FINANCE COMMITTEE
Forty-fifth Meeting
Geneva - 12 June, 1962

STATEMENT BY DIRECTORATE MEMBER FOR ADMINISTRATION
Mr. Dakis said that he wished to make a statement to the Finance Committee on the question of salaries, which should not be recorded in the Minutes but could be circulated to Committee members as a confidential document, if they so desired.

For over a year there had been a strong movement in the European Office of the United Nations and in the U.N. Specialized Agencies in Geneva for an increase in the salaries of the P category (roughly CERN grades 8 and upwards) and the GS category (roughly CERN grades 1-7).

A survey had been conducted by the I.L.O. in September and October 1961 on the best salaries paid in Geneva to personnel corresponding to certain GS grades (clerical staff, typists and secretaries, messengers, roneo operators), the basic principle of that Organization being to pay slightly more than the best prevailing local rates. This survey claimed to show that increases of 18%-12% on existing rates were justified.

An inter-organization committee composed of representatives of most of the international organizations in Geneva, including CERN, had disagreed on the whole with the conclusions of this survey. In particular the CERN representative was able to show that many of the facts in the I.L.O. survey were unrepresentative and based on incorrect job comparisons.

On 1 January, the P grade rates had been increased by 17%-9%, as already reported to the Finance Committee and Council. Although this increase had not in itself been used to justify a general rise in the GS grade rates, the Director-General of I.L.O. had proposed a compromise solution providing for increases of 15%-7.5%, in these rates pending an examination of the whole question by a committee of outside experts. On 15 February the I.L.O. had announced their acceptance of this scale from 1 January, 1962. On 16 February, the Secretary-General of the United Nations had cabled from New York that he was not satisfied that a case had been made for an increase and refused further action pending the experts' report.

The experts, Sir Harold Parker (United Kingdom), Mr. Pranchot (Switzerland) and Mr. Grégoire (France) had met from March to May and submitted their report on 12 May recommending increases from 10%-5%. In the course of their report, they agreed effectively with the CERN criticisms of the adequacy of the I.L.O. survey. The I.L.O. had refused to accept this report and put a claim to its Governing Body.
for an increase equal to that granted by W.H.O. plus one increment to all concerned on the grounds that they were under-graded, vis-à-vis the United Nations. This resulted in effective increases of 19%-12%. It should be noted that the Governing Body of the I.L.O. including representatives of 6 Member States of CERN (Denmark, France, Federal Republic of Germany, Italy, Netherlands, United Kingdom) had unanimously approved this increase; the only countries to query this proposal being U.S.A., Canada and United Kingdom but these still voted in favour.

As a result of this decision, the new I.L.O. rates, which United Nations opinion felt would have to be followed, were now from 4% up to 32% higher on the average than the CERN rates and from 9% up to 33% higher than the rates at the top of each grade. As the Finance Committee realized, the Staff Association of CERN could hardly miss the significance of such increases. The Association had been strongly behind the Administration of CERN in the last pay claim and it had accepted the view that CERN salaries need not be on the same level as those of other international organizations. However, this latest development was bound to strain their loyalty a good deal and they could hardly be blamed if they pointed out in support of a pay claim that the latest I.L.O. increases had been granted by the very countries which fixed the CERN salaries.

The Administration was prepared to stand fast on increases which would not exceed the figures justified by the "CERN" Index, provided a few minor adjustments were made in the form of "qualifications allowances". However it seemed very likely that a pay claim of 4% or more would have to be reckoned with in October. If the Administration of CERN had difficulties of this sort with the staff, members of the Finance Committee should be warned in advance that these would be due to the decisions taken elsewhere by representatives of their own governments.

The CHAIRMAN observed that the situation outlined by Mr. Dakin was serious, because salaries were a major item in the budget. He proposed that Mr. Dakin's statement be circulated confidentially to members of the Finance Committee.

It was so agreed.