, the Committee had some freedom of action in deciding when the revision should take effect. Retroactive payment

was not a sound practice in any organization and the principle of retroactivity might prove awkward in the case of a downward revision of the post adjustment. Accordingly, for legal and moral reasons, he would not recommend that changes in the post adjustment should be automatic or applied retroactively.

21. Mr. KRISHNAN (India) said that his delegation believed that the Secretary-General's proposal was reasonable and fully in accordance with the principle, which had been laid down by the Salary Review Committee and endorsed by the General Assembly in resolution 1095 B (XI), for the initial classification of duty stations and for subsequent changes in their classification. The statistical data furnished by the Secretary-General showed clearly that the cost-of-living index for New York had moved five points averaged over the minimum period of nine months specified by the Salary Review Committee. An adjustment placing New York in class 6 was therefore fully justified.

22. His delegation was surprised to find that some representatives had reservations on the matter. The Advisory Committee had felt obliged to record the fact that the cost-of-living index in September 1958 would have been a little less than 125, if the movement had been calculated from 1 January 1956 instead of 1 January 1957. It would not be fair either to the Advisory Committee or to the Fifth Committee to build up a case against an immediate revision of the post adjustment on the basis of that purely factual observation. Indeed, the Advisory Committee had agreed, in paragraph 6 of its report, that strict adherence to the General Assembly resolution called for the revision recommended.

23. The entire question had been exhaustively discussed at the eleventh session and the Committee had finally decided to place New York in class 5, although the cost-of-living index on that date had fallen short of the level which would have been strictly necessary to justify that class. The Committee had also taken a deliberate and well-advised decision not to carry forward the debit but to treat 1 January 1957 as the base date for subsequent calculations. It was not surprising, therefore, that there should be a variation between the cost-of-living indices calculated by reference to the two different base dates.

24. The decision to place New York in class 5 had been taken because it had been felt that the cost-of-living index did not adequately reflect some elements of expenditure which tended to increase the cost of living in New York and that, in the absence of an anticipatory adjustment, the Professional staff in New York would be placed in a disadvantageous position. Having taken a specific decision in the light of those considerations, the Committee and the General Assembly could not now reopen the entire question. Such a reconsideration of a fundamental point, regardless of the decision reached, might have a most unfortunate effect on staff morale.

25. There was no moral or legal justification for the proposal to apply the revised post adjustment from 1 January 1959. Once it was conceded that an increase of five points had been registered in September 1958 and that a revision had become necessary, there could be no justification for delaying that revision for a further three or four months. The United States representative had asked how a downward revision could be given retroactive effect. That was a somewhat hypothetical question, since there was little likelihood that the cost-

of-living index would register any such decline in the near future. If and when the problem arose, he was sure that the members of the Committee could be relied upon to consider the question on its merits and to take a just decision.

26. In conclusion he proposed that the Committee should endorse the Secretary-General's recommendation that New York should be placed in class 6 with effect from 1 September 1958.

27. Mr. BENDER (United States of America) said he felt that the Controller had perhaps oversimplified the situation. It was true that General Assembly resolution 1095 B (XI), if interpreted as it had been at the time of its adoption, would lead to the action advocated by the Secretary-General, but there were other factors to be considered. The first sentence of paragraph 3 of the Secretary-General's report implied that operative paragraph 2 of the resolution prescribed a place-to-place comparison, whereas he considered that a time-to-time comparison had been intended. The Salary Review Committee had recommended a place-to-place comparison between New York and Geneva that had placed New York in class 4 (115 as compared with 100 for Geneva) on 1 January 1956, and that had not been contested by the Secretary-General. A time-to-time comparison had subsequently been made in order to establish the post adjustment for New York on 1 January 1957. At the request of the Secretary-General, the Fifth Committee had decided that certain elements of judgement should be allowed to enter into that decision. A further important consideration in the present situation was resolution 1221 (XII) adopted the previous year, which urged the ILO and WHO to use the base date of 1 January 1956 in making time-to-time comparisons for the purpose of fixing a new post adjustment for Geneva. To take the action now recommended by the Secretary-General would be inconsistent with resolution 1221 (XII) and would add to the difficulties that had already arisen in applying the post adjustment system. He was prepared to admit that his delegation's proposal to place New York in class 6 from 1 January 1959 was arbitrary, as it was not directly related to any criterion governing the common system. The only alternative would be for the Fifth Committee to go back to the base date of 1 January 1956 and make all time-to-time comparisons from that date. He would not, however, make such a proposal, since the present discrepancies were due in large part to the Committee's own decision.

28. He had been pleased to hear from the Controller that arrangements had already been made for an expert committee to examine the whole question of applying the post adjustment system, with a view to reconciling the discrepancies that had arisen during the first two years. In view of that information, he would withdraw the second part of the United States proposal.

29. The CHAIRMAN put to the vote the United States proposal to apply a class 6 post adjustment to New York as of 1 January 1959.

The proposal was adopted by 36 votes to 11, with 18 abstentions.

30. Mr. KRISHNAN (India) said that since the United States proposal had been adopted, it would not be necessary to put his own proposal to the vote.

31. Mr. TURNER (Controller) expressed his appreciation of the United States action in withdrawing the second part of its proposal, and suggested that it might be helpful if the Rapporteur's report included a reference to the arrangements already made for the study of the post adjustment system.

32. The relationship between New York and Geneva under the post adjustment system had proved a thorny problem, and he hoped that the present decision would mark the end of controversy on the matter. At the base date of 1 January 1956 the cost of living in New York had been 1.4 points above the level of 115 (class 4) recommended by the Salary Review Committee, but the four months' delay in applying class 6 to New York resulting from the present decision might be considered to have balanced the account.

33. Mr. BENDER (United States of America) said he, too, hoped that past disagreements on the subject could be forgotten. Since, however, an expert committee was to examine the whole question of the post adjustment system, it would be premature to place any specific interpretation on a decision which the United States delegation itself, the author of the proposal, regarded as arbitrary.

#### AGENDA ITEM 45

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

(a) Advisory Committee on Administrative and Budgetary Questions (A/3840, A/C.5/L.520)

At the invitation of the Chairman, Mr. Georgiev (Bulgaria) and Mr. Naik (Pakistan) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers:	70
Invalid ballots:	2
Number of valid ballots:	68
Abstentions:	1
Number of members voting:	67
Required majority:	34
Number of votes obtained:	
Mr. Carlos Blanco (Cuba) . . . . .	65
Mr. A. H. M. Hillis (United Kingdom of Great Britain and Northern Ireland) . . . . .	65
Mr. John E. Fobes (United States of America) . . . . .	63
One candidate . . . . .	2
Two candidates . . . . .	1

Mr. Blanco (Cuba), Mr. Hillis (United Kingdom of Great Britain and Northern Ireland) and Mr. Fobes (United States of America) having obtained the required majority, the Committee recommended that they should be appointed members of the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning 1 January 1959.

\*Resumed from the 669th meeting.

**AGENDA ITEM 51****Control and limitation of documentation (A/C.5/L.518) (concluded):\***

- (a) Report of the Committee on the Control and Limitation of Documentation;
- (b) Report of the Secretary-General

**Draft report of the Fifth Committee to the General Assembly (A/C.5/L.518)**

34. Mr. QUILJANO (Argentina), Rapporteur, said that in accordance with the recommendations of the Committee on the Control and Limitation of Documentation (A/3888) the draft report (A/C.5/L.518) had been made as brief as possible. Only the main points in the Fifth Committee's debate on the subject had been included, since a fuller account was available in the summary records. The draft resolutions on the subject submitted to the Fifth Committee were presented in tabular form in the annex to the report in order to make it clear how the final text had been reached. The proposals could have been included in the body of the report, either in

\*Resumed from the 657th meeting.

full or in summary form, but the inclusion of a summary would not have resulted in any reduction in printing costs, since in that case the full text would have had to appear elsewhere in the official records. Moreover, if the proposals had been in the body of the report a number of additional introductory and descriptive paragraphs would have been required. It had therefore been considered that a departure from the procedure recommended by the Committee on the Control and Limitation of Documentation (*ibid.*, para. 27 (g)) was justified.

35. Mr. URQUIDI (Mexico) pointed out with reference to paragraph 8 of the draft report that he had referred to the summary records as only one example of the danger of carrying the reduction of documentation too far; his amendment on taking into account the guiding principles was generally applicable.

36. Mr. QUILJANO (Argentina), Rapporteur, said that he would amend the paragraph accordingly.

The draft report (A/C.5/L.518) as amended was adopted.

The meeting rose at 5.10 p.m.