



FIFTH COMMITTEE  
79th meeting  
held on  
Friday, 26 January 1979  
at 10.30 a.m.  
New York

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SUMMARY RECORD OF THE 79th MEETING

Chairman: Mr. KOBINA SEKYI (Ghana)

Chairman of the Advisory Committee on Administrative  
and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 100: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued)

Revised estimates for the biennium 1978-1979 (A/C.5/33/L.48)

1. The CHAIRMAN said that if he heard no objection, he would take it that the Committee, in accordance with established practice, agreed to dispense with a vote on the revised estimates for each budget section and to vote only on the total figures contained in paragraph 4 of document A/C.5/33/L.48.
2. It was so decided.
3. Mr. SADDLER (United States of America) remarked that, if the Committee approved the additional appropriations requested, the regular United Nations programme budget for the biennium 1978-1979 would total \$1.1 billion.
4. The Committee had the power to control expenditures, and in the past had shown that it was a responsible and prudent body, concerned primarily with the effective, efficient and economical management of the Organization's resources. The Member States hoped that the Committee would examine all expenditure requests in a technical, dispassionate and non-political manner, so that scarce resources would be spent wisely and only for priority purposes.
5. In considering the request for additional appropriations currently before it, the Committee must live up to its reputation. By its vote, it could express the serious concern of Member States that United Nations expenditures were not adequately controlled, a concern shared by more States than the voting patterns had previously shown. The Committee could demonstrate that Member States did not want United Nations programmes to grow without planned restraint.
6. It was true that in various intergovernmental bodies, Member States continued to adopt resolutions calling upon the Secretariat to carry out more studies, to convene more conferences and to conduct new activities. Restraint on the part of Member States was essential to keep budgets at reasonable levels, but it was certain that the majority of them wanted the Secretariat energetically to eliminate non-essential, non-productive, marginal and ineffective activities.
7. His delegation called for a reversal of the current trend of sharply increasing budget expenditures, a trend that sapped the Organization's effectiveness and eroded financial and political support for its programmes. The necessary financial restraint had not been exercised, and the additional appropriations requested for the biennium 1978-1979 implied a programme increase of 4 per cent, in addition to the increase of 2 per cent originally planned for the same period. That action undermined the concept of the biennial programme budget. The programme growth could have been controlled if the Secretariat, under the direct leadership of the Secretary-General, had complied with the repeated requests of the General Assembly that marginal, completed and obsolete programmes should be identified. The top leadership of the United Nations could not refuse to assume responsibility in that matter.

(Mr. Saddler, United States)

8. The United Nations could not be fully insulated from world economic realities, especially since Member States were not insulated from them. In that regard, the United Nations seemed to have made very little effort to absorb the additional expenditures caused by world-wide inflation and currency fluctuations. Before requesting funds to set up new programmes or to expand others, there must be assurances that all possible savings had been made. Unfortunately, that had not been the case. It must be stressed that the needs were many and the resources scarce. For example, while there were compelling reasons to maintain the salaries of the middle and lower grades, in accordance with the Noblemaire principle, efforts must be made to control the salary levels of the very highest officials, which appeared out of line with the rest. The operation of the post-adjustment system must be examined, and economy-class travel standards must be maintained. Requests for additional staff must be severely limited, and travel, the services of consultants, working groups, conferences and meetings should be curtailed.

9. It was reasonable to expect that the United Nations would conform to the trend evident in many public institutions, a trend that reflected the relentless search for ways to limit budget expenditures, to reduce the absolute size of budgets, to streamline work methods and to improve the responsiveness of bureaucracies to the demands of the public. It was also necessary to identify programme priorities and to eliminate rigorously non-essential activities by utilizing more demanding standards to determine what was and what was not essential.

10. The people of the world looked to the United Nations to lead the way in many situations and to operate effectively and efficiently. Many people had placed their hope in the United Nations. The Committee should face up to its responsibilities and indicate its displeasure with the current state of the Organization's financial and budgetary affairs.

11. The CHAIRMAN announced that, before proceeding to vote on the revised estimates, those delegations that so desired could explain their vote.

12. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation would like to reiterate its position of principle on the question of the additional appropriations proposed for the biennium 1978-1979. Enormous sums had been requested to offset the effects of inflation and currency fluctuations, to pay for posts formerly financed by voluntary contributions, and for other purposes. His delegation had on previous occasions expressed its opinion on all those matters and did not need to repeat it. However, it wished to point out that the General Assembly had decided that, as a general rule, no additional appropriations should be requested and that any increase in expenditures should be financed by savings, changes in programme priorities, redistribution of resources, and in other ways. Unfortunately, the Secretariat stubbornly resisted that idea.

13. If the Committee approved the additional appropriations requested, the United Nations budget for the biennium 1978-1979 would total more than \$1 billion, an increase of 38 per cent over the appropriations approved for the biennium 1976-1977. No country in the world had a budget that grew like that. That unprecedented

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(Mr. Palamarchuk, USSR)

increase was not justified; it stemmed from an unhealthy trend apparent in the administrative and financial activities of the Organization. His delegation could not endorse such an increase and thus could not approve the additional appropriations. Accordingly, it would vote against the appropriations requested in document A/C.5/33/L.48.

14. Mr. SCHMIDT (Federal Republic of Germany) said that his delegation would abstain in the vote on the total revised estimates, both in the Committee and in the plenary Assembly. It was the first time that his delegation had not supported the budget estimates submitted by the Secretary-General. Its basic attitude of support for the United Nations in the constant search for world peace and economic and social development had not changed, but it felt obliged to give warning that it was not prepared to support each and every activity of the United Nations, irrespective of the cost. Only too often, when the most tenuous link existed between the lofty goals of the Organization and the request for a new study, more consultants and more staff were hired and more seminars were organized. At times the great problems of mankind only served as an excuse for an increase in bureaucracy, which aggravated problems of co-ordination and communication without in any way benefiting the outside world. At times in recent weeks, the Committee seemed to have lost sight of its own objective, namely, to achieve the best possible utilization of the limited resources at its disposal, and not simply to demonstrate political support for one or another of the General Assembly's initiatives.

15. The revised estimates showed once again that the Organization had not succeeded in operating with the resources allocated for the biennium and was doing very little to redistribute resources, to set priorities or to limit unnecessary activities. Unfortunately, each new resolution of the General Assembly requiring the Secretary-General to carry out new activities served as a basis for additional requests, a situation that would be inconceivable in any national Government. It was not the fault of the Secretariat alone; his delegation appreciated the many efforts made by the Secretary-General and the Controller to hold the explosion of costs in check. Rather, the control mechanisms of the General Assembly, including those of the Committee, were not functioning properly and ran the risk of getting caught up in a web of individual interests that were totally alien to the over-all objectives of the United Nations. One could not yet say that the work of the Committee for Programme and Co-ordination (CPC) had produced noticeable results. Even the Advisory Committee was losing some of its influence, and its recommendations were being rejected with increasing frequency, while the casual manner in which the Financial Regulations were applied did not cause the slightest stir.

16. His delegation would abstain in order to express its concern at that situation and its opposition to the large amount of additional appropriations requested, which would increase the budget by more than 10 per cent mid-way through the biennium. Furthermore, his delegation was convinced that those additional appropriations would not go very far in meeting the needs of Member States and it wished to reiterate that the tendency towards self-centred voting of budget funds might eventually weaken the common effort and even the Organization itself.

17. Mr. PEDERSEN (Canada) pointed out that, by the end of the session, the General Assembly would have approved new additional appropriations totalling \$93.7 million, thus increasing the regular budget for 1978-1979 to an amount of approximately \$1.1 billion, in other words, by some 38 per cent in terms of net expenditures over the biennium 1976-1977. Moreover, the Secretary-General had indicated that further requests might be submitted towards the end of 1979.

18. The Governments of all Member States should consider a growth rate of that magnitude as intolerable. Canada, as a major contributor to the United Nations budget, must insist that the time had come for the General Assembly to adopt effective measures for the exercise of restraint. Most Member States, including Canada, were experiencing serious economic difficulties which had obliged them to impose economic restraints, despite the political difficulties that entailed. However, in the United Nations collectively, Member States did not seem to have any capacity whatsoever for restraint.

19. The United Nations was not living within the current realities of the global economic situation. It should be borne in mind that, unless steps were taken to bring expenses under control, as his delegation and others had requested, it might become necessary to envisage some very unpleasant measures. In Canada, and probably in many other Member countries, the escalating costs and the ineffective use of resources apparent at the United Nations would undoubtedly erode public support for the Organization and would ultimately jeopardize its very existence.

20. Responsibility for the budget was shared by Member States and the Secretariat. Each Member State should fulfil its part of that responsibility, whatever the amount of its assessment. It had become apparent that providing statements of financial implications and having the Advisory Committee examine them was not enough, because its recommendations were not always adopted. Perhaps the Fifth Committee should take a new approach to the work of the other Main Committees and should establish guidelines in advance, so that programmes were not approved unless priorities had been considered in light of the total resources available. The Secretariat must also exercise restraint. Although it was true that some \$75 million of the additional appropriations requested were due to losses stemming from currency fluctuations, the United Nations was the only international organization of its size which was not called upon to absorb part of those losses.

21. Since the United Nations used the full-budgeting method, an increase of 10 per cent over the original budget proposals half-way through the biennium was totally unacceptable. Increased costs must be absorbed by reprogramming and redeployment, the reordering of priorities and the elimination of obsolete or marginally useful activities.

22. The Canadian Government had always actively supported the United Nations, but its support might diminish if the current trend continued. Therefore, as an indication of its concern, his delegation would abstain in the voting on the revised estimates in the hope that that would provide a warning signal to the Secretary-General and to Member States, and would encourage all interested parties to exercise financial restraint and responsibility. The Secretariat had the

(Mr. Pedersen, Canada)

capacity for good management and prudent budgeting, and it was to be hoped that those qualities would be evident in the final performance report for the biennium 1978-1979 as well as in the proposed budget for the biennium 1980-1981.

23. Mr. AKASHI (Japan) said that his delegation would abstain in the voting on the total revised estimates for the biennium 1978-1979. It would be the first time that his delegation abstained in a vote on the United Nations budget; it would do so because it was alarmed at the rate of growth of United Nations budgets and more particularly at the increase resulting from the additional appropriations requested. His delegation was aware of the efforts made by the Secretary-General, the Under-Secretary-General for Administration and Management and the Controller to hold budget growth in check and of the fact that many of the needs stemmed from currency fluctuations and from decisions of other Main Committees. Nevertheless, greater efforts could have been made to effect savings and to absorb some of the costs. To that end, clearer priorities must be set, and it was to be hoped that the General Assembly resolutions relative to activities that were obsolete, of marginal usefulness or ineffective would be implemented.

24. Another cause for concern was the frequency with which the Committee, departing from established practice and for reasons not always well-founded, currently rejected the recommendations of the Advisory Committee. Moreover, discussions sometimes reflected a confusion between the political convenience of carrying out a given programme and the allocation of the necessary resources. At the United Nations, those resources consisted primarily of staff, but it was forgotten that assigning more staff to programmes did not necessarily facilitate their execution; on the contrary, it sometimes made it more difficult by, for example, creating the need for greater co-ordination.

25. The Japanese Government, which was the third largest contributor to the United Nations budget, had adopted stringent austerity measures to confront its own economic problems. At the United Nations, however, more and more resources were allocated without any consideration being given to the need to economize, to absorb costs and to redistribute resources. Under those circumstances, it would not be surprising if the world's taxpayers rebelled against the trend towards lavish budgetary expansion at the United Nations.

26. In the specialized agencies, only the executive heads, or persons authorized by them, could approach the governing bodies and their members to discuss administrative and budgetary questions. The staff of the secretariats were strictly prohibited from making direct contact with delegations in order to gain their support. On the other hand, at the United Nations the staff frequently had direct relations with delegations in an effort to convince them not to accept the reductions in appropriations recommended by the Advisory Committee. It was to be hoped that in the United Nations central control and discipline, which were sadly lacking at present, would be imposed, so that delegations could at least know with whom they should deal.

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27. Centrifugal tendencies and the lack of cohesion in the Secretariat - to which Member States had contributed also - had reached such a point that one wondered whether the United Nations was not experiencing a grave crisis of administration, of which budgetary growth was only a symptom. That was regrettable at a time when the world community needed the Organization more than ever and expected it to operate at its best.

28. Mr. SERAFINI (Italy) said that his Government had always contributed to the utmost of its capacity to United Nations activities and had demonstrated its desire to co-operate in the Organization's efforts to attain its goals. Accordingly, it had supported numerous programmes, especially those that benefited the developing countries. However, the General Assembly had limited the budgetary expansion of the Organization to 2 per cent over the previous biennium, and that limit must be respected. The requests for additional appropriations currently before the Committee represented in monetary terms an increase of more than 10 per cent in the current budget. Moreover, the growth of the current budget compared with the budget of the previous biennium was some 30 per cent, and the second year of the biennium had scarcely begun. Thus, the limit of 2 per cent had been exceeded by far.

29. Approval of the additional appropriations requested would mean an increase of approximately \$3 million in Italy's assessment. In order to confront the country's current economic problems, Italy had embarked on a stringent policy to restrain public spending in the framework of an economic stabilization programme. The Italian Government reaffirmed its desire to support the activities of the United Nations and to make the sacrifices that implied; however, it believed that it was justified in asking the Organization to apply austerity measures similar to those being implemented at the national level.

30. It should be noted that most of the additional resources requested would be used not to benefit the developing countries but rather to meet administrative costs. Concessions and pressures to increase administrative expenditure, to create new posts, to allocate more travel funds and to expand bureaucratic machinery were not in the interests of the Organization and could undermine its effectiveness.

31. At the United Nations, there was an automatic process of proliferating expenditures and programmes, without the slightest effort being made to identify obsolete or ineffective activities or those of marginal usefulness, an effort that could free resources for other uses. The practice of maintaining expenditure for ongoing activities at its current level and adding on the cost of new programmes could be tolerated no longer. Furthermore, it was indispensable that a decisive effort should be made to find ways of absorbing the increased costs stemming from inflation and currency fluctuations.

32. The previous year, his delegation had abstained in the vote on the proposed budget for the biennium 1978-1979 for reasons similar to those just described. And now, because there had been no serious effort to absorb through savings the additional costs created by inflation, currency fluctuations and new programmes, and because the increase in the budget half-way through the year exceeded all

(Mr. Serafini, Italy)

reasonable limits and was therefore contrary to the full-budgeting method, his delegation was obliged to vote against the revised estimates. That decision, which had been taken regretfully, would not alter Italy's active support for the United Nations, but he hoped that it would help to make the Secretariat and Member States more aware of their responsibility in administrative and budgetary matters and that as a result strict financial discipline would be applied without delay.

33. Miss MUCK (Austria) said that her delegation would vote in favour of the additional appropriations requested by the Secretary-General. In many cases, the amounts requested were a logical consequence of recent decisions taken by the General Assembly regarding the holding of conferences, transfers of offices, organizational restructuring and other similar matters, in respect of which it had perhaps not been possible to submit requests to the Committee earlier. Nevertheless, the bulk of the requests submitted by the Secretary-General in the performance report stemmed from the further decline of the United States dollar against certain European currencies. At the opening of the thirty-third session of the General Assembly, it should have been obvious that the assumption of an exchange rate of 2.17 Swiss francs to the United States dollar was unrealistic, especially when projected for 1979. If a request for additional funds had been submitted to the Committee earlier, the Committee could have weighed the needs resulting from currency fluctuations against new and existing programme requirements. Since the request had been presented late, the Committee had been deprived of the possibility to choose between the alternative ways of limiting the unprecedented growth of expenditures. Good programme budgeting would have called for such a reassessment of needs at the executive level as well as at the legislative level.

34. Obviously, the resources of the United Nations, like those of Member States, were not unlimited. For that reason, the request for additional resources should have been submitted to the competent legislative bodies at the beginning of the session so that the available resources could have been reallocated among the different programmes. Accordingly, her delegation urged that existing practices should be changed and expected that, in future, requests for resources of that magnitude would be submitted at the earliest possible opportunity.

35. Mr. KEMAL (Pakistan) said that his delegation would vote in favour of the revised estimates for the biennium 1978-1979 because the Organization needed those funds to achieve its basic objectives. Eighty per cent of the additional appropriations were due to factors outside the control of the General Assembly and the Secretariat, namely, currency fluctuations and inflation. The reductions approved by the Committee might seem small, but they were substantial if one took into account the fact that they applied only to the 20 per cent of the additional appropriations that were not necessitated by currency fluctuations and inflation. It should also be remembered that the Secretary-General could not make forecasts about possible trends in exchange rates, since that would be tantamount to speculation at the expense of the currency of one or another Member State.



(Mr. Kemal, Pakistan)

36. His delegation shared some of the views expressed by previous speakers and, in particular, it thought that every possible effort should be made to use the Organization's limited resources in an economical and effective manner and that both CPC and the Advisory Committee should have an important role to play. Although it was true that the Advisory Committee had a purely consultative function and that the Fifth Committee was not obliged to accept all of its recommendations, it was also true that in certain cases the Fifth Committee had rejected them for reasons that had not been exclusively financial. None the less, it should be noted that that practice had not been limited to one group of countries but had been widespread.

37. Mr. CHANG Hsueh-yao (China) said that his delegation did not agree with certain of the revised estimates for the biennium 1978-1979 or with the total amount of the budget for that biennium; accordingly, it would not participate in the voting.

38. Mrs. SANDIFER (Portugal) said that her delegation would abstain in the voting on the additional appropriations and on the total budget for the biennium, because it thought that those amounts were excessively high and that greater economy could have been exercised in determining both the revised estimates and the financial implications submitted to the Committee.

39. Although in other Committees her delegation had supported most of the resolutions whose financial implications had been approved, at least in part, by the Fifth Committee, it had serious doubts about those financial implications taken as a whole. It was concerned about the Secretariat's practice of submitting requests for additional appropriations midway through the biennium in almost all areas of the Organization's activities, without striving to determine whether it was possible to absorb part of the additional costs, including those stemming from inflation and currency fluctuations, as well as from a larger workload. The persistent trend was to continue requesting large sums for the services of experts and consultants, despite the provisions of General Assembly resolution 32/209, which her delegation had sponsored at the thirty-second session. Another cause of concern was the growing number of requests for post reclassification and the creation of new posts in mid-biennium.

40. It must be recognized that, to a certain extent, delegations were responsible for those financial problems, since they were always prepared to sponsor or support draft resolutions with large financial implications and to approve an increase in staff to administer activities and programmes dear to their own hearts. The Members of the United Nations should show political will and should set priorities in order to limit programme growth. At the same time, if the Secretariat acted with a greater sense of responsibility and dedication in applying stricter administrative practices, the extremely high operating costs of the United Nations could be reduced.

41. For the Portuguese Government, the increase in its annual assessment resulting from the additional appropriations was a major financial burden, given its current economic situation. It was difficult for the Portuguese taxpayer to understand how the Government, while trying to reduce drastically its own costs, could support such

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(Mrs. Sandifer, Portugal)

a large increase in the budget of the United Nations or could fail to oppose an increase of nearly 25 per cent in its assessment for 1979.

42. Miss COURSON (France) said that, in recent years, her delegation had repeatedly expressed its concern at the uncontrolled increase in the budgetary expenditures of the United Nations. Approval of the additional appropriations currently requested would mean that the United Nations budget had increased by approximately 40 per cent from one biennium to the next, and her delegation felt obliged to express, once again, its disapproval. Therefore, it would vote against the revised estimates.

43. It should be remembered that the General Assembly had accepted the so-called full-budgeting procedure, which took inflation into account beforehand. Practice showed, however, that no budgetary discipline whatsoever was being exercised and that, using the currency fluctuations as an excuse, the Secretariat was requesting an increase of more than 10 per cent in the budget for the current biennium, when scarcely one year of that period had elapsed. Requests for additional appropriations were justified to a large extent by the devaluation of the United States dollar against the Swiss franc. However, the fact had been overlooked that, while provision had been made in the budget of the Organization for an annual inflation rate of 3 per cent for Switzerland, in 1978 inflation in that country had been insignificant (around 0.7 per cent). The time had come to end such lack of discipline and to take energetic action to absorb a greater part of the effects of inflation and of currency fluctuations through stringent economy measures. Her delegation wished to stress that the consensus to continue using the full-budgeting method was arbitrary, because during the current session several delegations had expressed opposition to that method.

44. With regard to new programmes, her delegation wished to make it clear that it was not opposed to the adoption of new measures that could further the development of the developing countries, but it hoped that new programmes would not continue to be added to existing ones, unless obsolete programmes and those of marginal usefulness were eliminated and replaced by more dynamic activities, using existing staff. If such measures were adopted, the Secretariat could always count on the support of her delegation.

45. Mr. BRODININGRAT (Indonesia) said that his delegation viewed with concern the large budget increase requested, which represented an increase of nearly 10 per cent over the appropriations originally approved for the biennium. However, approximately 80 per cent of the increase was due to factors unrelated to the growth of United Nations programmes, namely, currency fluctuations and inflation. The increase attributable to new programmes amounted to only 2 per cent of the budget originally approved, a percentage that in any case was high. Nevertheless, as there did not seem to be any magic solution to the problems caused by currency fluctuations and inflation, his delegation could not but approve the revised estimates. At the same time, it urged the Secretary-General to make fresh efforts to administer the budgets of the United Nations with greater efficiency and stricter discipline.

46. Mr. MORRIS (Australia) said that his delegation would abstain in the voting on the revised estimates in order to record its view that not enough effort had been

(Mr. Morris, Australia)

made to improve the efficiency of United Nations programmes and activities. A great deal more must be done, lest the Organization should lose the confidence and support of the public. In particular, it was essential that the Organization's activities should be useful and that those that were not should be eliminated so that they could be replaced by more important activities.

47. The budget could not be allowed to continue to grow unchecked. Savings must be made, and additional costs must be absorbed. In the opinion of his delegation, at least part of the costs stemming from currency fluctuations and inflation could have been absorbed by savings in other areas.

48. Mr. PIRSON (Belgium) said that, if the additional appropriations requested were approved, the biennial budget would have increased by 39 per cent in relation to the total appropriations approved for the biennium 1976-1977. His delegation would vote against the additional appropriations requested and, in view of the importance of that item for authorities in his country, the head of his delegation would make a statement on the subject in the plenary Assembly.

49. For an organization that used the full-budgeting method, which was supposed to obviate the need for the Secretary-General to request additional appropriations midway through the biennium, the proposed budgetary increase - which, for Belgium, meant an increase of almost \$1 million in its assessment - was unacceptable. At a time when the Belgian Government was imposing budgetary restrictions at the national level, it could not fail to express its disapproval at the financial laxity and at the fact that no attempt had been made to offset the additional expenditures due to currency fluctuations, inflation and the creation of new programmes by savings, more effective management, and the elimination of non-essential expenditures and obsolete activities. To accept such a lack of budgetary discipline would be tantamount to giving the General Assembly's approval to an unusual procedure and would further aggravate the financial difficulties of the Organization. Such a policy would also have serious repercussions on the budgetary practices of other bodies within the system and could cause the larger contributors to hesitate, and perhaps even refuse, to participate in the financing of expenditures.

50. Mr. LAHLOU (Morocco) said that his delegation was concerned at the enormous increase in the United Nations budget and the further sacrifices that it would impose on the developing countries, which were already experiencing serious financial difficulties. His delegation wished to point out that the activities benefiting developing countries were organized and administered by officials from the wealthy countries and did not always meet the needs of the developing countries; nor did they reflect the General Assembly resolutions aimed at achieving greater equity on a global level. His delegation would vote in favour of the additional appropriations, but it wished to state for the record that it would like the budget increase to be coupled with an increase in technical assistance to the developing countries.

51. Mr. MÉNDEZ AROCHA (Venezuela) said that his delegation would vote in favour of the additional appropriations requested, because it thought that they were due to

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(Mr. Méndez Arocha, Venezuela)

causes outside the Organization's control, primarily to the current international monetary disorder, whose main victims were the developing countries. It would vote in favour of the funds requested on the understanding that the Secretary-General would make every possible effort to maintain the utmost budgetary discipline and the greatest managerial efficiency.

52. The CHAIRMAN invited the Committee to vote on a total additional appropriation of \$93,740,600, for the biennium 1978-1979, as indicated in paragraph 4 of document A/C.5/33/L.48.

53. A recorded vote was taken.

In favour: Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Botswana, Brazil, Burma, Cape Verde, Chile, Colombia, Costa Rica, Cyprus, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Kenya, Kuwait, Liberia, Madagascar, Malawi, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, Hungary, Israel, Italy, Luxembourg, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

Abstaining: Afghanistan, Australia, Canada, Cuba, Germany, Federal Republic of, Guatemala, Japan, Portugal, Romania, Turkey.

54. A total additional appropriation of \$93,740,600 for the biennium 1978-1979 was approved by 64 votes to 14, with 10 abstentions.

55. Mr. PIRSON (Belgium) said that, before the revised estimates for the income sections were put to a vote, he would like to know why the total estimate under income section 3 would be reduced by \$1,262,200, as stated in paragraph 4 of document A/C.5/33/L.48.

56. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) explained that it had earlier been envisaged that the decrease in the estimate under income section 3 would be greater. However, an adjustment of \$10,700 had been made because of the impact of currency fluctuations on revenue-producing activities in currencies other than the United States dollar.

57. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee approved additional estimates of \$17,572,000 under income section 1 and \$1,695,100 under income section 2, as indicated in paragraph 4 of document A/C.5/33/L.48.

58. It was so decided.

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59. The CHAIRMAN invited the Committee to vote on a reduction of \$1,262,200 in the estimate under income section 3, as indicated in paragraph 4 of document A/C.5/33/L.48.

60. A recorded vote was taken.

In favour: Afghanistan, Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Brazil, Burma, Cape Verde, Chile, China, Colombia, Costa Rica, Cyprus, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guatemala, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Japan, Kenya, Kuwait, Madagascar, Malawi, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Israel, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

Abstaining: Australia, Belgium, Canada, Cuba, France, Germany, Federal Republic of, Italy, Liberia, Luxembourg, Portugal, Romania.

61. A reduction of \$1,262,200 in the estimate under income section 3 was adopted by 67 votes to 11, with 11 abstentions.

62. The CHAIRMAN invited the Committee to vote on draft resolutions A, B and C, which were contained in paragraph 6 of document A/C.5/33/L.48. A vote would be taken first on each of the draft resolutions separately, then on all three as a whole. All the votes would be recorded.

Draft resolution A

In favour: Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Botswana, Brazil, Burma, Cape Verde, Chile, Colombia, Costa Rica, Cyprus, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Kenya, Kuwait, Liberia, Madagascar, Malawi, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

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Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, German Democratic Republic, Hungary, Israel, Italy, Luxembourg, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

Abstaining: Afghanistan, Australia, Canada, Cuba, Germany, Federal Republic of, Guatemala, Japan, Portugal, Romania, Turkey.

63. Draft resolution A was adopted by 64 votes to 15, with 10 abstentions.

Draft resolution B

In favour: Afghanistan, Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Botswana, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cape Verde, Chile, China, Colombia, Costa Rica, Cyprus, Czechoslovakia, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, German Democratic Republic, Ghana, Greece, Guatemala, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Japan, Kenya, Kuwait, Liberia, Madagascar, Malawi, Malaysia, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Poland, Qatar, Romania, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

Against: None.

Abstaining: Australia, Belgium, Canada, Cuba, France, Germany, Federal Republic of, Israel, Italy, Luxembourg, Portugal, Turkey, United States of America.

64. Draft resolution B was adopted by 78 votes to none, with 12 abstentions.

Draft resolution C

In favour: Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Brazil, Burma, Cape Verde, Chile, Colombia, Costa Rica, Cyprus, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guatemala, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Israel, Ivory Coast, Jamaica, Kenya, Kuwait, Liberia, Madagascar, Malawi, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United States of America, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, German Democratic Republic, Hungary, Italy, Luxembourg, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics.

Abstaining: Afghanistan, Australia, Canada, Cuba, Germany, Federal Republic of, Japan, Portugal, Romania, Turkey.

65. Draft resolution C was adopted by 66 votes to 13, with 9 abstentions.

Draft resolutions A, B and C as a whole

In favour: Algeria, Argentina, Austria, Bahamas, Barbados, Bhutan, Botswana, Brazil, Burma, Cape Verde, Chile, Colombia, Costa Rica, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Kenya, Kuwait, Liberia, Madagascar, Malawi, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Rwanda, Sao Tome and Principe, Senegal, Spain, Sweden, Thailand, Trinidad and Tobago, Tunisia, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, German Democratic Republic, Hungary, Israel, Italy, Luxembourg, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

Abstaining: Afghanistan, Australia, Canada, Cuba, Germany, Federal Republic of, Guatemala, Japan, Portugal, Romania, Turkey.

66. Draft resolutions A, B and C as a whole were adopted by 63 votes to 15, with 10 abstentions.

67. Mr. FULLER (United Kingdom) said that his delegation had supported the adoption of the revised estimates for the biennium 1978-1979, although not without some misgivings. It was concerned about the considerable sum which was added to the budget by the additional appropriations, a sum that increased the financial burden of Member States. His delegation had supported those appropriations in the belief that the process of budgetary scrutiny had been performed conscientiously. It appreciated the efforts of the Controller and the Advisory Committee to achieve economies and considered that those efforts must not be relaxed.

68. Like most other delegations, his delegation believed that the programming process should be improved. The work of CPC was useful, but its findings should be translated into action by the Secretariat under the guidance of the General Assembly. His delegation was particularly concerned that Member States had no

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(Mr. Fuller, United Kingdom)

clear idea of the priorities that should be applied to United Nations programmes. It also regretted the continued failure of the Secretariat to respond to the repeated resolutions of the General Assembly calling for the identification of obsolete, ineffective or marginal activities. The Secretariat should follow the recommendation of the Joint Inspection Unit (JIU) to withdraw resources from marginal activities and to use them more effectively. His delegation hoped that the concerns expressed during the current debate would be reflected in the preparation of the budget for the biennium 1980-1981.

69. Mr. GREEN (New Zealand) said that his delegation had already expressed its concern about some decisions of the Fifth Committee which were contrary to the Advisory Committee's recommendations regarding the reclassification of posts and requests for additional appropriations not warranted in the light of General Assembly resolution 32/209. His delegation would examine much more thoroughly than usual the budget proposals submitted by the Secretary-General for the next biennium.

70. Mr. PICO DE COAÑA (Spain) said that his delegation had voted in favour of the revised estimates submitted in document A/C.5/33/L.48 in keeping with its tradition of support for the United Nations budget. Nevertheless, it wished to state that, in its opinion, the full-budgeting method used by the United Nations implied that there must be full awareness of possible cost trends when decisions were taken to carry out specific activities. Estimations of budgetary expenditure should be made with extreme care and should be limitative, especially when, in the context of full budgeting, additional estimates based on inflation and currency fluctuations were included. His delegation thought that it would be better to make a partial forecast of inflation for one year of the biennium, since the current system did not seem capable of forecasting inflationary problems for a two-year period.

71. It was necessary to cast aside factors of inertia in the growth of expenditures, which meant that the Secretariat must be more efficient in identifying obsolete, marginal or ineffective activities. The reclassification of posts mid-way through the biennium, the continual exceptions to resolution 32/209 and the scant respect shown for the reasoned reports of the Advisory Committee were also causes for concern. For those reasons, although it had again voted affirmatively, his delegation was disturbed at the excessive over-all increase in additional appropriations and intended to subject the budget proposals for the biennium 1980-1981 to very careful scrutiny.

72. Mr. AKSOY (Turkey) said that his delegation had abstained in the voting on the additional appropriations for the biennium 1978-1979. It was opposed to one item of expenditure approved previously, the legal basis of which it had contested. In the relevant debate, it had pointed out that the resolution concerning Cyprus contradicted the practice of international law. Therefore, it did not think that an additional appropriation should be approved in order to implement that resolution. Although his delegation advocated financial restraint, it had voted in favour of most of the additional appropriations proposed in document A/C.5/33/L.48 when they had been considered individually, but, for the reasons he had explained, it had been obliged to abstain in the vote on the total appropriation.



73. Mr. ABANKWA (Ghana) said that his delegation had voted in favour of the revised estimates for the biennium 1978-1979. Although the total amount of more than \$93 million was very high for a budget prepared using the full-budgeting method, in most of the cases the additional appropriations were justified. Seventy-five per cent of the increase stemmed from monetary instability, which was beyond the control of Member States. On the other hand, the growth of United Nations activities was very important, and the postponement of new activities could undermine the confidence placed in the Organization.

74. Mr. SADDLER (United States of America) said that his delegation had voted against the additional appropriations; in his previous statement he had explained very clearly the reasons for its vote. He hoped that the members of the Committee had listened carefully to the statements made by a number of delegations, including his own, whose contributions made up the bulk of the budget. He also hoped that all the interested parties, especially the Secretariat officials who tried to undermine the Advisory Committee's recommendations, had listened to the views expressed in the Fifth Committee.

75. Mr. BUJ FLORES (Mexico) said that his delegation had voted in favour of the revised estimates for the biennium 1978-1979, but it associated itself with the warnings expressed by other delegations. It was concerned at the fact that the majority of speakers had overlooked the General Assembly's own resolutions and recommendations, for example, resolution 32/209, which was being implemented only as an exception. The Advisory Committee's recommendation that posts should not be reclassified mid-way through the biennium had become a dead letter. Moreover, the Fifth Committee had gone against the Advisory Committee's recommendations in other areas and had allowed some sections of the Secretariat to obtain more posts and more resources.

76. His delegation thought that austerity and administrative efficiency were the only guarantee of the economic solvency of the United Nations. The Committee had an over-all view of the financial situation and was aware of the seriousness of the financial crisis that beset the Organization. Some delegations had announced that they would withhold funds from specific programmes that were not consistent with their principles. The spendthrift attitude of other Member States, which was exploited by some sections of the Secretariat, was also a cause for concern. His delegation appealed to the wisdom and sense of responsibility of Member States so that greater prudence would be exercised in future in considering the finances of the Organization.

77. Mr. STEPHANIDES (Cyprus) said that his delegation had voted in favour of the revised estimates for the biennium 1978-1979. He noted with satisfaction that section 18 of the budget had provided for an additional appropriation in order to implement the General Assembly resolution concerning missing persons in Cyprus. At the same time, he regretted that the representative of Turkey considered the adoption of that resolution by the General Assembly to have been illegal.

78. Mr. MONAYAIR (Kuwait) said that his delegation had voted in favour of the additional appropriations proposed in document A/C.5/33/L.48. It wished to

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(Mr. Monayair, Kuwait)

point out that the increases recorded were due to factors that were outside the Secretariat's control, such as currency fluctuations, although undoubtedly a few reductions could have been made.

79. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said that the dialogue had been productive, and while he would have liked to reply to the many remarks made, he would merely assure the members of the Committee that the Secretary-General was giving serious attention to the budgeting process and had taken decisive steps in preparing the new budget, with a view to promoting the restraint desired by Member States. Nevertheless, it should be added that the means available to the Secretary-General were limited, since many intergovernmental bodies determined the Organization's policy, and the Secretariat could not go against the decisions of those bodies, which were reflected in the budget. Furthermore, provision had to be made in the United Nations budget for currency rate fluctuations, a problem with which national budgets did not have to contend. As far as the financial implications of proposals were concerned, the Secretariat received those proposals from the Main Committees and merely drew up estimates to serve as a basis for the Fifth Committee's decisions; thus, there was no reason to blame the Secretariat for the additional increases.

80. He had listened with great interest to the discussion at the previous meeting on the assignment of responsibilities within the Secretariat. It should be remembered that the United Nations had a programme budget, which meant that there were two interrelated components: substantive activities and finances; those two components could not be separated.

81. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) asked the Secretariat to clarify the legal basis for the distribution of a publication of such questionable repute as the Diplomatic World Bulletin, which distorted the positions adopted by the Committee, in particular those of certain delegations.

82. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said that the Secretariat was not responsible for either the publication or the distribution of the newspaper mentioned, but it took note of the concern expressed by the representative of the Soviet Union and would deal with the matter.

#### COMPLETION OF THE COMMITTEE'S WORK

83. The CHAIRMAN said that the aim of the founders of the United Nations had been to organize peace in order to avoid another war. However, peace was not just the absence of war. There were certain fundamental conditions without which it was not possible to achieve or retain things that were inherently good. Those multiple concerns were reflected in the agenda of the General Assembly for consideration at its regular sessions. With regard to budgeting procedures, he recalled that the first budget submitted to the Committee had had only five sections, whereas the current one had almost 30. The Fifth Committee was no longer just an administrative and budgetary body but must also concern itself with planning and co-ordination.

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84. As the number of States Members of the United Nations increased, more statements were made during the debates, and it became more difficult to consider items in detail. The number of items on the agenda of the General Assembly had also increased, especially in the case of the Second and Fifth Committees. Consequently, there was not enough time to take care of all the details. In addition, the power of the Secretariat was inevitably growing, since it must interpret decisions that the General Assembly had only been able to formulate in vague terms.

85. One problem that must receive attention at the next session was staff representation; the time had come to give the staff some form of direct representation in the Fifth Committee. Perhaps the best way to do so would be to allow a representative of the Federation of International Civil Servants' Associations (FICSA) to have a permanent seat on the Committee, with the right to speak on any item of concern to the staff of the United Nations system. A precedent for taking such action was to be found in article 28 of the statute of the International Civil Service Commission, which provided for the participation by a representative of the staff in the work of that Commission. Such an arrangement would be beneficial for staff-management relations.

86. In view of the central role of the Fifth Committee in planning and co-ordination, all relevant bodies should be represented at an appropriate level on the Fifth Committee, so that it could adopt decisions and formulate recommendations with a full knowledge of the problems. One difficulty, which had arisen repeatedly during recent sessions, was the fact that statements on the financial implications of the decisions of other bodies were concentrated at the end of the session, with the result that work was not completed on time and the Committee was obliged to treat many matters superficially. He believed that rule 153 of the rules of procedure of the General Assembly should be revised and a new procedure established to separate completely the process of informing Member States of the administrative and financial implications of their decisions from that of appropriating funds for new activities. Lastly, new ways could be found of facilitating the future work of the Fifth Committee; for example: those items that required decisions every two years need not be discussed every year; explanations of vote after the vote could be incorporated directly into the summary record without being delivered; and greater use could be made of working groups.

87. After an exchange of courtesies, the CHAIRMAN declared that the Committee had completed its work for the thirty-third session.

The meeting rose at 1.45 p.m.