

Mr. Chairman,

These introductory points lead logically to consideration of the programme budget itself. The Secretary-General's proposal for the 1988-89 biennium calls for gross expenditures of \$1.68 billion, some \$30 million below the \$1.71 billion that is the current appropriation for 1986-87. This reduction, estimated by the Secretary-General as 1.8 percent in nominal terms and 1.5 percent in real terms, means that for the first time ever at this stage in consideration of the budget, we have a decline in expenditures from one biennium to the next. This is an important event in its own right, and represents a continuation of the steady decline in budgetary growth rates which has characterized the budget proposals of recent biennia.

However, despite the significant reduction proposed by the Secretary-General, the final level of the budget remains uncertain. This Committee must still discuss the proposals of ACABQ for a reduction of \$51.4 million and possible increases stemming from recommendations in the reports of ICSC and the Joint Staff Pension Board. The financial information for some sections is not yet included in the proposed programme budget. A decision must be taken on establishment of a contingency fund to accommodate resolutions with financial implications which the General Assembly might adopt during the course of its 42nd Session and which otherwise would be treated as "add-ons". Finally, the budget appropriation will have to be recalculated in December taking into account recent fluctuations in exchange rates. In the absence of an agreement by CPC on an overall level of resources for 1988-89 we will not have a final figure for budgetary expenditures until the end of this Session.

Although the transitional nature of the budget proposal minimizes the specific programmatic and financial comment that is possible on the Secretary-General's proposals, there are several aspects of the budget that my delegation wishes to note at this time.

My delegation is pleased at the extent to which the Secretary-General was able to reflect implementation of Resolution 41/213 in his programme budget proposal. The fascicles incorporate for the first time estimates for certain political activities of a perennial nature and conference-servicing costs that were formerly part of wrap-up statements. My delegation appreciates the reduced estimates for staff travel and consultant services as well as the increased use of the programmatic format for detailing proposed activities.