



COPY:
DO NOT REMOVE
FROM ROOM
L-301

SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. BRODODININGRAT (Indonesia)

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

CONTENTS

AGENDA ITEM 101: PROGRAMME PLANNING (continued)

AGENDA ITEM 109: UNITED NATIONS PENSION SYSTEM (continued)

(a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued)

(b) REPORT OF THE SECRETARY-GENERAL

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)

First reading (continued)

Section 15. United Nations Conference on Trade and Development (continued)

* This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room A-3850, 866 United Nations Plaza (Alcoa Building), and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate fascicle for each Committee.

Distr. GENERAL
A/C.5/36/SR.37
23 November 1981
ENGLISH
ORIGINAL: FRENCH

The meeting was called to order at 3.10 p.m.

AGENDA ITEM 101: PROGRAMME PLANNING (continued) (A/36/38; A/C.5/36/1)

1. Mr. BOUZARBIA (Algeria), referring to paragraph 12 of the report of the Joint Inspection Unit (A/36/171), acknowledged that the setting of priorities was equivalent to "transfers of resources needed to make substantial changes in the programme of the Organization", provided the deliberative bodies retained control of the implementation of the commitments undertaken throughout the programme planning and budgeting process. However, there was no orderly relationship between the decisions of the General Assembly and their implementation by the Secretariat. The necessary link to ensure co-ordination and to monitor implementation was lacking, despite the progress achieved through the partial implementation of General Assembly resolution 32/197. It was therefore necessary to go further and establish a point of reference. Thus, for example, the rate of programme implementation appeared to be less than 80 per cent, whereas the funds allocated to programmes were used at the rate of 100 per cent. Furthermore, the partial implementation of programmes in fact represented negative real growth rates.

2. He recalled that, in its resolution 32/197, paragraph 48, the General Assembly had felt that there should be close co-operation between the Committee for Programme and Co-ordination (CPC) and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and they should work out appropriate arrangements for maintaining continuous contact. In his delegation's view, there was a need to adopt a series of interim measures with a view to establishing a "single committee" replacing both CPC and ACABQ. In view of the implication of such a proposal and the reforms needed in order to solve the questions arising at the various levels, serious and well thought out preparatory work would be required. In the first place, it was necessary to remove the burden of prior determination of the total appropriation, to ensure its optimal utilization for programme implementation while exercising the strictest intergovernmental control and, in so doing, to effect transfers of resources within the budget, taking account of activities that were obsolete, of marginal usefulness or ineffective.

3. Experience demonstrated the need to play a greater role at the intergovernmental level and to define more fully the task assigned to each unit of the Secretariat. In his view, the opportunity for such a change might be provided by the holding of a special session of the Economic and Social Council, at which account would be taken, inter alia, of any conclusions reached by the Committee of Governmental Experts to Evaluate the Present Structure of the Secretariat in the Administrative, Finance and Personnel Areas.

AGENDA ITEM 109: UNITED NATIONS PENSION SYSTEM (continued) (A/36/9, A/36/624; A/C.5/36/12, A/C.5/36/L.5, L.6, L.7/Rev.1 and L.8)

- (a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD
- (b) REPORT OF THE SECRETARY-GENERAL

/...

4. Mr. BUNC (Yugoslavia) said that the special index for pensioners should include the impact of national taxation in particular countries. In view of the complexity of the question, his delegation agreed with the International Civil Service Commission (ICSC) that more time was needed before specific recommendations could be prepared, but believed that, since the question was one of priority, the recommendations should be submitted to the General Assembly at its thirty-seventh session.

5. His delegation did not believe that the actuarial position of the Fund could be improved by raising the age of retirement. Such a measure would be against General Assembly resolutions 35/210 and 35/214, would block the recycling of personnel in the Secretariat, and would impede professional mobility. He believed that the Board should submit a comprehensive study of the possible alternatives, so that a decision could be taken at the thirty-seventh session of the General Assembly.

6. As to the investments of the Fund, he welcomed the rate of return for the year ended 31 March 1981 and congratulated the Secretary-General on his judicious management of the Fund. He regretted, however, that the General Assembly resolutions requesting that a larger proportion of the Fund's resources should be invested in developing countries had been observed only partially. In his delegation's view, the principle of diversification applied not only to the type of assets but also to their geographical distribution and to the currencies in which they were denominated. The Investment Committee should increase the investments in developing countries while taking into account the preference of many developing countries for capital assistance on a concessionary basis.

7. Mr. SOKOLOVSKY (Byelorussian Soviet Socialist Republic) said that the report of the United Nations Joint Staff Pension Board (A/36/9) confirmed that the resources of the Fund were not utilized rationally. The actuarial valuation as at 31 December 1980 revealed that a considerable deterioration had occurred, resulting in an actuarial deficit of \$722.1 million. That deterioration could be ascribed mainly to the constant increase in salaries and allowances, which was not fully offset by the progress in investment return. United Nations pensions were noticeably higher than those of the officials of Member States.

8. In order to rectify that anomaly, the Committee should request the Board and ICSC to study as a matter of urgency the question of the amount of all the types of pensions paid in the United Nations as compared with the amount of the pensions paid to employees of corresponding occupations and levels belonging to the civil services of countries in which the headquarters of organizations of the United Nations system were situated, and to report on the results thereof to the General Assembly at its thirty-seventh session (A/C.5/36/L.8).

9. He considered that the membership of the Board should be changed in order to ensure equal representation of the representatives of both staff and Member States in order to ensure that a more objective and balanced account was taken of the interests of the two parties.

10. As to the action envisaged by the Board to rectify the actuarial situation of the Fund, his delegation was firmly opposed, under article 27 of the Regulations of the Fund, to the raising of the rate of contributions. The General Assembly, in

(Mr. Sokolovsky, Byelorussian SSR)

resolution 3526 (XXX), had clearly directed the Board to propose a unified and durable system "which does not require an increase in the present or future financial responsibilities of Member States". His delegation also opposed a review of the current practices, itself already discriminatory, of refunding half their contributions to organizations in respect of participants who withdrew before completing five years' pensionable service. The management of the Fund should carry out an over-all analysis with a view to submitting to the General Assembly, at its thirty-seventh session, specific proposals which did not entail any additional burden for Member States. To that end, the Board should consider discontinuing any liberalization of retirement benefits pending the rectification of the actuarial situation. His delegation also proposed that the Board should resume its study of the calculation of pensionable remuneration in the light of the actuarial situation of the Fund.

11. He was concerned at the weakness of the arguments invoked to justify the losses incurred in the investment of the resources of the Fund, losses which in absolute terms represented considerable sums. He noted with satisfaction the growth of investments in developing countries, particularly in Africa, and pointed out that the diversification of investments constituted a basic principle which enabled the criteria of security, profitability, liquidity and convertibility to be satisfied.

12. Mr. GODFREY (New Zealand) said that his delegation continued to attach high priority to the development of a special index for pensioners and looked forward to the specific proposals which the Board would submit at the thirty-seventh session. His delegation was concerned at the worsening actuarial situation of the Fund. It therefore supported the Advisory Committee's proposal (A/36/624, para. 25) that specific remedies should be recommended by the Board to the General Assembly at its thirty-seventh session.

13. Mrs. de HEDERVARY (Belgium) said she shared the Advisory Committee's hope that the Joint Staff Pension Board would endeavour to find solutions other than increasing the rate of assessment or resorting to article 27 of the Regulations of the Pension Fund in order to restore the actuarial balance. Neither the Governments nor the institutions were prepared to agree to an increase in their assessment or to meet the deficit.

14. According to the Advisory Committee, if the retirement age was raised to 62 years, the actuarial deficit would be reduced by 40 per cent, and if the retirement age was raised to 65 years, the deficit would disappear entirely. Such an increase in retirement age would have other advantages as well and would be less open to the abuses resulting from the fixing of the age limit at 60 years, such as the promotion of staff members of D-2 grade to the grade of Assistant Secretary-General, or the practice whereby high-level staff members who left the Organization, often even before reaching retirement age, would immediately rejoin the Organization and resume the same functions as before. If the actuarial deficit of the Pension Fund was to be met, it was essential to preserve the credit of the United Nations system with Member States. Her delegation therefore proposed putting a ceiling on payments made to staff members of the highest grade. While such a measure would not eliminate the actuarial deficit, it would make it possible at least to eliminate abuses.

/...

(Mrs. de Hedervary, Belgium)

15. In her view, it was also possible to increase the number of participants in the Pension Fund, which should include all qualified persons and all qualified organizations. It therefore wished to request the Board to inform the Committee at the thirty-seventh session of the General Assembly of the categories of United Nations staff members which were now excluded from the Fund or unaffiliated, the number of staff members involved, the reasons for their non-participation, and the consequences which their affiliation would have for the present actuarial situation of the Fund.

16. Her delegation supported the draft resolution proposed to the General Assembly by the Board with regard to additional measures to be taken for the benefit of those who had retired during the first years of existence of the Fund and of other pensioners who had reached an advanced age. She recalled that Belgium had taken the initiative to propose to the General Assembly a series of measures aimed at improving modest pensions. That was a moral obligation, and she would have liked to see more done in behalf of the pensioners concerned.

17. Mr. LAHLOU (Morocco) said that the next session of the General Assembly would be decisive for the improvement of the Fund's situation and functioning. For the present, he observed that the General Assembly had always considered the question of pensions from a humanitarian point of view, and he therefore expressed satisfaction at the fact that the Board and ICSC had acted in accordance with the General Assembly's intentions and submitted some very positive technical proposals.

18. His delegation had taken note of the information furnished in paragraphs 8-11 of the Board's report (A/36/9), which gave an account of the progress made by the Pension Fund. It had also taken note of the fact that the Board had taken up the question of the special index for pensioners and that ICSC preferred the so-called "step-by-step" method, which his delegation felt was appropriate in the circumstances (para. 16). It was satisfied with the information given in paragraph 34 on the actuarial evaluation of the Pension Fund and other measures which would be taken to meet the needs of the participants. The proposals made by ICSC to solve the grave financial problem of the Pension Fund had his delegation's full support.

19. Referring to the draft resolution submitted by Belgium, the United States and Kenya (A/C.5/36/L.7/Rev.1), he said that the revised text was closer to the Moroccan legal regime and to Islamic morality with regard to the status of spouses. His delegation therefore supported the draft resolution.

20. Mr. RUEDAS (Assistant Secretary-General for Financial Services) introduced the Secretary-General's report on the investments of the Pension Fund (A/C.5/36/12), which was to be examined in the light of paragraphs 45-53 of the Board's report (A/36/9), in which the latter gave an accounting of its management.

21. Reviewing the various questions taken up in the Secretary-General's report, he expressed the view that the results obtained by the Pension Fund had been extremely favourable during the financial year in question. It was true that during the

/...

(Mr. Ruedas)

preceding year the rate of return on investments had been low, in spite of all the precautions taken. The long-term result was the most significant: over the past 21 years the rate of return amounted to 6.35 per cent per year, which was satisfactory.

22. That was attributable to the composition of the Pension Fund's portfolio, whose constituent elements had behaved well. It should be noted that in 1981 greater emphasis had been placed on variable-income securities than on bonds and immovable property. The diversification of the Pension Fund's investments was therefore being carried on not only with respect to the nature of the holdings but also with respect to the currency and the countries in which the investments were made. At present 55 per cent of the Fund's holdings were invested outside the United States, in 43 different countries, 19 of which were developing countries.

23. Taking up part B of the Secretary-General's report, relating to the application of General Assembly resolutions, he said that the investments of the Pension Fund in developing countries had increased from \$306 million in 1980 to \$392 million in 1981, or an increase of 28 per cent. The proportion of development-linked bonds in the portfolio had risen from 16 to 18 per cent. More specifically, investments in Africa today amounted to \$30 million. That was still inadequate, as was recognized by the Secretary-General in paragraph 15.

24. With regard to the delicate question of reinvestment of the proceeds of the sale of holdings to transnational corporations, the Secretary-General was convinced that the steps taken during the year were consistent with prudence and balance, in accordance with the wishes of the General Assembly. Prudence was, in any event, the cardinal rule of the Fund's operations: prudence in the diversification of the portfolio, prudence in investments, and prudence in administration. No precaution that could serve the interests of all the participants in the Fund was neglected.

25. Mr. STUART (United Kingdom), speaking on behalf of the 10 States members of the European Economic Community, introduced draft resolution A/C.5/36/L.5. The text was very brief, since it was designed merely to indicate that the Secretary-General's report was consistent with the intentions of the General Assembly. If paragraph 2 seemed too vague, the sponsors were prepared to accept any amendment aimed at clarifying it.

26. Mr. TUNSALA (Zaire) recalled that the problem of diversification of the Fund's investments had been causing the General Assembly concern for some time: at its thirty-fourth session, it had requested the Secretary-General to continue efforts aimed at diversification in a manner favourable to the developing countries; at its thirty-fifth session, in resolution 35/216, it had also asked the Secretary-General to continue to consult with the States members of OAU with a view to studying the extent to which the latter could absorb the credits provided by the Fund. The Board's report stated that despite the obstacles resulting from the market, the conditions of security, profitability, liquidity and convertibility imposed on the Fund's investments had been respected in so far as investments in Africa were concerned.

/...

(Mr. Tunsala, Zaire)

27. He observed, however, that investments made in the 19 developing countries referred to in the report had remained very modest. The Fund had a capital of more than \$2 billion, and out of investments amounting to \$350 million in 1981, Africa had received only \$4.7 million. It was unfortunate that only 5 of the 52 member countries of OAU had benefited from those investments. Moreover, the Fund had invested money with the major regional and international banks. However, the African Development Bank, which had an enviable regional reputation, maintained relations with Arab, European and global banks, and offered all the necessary guarantees, had received only \$3,884,000. Counting everything - bank investments and State investments - the investments in Africa represented only \$14 million for the financial year in question.

28. His delegation would like to know the results of the consultations which the General Assembly, in its resolution 35/216 C, had asked the Secretary-General to undertake with OAU and the African Development Bank. It did not believe that a simple exchange of correspondence was sufficient in the circumstances to make clear the needs of the African countries. A contact mission to the Governments concerned would be more useful. Those consultations would certainly provide the way to improve the volume of investments made by the Fund in Africa. That was, in any case, the view of all the African countries.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)
(A/36/6, A/36/7, A/36/38)

First reading (continued)

Section 15. United Nations Conference on Trade and Development (continued)

29. Mr. McINTYRE (Acting Deputy Secretary-General of the United Nations Conference on Trade and Development) said that UNCTAD had also been experiencing for a long time a serious problem in determining priorities because of lack of agreement among its members. That problem was further complicated by the uncertainties of the negotiating process. The UNCTAD Working Party on the medium-term plan and programme budget had been expected to take a decision on programme priorities at a recent meeting. Its members had been unable to reach agreement on steps to be taken. At the second part of its twenty-third session the Trade and Development Board had decided to inform the United Nations that it had been unable to establish priorities for its programme. The Secretary-General of UNCTAD had frequently stated his views on those activities which he considered the most urgent, particularly to the Second Committee, but the intergovernmental agencies had taken no decision.

30. With regard to programme 2, "Commodities", the UNCTAD secretariat thought that, in the view of member States, efforts should be concentrated on subprogramme 2, ("Action with respect to developmental and general objectives of international commodity policy"). It was necessary to promote the development of that sector, and the question of protectionism (programme element 2.6) was only one of the aspects to be considered. Nevertheless, the budget of UNCTAD anticipated several additional months of work in that regard.

/...

(Mr. McIntyre, UNCTAD)

31. With regard to the question of programme evaluation, he recalled that at the request of CPC a study had been undertaken by UNCTAD and UNIDO on programme evaluation in the field of manufactures and had been submitted to CPC at its twentieth session (E/AC.51/1980/2). The Working Party on the medium-term plan and programme budget, which had considered that study, had been unable to reach any conclusion on it. In accordance with resolution 231 (XXI) of the Trade and Development Board, the question of programme evaluation would be considered by the Working Party in the fall of 1982 on the basis of the documentation to be produced in the interim. For the time being, the UNCTAD secretariat had preferred to defer a reference to that question in the proposed programme budget for 1982-1983.

32. In the area of money and finance, subprogrammes 1 and 2 had a basic mandate, for which purpose the Committee on Invisibles and Financing Related to Trade had been established. With respect to the debt problems of developing countries, the subprogrammes strictly reflected the mandate contained in resolutions 165 (S-XI) and 222 (XXI) of the Trade and Development Board. UNCTAD did not organize debt reorganization meetings. The output listed in programme element 1.4 referred to the contribution of UNCTAD to the multilateral forums in which it was invited to participate as an observer. UNCTAD had reached agreement with the executive heads of IMF and the World Bank concerning their informal co-operation in order to help developing countries which wished to avail themselves of the expertise of three organizations.

33. It was regrettable that several countries had not yet been able to participate in the ad hoc intergovernmental high-level group of experts which had been established by UNCTAD resolution 128 (V) to examine fundamental aspects of international monetary issues.

34. The Trade and Development report for 1981 indicated that at the Board's latest session more than 60 delegations had spoken on the question of the contribution of UNCTAD to the programme for money, finance and development. It had never been said that the report duplicated similar reports of IMF and the World Bank; on the contrary, the secretariat had been complimented for the quality and usefulness of the report.

35. The UNCTAD programme in the field of economic co-operation among developing countries, which affected the entire United Nations system, was based on the mandates contained in resolution 1 (I) of the UNCTAD Committee on Economic Co-operation among Developing Countries and UNCTAD Conference resolution 127 (V), both of which had been adopted unanimously. None the less, the provision of meetings of governmental experts from developing countries had on two occasions been put to a vote in the Trade and Development Board, the last vote occurring at the resumed twenty-third session. At that time, the Board had invited its President to hold consultations with the regional groups prior to its twenty-fourth session in order to find an agreed basis for UNCTAD activities in the field of economic co-operation among developing countries.

36. The question of the mandate of the Ad Hoc Expert Groups had been the subject of discussion in the UNCTAD Working Party on the medium-term and programme budget.

/...

(Mr. McIntyre, UNCTAD)

Those groups were instrumental in clarifying technical problems which arose in the course of ongoing negotiations and deliberations and were, therefore, convened at short notice. In that connexion, the representative of Canada had made a very constructive proposal in the Working Party, which the secretariat would introduce into future budget presentations, to the effect that allocations for expert groups should be grouped together in a single budget section so that funds could then be assigned when the expert groups received legislative authorization.

37. With regard to consultants, the allocation of \$23,000 requested under the programme "Executive direction and management" was meant for issues of a cross-sectoral nature; for that reason, they could not be allocated to individual programmes.

38. In relation to the provision for consultants in the programme on commodities the UNCTAD secretariat had explained that, in view of the increased emphasis on subprogramme activities in that field, particularly the processing and marketing of minerals and metals, it was necessary to call in experts in order to supplement the work being done by the regular staff.

39. The number of D-1 posts in the Integrated Programme for Commodities had been reduced from six to three, with three of the posts being downgraded to the P-4 level. It appeared that during 1982-1983 negotiations might be undertaken on a number of products and that the preparatory work for other negotiations could be intensified. The secretariat might also be required to play a role in the extension, modification or re-negotiation of agreements on certain products, particularly sugar.

40. Under UNCTAD resolution 124 (V) Governments had also committed themselves to the establishment of a framework for international co-operation in the field of processing, marketing and distribution. It might be necessary to utilize staff resources for negotiations on preparatory activities in those fields, which entailed extensive high-level collaboration with delegations. The secretariat, therefore, considered three D-1 posts to be the irreducible minimum.

41. The foregoing considerations also had relevance to the number of meetings under IPC, for which UNCTAD's estimates of conference-servicing requirements were based on the foreseeable acceleration of negotiations and preparatory activities. Should the Common Fund commence operation during the biennium, that would probably result in an intensification of activities, particularly with regard to the preparation of programmes and projects for financing by the Second Account.

42. With regard to shipping, UNCTAD had been very active in that area and in the fields of ports and international shipping legislation, and in dealing with those questions it focused on their economic aspect, especially their effect on the trade balance and balance-of-payments of developing countries. UNCTAD had accomplished very concrete results in that area, such as the Convention on a Code of Conduct for Liner Conferences and the United Nations Convention on Multimodal Transport.

/...

(Mr. McIntyre, UNCTAD)

43. With regard to national liberation movements and the travel costs of their representatives, UNCTAD was complying strictly with the wishes of the General Assembly, and especially with resolution 3280 (XXIX). UNCTAD had not asked for supplementary appropriations for the travel costs in question but had instead reduced the appropriations requested for its own staff in order to cover them.

44. The work of preparing the UNCTAD budget had recently been given increased attention by the competent bodies. For example, the Trade and Development Board had made certain arrangements to strengthen the role of the Working Party on the medium-term plan and the programme budget, which met twice yearly. Some changes had been made in the final text of the proposed programme budget for 1982-1983. For example, the chapter on manufactures had been entirely rewritten after review by the Working Party. There was therefore no reason to doubt, as some in the Committee had, that the Working Party would be able to handle the additional responsibilities included in its new terms of reference.

45. With regard to the revision of the budget, it was understandable that some delegations should be disappointed that their suggestions on the proposed programme budget and the medium-term plan had not been taken into consideration. The report of the Working Party contained a number of recommendations on which it had not been possible to reach agreement and which the UNCTAD secretariat could therefore not take into account in revising the budget.

46. Mr. RAKAU (German Democratic Republic) asked whether the six ad hoc posts mentioned in paragraph 15.89 for temporary staff for the Integrated Programme for Commodities were still justified, since agreement had been reached on that matter.

47. Mr. ALI (Bangladesh), referring to paragraph 15.69 of the proposed programme budget, which indicated that the appropriation requested was a provisional one, asked how it was intended to secure the necessary resources to implement the Programme of Action adopted at the United Nations Conference on the Least Developed Countries.

48. Mr. PAL (India), observed that the UNCTAD secretariat had submitted a budget which was based on programmes and had cited in each case the pertinent legislative texts; he regretted that the secretariat had not advised CPC directly of the difficulties which it had described to the Fifth Committee and that it had not clearly brought up the question of mandates beforehand. The mandate of UNCTAD had been very clearly reaffirmed by the General Assembly, particularly in resolutions 34/216 and 35/60. Moreover, the UNCTAD programme had received critical scrutiny from at least three bodies: the Working Party on the medium-term plan and the programme budget of UNCTAD, the Trade and Development Board, and CPC. There was therefore no need for the Committee to go over it once again.

49. Mr. McIntyre had been entirely correct in stating that, in the absence of consensus, it was not for the UNCTAD secretariat to establish an order of priority. It was laid down in the annex to General Assembly resolution 32/197 that intergovernmental bodies should propose to the General Assembly, through the Committee for Programme and Co-ordination, the relative priorities at the subprogramme level. His delegation hoped they would be able to do so in future, and it reiterated its confidence in UNCTAD.

/...

50. Mr. BOUZARBIA (Algeria) said that he concurred with the representative of India. In his view, the UNCTAD's mandate with regard to money, finance and development fell within the framework of the North-South dialogue and the global negotiations. Some delegations wanted to prevent UNCTAD from fulfilling that mandate. They therefore refused to debate the role of UNCTAD in the Committee and preferred to have it considered in the specialized agencies.

51. As for the comments that there were too many working groups on commodities, it should be remembered that 18 raw materials had been selected and only a few agreements had been concluded (on rubber and tin, specifically). Some agreements had not yet come into being, such as the one on cocoa, which had been under negotiation for years. The negotiations on commodities were interdependent, and if there was no agreement, the Common Fund would not be able to function.

52. On the subject of the national liberation movements, he said that Algeria supported the liberation movements recognized by the United Nations. Since no additional appropriations had been requested for them, the opposition of some delegations to the participation of the liberation movements in the negotiations could only stem from reasons of principle. The time spent in discussing the travel costs involved was more costly than the travel itself.

53. Mr. BRILLANTES (Philippines) said that his country was closely associated with the activities of UNCTAD; it was UNCTAD's mission to promote the economic and social progress of developing countries, a sphere in which it was one of the most dynamic forces. The developed countries themselves had recognized that the development of developing countries would also be beneficial to the entire international community. The question was, then, what the United Nations should do to encourage the developing countries to strengthen economic co-operation among themselves: reduce the budget or provide UNCTAD with the resources to promote such co-operation.

54. Every time resources were requested to assist developing countries to achieve the priority objectives endorsed by the General Assembly, some delegations came forward to declare that the developing countries could not meet unless other countries participated in their meetings. That was unacceptable, for the developing countries needed to agree among themselves in order to speak freely about their economic development.

55. As for the practice of consensus, although it was appealing, it was none the less an obstacle in cases in which a handful of delegations worked together to obstruct the collective will. In his view, voting was the most democratic way of taking decisions and he hoped that the Trade and Development Board would make liberal use of the vote.

56. Mr. KEMAL (Pakistan) endorsed the remarks made by the representatives of India, Algeria and the Philippines. He regretted that the principle of zero budget growth had the result of impeding any significant expansion of the programmes of UNCTAD, whose work was particularly useful. That alone showed its serious drawbacks for the developing countries.

/...

57. Mr. HICKEY (Australia) said that his country supported what UNCTAD - an extremely useful institution, particularly in the field of commodities - was doing and that criticism of the secretariat for showing too little concern for the budgetary process should not be interpreted as criticism of UNCTAD itself. It was true that his delegation had expressed views which differed from those of others, but it was in the very nature of international bodies such as UNCTAD and the United Nations to be as open as possible to different viewpoints.

58. Australia was not insensitive to the arguments of the developing countries. It strongly supported the North-South dialogue, as did all of the Commonwealth countries which had participated one month earlier in the Meeting of the Commonwealth Heads of Government, at which the participants agreed to facilitate that dialogue.

59. It was the Fifth Committee's task to take a decision on the UNCTAD budget and in doing so to apply the same checks as it did to other sections of the budget. If the appropriations requested in section 15 were put to the vote, his delegation would abstain.

60. Mr. DROUSHIOTIS (Cyprus), noting that some delegations had questioned UNCTAD's mandate with respect to money, finance and development, and to economic co-operation among developing countries, fully endorsed the comments which had just been made by the representative of India.

61. UNCTAD's work on shipping was particularly important for the developing countries. Greater resources should therefore be allocated to it so that it could continue its work in that area.

62. Mr. BOUZARBIA (Algeria) said that his delegation's remarks had in no way been directed to Australia, whose constructive role in the North-South dialogue and in the establishment of a generalized system of preferences had been appreciated. His intention had in fact been to have the question of UNCTAD's mandate regarding money, finance and development considered in the context of the current global negotiations.

63. Mr. McINTYRE (Acting Assistant Secretary-General of the United Nations Conference on Trade and Development) said, in reply to the question asked by the representative of the German Democratic Republic as to whether the posts attached to the Integrated Programme for Commodities should not be retained after the conclusion of the international agreement on natural rubber, that rubber was only 1 of the 18 commodities covered by the Integrated Programme. UNCTAD had assigned only limited staff resources to that programme element. Before the Integrated Programme was adopted, the natural-rubber-producing countries had already started preparatory work with a view to the conclusion of an international agreement. The UNCTAD secretariat had confined itself to preparing the documents needed for the negotiations. In any case, UNCTAD was bound by the decisions of the Conference and of the General Assembly to redeploy the resources made available by the conclusion of an agreement on a particular commodity in such a sense as to promote measures relating to development objectives, particularly the establishment of a framework of international co-operation designed to help developing countries to intensify their processing of export commodities and to increase their exports of processed products.

(Mr. McIntyre, UNCTAD)

64. In reply to the question asked by the representative of Bangladesh regarding the resources required to implement the Substantial New Programme of Action adopted at the conclusion of the United Nations Conference on the Least Developed Countries, he said that the Secretary-General would submit a report on the matter to the General Assembly in the near future.

65. Mr. BEGIN (Director, Budget Division) said that the report in question, which had been prepared by the Director-General for Development and Economic Co-operation, was being translated and would soon be submitted to the Second Committee. If the Second Committee adopted a resolution or decision having financial implications, it would be brought before the Fifth Committee.

Decisions on section 15

66. The CHAIRMAN reminded members that the United States had requested a separate vote on the \$98,200 appropriation for the travel costs of representatives of the African national liberation movements recognized by OAU, who were to participate in UNCTAD meetings.

67. Mr. ZINIEL (Ghana) said that his delegation would vote in favour of the appropriation.

68. Mr. EL SAFTY (Egypt) said that he would vote in favour of the appropriation requested for reasons of principle, since the liberation movements in question had been recognized by the General Assembly. He pointed out that he already requested the opinion of the Legal Counsel on that point.

69. An appropriation in the amount of \$98,200 under section 15 for the biennium 1982-1983 to cover the travel costs of representatives of African national liberation movements was approved in first reading by 86 votes to 1, with 10 abstentions.

70. Mr. DENEKEW (Ethiopia), speaking in explanation of vote, said that he had voted in favour of the appropriation because his country supported the African national liberation movements recognized by OAU and by the United Nations.

71. Mr. NKOUNKOU (Congo) said that his delegation had supported the appropriation because the African national liberation movements were defending just causes.

72. Mr. KABA (Guinea), Mr. DROUSHIOTIS (Cyprus) and Mr. LAHLOU (Morocco) said that if they had been present at the time of the vote, they would have voted in favour of the appropriation.

73. The CHAIRMAN invited the members of the Committee to decide on section 15 as a whole, taking into account the recommendations of the Advisory Committee. The appropriation requested amounted to \$56,851,000. The representative of the United States of America had requested a vote on the section.

/...

74. Mr. MAL'KO (Ukrainian Soviet Socialist Republic) said that his delegation would abstain in the vote because, for the reasons of principle it had stated during the general debate, it was against the conversion of temporary posts into permanent ones and against the post reclassifications requested in section 15. It also could not agree to appropriations to offset the effects of inflation in 1982 and 1983.

75. The recommendation of the Advisory Committee for an appropriation in the amount of \$56,851,000 under section 15 for the biennium 1982-1983 was approved in first reading, subject to any adjustments required by the decisions of the Committee on the recommendations of the Committee for Programme and Co-ordination.

76. Mr. ZINIEL (Ghana), speaking in explanation of vote, said that his delegation had voted in favour of the appropriation because UNCTAD's work served the interests of the international community as a whole, as the representative of the Philippines had eloquently stressed. His country attached special importance to the subprogramme on economic co-operation among developing countries, which was based on the fundamental idea of interdependence.

77. Mrs. DORSET (Trinidad and Tobago) said that she had voted in favour of the appropriations requested under section 15 in order to show her country's support for UNCTAD's work, particularly in the areas of shipping, and money and finance. In that connexion she would like to see greater efforts made to combat inflation, which was not just a "phenomenon", as the narrative in the proposed programme budget put it, but a real scandal.

The meeting rose at 6 p.m.