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at 10.30 a.m.
New York

SUMMARY RECORD OF THE 78th MEETING

Chairman: Mr. PIRSON (Belgium)

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 106: UNITED NATIONS PENSION SYSTEM (continued)

(a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued) (A/34/9 and Add.1, A/34/30, chap. III, A/34/721, A/C.5/34/56, A/C.5/34/L.31, L.40, L.41 and L.43)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said, with regard to the interim measures proposed by the United Nations Joint Staff Pension Board and the alternative interim measures proposed by the Advisory Committee, that no forecast could be made with certainty as to the countries where pensioners would benefit from either scheme. Whether or not pensioners in any particular country would be affected by one or the other scheme would depend essentially on what happened to the exchange rate between the local currency and the United States dollar and to the post adjustment classification. Any "list of countries" which had been provided in connexion with either scheme and which purported to forecast those developments must be treated with the utmost caution. Such lists were at best guesses, which past experience had shown to be not very reliable when it came to currency fluctuation. In particular, guesses with regard to the operation of the Pension Board's interim measures, which used the spot adjustment in the given locality as the criterion for its applicability, depended in the first instance on the date on which they had been made. Those which had been mentioned had used the post adjustment as of June 1969.

2. The only certainty at the present stage was that as of 1 January 1980 the one country in which both schemes would become applicable was Switzerland. In the case of the Advisory Committee's proposal, Switzerland would be the only country for which the Advisory Committee's measures would be applicable on 1 January 1980, although additional countries might be affected later in 1980, depending on the movement of their currencies in relation to the United States dollar. In the case of the Pension Board's proposal, the measures could apply not only to Switzerland but to all countries for which the post adjustment classification was class 12 or above. As of October 1979, there were some 33 countries in that group, although it was not known whether there would be Professional staff members retiring in all or some of those countries in 1980 and what would be their grade level in the salary classification system.

3. Furthermore, it must be borne in mind that the very purpose of the alternative interim measures proposed by the Advisory Committee was not to grant a privileged group additional benefits or compensation over and above that given to others but, on the contrary, to extend to that group at least a portion of the benefits which applied to all others, namely an increase in their final average remuneration due to the movement of the weighted average of post adjustments (WAPA) as it affected pensionable remuneration. That portion would reflect only the inflation element of the WAPA index and not its currency element, since the latter was already protected by the adjustment system. Therefore, the Advisory Committee's scheme selected only those who fell in that category by limiting its application to those pensioners

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in whose case the initial pension would have to be established under a minimum guarantee which, by definition, was based on the level of final average remuneration on 1 January 1978. To say, therefore, that those who would not benefit by the new measures would have been discriminated against was completely to misunderstand the nature and purpose of the Advisory Committee's interim measures.

4. Mr. STUART (United Kingdom) said that the amendment proposed by the representative of the United States at the 77th meeting with regard to part V of the draft resolution in annex II of document A/34/721 totally reversed the intention of that part of the draft resolution and should therefore be considered not as an amendment but as a separate draft resolution. The separate parts of the draft resolution should be seen in effect as separate resolutions. The United States delegation could achieve its objectives by voting against the draft resolution. He therefore requested the Chairman to rule the United States proposal out of order and proposed that the Committee should adopt the draft resolution put forward by the Advisory Committee (A/34/721, annex II).

5. Mr. SCHMIDT (Federal Republic of Germany) said that the first part of the amendment submitted by Belgium and Tunisia in document A/C.5/34/L.41, which proposed a new part VI in the draft resolution in annex II to document A/34/721, was substantially the same as the second amendment proposed by Italy and other sponsors in document A/C.5/34/L.40. He requested a ruling from the Chairman as to whether the first part of the two-Power amendment had not been superseded, thus obviating the need for a vote on it.

6. Mr. AYADHI (Tunisia) said that since its establishment in 1949 the United Nations Joint Staff Pension Fund had been open to the participation of other organizations, provided that they accepted its rules and regulations as laid down by the General Assembly. The General Assembly was therefore the only body which had the authority to make decisions affecting the Pension Fund on behalf of all the affiliated organizations, which were duty bound to accept its decisions. The complex situation now before the Committee was due to the fact that the substantive bodies, i.e. the Pension Board and the International Civil Service Commission (ICSC), had not been able to carry out the task assigned to them. The reports of those bodies showed that they had worked hard together and had even prepared four possible solutions to the problem, which was caused mainly by the rapid and continued growth in the WAPA index, but not one of them had been accepted. It was now time for Member States to assume their responsibilities and put some order in the situation. Member States were also interested parties and their views should be taken into account. He stressed that the proposal submitted by his delegation and that of Belgium in document A/C.5/34/L.41 was a conservative measure of limited duration designed to protect the interests of all parties concerned, pending a final and long-term solution. His delegation's proposal was not in conflict with th Advisory Committee's recommendations; nor did it reject the concept of interim measures, provided that they did not acquire permanent status. The two-Power proposal sought to put a temporary end to the dangerous strain on the pension adjustment system, thus encouraging ICSC and the Pension Board to work out a long-term solution to the problem within a specified period.

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(Mr. Ayadhi, Tunisia)

7. The CHAIRMAN said he would attempt to answer the various questions addressed to him relating to procedure. It would seem that technically speaking, under rule 130 of the rules of procedure, the text proposed by the United States delegation was an amendment. The new part VI proposed in the two-Power amendment (A/C.5/34/L.41) seemed significantly different from the second Italian amendment (A/C.5/34/L.40) and would therefore have to be considered separately. He intended, therefore, to put both the United States and the two-Power amendments to the vote.

8. Mr. KEMAL (Pakistan) said that his delegation had no difficulty with the new part VI proposed in the two-Power amendment; in his delegation's view it was distinct from and not incompatible with the second Italian amendment. His delegation had some difficulty, however, with the new part VII proposed in the two-Power amendment. In that connexion, he drew attention to paragraph 27 of the Advisory Committee's report (A/34/721). While the two-Power amendments were in certain respects reasonable and not without basis, he would prefer not to freeze the WAPA index in 1980, as that might have serious consequences for the pension system and the viability of the Pension Fund. In any case, the problem of the escalating WAPA index remained to be dealt with, now or later. He therefore proposed a compromise solution under which the delegations of Belgium and Tunisia would not insist on a vote at the present stage on their proposal for a new part VII, and the Committee would decide that at its thirty-fifth session the General Assembly would, if no long-term solution to the problem were worked out by ICSC and the Pension Board and accepted by the Assembly, give serious consideration to freezing the WAPA index at the 1980 level as of January 1981. Such a proposal would provide an incentive for ICSC and the Pension Board to work out a long-term solution, and did not reject the thrust of the two-Power amendment but held it in abeyance.

9. Mr. AYADHI (Tunisia) said that, because the WAPA index would continue to grow, the problem would only be worse in January 1981. The conservative measures proposed by his delegation and that of Belgium seemed more appropriate. It might even be useful to encourage the Pension Board to hold a special session during 1980 to deal with the problem.

10. Mr. ARGUELLES (Philippines) said that his delegation was concerned about the adverse effects of the two-Power amendment (A/C.5/34/L.41), which would freeze the WAPA index pending a long-term solution to the question of pensionable remuneration. If the WAPA system were frozen in 1980 and replaced by some other system or reinstated because of failure to find an acceptable substitute, the rates of pensionable remuneration would then have to be increased in total, so as to reflect the movement of post adjustments, either in the aggregate as in the case of WAPA or individually, since the last adjustment date of 1 January 1979. For example, under the alternative favoured by the majority of ICSC members, the rates of pensionable remuneration would be decreased for participants in countries with lower classes of post adjustment by as much as 30 per cent but would be substantially increased for those in the higher classes. The average adjustment would be very similar to the increase that would take place in the WAPA index from the level it had reached at the time of the previous adjustment, i.e. about 125. Furthermore, the freezing of

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(Mr. Arguelles, Philippines)

the WAPA index in 1980 would dangerously increase the actuarial deficiency of the Pension Fund by about $47 million, which would arise at the time of pension adjustment in pension remuneration, in addition to the loss of $13 million in contributions during 1980. Pensioners taking up residence in developing countries after retirement in 1980 and thereafter would suffer reduced pensions because they would not benefit from any corrective measures or long-term measures under the present adjustment system, if the WAPA index were frozen. All those retiring in countries with hard currencies and high costs of living would be compensated under the present adjustment scheme and presumably by the future long-term measures. His delegation concurred in the Advisory Committee's recommendation that the WAPA system should continue to be applied in 1980 and would therefore vote against the two-Power amendments in document A/C.5/34/L.41.

11. Mr. STUART (United Kingdom) said that, since his delegation accepted that the WAPA system was imperfect, it agreed that it was possible to have sympathy for the underlying ideas of the sponsors of the amendments in document A/C.5/34/L.41. However, the existing system could not be discarded until there was a new system to replace it. The interim measures recommended by the Advisory Committee were aimed at making rough justice a little less rough, on a temporary basis, until ICSC and the Pension Board found a long-term solution.

12. Mr. MAJOLI (Italy) said that the delegation of Venezuela wished to join the sponsors of the amendments in document A/C.5/34/L.40.

13. He agreed with the Chairman that the new part VI proposed in document A/C.5/34/L.41 was quite different from the proposal in document A/C.5/34/L.40. However, the sponsors of the amendments in document A/C.5/34/L.40 recognized that the text of part VI proposed by the delegations of Belgium and Tunisia in document A/C.5/34/L.41 set an important deadline - "no later than January 1981". In that connexion, they also supported the Australian amendment in document A/C.5/34/L.31. He wished to see ICSC and the Pension Board find a final solution within a year. Naturally, such a solution would have to represent a compromise. He endorsed the statement made by the representative of Pakistan with regard to the new part VII proposed in document A/C.5/34/L.41. Moreover, the representative of the Philippines had mentioned an interesting point regarding the immediate actuarial loss that the fund could suffer.

14. Mr. MOUNA GOLO (Chad), referring to the two-Power amendments in document A/C.5/34/L.41, said that his delegation had no particular difficulty with the proposed part VI, especially where the proposed deadline was concerned. In fact, it would be preferable to be more specific and state that the revised joint pension system would take effect in January 1981. He agreed with the representative of Pakistan that ICSC and the Pension Board must actually submit a draft to the Committee the following year. Freezing of the WAPA index was not the proper solution. He hoped that the appeal made by the representative of Pakistan in that connexion would receive a response.

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(Mr. Houna Golo, Chad)

15. With regard to the new part VII proposed in document A/C.5/34/L.41, he hoped that the representatives of Belgium and Tunisia would put forward another proposal. For example, his delegation might be in favour of a special session in that connexion, such as that mentioned by the representative of Tunisia.

16. Mr. DE FACQ (Belgium) said that the sponsors of the amendments in document A/C.5/34/L.41 had understood that the sponsors of the amendments in document A/C.5/34/L.40 would accept inclusion of a reference to the system coming into effect no later than January 1981.

17. Mr. MAJOLI (Italy) agreed that inclusion of a reference to that date in the first paragraph of the new part VI proposed in document A/C.5/34/L.40 was desirable. The amendment proposed by the representative of Pakistan in document A/C.5/34/L.43 would also be inserted into that paragraph, before the words "and to that end". He wondered whether the representatives of Belgium and Tunisia insisted on retaining their own text for the part VI.

18. Mr. DE FACQ (Belgium) said that he and the representative of Tunisia regarded the statement made by the representative of Italy as an indication of support for their own amendment. He therefore requested the Chairman to put their amendment to a vote.

19. Moreover, his delegation and the delegation of Tunisia agreed with the proposal made by the representative of Pakistan.

20. The CHAIRMAN said that he took it that the representatives of Belgium and Tunisia accepted the compromise solution proposed by the representative of Pakistan and withdrew their proposed part VII.

21. Mr. SCHMIDT (Federal Republic of Germany), referring to the compromise proposal by the representative of Pakistan, said that his Government could not agree to the freezing of WAPA, since many factors might arise in the intervening period. However, his delegation would naturally give that question serious consideration the following year.

22. The texts for part VI proposed in documents A/C.5/34/L.41 and L.40 still differed and could both continue to be considered. In the former document a revised draft joint pension system was being proposed, although there had never been any proposal that the whole pension system should be revised. He would therefore interpret the request made in document A/C.5/34/L.41 as being a reference to continuation of the work of ICSC to revise the system as far as necessary.

23. Mr. DE FACQ (Belgium), replying to a question raised by the representative of Trinidad and Tobago, said that the texts for part VI proposed in documents A/C.5/34/L.41 and L.40 were different. The proposals to which reference was made in the first paragraph of the Italian amendment were only partial ones, whereas the two-Power proposal related to a complete system that was to take effect in January 1981.

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24. Mr. STUART (United Kingdom) suggested that the Advisory Committee's draft resolution, amended as suggested in documents A/C.5/34/L.40 and L.43, should be put to the vote and that the amendments in document A/C.5/34/L.41 should be put to the vote separately.

25. Mr. OKEYO (Kenya) said that his delegation could only accept a proposal that would protect the interests of third world pensioners in a comprehensive system. It could support the Advisory Committee's recommendation, as amended by the Australian proposal, together with the text for part VI proposed in document A/C.5/34/L.40. Anything less than the Advisory Committee's proposal would result in serious difficulties, both for the Joint Staff Pension Fund and for persons from third world countries.

26. Mr. MAJOLI (Italy) said that the only portion of part VI in document A/C.5/34/L.41 that could be included in part VI in document A/C.5/34/L.40 was the reference to the date. The words "no later than January 1981" could be inserted in the first paragraph of part VI proposed in document A/C.5/34/L.40, after the words "for correcting".

27. Mr. AKWEI (Acting Chairman of the International Civil Service Commission), referring to the text in document A/C.5/34/L.41, said that the mandate of ICSC did not permit it to consider all aspects of the pension problem. Such action was the role of the Joint Staff Pension Board. Moreover, from a practical point of view, the Commission would not be able to undertake a comprehensive study of the entire pension system within one year. He therefore appealed to the sponsors of the two-Power amendments to make an appropriate adjustment in order to facilitate the Commission's task. He also wished to stress that the Commission was quite ready to co-operate with the Joint Staff Pension Board.

28. The CHAIRMAN suggested that the representatives of Belgium and Tunisia should accept the suggestion put forward by the representative of Italy, on behalf of the sponsors of the amendments in document A/C.5/34/L.40, with regard to the insertion of the words "no later than January 1981" in the first paragraph of part VI in document A/C.5/34/L.40, and that they should not press for a vote on their own text for part VI.

29. Mr. DE FACQ (Belgium) agreed to the suggestion put forward by the Chairman, but expressed doubt as to whether it was possible to solve the pension problem by studying partial solutions.

30. Mr. GARRIDO (United Nations Joint Staff Pension Board) confirmed the assurance given by the Acting Chairman of ICSC that the Commission and the Joint Staff Pension Board would continue to work together on the question of pensionable remuneration.

31. The role of ICSC was to consider the amount and function of pensionable remuneration, and it was the Joint Staff Pension Board that was responsible for considering the other aspects of the pension question.

32. Mr. MAJOLI (Italy), responding to a suggestion by the representative of France, agreed that in the first paragraph of the text for part VI proposed in document A/C.5/34/L.40 the words "continue in 1980" should be replaced by "conclude in 1980".

33. The CHAIRMAN invited the Committee to vote on the first amendment in document A/C.5/34/L.40.

34. The first amendment in document A/C.5/34/L.40 was adopted by 73 votes to 18, with 16 abstentions.

35. The CHAIRMAN invited the Committee to vote on the amendment proposed by the United States delegation at the preceding meeting, whereby part V of the draft resolution proposed by the Advisory Committee (A/34/721, annex II) would be replaced by the following text: "Decides that the United Nations Joint Staff Pension Fund shall not implement in 1980 any interim measures.".

36. The United States amendment was rejected by 73 votes to 11, with 21 abstentions.

37. The CHAIRMAN said it was his understanding that the second amendment in document A/C.5/34/L.40, as revised by the sponsors and as amended by the Pakistan delegation (A/C.5/34/L.43), was acceptable. He therefore invited members to vote on the United Kingdom proposal that the Committee should adopt the draft resolution proposed by the Advisory Committee (A/34/721, annex II), as amended by the addition of the revised text of part VI (A/C.5/34/L.40) and by incorporation of the Australian amendment (A/C.5/34/L.31).

38. The United Kingdom proposal was adopted by 86 votes to none, with 7 abstentions.

39. Mr. GRODSKY (Union of Soviet Socialist Republics) pointed out that, according to the rules of procedure, any delegation could ask for a separate vote on any part of a proposal before the Committee. Had his delegation had the opportunity to speak before the vote, it would have asked for a separate vote on parts I and V of the draft resolution just adopted.

40. Mr. SADDLER (United States of America) recalled that, at the previous meeting, his delegation had formally requested a separate vote on each of the different parts of the draft resolution just adopted. Since that request had been ignored, his delegation had abstained in the vote on the draft resolution, although it could have accepted some parts of it.

41. Mr. DE FACQ (Belgium) said that his delegation had abstained in the vote on the first amendment in document A/C.5/34/L.40, because of the actuarial costs which that amendment would entail. It had also abstained in the vote on the United Kingdom proposal, because it was convinced that no solution could be achieved through partial measures.

42. Mr. LANDAU (Austria) pointed out that under part VI of the draft resolution ICSC and the Pension Board were invited to take full account of the views expressed in the Fifth Committee during the current session. His delegation interpreted that

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(Mr. Landau, Austria)

provision to cover the Austrian proposal calling for a study of a system to assist those pensioners who had retired a long time previously. In that context, he noted that his delegation was also keenly interested in the idea of granting a 10 per cent supplement to all pensioners who had reached the age of 75.

43. Mr. GOSS (Australia) said that his delegation had voted for adoption of the draft resolution as a whole, although not without some misgivings. In adopting the draft resolution, the Committee had, if anything, added to the anomalies and injustices of the existing pension system. His delegation had been guided by a desire to do nothing which would pre-empt the General Assembly's decision on the matter in 1980, but it could not help feeling that, in trying to accommodate simultaneously three separate views, the Fifth Committee had engendered a hybrid.

44. Mr. STUART (United Kingdom) said that his delegation could accept the Pakistan proposal on the same understanding as the delegation of the Federal Republic of Germany. The question of whether to freeze the WAPA index must be considered in the light of the evidence available to the General Assembly at its thirty-fifth session.

45. Mr. KEMAL (Pakistan) pointed out that his delegation had voted in favour of the Advisory Committee's recommendations, as amended during the discussions.

46. His delegation's interpretation of its proposal was rather different from that of the United Kingdom delegation. It believed that, in any good pension system, greater consideration should be given to those pensioners who were poor than to those receiving the highest pensions, that had been the basis for the proposal. While he agreed that ICSC and the Pension Board should take into account the tax levied on pensions, he did not believe that the United Nations should seek to grant higher pensions simply so that some countries could levy higher taxes thereon. Like those of the Federal Republic of Germany and the United Kingdom, his delegation did not consider that its proposal would bind it to any particular course of action. Indeed, the proposal only called on the General Assembly to give serious consideration to freezing the WAPA index, not to commit itself to taking such a step.

47. Mr. OKEYO (Kenya) said that the Pakistan proposal appeared to prejudge a decision to be taken by the General Assembly the following year. Nevertheless, his delegation would not formally oppose the adoption of that proposal.

48. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee agreed to adopt the Pakistan proposal without a vote.

49. It was so decided.

(b) REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/34/30; A/C.5/34/L.28/Rev.1, L.32/Rev.1 and L.39)

50. The CHAIRMAN said that he had received a letter from the President of the Staff Committee at Headquarters concerning investments by the Pension Fund. He did not intend to read that letter out, however, believing that it would not greatly influence the Committee's final decision on the matter and might, indeed, give rise to difficulties.

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51. Mr. WILLIAMS (Panama) announced that the sponsors of draft resolution A/C.5/34/L.28/Rev.1 had decided to modify their draft to take account of views expressed in the Fifth Committee, by deleting the fourth and fifth preambular paragraphs and paragraph 2. They had done so as an expression of their confidence in the work of those administering the Fund, and in the hope that there would be greater diversification of the Fund's investments in coming years than there had been in the preceding one.

52. The change did not represent any weakening of the sponsors' position concerning the concept of adequate geographical distribution of investments, which he considered to be implicit in the call for diversification. He hoped that the administrators of the Fund would bear that point in mind.

53. Mr. LAHLOU (Morocco) announced that Cape Verde, Ghana, Guinea, Madagascar and Sierra Leone had become sponsors of draft resolution A/C.5/34/L.32/Rev.1. The draft alluded to General Assembly resolution 33/121 B. The Secretary-General's report on the Fund's investments (A/C.5/34/30) indicated that little progress had been made over the past 12 months in implementing that resolution, thus, the draft resolution requested the Secretary-General to redouble his efforts, while at the same time carefully observing the criteria established by the General Assembly for the management of the Fund. In so doing, the Secretary-General would be helping to meet the development needs of the African nations.

54. Mr. STUART (United Kingdom) announced that the Netherlands had joined the sponsors of draft resolution A/C.5/34/L.39. That draft resolution was intended to command a consensus: it contained no provision, he believed, to which any delegation could take exception. At the same time, the text met the justified concerns and anxieties of both the staff and the Secretary-General.

55. The draft resolution made no specific mention of the four criteria established for the management of the Fund's resources, since it was believed that their observance was implicit in the terms of the draft resolution. In any event, the Secretary-General and the Investments Committee did not need instructions from the Fifth Committee and had already stated that they would do their best to increase investments in developing countries wherever possible. If the Fifth Committee had any confidence in them, it should leave them to do their work.

56. Draft resolution A/C.5/34/L.32/Rev.1 did not contradict the principles set out in the draft resolution co-sponsored by the United Kingdom. Draft resolution A/C.5/34/L.28/Rev.1, however, remained unacceptable to his delegation even as revised by its sponsors, and he would be obliged to vote against it.

57. Mr. SADDLER (United States of America) pointed out that the English translation of draft resolution A/C.5/34/L.28/Rev.1 was incorrect in two places. He requested the Secretariat to correct the English version.

58. His delegation continued to maintain that the sole reason for the existence of the Joint Staff Pension Fund was to reward staff for long and dedicated service to the Organization. It could not, therefore, support draft resolution A/C.5/34/L.28/Rev.1, even as revised by the sponsors.

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59. Mr. MOREL (Cuba) said that, with the revisions introduced by the sponsors in order to avoid argument in the Fifth Committee and to show their confidence in the Secretary-General, draft resolution A/C.5/34/L.28/Rev.1 was quite acceptable. His delegation had some misgivings, however, over the United Kingdom proposal in document A/C.5/34/L.39; he called for the proposals before the Committee to be voted on in order of submission.

60. Mr. HOUNA GOLO (Chad) suggested two minor drafting amendments to the French text of draft resolution A/C.5/34/L.32/Rev.1.

61. Turning to draft resolution A/C.5/34/L.39, he expressed the view that it was necessary to make specific mention of the four criteria of safety, profitability, liquidity and convertibility, in order to remain consistent with previous resolutions. He therefore suggested that, in paragraph 1 of that draft resolution, the phrase "whenever this serves the interests of the participants and beneficiaries" should be deleted, and replaced by the phrase "taking into account the requirements of safety, profitability, liquidity and convertibility".

62. On the other hand, since it was well known that the General Assembly had every confidence in the Secretary-General, he could see no reason to repeat the fact in paragraph 2 of the United Kingdom draft resolution. He urged the sponsors of that draft resolution to agree to the deletion of paragraph 2, which would make it easier for other delegations to accept the draft without objection.

63. Mr. STUART (United Kingdom) said that the sponsors of draft resolution A/C.5/34/L.39 were ready to accept the addition of a specific reference to the four criteria of safety, profitability, liquidity and convertibility, but they would not accept any further amendment. If it was indeed well known that Members had complete confidence in the Secretary-General, he saw no reason why anyone should object to saying so.

64. Mr. AKSOY (Turkey) said that his delegation would vote in favour of draft resolution A/C.5/34/L.28/Rev.1, since it favoured increased investment of the resources of the United Nations Joint Staff Pension Fund in developing countries. His delegation attached great importance to the geographical distribution of investments. He expected the Secretary-General and the Investments Committee to rely on objective economic and social criteria when determining in which developing countries investments were to be made.

65. His delegation would also vote in favour of draft resolution A/C.5/34/L.39. There was no contradiction in substance between it and document A/C.5/34/L.28/Rev.1. He did not believe that there was any intent to convey a lack of confidence in the Secretary-General as trustee of the Joint Staff Pension Fund.

66. He hoped that draft resolution A/C.5/34/L.32/Rev.1 would be adopted by consensus, since it endorsed the efforts already made by the Secretary-General.

67. Mrs. DIAZ DE PORTILLO (Venezuela) said that her delegation would vote in favour of draft resolution A/C.5/34/L.28/Rev.1 in view of the equitable principles it encapsulated. However, the third preambular paragraph was imprecise, in that it appeared to suggest that the United Nations Joint Staff Pension Fund invested solely in the shares of transnational corporations.

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68. Mr. ASRAT (Ethiopia) said that draft resolution A/C.5/34/L.39 attempted to circumscribe the Committee's deliberations on the investments of the Joint Staff Pension Fund. Its content was rather obvious and was, moreover, covered by draft resolution A/C.5/34/L.28/Rev.1. The Committee had been told that investments in developing countries had already begun. It would be appropriate for the Secretary-General to report to the Committee during the thirty-fifth session on progress in that area. He appealed to the sponsors of A/C.5/34/L.39 to withdraw the draft resolution. It served no useful purpose, and could only lead to confusion. If a vote were taken, his delegation would vote against that draft resolution.

69. He agreed that draft resolution A/C.5/34/L.28/Rev.1 should be voted on first. His delegation would vote in favour of draft resolution A/C.5/34/L.32/Rev.1.

70. Mr. AYADHI (Tunisia) said that his delegation supported draft resolution A/C.5/34/L.28/Rev.1. He acknowledged the efforts made by its sponsors to streamline the text.

71. His delegation would find it very difficult to accept draft resolution A/C.5/34/L.39, unless its sponsors accepted both the amendments suggested by Chad. The draft resolution seemed to have been submitted as a response to documents A/C.5/34/L.28/Rev.1 and A/C.5/34/L.32/Rev.1. The monies in the Fund belonged to the participants and the beneficiaries, but they were invested in the name of the United Nations. The United Nations should be consistent in its investments, which should have some regard for morality. The Secretary-General was being urged to maximize the Fund's profits, but such a concept was not admissible for investments made in the name of the United Nations.

72. Mr. BUNC (Yugoslavia) said that his delegation would vote in favour of all three draft resolutions, since they all appealed to the Joint Staff Pension Fund to invest in developing countries. His delegation would vote for A/C.5/34/L.39, since it had complete confidence in the Secretary-General as trustee of the assets of the Fund. There was a need for new regulations governing investments in developing countries, and the whole issue might require review.

73. Mr. WILLIAMS (Panama) said that a vote should be taken without delay on draft resolution A/C.5/34/L.28/Rev.1.

74. Mr. MARTORELL (Peru) said that his delegation fully supported draft resolution A/C.5/34/L.28/Rev.1, since it was in the interests of the developing countries. His delegation also supported draft resolution A/C.5/34/L.32/Rev.1. His delegation would not, however, vote in favour of draft resolution A/C.5/34/L.39, since its content was already covered by the text in document A/C.5/34/L.28/Rev.1.

75. Mr. PICO DE COAÑA (Spain) said that his delegation endorsed the position adopted by Yugoslavia. His delegation would vote for all three draft resolutions.

76. Mr. P. FALL (Senegal) said that his delegation supported draft resolution A/C.5/34/L.28/Rev.1.

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(Mr. P. Fall, Senegal)

77. Draft resolution A/C.5/34/L.39 placed him in a difficult position, not because he objected to some points in that draft resolution, but because it did not mention previous resolutions adopted on the matter. He appealed to the sponsors to insert a reference to General Assembly resolutions 31/197, 32/73 and 33/121. Failing that, his delegation would be obliged to vote against the draft resolution, which should not in any way be interpreted as a vote of no confidence in the Secretary-General.

78. Mr. STUART (United Kingdom) said that the sponsors of draft resolution A/C.5/34/L.39 believed that those who wished to see it withdrawn, or who intended to vote against it, were apparently not mindful of the Secretary-General's fiduciary responsibility, did not wish the investments of the Fund to serve the interests of the participants and beneficiaries, and did not have complete confidence in the Secretary-General as trustee of the assets of the Fund. His delegation requested a recorded vote on the text.

79. The CHAIRMAN said that, in accordance with rule 128 of the rules of procedure of the General Assembly, the Committee would proceed to a vote on draft resolution A/C.5/34/L.28/Rev.1.

80. Mr. McMAHON (Ireland), speaking in explanation of vote before the vote, said that the nine member States of the European Community would vote against draft resolution A/C.5/34/L.28/Rev.1. They accepted the Secretary-General's policy of giving preference to investment in developing countries where the four prerequisites of profitability, safety, liquidity and convertibility could be met. The draft resolution attempted to undermine the statutory objectives of the Joint Staff Pension Fund, namely the safeguarding and increasing of the financial means available for pension benefits. Nor could the Nine accept the implication that investments in transnational corporations somehow contradicted the purposes and objectives of the United Nations. The resources of the Joint Staff Pension Fund belonged to the staff of the United Nations and to those who had retired. It was inappropriate and unacceptable for the Committee to jeopardize those funds by adopting such one-sided resolutions.

81 Mr. HAMZAH (Syrian Arab Republic) said that his delegation supported draft resolution A/C.5/34/L.28/Rev.1, being in agreement with the content of paragraph 1.

82. Mrs. SANDIFER (Portugal) said that her delegation could not support draft resolution A/C.5/34/L.28/Rev.1. It was not within the competence of the Fifth Committee to instruct the Secretary-General where, and on what grounds, he was to make investments. That was within the competence of the Investments Committee, in consultation with the Secretary-General.

83. Draft resolution A/C.5/34/L.28/Rev.1 was adopted by 76 votes to 18, with 4 abstentions.

84. Mr. PICO DE COAÑA (Spain), speaking in explanation of vote, said that his delegation had always favoured investments in developing countries, subject to careful observance of the requirements of safety, profitability, liquidity and convertibility. Making such investments in consultation with the Investments

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(Mr. Pico de Coaña, Spain)

Committee and in conformity with the Regulations of the Fund offered appropriate guarantees. Nevertheless, if the Fund's portfolio were every placed in the slightest danger, to the detriment of the participants and beneficiaries, his delegation would be forced to reconsider its position and to take appropriate steps.

85. Mr. SWEGER (Sweden) said that his delegation had voted against the draft resolution, since it contained provisions which contradicted the rules governing the management of the Pension Fund. Whilst his delegation favoured investment by the Fund in developing countries, it could not support the request to the Secretary-General in paragraph 1 that the present holdings of the Fund in transnational corporations be reinvested in developing countries. It was important to bear in mind that the assets of the Fund belonged to the staff, and that all investments of the Fund should be made in accordance with established criteria with regard to profitability and safety.

86. The CHAIRMAN said that, if there was no request for a vote on document A/C.5/34/L.32/Rev.1, he would take it that the Committee wished to adopt the draft resolution by consensus.

87. It was so decided.

88. Mr. HOUNA GOLO (Chad) noted that his amendments to draft resolution A/C.5/34/L.39 had not been accepted by the sponsors. It had been stated that some delegations had no confidence in the Secretary-General. He agreed with the representative of Senegal that previous resolutions should be referred to in a draft resolution. His delegation had the utmost confidence in the Secretary-General, yet could not vote for draft resolution A/C.5/34/L.39 owing to that omission. The attitude of the representative of the United Kingdom was far from constructive.

89. Mr. PICO DE COAÑA (Spain) said that his delegation had voted in favour of draft resolution A/C.5/34/L.28/Rev.1, and would also vote in favour of draft resolution A/C.5/34/L.39 since the two were complementary and in no way contradicted each other. The delegations which had stated their opposition to document A/C.5/34/L.39 had no objection to the substance of the draft resolution. He therefore appealed to those delegations not to oppose the draft resolution.

90. Mr. MARTORELL (Peru) said that he rejected the statement made by the representative of the United Kingdom that some delegations which opposed draft resolution A/C.5/34/L.39 lacked confidence in the Secretary-General. His delegation would vote against the draft resolution, but that did not mean that Peru had no confidence in the Secretary-General. He regretted that the United Kingdom delegation had adopted such a contentious attitude.

91. Mr. KHAMIS (Algeria) regretted the rejection of the amendments to draft resolution A/C.5/34/L.39. His delegation accepted the content of the preambular paragraph and of paragraph 2. Nevertheless, his delegation found paragraph 1 to be tendentious, and would therefore abstain in the vote.

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92. Mr. RAMOS (Cape Verde) said that his delegation was mindful of the Secretary-General's fiduciary responsibility as the trustee of the assets of the Joint Staff Pension Fund. It was implicit that the interests of the participants and beneficiaries were taken into account when making investments. The explicit mention of that consideration in the draft resolution prejudiced the investments of those funds in developing countries. His delegation would, therefore, vote against the draft resolution.

93. Mr. HAMZAH (Syrian Arab Republic) said that his delegation had the utmost confidence in the Secretary-General. There was no need to reaffirm that confidence in writing, unless there were doubts as to his actions as trustee of the Fund. Paragraph 2 appeared to cast doubts on the Secretary-General as trustee. For that reason, his delegation could not participate in the vote.

94. Mr. ZINIEL (Ghana) said that his delegation did not object to the content of the preambular paragraph nor that of paragraph 2. Had the United Kingdom been prepared to accept the amendments to paragraph 1, his delegation could have supported the draft resolution, which had a great deal of merit. In the circumstances, his delegation would abstain in the vote.

95. At the request of the representative of the United Kingdom, a recorded vote was taken on draft resolution A/C.5/34/L.39.

In favour: Australia, Austria, Bahamas, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Egypt, Finland, France, German Democratic Republic, Germany, Federal Republic of, Greece, Guatemala, Hungary, Ireland, Israel, Italy, Japan, Liberia, Mexico, Mongolia, Netherlands, New Zealand, Poland, Portugal, Romania, Spain, Sweden, Trinidad and Tobago, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United States of America, Upper Volta, Yugoslavia

Against: Afghanistan, Cape Verde, Chad, Congo, Costa Rica, Cuba, Democratic Yemen, Ethiopia, Iraq, Libyan Arab Jamahiriya, Madagascar, Panama, Peru

Abstaining: Algeria, Argentina, Bahrain, Barbados, Benin, Brazil, Burundi, Central African Republic, Chile, Ecuador, Ghana, Guyana, India, Indonesia, Jordan, Kenya, Lesotho, Malaysia, Mauritania, Morocco, Mozambique, Oman, Philippines, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Singapore, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Zaire, Zambia

96. Draft resolution A/C.5/34/L.39 was adopted by 40 votes to 13, with 35 abstentions.

The meeting rose at 1.50 p.m.