It is not yet known whether the current financial difficulties will continue until the end of the year or will extend into the next. We may be witnessing the beginning of a crisis of confidence in the entire United Nations system. For the ILO, if the crisis continues, it could result in a significant reduction in activities and staff next year.

It is hardly to be expected that the November session of the Governing Body will take place without the situation being clarified. The Staff Union, at its extraordinary general meeting on 25 September 1970, adopted the attitude that staff reductions could not be accepted until the political problem had been discussed by the Governing Body, before all other possibilities of raising the necessary funds for normal activities have been exhausted, and before the Governing Body has approved a reduced programme drawn up by the Director-General in consultation with the staff representatives (paragraph 5 of the resolution adopted by the ESM on 25.10.1970). The Staff Union Committee insists that these consultations take place as soon as the opportunity arises.

The various possible proposals that can be expected to be submitted to the Governing Body in November will probably include a proposal based on the assumption that the United States of America will not refrain from fulfilling its current obligations, or obligations arising from the fact that it continues to be a Member of the ILO. The State Department has affirmed its intention to remain a member. In these circumstances, there remains only a temporary cash flow problem, which can hardly justify massive reductions in the ILO's activities.

Following the success of the ILO's 'Safeguard Fund', to which a large proportion of the staff contributed, the Director-General has decided to renew, at least until the end of the year, all fixed-term contracts due to expire between October and 31 December 1970, in the event that they would have been renewed under normal circumstances. With a few rare exceptions, civil servants on short-term contracts, other than those who are most obviously temporary, can expect similar extensions.

What is causing great dissatisfaction is the way in which certain fixed-term contracts are currently being selected for extension beyond the end of the year by three months, six months, or in some cases a year. Naturally, these extensions are to be welcomed, but they inevitably raise questions in the minds of those whose contracts have not been renewed beyond the end of the year, and who may be in the same department and doing the same job.

It is not possible, on the basis of individual cases, to realise the principles applied, if any, for choosing the civil servants for an extension beyond the end of the year. We are told that the selection is made on the basis of the essential needs of the different services, needs which will remain essential even if significant reductions in personnel prove necessary next year. In some cases, the renewal applies en bloc to entire categories or to specific services. It appears

that the possibilities for favouritism and arbitrary decisions are, as a result, considerable. If staff reductions were to be imposed, the Staff Union would endeavour to ensure that 'the measures taken are equally distributed among all categories and grades of staff, and take the greatest account of the seniority and family responsibilities of the person concerned' (see resolution of the EGM of 25.10.1970). For the time being, renewals until the end of the year are not, and should not be interpreted as implying subsequent non-renewal. For this reason, the Staff Union should not and cannot oppose renewals beyond the end of the year, even if it is not convinced that the selection of those who benefit from a longer renewal is, in all cases, made fairly.