



Friday, 24 November 1950, at 3 p.m.

Lake Success, New York

**CONTENTS**

	<i>Page</i>
Budget estimates for the financial year 1951: (b) Salary, allowance and leave system of the United Nations (A/C.5/400, A/C.5/403, A/C.5/408, A/C.5/410, A/C.5/411, A/C.5/412) ( <i>concluded</i> ).....	203
Budget estimates for the financial year 1951: (a) Budget estimates prepared by the Secretary-General (A/C.5/370); (c) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/1312 and Corr.1 and Add.1) ( <i>first reading, continued</i> ).....	206

*Chairman:* The Maharaja Jam Saheb of NAWANAGAR (India).

*In the absence of the Chairman for part of the meeting, the Vice-Chairman, Mr. Krajewski, took the Chair.*

**Budget estimates for the financial year 1951: (b) Salary, allowance and leave system of the United Nations (A/C.5/400, A/C.5/403, A/C.5/408, A/C.5/410, A/C.5/411, A/C.5/412) (*concluded*)**

[Item 39]\*

1. The CHAIRMAN recalled that at its 267th meeting, the Fifth Committee had settled certain questions relating to home leave, repatriation grant, children's allowance and education grants; the next question to be settled was that of rental allowances.

*The recommendation of Sub-Committee 7 that rental allowances should be maintained at the full rate during 1951 (A/C.5/400, section I, para. 4 (q) was unanimously approved.*

2. The CHAIRMAN asked whether there were any objections to paragraph 1 of the draft resolution appearing in appendix A of document A/C.5/403.

3. Replying to Mr. MACHADO (Brazil), the CHAIRMAN said that the increased number of grades was covered by paragraph 3 of annex I of document A/C.5/403.

*Paragraph 1 of the draft resolution (A/C.5/403, appendix A) was unanimously adopted.*

4. The CHAIRMAN suggested that before voting on paragraph 2 of the draft resolution, the Committee should vote on annex I (A/C.5/403, appendix A), which referred to salary scales and related provisions. The representative of China had proposed at the 267th meeting that in annex I the words "subject to the Staff

Assessment Plan" should be replaced by the words: "subject to assessment under the Staff Assessment Plan at the rates laid down in General Assembly resolution 239 (III)".

5. Sir William MATTHEWS (United Kingdom) considered that the Chinese amendment was not flexible enough and suggested the following drafting: "subject to the Staff Assessment Plan at the rates laid down in General Assembly resolution 239 (III) and to such changes as may be directed from time to time by the General Assembly". That text would safeguard both the General Assembly and the Secretariat.

6. Mr. HSIA (China), explaining his amendment, pointed out that the salaries given in table 1 of annex I were gross figures. At some future date the Staff Assessment Plan might be revised but the salary scale should not be changed. He accepted the wording suggested by the United Kingdom representative.

*The Chinese amendment to annex I to the draft resolution (A/C.5/403, appendix A), as modified by the United Kingdom amendment, was adopted.*

7. The CHAIRMAN, referring to the joint amendment submitted by the delegations of Brazil and Chile to annex I to the draft resolution (A/C.5/411), pointed out that those delegations had suggested that a new paragraph authorizing the Secretary-General, at his discretion, to grant to directors, in special cases, a representation allowance up to an amount of \$US 1,500 should be inserted in annex I between paragraphs 2 and 3.

8. Mr. MACHADO (Brazil), introducing the joint draft amendment, said that if it was adopted, the Syrian draft amendment (A/C.5/410, appendix) would not apply to directors, and there would be no reason to review the provision recommended by the Advisory Com-

\* Indicates the item number on the General Assembly agenda.

mittee on Administrative and Budgetary Questions (A/1312, para. 254) for hospitality under section 24 of the budget estimates.

9. Mr. SUAREZ (Chile) supported the Brazilian representative's statement.

10. Mr. HSIA (China) asked whether, under the new system, the total emoluments of directors would be increased. A comparison of the old and the new rates suggested that such salaries would be increased.

11. Mr. FRIIS (Denmark) felt that the wording of the last sentence of the proposed new paragraph was too general and asked what the maximum financial implication would be.

12. Mr. AGUILAR MONTEVERDE (Mexico), supporting the joint amendment suggested by the delegations of Brazil and Chile, agreed with the statement made by the French representative at the 266th meeting (para. 73). The amendment remedied a mistake which had been made regarding directors' salaries, and if adopted would maintain those salaries at their level under the present system.

13. Mr. MACHADO (Brazil), referring to the statement of the Danish representative, pointed out that under the new paragraph, the Secretary-General was authorized, at his discretion, to grant to directors, according to the merits and circumstances of each case, a representation allowance up to an amount of \$1,500 a year. It would not, therefore, be an automatic grant to all directors.

14. Replying to the Chinese representative's question, he said that if the proposed new paragraph was adopted, directors would receive larger emoluments. When the Committee of Experts on Salary, Allowance and Leave Systems (A/C.5/331,<sup>1</sup> para. 39) proposed that representation allowances should be abolished, it had suggested that directors should be authorized to draw from the Hospitality Fund. If they did so, they might draw more than the \$1,500 proposed by the Brazilian and Chilean delegations. The Brazilian delegation felt, however, that such high-ranking officials should not be required to submit vouchers to cover any hospitality they might extend. He thought that the budgetary implications would not be more than \$10,000 or \$12,000.

15. Mr. PRICE (Assistant Secretary-General in charge of the Department of Administrative and Financial Services) said that under the proposed new paragraph the Secretary-General would have to decide how to interpret the words "in special cases". He thought that such grants would only be authorized in cases where assimilation to the new salary system involved some degree of hardship. The cost involved by the proposed amendment would be less than \$10,000. If the amendment was not adopted and directors were authorized to draw from the Hospitality Fund, that Fund would have to be enlarged to meet the increased demands.

16. Mr. BRENNAN (Australia) said that, contrary to the Mexican representative's belief, the Sub-Committee had not made a mistake regarding the salaries of directors. The Sub-Committee had been perfectly aware of the fact that the representation allowance was be-

ing abolished and that the salaries of directors were being increased. A proposal had therefore been made that directors should be allowed to draw on the Hospitality Fund (A/C.5/400, section II, paras. 1-4).

17. Mr. DICKEY (Canada), supporting the Sub-Committee's statement of principle, said it was obvious that the immediate effect of the proposal that directors should be allowed to draw on the Hospitality Fund would be a reduction in their remuneration. For that reason the Canadian delegation would support the joint amendment submitted by the Brazilian and Chilean delegations as that would avoid any possibility of immediate hardship. The Sub-Committee's recommendation contained an important principle, however, and when the transition phase had been completed the new system should be reviewed.

18. He presumed the Secretary-General would exercise careful discretion as it was obvious that that was the intention of the Committee.

19. Mr. GANEM (France) pointed out that under the Sub-Committee's proposal directors would be limited to a salary of \$12,200 *per annum*, but would be authorized to draw on the Hospitality Fund. In such a case they would be obliged to itemize their entertainment expenses and to submit vouchers to the Secretary-General for his approval. Mr. Ganem doubted the practical wisdom of that method in the case of high officials.

20. He supported the joint proposal submitted by the delegations of Brazil and Chile as it would, in fact, lead to economies.

21. The CHAIRMAN put to the vote the joint amendment (A/C.5/411) submitted by the delegations of Brazil and Chile.

*The amendment (A/C.5/411) to annex I to the draft resolution (A/C.5/403, appendix A) was adopted by 21 votes to 9, with 12 abstentions.*

22. The CHAIRMAN said that at the 267th meeting the representative of Uruguay had suggested that the last part of paragraph 4 of annex I should be amended as follows: "provided that the period of satisfactory service required for increments at the director and principal director levels shall be two years."

*The amendment to paragraph 4 of annex I to the draft resolution, proposed by the representative of Uruguay, was adopted by 13 votes to 11, with 20 abstentions.*

23. As there were no objections to the remaining paragraphs of annex I, the CHAIRMAN put the annex, as amended, to the vote.

*Annex I to the draft resolution, as amended, was adopted by 41 votes to none, with 1 abstention.*

24. The CHAIRMAN, replying to Mr. MACHADO (Brazil), said that table 2 of annex I was for information purposes only.

25. The CHAIRMAN put to the vote paragraph 2 of the draft resolution.

*Paragraph 2 of the draft resolution was adopted by 41 votes to none, with 1 abstention.*

26. The CHAIRMAN said the Committee would proceed to deal with the sub-Committee's recommendations regarding salary differentials as stated in section

<sup>1</sup> See *Official Records of the General Assembly, Fourth Session, Fifth Committee, Annex, Vol. II.*

I of the Sub-Committee's report (A/C.5/400). He did not think it necessary for the Committee's decisions on those points to be included in a formal resolution and suggested that they should be included in the Fifth Committee's report to the General Assembly.

27. Mr. MACHADO (Brazil), speaking on a point of order, said the Committee by adopting paragraph 8 of annex I to the draft resolution (A/C.5/403, appendix A) had already approved sub-paragraphs (m) and (n) of the Sub-Committee's report relating to salary differentials.

28. Referring to sub-paragraph (o) (A/C.5/400, section I), which suggested that a differential of minus 5 per cent should be applied to the salaries of the international staff at Geneva, he pointed out that the Committee had decided, by approving the new salary scale, to include the cost-of-living allowance in salaries. The salaries of members of the staff of the European Office who earned \$7,000 or less *per annum* had therefore been increased by 5 per cent or more. He suggested, therefore, that the minus 5 per cent differential should not be applied to salaries of more than \$7,000.

29. The CHAIRMAN, replying to Miss WITTEVEEN (Netherlands), agreed that the general debate on the question of salary differentials had been closed at the 267th meeting.

30. Sir William MATTHEWS (United Kingdom) said the question of salary differentials was covered by paragraph 8 of annex I to the draft resolution (A/C.5/403, appendix A), and the reference to Geneva in sub-paragraph (o) of section I of the Sub-Committee's report (A/C.5/400) was simply to illustrate the percentage of differential to be applied to certain places. According to sub-paragraph (o) the minus 5 per cent differential would be applied to 100 per cent of the base salary, whereas according to paragraph 8 of annex I to the draft resolution it would apply to 75 per cent. He asked the Committee to disregard sub-paragraph (o) and to follow the lines of paragraph 8 of annex 1 to the draft resolution.

31. Mr. FOURIE (Union of South Africa), Rapporteur, said certain members favoured a minus 5 per cent differential in the case of Geneva while the Secretary-General held a different point of view. The issue should be settled by a vote.

32. Sir William MATTHEWS (United Kingdom) agreed with the Rapporteur, but said sub-paragraph (o) as drafted was inaccurate and inconsistent with paragraph 8 of annex I to the draft resolution (A/C.5/403, appendix A). He supported the proposal that in the particular case of Geneva the minus 5 per cent differential should be applied subject to review by the Advisory Committee.

33. Mr. MACHADO (Brazil) withdrew his proposal.

34. The CHAIRMAN put to the vote the recommendation contained in sub-paragraph (o) of section I of the Sub-Committee's report (A/C.5/400).

*The Sub-Committee's recommendation with respect to salary differentials was approved by 32 votes to 4, with 5 abstentions.*

35. The CHAIRMAN said the next point to be decided related to the transitional arrangements to govern the application of the new salary and classification plan to the staff.

36. In addition to the recommendations of the Sub-Committee which appeared in paragraph 3 of the draft resolution (A/C.5/403, appendix A), amendments were proposed by the Secretary-General (A/C.5/408, para. 1), and by the delegation of Syria (A/C.5/410, appendix).

37. He proposed to put the Secretary-General's amendment to the vote first.

38. Mr. WEDEN (Sweden) requested that the Syrian amendment should be voted upon first. His delegation was prepared to support the Syrian amendment and, in the event of its being rejected, the amendment of the Secretary-General. It would therefore be placed in an awkward position if the Secretary-General's amendment was voted upon first.

39. Mr. CRISTOBAL (Philippines) opposed the suggestion. The vote should be taken in accordance with established procedure, which was to vote first upon the proposal furthest removed from the original.

40. Mr. DICKEY (Canada) supported the Swedish suggestion. The Canadian delegation also was prepared to support the Syrian amendment; hence, if the Secretary-General's amendment was voted upon first, it would be obliged to vote against it.

41. Mr. RIBAS (Cuba) supported the views of the Philippine representative.

*The Maharaja Jam Saheb of Nawanagar (India) took the Chair.*

42. The CHAIRMAN said that under the rules of procedure the amendment furthest removed in substance from the original proposal, which in that case was the Sub-Committee's draft resolution, must be put to the vote first. Hence, the Secretary-General's amendment must be voted upon first.

43. Mr. WEDEN (Sweden) announced that, in that case, his delegation would be obliged to vote against the Secretary-General's amendment.

44. The CHAIRMAN put to the vote the Secretary-General's amendment (A/C.5/408, para. 1) to paragraph 3 of the draft resolution (A/C.5/403, appendix A).

*The amendment was rejected by 22 votes to 19, with 4 abstentions.*

45. Mr. MACHADO (Brazil) inquired whether, in view of the vote that had just been taken on representation allowances for directors, the Syrian amendment would apply to directors.

46. The CHAIRMAN answered in the negative.

*The Syrian amendment (A/C.5/410, appendix) to the draft resolution (A/C.5/403, appendix A) was adopted by 35 votes to none, with 10 abstentions.*

47. The CHAIRMAN then asked the Committee to consider the Sub-Committee's recommendations (A/C.5/400, section II, paras. 19-22) concerning the date and procedure for making the new salary scale applicable to the staff. He understood that the Secretary-General would not insist on his original proposal's being put to a vote.

*The Sub-Committee's recommendations were unanimously approved.*

48. Mr. ROSHCHIN (Union of Soviet Socialist Republics) announced that he would abstain from voting on the draft resolution as a whole, for his delegation still thought that the granting of home leave every three years did not correspond to the international character of the Organization. In order that the international character of the Secretariat might be fully guaranteed, his delegation would press for a review of the question.

49. The CHAIRMAN put to the vote the draft resolution contained in appendix A of document A/C.5/403, as amended.

*The draft resolution, as amended, was approved by 37 votes to none, with 7 abstentions.*

**Budget estimates for the financial year 1951: (a) Budget estimates prepared by the Secretary-General (A/C.5/370); (c) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/1312 and Corr.1 and Add.1) (first reading, continued)**

[Item 39]\*

PART XI, SECTION 32. THE INTERNATIONAL COURT OF JUSTICE (*continued*)

50. The CHAIRMAN recalled that, when the budget estimates under section 32 had been considered earlier in the session (244th meeting), it had been understood that the amount approved would later be adjusted in the light of the decision reached on the question of the salaries of the judges and the Registrar of the International Court.

51. That question had been debated at considerable length in the preceding General Assembly<sup>2</sup> and the Secretary-General had been instructed to consult with the Court and with the Advisory Committee with a view to submitting definite proposals to the fifth General Assembly.

52. Complete agreement had, unfortunately, not been reached on all points; the Secretary-General's report and recommendations were set forth in document A/C.5/370 and the views and alternative recommendations of the Advisory Committee were contained in paragraph 301 of its second report of 1950 (A/1312). Both parties, however, concurred on the question of the salary of the Registrar.

53. The main point at issue was whether the annual salaries of the President and members of the Court should be expressed in United States dollars or Netherlands florins.

54. Attention was also called to the Secretary-General's recommendations relating to the salary of the Vice-President of the Court when acting as President and to the daily subsistence allowance for *ad hoc* judges. The Advisory Committee had made no comment on those two points, and he therefore assumed that it was in favour of leaving existing arrangements unchanged.

55. Mr. AGHNIDES (Advisory Committee on Administrative and Budgetary Questions) signified that that was so.

<sup>2</sup> *Ibid.*, Fourth Session, Fifth Committee, 224th, 225th and 233rd meetings.

56. Mr. HSIA (China) noted that the Secretary-General's recommendation on the question of the salaries of members of the International Court of Justice (A/C.5/370) was two-fold: (a) that the salaries should be raised from 54,000 to 76,000 Netherlands florins—an increase of 41 per cent; (b) that the salaries should be stated in terms of United States dollars. That proposal was a complete reversal of the decisions taken by the General Assembly in 1946 (resolutions 19 (I) and 85 (I)).

57. In 1946, the paramount consideration in reaching a decision on the level of the Court's salaries had been to ensure that their real value should not be less than that of the salaries of the judges of the Permanent Court of International Justice during the period of 1936-1939.<sup>3</sup> The salary scale fixed represented an increase of 20 per cent over the salaries of the Permanent Court.

58. At that time, too, the President of the International Court had consented to the fixing of salaries in Netherlands florins because satisfactory arrangements had been made with the Netherlands Government for the free transferability of funds (A/C.5 and 6/Sub.1/1<sup>4</sup>). The representative of China was reliably informed that the Government of the Netherlands had not in any way curtailed that privilege.

59. Clearly, then, the General Assembly had taken great care in fixing the salaries of the judges and the currency in which they should be paid, and the Court had been completely satisfied with the General Assembly's decision that the judges' emoluments were payable in Netherlands florins.

60. The question had been reopened, at the request of the judges, on account of the devaluation of the Netherlands florin in September 1949, since which time the cost-of-living index in Holland had gone up by about 10 per cent, though it could not be said with certainty whether and to what extent the rise was attributable to devaluation of the currency.

61. The Secretary-General's recommendation was based on the Preparatory Commission's reference to the "real value" of the emoluments of the judges. The Secretary-General had tried to show that there was a connexion between the real value and the provision of Article 32, paragraph 5, of the Court's Statute, in order to justify the proposal that salaries should be stated in terms of United States dollars (A/C.5/370, para. 3). It had been further stated that, in determining the annual salaries at 54,000 Netherlands florins, the information supplied by the representative of the Netherlands to the effect that the purchasing power of the Netherlands florin had decreased by approximately 20 per cent since 1939 had been taken into account (*ibid.*, para. 8).

62. Actually, the Preparatory Commission, in using the term "real value", had simply meant the purchasing power of 45,000 florins in the Netherlands in 1939. Accordingly, the salaries of the judges had been increased from 45,000 to 54,000 florins.

63. The expression "real value" did not occur in the Charter, in the Statute of the Court, or in any General

<sup>3</sup> See *Report of the Preparatory Commission of the United Nations* (PC/20), chapter V, section 3.

<sup>4</sup> See *Official Records of the General Assembly, Second Part of the First Session, Sixth Committee, Annex 20.*

Assembly resolution, for the simple reason that, as soon as the salaries of the judges had been fixed, the discussion on the real value of the salaries of judges of the Permanent Court had closed. Article 32, paragraph 5, of the Court's Statute had nothing to do with the "real value" to which the Preparatory Commission had referred and could not be seriously pleaded in support of the Secretary-General's recommendation.

64. Furthermore, it was quite unwarranted to assimilate the members of the Court to Assistant Secretaries-General, particularly since the Legal Department had stated (A/C.5/303,<sup>5</sup> annex B) that the position of the members was comparable to the status occupied by Member States in other organs of the United Nations.

65. It was unrealistic to compare salaries paid in Geneva to officials of the League of Nations with those paid to judges of the Permanent Court in The Hague between 1936 and 1939 (A/C.5/370, paras. 10-11) without adequate information concerning the comparative cost of living in those two cities.

66. By contrast with Assistant Secretaries-General, members of the Court enjoyed many privileges and advantages in the form of independence, leisure, lengthy tenure of office, stability of salary, and liberal pension provisions.

67. The fact that some of the members chose to reside away from The Hague was not a proper factor in determining their salaries. The Secretary-General's assumption that some members had to spend 50 per cent of their salaries in the United States or other countries with comparable cost-of-living figures was questionable: document A/C.5/370, annex B, showed that the majority of the members lived in soft-currency countries.

68. The proposal that the salaries of members of the Court should be "stated in terms of United States dollars in accordance with the general policy of the United Nations" (A/C.5/370, para. 27) seemed unsound to the Chinese delegation. Salaries of United Nations officials stationed away from Headquarters were adjustable by means of differentials, while the salaries of the judges could not, according to Article 32, para. 5, of the Statute, be decreased. If the Netherlands florin were to be revalued, the salaries of the judges, if expressed in United States dollars, might in time bear no relationship to the cost of living at The Hague. The

soundest policy would be to maintain the salaries in Netherlands florins.

69. The Chinese delegation supported the Advisory Committee's recommendation (A/1312, para. 301 (iv)) that the salaries of the judges should be raised from 54,000 florins to an amount not exceeding 65,000 florins, and proposed that, if that recommendation was adopted, the same principle should be applied to the salary of the Registrar.

70. Mr. HAMBRO (Norway) said it was distasteful to him to discuss in public the emoluments of the members of the Court. All were eminent lawyers and judges with distinguished careers in their own countries, and it was a sacrifice on their part to serve as members of the Court. They could not be treated on the same footing as members of the United Nations Secretariat, nor could the volume of work they performed be judged by the number of days of the Court's sessions. Members had to study questions and documents between sessions, and they devoted their full time to their duties, since Article 16 of the Statute precluded them from engaging in any other occupation.

71. He could not concur with the Chinese representative, not because he disagreed with the considerations he had put forward but because he could not admit their overriding importance in the case of members of the Court.

72. The authority of the Court in litigation between governments gave it a special status, and it was to be hoped that that authority would be extended in future years.

73. He appealed to the Committee not to diminish the dignity of the Court, as well as its own, by discussing in detail the remuneration of the members of the Court. Their independence must be unimpeachable, and adequate pensions should be granted to enable them to live in dignity after retirement. While the new pension system was an improvement over the old, it should not be used as a pretext for reducing emoluments.

74. He would support the Secretary-General's conclusions, but could not consent to members of the Court being treated on the same footing as Assistant Secretaries-General or any other officials of the United Nations.

The meeting rose at 5.30 p.m.

<sup>5</sup> *Ibid.*, Fourth Session, Fifth Committee, Annex, Vol. I.