

Second, although good and steady progress has been achieved in the implementation of resolution 41/213, and this is vital for the financial and political well-being of the Organization, the process of reform has raised a number of important practical issues which demand timely resolution. We must this year address complex, and, to a certain degree political, issues such as the definition of a contingency fund and the setting of an overall level on budgetary resources. My delegation will present its views on these and other issues later in this statement.

Third, while continuation of the recruitment freeze through 1987 and implementation of other operational economies during 1986 and 1987 have enabled the United Nations to remain solvent through the current year, the Organization has paid a considerable price. The implementation of mandated programmes is threatened and distortions in staffing patterns and staff remuneration are hardening and taking on an air of permanence. If these matters are not addressed, they could have serious and long-term deleterious effects.

Fourth, there are new and pressing demands on the United Nations in almost every field of activity. The U.N. is asked to arbitrate between Iraq and Iran and to respond to the worsening economic situation in Africa. It is required to show leadership on numerous economic questions, such as the "Brundtland Report" (the report of the World Commission on Environment and Development) and social issues such as how do we deal with AIDS. The Secretary-General himself pointed out the obvious paradox, that of the persisting financial crisis "at a time when the role of the United Nations is becoming even more vital and recognized as such".

Fifth, the programme budget proposal before us is "transitional" in nature and lacks the customary programmatic and financial detail on what will really happen in the upcoming biennium. Since the original instructions to programme managers preceded adoption of resolution 41/213, and since fascicles had to be prepared this past spring for review by ACABQ and CPC, the Secretary-General's proposal does not, and could not be expected to, reflect many of the fundamental changes stemming from Resolution 41/213. Despite this lack of precision, my delegation concurs with ACABQ in considering the budget proposal as an indispensable first step for the development of a proper programme budget for the 1988-89 biennium. The contents of the Secretary-General's current proposal should constitute a firm basis upon which reform, restructuring and revisions build in a clear, logical, orderly and timely manner.