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UNITED NATIONS FINANCING



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UNITED NATIONS FINANCING

The United Nations Budgetary System

Budgetary responsibility for the United Nations is ascribed to the General Assembly in the Charter of the United Nations. As stated in Article 17:

The General Assembly shall consider and approve the budget of the Organization.

The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly.

Budget estimates for the regular budget covering the expenses of the organization are prepared within the Secretariat and submitted to the Secretary General, who in turn prepares a tentative budget and submits it to the Advisory Committee on Administrative and Budgetary Questions (one of the standing committees of the General Assembly). The Advisory Committee carefully reviews the budget estimates and prepares recommendations on them for consideration by the Fifth Committee (Administrative and Budgetary Committee) of the General Assembly when it convenes. Hearings are held by the Fifth Committee during which officials of the Secretariat and principal organs are requested to defend their estimated budgetary requirements. The final budget is approved by the General Assembly in plenary session. As specified in Article 18 of the Charter, budgetary questions require a two-thirds majority of members present and voting for approval.

The scale of assessments for the regular budget is determined by the Committee on Contributions, another standing committee of the Assembly, which is comprised of individual experts elected by the Assembly for three year terms. The criterion on which the scale is determined as

directed by the Assembly is the general "capacity-to-pay" of the individual member nations. In preparing the original assessment scale the committee was to take into consideration with regard to each nation its total national income, its per capita income, economic dislocation resulting from World War II, and its ability to acquire foreign currency. In general, those same factors have continued to be guidelines on which the scale of assessment is based, since postwar economic recovery has been reflected in improved national income and per capita income. Originally assessments were to be paid in U.S. dollars, but due to postwar stabilization of various currencies, removal of many exchange restrictions, and the convenience of having various currencies available due to the broadly geographically dispersed U.N. activities, approximately one-third of the payments are now accepted in nondollar currencies.^{1/}

Another qualification to which the scale of assessments is subjected is the result of the United States objection to its first proposed assessment of 49.89 percent of the budget for 1946, namely, a ceiling on the maximum percentage contribution. The United States argued in 1946 that it would be unwise to make the United Nations dependent on one nation for almost half of its budget and suggested instead that no nation be assessed more than one-third of the budget. The United States did, however, accept a temporary assessment for 1946 of 39.89 percent of the budget.

In 1948 the General Assembly adopted a resolution which provided that "in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year." (UN General Assembly Resolution 238A (III).) This limit was further reduced to 30 percent in 1957. (UN General Assembly Resolution 1137 (XII).)

^{1/} John G. Stoessinger. Financing the United Nations System. Washington, D. C.: The Brookings Institution, 1964. p. 89.

One other factor affecting the determination of the scale of assessment was included in the 1948 resolution cited above at the insistence of Canada. That factor is that "in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment," the effect of which being that nations with high national incomes and small populations are not more highly assessed per capita than the United States.

There is a minimum assessment as well, which is set at 0.04 percent of the budget.

Other sources of revenue applied to the regular budget include: 1) General income; 2) Funds provided from extra-budgetary accounts; 3) Sale of UN postage stamps; 4) Services to visitors and catering services; and 5) Sale of publications.

The "General income" section includes "income from reimbursement for staff and services furnished to Specialized Agencies and others, rental income, contributions from non-Member States, revenue from television services and film distribution, refund of prior years' expenditure, sale of used office, transportation and other equipment, miscellaneous income, and finally, income from interest and investments."¹

These additional sources of revenue are used to modestly reduce the individual assessments of the member nations for the regular budget.²

1. Szawlowski, Richard. Recent financial problems of the United Nations. Public Finance, Vol. XVIII, No. 2., 1963. p. 170.

2. John G. Stoessinger. Financing the United Nations System. Washington, D.C.: The Brookings Institution, 1964. p. 90.

The bulk of the expenditures of the United Nations as contained in the regular budget is for staff costs and related expenses (almost 60% of the 1966 regular budget). Other expenses include: 1) premises, equipment, supplies and services; 2) technical programs; 3) special expenses; 4) sessions of the General Assembly, the Councils, commissions and committees, special meetings and conferences; 5) special missions and related activities (which includes some peacekeeping costs to be explained below); 6) Office of the UN High Commissioner for Refugees; 7) the International Court of Justice; and 8) United Nations Conference on Trade and Development.

Included in the "premises" expense is the amortization of the UN Headquarters construction loan, which had been made by the United States in 1948, at a rate of \$2,500,000 per year until 1975, \$1,500,000 from 1976 to 1981 and \$1,000,000 in 1982.

The bulk of UN technical programs are financed by members' voluntary contributions to the Special Account for the Expanded Program of Technical Assistance and the United Nations Special Fund, which are separate from the regular budget.

The special expenses section is primarily for the servicing of UN bonds - to cover interest and installment payments on the principal.

"Special missions and related activities" covers the United Nations Field Service and special peacekeeping missions such as the following: the UN Truce Supervision Organization in Palestine, the UN Conciliation Commission for Palestine, the UN Military Observer Group in India and Pakistan, the UN Commission for the Unification and Rehabilitation of Korea and the Office of the Special Representative of the Secretary General in Amman.¹

1. Szawlowski, Richard. Recent Financial Problems of the United Nations. Public Finance, Vol. XVIII, No. 2, 1963. pp. 157-169.

The regular budget of the United Nations in 1946 was around \$19 million; in 1967, the regular budget reached a little over \$118 million. The increased UN budget is explained by the organization's increased membership and activities as well as the general rise in costs over the past two decades.

Financial difficulties arising from peacekeeping activities

The financial crisis which arose in the United Nations in 1961 and which has not yet been remedied was caused by disagreement among the member nations over the financing of two peacekeeping operations -- the United Nations Emergency Force (UNEF), created during the Middle East Crisis of 1956, and the United Nations operation in the Congo (UNOC).

The earlier peacekeeping activities of the United Nations consisted of observer, mediator, or reporting groups sent by the Security Council or the General Assembly to conflict areas. Such groups or field missions, following precedents of the League of Nations, were composed of representatives of member nations and a limited number of Secretariat personnel. Military personnel were often assigned with the diplomatic personnel, because of the advantages their special training lent to the observation purposes of the missions. Each nation was financially responsible for the expenses of its personnel, supplies and equipment, while the Secretariat personnel were paid from the regular budget. The salaries of military personnel were continued by their respective governments with the United Nations paying some per diem, for extraordinary expenses of overseas duties, which was also financed from the regular budget. Thus a customary system of financing evolved with a combination of participating members' contributions and a lesser amount for

peacekeeping costs carried in the regular budget.¹

The first and only large-scale military enforcement action of the United Nations, as distinct from the pacific-settlement actions described above, was the Korean action taken under the aegis of the United Nations as authorized by the Security Council during the absence of the Soviet representative. In response to the Security Council recommendation that United Nations members furnish assistance to the Republic of Korea to repel the armed attack by North Korea, men, money, and materials were supplied by over half of the member nations on a voluntary basis, although the greater costs both in manpower and money fell to the United States and the Republic of Korea.² The costs of the United Nations Commission on Korea and of the United Nations Cemetery were financed by the usual method of a combination of voluntary contributions and budgeted payments.³

United Nations Emergency Force

The current financial crisis of the United Nations had its roots in the establishment of the United Nations Emergency Force, the costs of which far exceeded previous peacekeeping activities (again, as distinct from enforcement actions). UNEF was a larger scale operation, composed of 6,000 men supplied as national contingents volunteered by ten countries acting under the United Nations Flag.⁴ For the first time in the history of the United Nations an international military force, which was not to be dominated

1. Russell, Ruth B. United Nations Financing and "The Law of the Charter." The Columbia Journal of Transnational Law. Vol. 5, No. 1, 1966. pp. 71-72.

2. Stoessinger, John G. Financing the United Nations System. Washington, D. C.: The Brookings Institution, 1964. pp. 101-104.

3. Russell, Ruth B. op. cit., p. 73.

4. Ibid.

by a single nation, was created. Rather than a military enforcement action, UNEF was to function in a noncombatant capacity as a buffer between conflicting nations.

The method by which UNEF was to be financed was unique in the history of the United Nations as well. Following the precedent system of financing for UN observer, reporter, and mediator groups, those nations providing military personnel would continue payment of their normal salaries, while the United Nations would pay the additional expense of their overseas duties on a per diem basis. However, while the United Nations share of such peacekeeping expenses was in previous instances paid from the regular budget, the United Nations established a Special Account outside the regular budget for financing its share of UNEF costs. The method of financing UNEF evolved as follows.

The Security Council was called into session following the invasion by Israeli forces of the Sinai peninsula of Egypt on October 29, 1956, and subsequent Anglo-French landings in the Suez Canal area. When Security Council action was blocked by British and French vetoes, the General Assembly was called into a special emergency session on the night of November 1-2. When the General Assembly's call for a cease-fire proved ineffective, it requested the Secretary General on November 4 to draw up a plan for an emergency United Nations force to supervise the cessation of hostilities and submit it to the United Nations within 48 hours. Following the Secretary General's proposal for the immediate establishment of a United Nations Command for such a force, the Assembly authorized him to take the necessary administrative measures. On the basis of the second report by the Secretary General

outlining the proposed functions and composition of the force, the Assembly established UNEF as a subsidiary organ under the authority of Article 22 of the Charter.¹ (Article 22: The General Assembly may establish such subsidiary organs as it deems necessary for the performance of its functions.)

The initial response of men, equipment and facilities for UNEF by member nations was voluntary and in most cases on a non-reimbursable basis. To meet the immediate cash needs for UNEF for expenses not voluntarily assumed by participating nations, Secretary General Hammarskjold proposed on November 21, 1956 that a Special Account outside the regular budget be established with an initial appropriation of \$10 million assessed to member nations according to the scale of assessments established for the 1957 regular budget.² The General Assembly approved the Secretary General's plan for a special account on November 26, but referred the question of the manner of assessment to the Fifth Committee, being unable to reach agreement on the latter part of his proposal concerning using the 1957 regular budget scale of assessments as the basis for UNEF funds assessments. Before the Fifth Committee Secretary General Hammarskjold asserted that UNEF costs were "expenses of the organization" under Article 17 of the Charter. On December 21, 1956, the General Assembly adopted a resolution that UNEF expenses other than those voluntarily assumed by participating nations "should be apportioned among the Member States to the extent of \$10 million in accordance with the ordinary 1957 budget scale of assessments for contributions."³

1. United States Congress. House Committee on Foreign Affairs. United Nations use of peacekeeping forces in the Middle East, the Congo, and Cyprus. Committee Print. 89th Congress, 2nd session. Washington, U.S. Government Printing Office, 1966, pp. 1-3.

2. Worsnop, Richard L. United Nations Peacekeeping. Editorial Research Reports, Vol. II, No. 7, August 19, 1964, p. 613.

3. Yearbook of the United Nations: 1956. New York: Columbia University Press in Cooperation with the United Nations, 1957, p. 42.

On February 27, 1957, the General Assembly authorized the Secretary General to incur expenses up to \$16.5 million for UNEF through the period ending December 31, 1957, and invited nations to make voluntary contributions to meet the \$6.5 million increase above the \$10 million which had been apportioned among the member nations on the 1957 assessment scale. By October 1957, the United Nations had received only a little more than half of the \$10 million assessments and only \$586,500 in voluntary contributions toward the \$6.5 million, although pledges had been made in the amount of \$3,800,350 by six nations.¹

However, the actual operational expenditure for UNEF borne by the United Nations for the period from November 1956 through December 31, 1957, ran \$23,920,000, while total expenditures and obligations totaled \$30,000,000.² Therefore, on November 22, 1957, the General Assembly authorized an additional expenditure up to \$13.5 million for UNEF. The \$30 million was to be met in the following manner: 1) \$1,841,700 in voluntary contributions in response to the February 27 resolution; 2) \$13,129,312 by grants of special assistance made by the United States (\$12,000,000) and the United Kingdom (\$1,000,000); and 3) the balance of \$15,028,988 assessed to the member nations on the 1957 regular budget scale of assessments.³

1. Rosner, Gabriella. The United Nations Emergency Force. New York: Columbia University Press, 1963, 168-170.

2. Ibid., p. 168.

3. Ibid., pp. 172-173.

General Assembly authorization for UNEF expenses for 1958 was in the amount of \$25 million; for 1959 in the amount of \$15 million; for 1960 in the amount of \$20 million; and for succeeding years around \$19 million or under.¹

In December 1959 to ease the financial burden on those nations having the least capacity to pay, the General Assembly decided to use approximately \$3.5 million given by the United States and Great Britain to reduce by 50 percent the assessments on those nations at the bottom of the scale of the assessment first. The relevant portion of the Assembly resolution reads:

The General Assembly...decides that voluntary contributions pledged prior to 31 December 1959 towards expenditures for the Force in 1960 shall be applied as a credit to reduce by 50 percent the contributions of as many governments of member states as possible, commencing with those governments assessed at the minimum percentage of 0.04 percent and then including, in order, those governments assessed at the next highest percentages until the total amount of voluntary contributions has been fully applied...

A similar resolution in December 1960 provided for the application of voluntary contributions from the United States and the United Kingdom to reduce by 50 percent the assessments of member nations beginning with those assessed at the minimum of 0.04 percent.

United Nations Operation in the Congo

Even though arrears and defaults on UNEF assessments ran roughly one-third of the total assessments each year up to 1962, placing the United Nations in serious financial straits, the unmet costs of UNEF alone would not have threatened the United Nations with bankruptcy.² The financial

1. Stoessinger, John G. op. cit., p. 109.

2. Ibid., pp. 110-111.

crisis of the United Nations which was reached in 1961 was precipitated by the combined arrears and defaults of member nations of their assessments for both UNEF and UNOC (United Nations Operation in the Congo).

The United Nations Operation in the Congo began with the Security Council's authorization of July 14, 1960 for the Secretary General to provide the Government of the Republic of the Congo with military assistance until its national security forces were able to meet their tasks. After gaining independence on June 30, 1960, the Republic of the Congo had been thrown into virtual chaos and anarchy. Following the return of Belgian troops and the announced secession of Katanga province, the Congolese Government had requested military assistance from the United Nations in a cable to the Secretary General.¹

UNOC exceeded UNEF in size and in cost. By July 1960, UNOC was composed of 10,000 men; during August it was built up to 15,000; during September it reached 16,500; and during the last three months of 1960, it consisted of an average of 20,000 men per month supplied by twenty-nine nations.² As the military crisis in the Congo began to subside in late 1962 and early 1963, the United Nations progressively scaled down the number of troops to a level of 5,000 men until UNOC was terminated in June 1964. Liquidation of UNOC was partly due to the reluctance of member nations to meet their financial responsibilities for UNOC.³

1. United States Congress. House Committee on Foreign Affairs. United Nations use of peacekeeping forces in the Middle East, the Congo, and Cyprus. 89th Congress, 2d session. Washington: U.S. Government Printing Office, 1966. pp. 4-5.

2. Stoessinger, John G. op. cit., p. 114.

3. United States Congress. House Committee on Foreign Affairs...p. 6.

The UN share of the costs of UNOC were estimated at \$60 million for the period July 14-December 31, 1960. The United States and the Soviet Union waived their claims for reimbursement for troop airlifts in the amounts of \$10 million and \$1.5 million, respectively, which reduced the expenses to \$48.5 million.¹ The General Assembly adopted a resolution on December 20, 1960, which established the method for financing UNOC following nearly one month's debate in the Fifth Committee over the apportionment among the member nations of UNOC costs. In the preambular paragraph of the resolution the General Assembly states:

that the expenses involved in the United Nations operation in the Congo constitute expenses of the organization within the meaning of Article 17 (2) of the Charter, and that the assessment thereof against member states creates binding legal obligations on such states to pay their assessed shares.

By the operative part of the text of the resolution, the Assembly

1. decided to establish an ad hoc account for the expenses of the United Nations in the Congo;
2. noted that the waiver of airlift costs announced by certain governments would reduce the level of expenses from \$60 million as recommended by the Assembly's Advisory Committee on Administrative and Budgetary Questions to \$48.5 million;
3. decided that the amount of \$48.5 million should be apportioned among the member states on the basis of the regular scale of assessment, subject to provisions for reductions in certain cases.

1. Stoessinger, John.G., op. cit., p. 114.

4. decided further that voluntary contributions already announced, in addition to those for the waiver of airlift costs, should be applied, at a request of the member state concerned made prior to March 31, 1961, to reduce by up to 50 percent (a) the assessments levied for the financial year 1960 on the new member states which were admitted during the fifteenth session, and (b) the assessments of all other member states receiving assistance during 1960 for the United Nations expanded program of technical assistance, commencing with those states assessed at the minimum of 0.04 percent and then including, in order, those states assessed at the next highest percentages until the total amount of the voluntary contributions had been fully applied.

The resolution also called upon Belgium to make a substantial contribution to further reduce the assessments of those member nations as specified in provisions (a) and (b). In addition, the General Assembly authorized the Secretary General to incur commitments up to \$24 million for the first three months of 1961.

Following extensive debate over the financing of UNOC, the General Assembly adopted a resolution on April 21, 1961 apportioning \$100 million for UNOC for the period Jan.-Oct. 1961 as "expenses of the organization." No reference was made to article 17 nor of the binding obligation of members to meet their assessments; UN expenses in the Congo were described as "extraordinary."

In December 1961 the General Assembly authorized expenses for UNOC from Nov. 1961-June 1962 in the amount of \$80 million and raised reductions to 80 percent for countries assessed 0.25 percent or less and provided for a 50 to 80 percent reduction for nations assessed more than 0.25 but benefiting from the Expanded Program of Technical Assistance.

When the Sixteenth General Assembly opened in September 1961 the United Nations was on the verge of bankruptcy. Arrears on the UNEF account for the period 1957-1960 inclusive totaled \$21.1 million; arrears for UNOC for 1960 totaled \$19.7 million.¹ Arrears for 1961 UNOC assessments totaled over \$30 million; UNEF 1961 arrears totaled around \$5 million. Combining these figures with the arrears, primarily due to tardiness, on regular budget assessments for the period 1959 through 1961 in the amount of a little over \$13 million, the United Nations in the fall of 1961 faced a deficit of nearly \$100 million.

UN Action Taken to Remedy Financial Difficulties

To deal with the impending financial crisis, the General Assembly on April 21, 1961, established a Working Group of 15 (later enlarged to 21) to study methods for financing peacekeeping operations and the relationship between such methods and the regular United Nations budgetary procedures. It was also decided to place the question on the 16th Assembly agenda. The Working Group of 15 was unable to arrive at any substantive recommendations, and its report on November 15, 1961, consisted of a summary of the divergent views.

On December 20, 1961 the General Assembly authorized the Secretary General to issue United Nations bonds up to \$200 million, which were to be repaid in 25 annual installments beginning in 1963 at 2 percent interest

1. United States Congress. House Committee on Foreign Affairs. United Nations Financial Situation: Background and consequence of the Article 19 Controversy over the financing of U.N. Peacekeeping operations. House Report No. 1564. 89th Congress, 2d session. Washington: U.S. Government Printing Office, 1966, p. 9.

from funds in the regular budget. The bond issue was viewed as an emergency measure. As stated in the preambular paragraph of the resolution, "...under existing circumstances, extraordinary financial measures are required and such measures should not be deemed a precedent¹ for the future financing of the expenses of the United Nations."

On the same date, December 20, 1961, the General Assembly requested an advisory opinion from the International Court of Justice on whether the expenditures authorized by the General Assembly for UNEF and UNOC were "expenses of the organization" within the meaning of Article 17 (2) of the United Nations Charter. The International Court of Justice issued its advisory opinion on July 20, 1962, by a vote of 9 to 5 that the expenditures for UNEF and UNOC authorized by General Assembly resolutions were "expenses of the organization" within the meaning of Article 17 (2) of the United Nations Charter.

The Seventeenth General Assembly on December 19, 1962, adopted a resolution accepting the advisory opinion. In addition, the Working Group was re-established and enlarged to 21 and directed to study financing of peacekeeping operations and propose a possible scale of assessments by March 31, 1963.² The Working Capital Fund, which was established in 1946 with the authorization for the Secretary General to advance "such funds

1. Stoessinger, John G. op. cit., p. 125.

2. Stoessinger, John G. op. cit., p. 134.

as may be necessary to finance budgetary appropriations pending receipt of contributions" and had fluctuated between \$20 million and \$25 million, was increased to \$40 million despite strenuous objections by the Soviet Union.¹

Following the General Assembly's acceptance of the ICJ advisory opinion, a number of nations which had been in arrears paid their back assessments, which they had previously claimed were not binding obligations. Among those still refusing to pay were two of the Security Council members, the Soviet Union and France. Both refused to pay for UNOC, while the Soviet Union refused to pay for UNEF as well. In addition, both France and the Soviet Union withheld from their 1963 regular budget payments that amount which was due for the servicing of the bond issue. The Soviet bloc nations also withheld from their 1963 and succeeding regular budget payments that amount due for "special missions and related activities" (those peacekeeping activities financed in the regular budget).

The Soviet Union maintained that only the Security Council could authorize action for the maintenance of peace and security and that the exclusive right of the Security Council extended to the method of financing those peacekeeping operations it authorized. Even though the Soviet Union had voted to take the Suez crisis to the General Assembly when Security Council action was blocked by Anglo-French vetoes and had voted for most of the Security Council resolutions dealing with UNOC, it maintained that

1. Stoessinger, John G., *op. cit.*, p. 88.

in the case of UNEF the General Assembly had acted ultra vires and that UNOC had acted in violation of the Security Council's decisions thus being an illegal operation as well. France refused to pay for UNOC primarily on the argument that its UNOC assessments did not constitute a binding obligation. China, being assessed on the basis of Mainland China which it claimed to represent, was more or less forced to default on its payments as well. The Soviet bloc nations refused to pay on similar arguments to those of the Soviet Union. Those smaller nations in default, although accepting the principle of collective responsibility for peacekeeping costs, felt that the burden of cost should fall primarily on the Security Council members and other wealthier members.

Despite the acceptance by the majority of member nations of the principle of collective responsibility for peacekeeping costs, the costs of those peacekeeping operations authorized during the financial crisis were either divided by the nations directly involved or were covered by voluntary contributions. The costs for the United Nations Temporary Executive Authority in West New Guinea were divided between the two beneficiary nations, the Netherlands and Indonesia. The United Nations Observer Group sent to Yemen in 1963 was financed by the United Arab Republic and Saudi Arabia. The United Nations Force in Cyprus which began in 1964 was financed by governments providing troops, by Cyprus, and by voluntary contributions.

The report of the Working Group of 21 to the Fourth Special Session (convoked for the specific purpose of seeking agreement on methods of financing peacekeeping operations) was again a summary of the divergent opinions and proposals considered. The Fourth Special Session adopted resolutions affirming the collective responsibility of all member nations for the costs of peacekeeping operations, appealing for payment of all peacekeeping arrears, requesting the Secretary General to explore the possibility of a "peace fund" based on voluntary contributions, and continuing the Working Group of 21. Authorizations of expenditures for UNEF and UNOC were made providing for a 55 percent reduction on the assessments of the developing nations.

The Article 19 Crisis During the 19th General Assembly

The next phase of the United Nations activity with regard to its financial difficulties consisted of intense diplomatic maneuvers to avoid a confrontation between the United States and the Soviet Union over the applicability of Article 19 to those nations in arrears on their assessments for UNEF and UNOC. Article 19 reads as follows:

A Member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

Each had taken a firm position, the United States making clear its position that Article 19 was applicable to those nations over two years in arrears in their assessments for UNEF and/or UNOC, the Soviet Union making clear that it would not pay for its assessments for UNEF or UNOC

and that such assessments were illegal and outside the regular budget and therefore did not fall within the purview of Article 17.

The United States based its position on the following legal arguments: 1) that the Charter did not give exclusive authority to the Security Council in the realm of peacekeeping short of enforcement action; therefore, UNEF was a legal authorization on the part of the General Assembly; 2) that the costs of UNEF and UNOC were "expenses of the organization" under Article 17 as was substantiated by the advisory opinion of the International Court of Justice; and 3) that the expenses assessed for UNEF and UNOC were therefore mandatory and to be included in the total due when determining the applicability of Article 19.

The Soviet position was based on the following legal arguments: 1) that only the Security Council is given the authority in the Charter to take action for the maintenance of peace and security; 2) that the Security Council's exclusive authority with regard to peacekeeping operations would include its sole authority to determine the method of financing such operations; 3) that UNEF was illegally established by the General Assembly and UNOC exceeded the directions given it by the Security Council, hence both operations were illegal making assessments for their costs illegal as well; 4) that both Article 17 and 19 applied^{only} to the regular budget; and 5) that neither the Court opinion nor the Assembly's acceptance of it was binding on dissenting nations, since they carried only the weight¹ of recommendations.

1. Russell, Ruth B., *op. cit.*, pp. 83-4 and U.S. Congress...UN Financial Situation...pp. 25-27.

Since the United Nations Charter is not specific concerning the distribution of peacekeeping functions and the financing of peacekeeping operations between the Security Council and the General Assembly, much depends on the manner in which the Charter provisions are interpreted. Article 24 confers on the Security Council the primary responsibility for maintaining peace and security. Article 11 provides that the General Assembly may consider questions concerning international peace and make recommendations, although any question on which action is necessary shall be referred to the Security Council either before or after discussion. Article 12 prohibits the General Assembly from making recommendations concerning any dispute under consideration by the Security Council unless the Security Council so requests.

On a practical level, when the Security Council was repeatedly paralyzed by the employment of the veto, the General Assembly's share in peacekeeping responsibility grew. The "Uniting for Peace" resolution adopted by the General Assembly in 1950 created the vehicle by which peacekeeping questions could be transferred to the General Assembly when Security Council action was blocked by the veto, since it provided that the General Assembly could then be called into session by a majority of UN members or by seven Council members. Even the Soviet Union, which opposed the Uniting for Peace resolution, has voted for resolutions transferring peacekeeping questions to the General Assembly, as during the Middle East crisis in 1956.

The problem is further complicated by the fact that while Security Council decisions are binding upon the members under Article 25, General

Assembly resolutions are solely recommendatory. However, if the General Assembly by a majority vote can authorize peacekeeping operations, and if the costs of such peacekeeping operations are determined to be expenses of the organization under Article 17, then the General Assembly is empowered to charge those costs to those nations objecting to the establishment of the operations as well as those supporting. By virtue of Article 19, the General Assembly can, in effect, force dissenting nations to meet the costs of such peacekeeping operations or lose their vote in the General Assembly.

Interestingly enough, the United States itself set a precedent for the refusal of a member of the United Nations to pay that portion of its assessment for an expense of the organization to which it objected. Certain American citizens who were suspected of Communist affiliations were dismissed from United Nations employment at the instance of the United States government. They sued the United Nations and were awarded compensation. The International Court of Justice found these damages to be obligatory expenses of the organization. The United States Congress in 68 Stat. 14-15 (1954) prohibited the use of any American funds paid to the United Nations for payment of the damages. The matter was finally resolved by the payments being made from the Tax Equalization Fund (which is funded by taxes levied on staff members of nations not taxed on their income to equalize their salaries with those of nations, such as the United States, taxing such incomes. The taxes are then used to reduce the assessments of all nations except those taxing their nationals employed by the

United Nations), rather than paying the compensation from the regular
1
budget.

When the 19th General Assembly opened on December 1, 1964, the Soviet Union and six other nations were sufficiently in arrears on their total assessments due as to be subject to the loss of vote sanction in Article 19. The procedural device of conducting its business on a "no-objection" basis was used to avoid the necessity of a vote and the confrontation over Article 19 which would have ensued. On January 1, 1965, France and eight other nations became subject to the loss of vote sanction of Article 19, bringing the total to 16 nations, although four nations made sufficient payments in the course of the year to reduce
2
their arrears below the two year figure.

The confrontation nearly arrived when Albania in February 1965 called for a roll call vote on whether the General Assembly should continue on the no objection basis. United States Ambassador Stevenson claimed that the vote was on a question of procedure and therefore the applicability
3
of Article 19 to the Soviet Union had not been decided.

On February 18, 1965, the General Assembly established a Special Committee on Peacekeeping Operations (Committee of 33) to study the entire question of peacekeeping operations including methods to overcome the United Nations financial difficulties.

1. Windass, G. S. "Not a single kopeck!" The financial deadlock in the UN, International Relations, Vol. III, No. 2, Oct. 1966, p. 138 and Russell, Ruth B., op. cit., p. 75.

2. U.S. Cong...UN Financial Situation...p. 16.

3. Washington Star, February 19, 1965, p. A4.

Following an intense period of negotiations, proposals by various nations that voluntary contributions be made to alleviate the financial situation, and various hints by both the Soviet Union and France that they would make voluntary contributions contingent upon the United States making similar contributions, United States Ambassador Goldberg on August 16, 1965, stated that the "United States recognizes...that the General Assembly is not prepared to apply Article 19...and that the consensus of the membership is that the Assembly should proceed normally...we will not seek to frustrate the consensus...at the same time...the United States reserves the same option to make exceptions if, in our view, strong and compelling reasons exist for doing so."¹

By September 1, 1965, when the 19th General Assembly reconvened, the United Kingdom, Canada, and the Scandinavian nations and others had pledged or paid voluntary contributions totaling \$20 million, although no contributions were made by either the Soviet Union or France.

Action Since the Crisis

On December 13, 1965, the 20th General Assembly established an Ad Hoc Committee of Experts (committee of 14) to examine the United Nations financial situation. On December 15, 1965, the General Assembly authorized the Committee of 33 to continue its work and called upon members to make voluntary contributions. In addition, a resolution was adopted to refer to the Committee of 33 its consideration of a revised Irish proposal by which the permanent members of the Security Council would be responsible for 70 percent of the costs of peacekeeping operations with an option to

1. New York Times, August 17, 1965, p. 6.

refuse to pay for operations they opposed with no member paying more than 50 percent of the total. (The United States voted for the resolution but indicated it was prohibited by legislation from subscribing in advance to more than 33 and 1/3 percent of assessments.)

The Ad Hoc Committee of Experts issued its report on the United Nations financial situation on March 26, 1966. The Committee had been directed to determine on the basis of figures supplied by the Secretary General regarding the assets and liabilities of the United Nations as of September 30, 1965, (which did not include the assessments for 1965), and based on the assumption that the defaulting nations were unlikely to pay anything substantial toward their arrears before the end of 1966, how much in voluntary contributions beyond the \$20 million already paid or pledged would be required to make the United Nations solvent. The Committee found that on the basis of the figures supplied that the total arrears amounted to \$125.9 million or by individual accounts: \$9.7 million to the regular budget and the Working Capital Fund; \$33.7 million to the special account for UNEF; and \$82.5 million to the special account for UNOC. The members of the Committee were divided on the amount needed in voluntary contributions with part of the Committee determining that figure to be \$53 million and part determining it to be \$32 million. The alternate figures again reflect disagreement over UNEF and UNOC, and more specifically, over "surplus accounts" for the two operations. "Surplus accounts" are the excess of authorizations over expenditures which are normally credited to the member nations. France and the Soviet Union take the position that such "surplus accounts" do not exist since the two operations were in their

opinion illegal; therefore, they contend that \$32 million is needed to make the United Nations solvent. The United States/^{is} among those nations supporting the figure of \$53 million and the existence of the "surplus accounts."¹

The Committee of 14 then began its review of the entire range of budgetary problems of the United Nations and to prepare recommendations for the better use of funds. Its second report was issued July 21, 1966 and contained numerous proposals for improved budgetary and administrative efficiency. The Committee of 33 continues to address itself to the problems of peacekeeping operations, including future financing. It was decided at the Fifth Special Session of the General Assembly, opened April 21, 1967 to consider the question of Southwest Africa and the question of peacekeeping, to postpone the question of financing of peacekeeping operations until the 22nd Assembly Session in the fall of 1967.

Current Situation

Those nations sufficiently in arrears as of February 15, 1967 to be subject to the loss-of-vote sanction contained in Article 19 with amounts due are as follows.

1. U.S. Cong...UN Financial situation...pp. 2-3 and Gibson, J. Douglas,, The Financial problem of the UN, International Journal, Spring 1967, pp. 182-194.

Nations Subject to Loss of Voting Rights Under Article 19,
U.N. Charter

Country	Total U.N. Arrearages (Dollars)	Amount in Excess ^{1/} of 1965 and 1966 U.N. Arrearages (Dollars)
Albania.....	118,207	28,377
Argentina.....	2,525,528	458,244
Byelorussian S.S.R.....	2,618,832	1,277,336
Cuba.....	893,998	444,850
Czechoslovakia.....	4,845,557	2,031,980
France.....	19,589,190	3,878,203
Hungary.....	2,478,932	1,034,244
Poland.....	5,486,597	2,015,987
Rumania.....	1,385,950	483,020
South Africa.....	1,746,035	404,539
Ukrainian S.S.R.....	9,958,552	4,876,345
U.S.S.R.....	76,382,562	37,891,935
Yemen.....	210,783	120,952
Bolivia.....	175,794	85,975
Bulgaria.....	636,578	254,802
China.....	19,593,100	10,048,690
Congo (B).....	134,131	44,301
Dominican Republic.....	199,563	109,733
Haiti.....	176,475	86,645
Iraq.....	349,680	170,021
Jordan.....	167,085	77,254
Nicaragua.....	104,202	14,372
Ecuador.....	134,330	22,043
Paraguay.....	132,125	42,294
Saudi Arabia.....	235,095	77,894
Spain.....	2,157,844	518,453
Sudan.....	270,054	135,310
Syria.....	120,117	7,830
United Arab Republic.....	644,515	127,995
Upper Volta.....	111,895	22,064
Uruguay.....	444,616	220,043
Burundi.....	174,790	84,959
Total.....	151,202,726	67,096,690

^{1/} The payments required to avoid being subject to article 19.

Source: Computed from State Department 10:0IA report, Feb. 15, 1967, based on data supplied by the United Nations Controller's Office, Feb. 14, 1967; updated State Department report; U.S. Contributions to International Organizations, House of Representatives Doc. No. 445, 89th Cong., second sess., June 27, 1966; Agency for International Development, Statistics and Reports Division, Office of Program Coordinator, Report on U.S. Overseas Loans and Grants, Aug. 22, 1966.

Source of chart above: U. S. Congress. House Committee on Foreign Affairs. Foreign Assistance Act of 1967. Hearings on H. R. 7099. 90th Cong., 1st Session. Washington: U. S. Government Printing Office, 1967, p. 1040.

The scale of assessments and amount due for the regular budget and UNEF for 1967 are as follows:

CONTRIBUTIONS PAYABLE BY MEMBER STATES TO THE UNITED NATIONS REGULAR BUDGET FOR 1967

<u>Member States</u>	(1) 1967 Scale of Assessments	(2) Gross Contributions for 1967 US \$	(3) Credits from Estimated Staff Assessment Income for 1967 and Adjustments for 1966 and 1965 US \$	(4) Net Contributions for 1967 US \$
1. Afghanistan	0.05	58,817	6,321	52,496
2. Albania	0.04	47,053	5,057	41,996
3. Algeria	0.10	117,634	12,642	104,992
4. Argentina	0.92	1,082,228	116,306	965,922
5. Australia	1.58	1,858,609	199,743	1,658,866
6. Austria	0.53	623,458	67,002	556,456
7. Barbados	0.04	47,053	5,057	41,996
8. Belgium	1.15	1,352,785	145,382	1,207,403
9. Bolivia	0.04	47,053	5,057	41,996
10. Botswana	0.04	47,053	5,057	41,996
11. Brazil	0.95	1,117,518	120,099	997,419
12. Bulgaria	0.17	199,977	21,491	178,486
13. Burma	0.06	70,580	7,585	62,995
14. Burundi	0.04	47,053	5,057	41,996
15. Byelorussian Soviet Socialist Republic	0.52	611,694	65,738	545,956
16. Cambodia	0.04	47,053	5,057	41,996
17. Cameroon	0.04	47,053	5,057	41,996
18. Canada	3.17	3,728,980	400,750	3,328,230
19. Central African Republic	0.04	47,053	5,057	41,996
20. Ceylon	0.08	94,107	10,113	83,994
21. Chad	0.04	47,053	5,057	41,996
22. Chile	0.27	317,610	34,133	283,477
23. China	4.25	4,999,421	537,283	4,462,138
24. Colombia	0.23	270,557	29,076	241,481
25. Congo (Brazzaville)	0.04	47,053	5,057	41,996
26. Congo (Dem. Rep. of)	0.05	58,817	6,321	52,496
27. Costa Rica	0.04	47,053	5,057	41,996
28. Cuba	0.20	235,267	25,284	209,983
29. Cyprus	0.04	47,053	5,057	41,996
30. Czechoslovakia	1.11	1,305,731	140,326	1,165,405

31.	Dahomey	0.04	47,053	5,057	41,996
32.	Denmark	0.62	729,328	78,380	650,948
33.	Dominican Republic	0.04	47,053	5,057	41,996
34.	Ecuador	0.05	58,817	6,321	52,496
35.	El Salvador	0.04	47,053	5,057	41,996
36.	Ethiopia	0.04	47,053	5,057	41,996
37.	Finland	0.43	505,825	54,360	451,465
38.	France	6.09	7,163,876	769,895	6,393,981
39.	Gabon	0.04	47,053	5,057	41,996
40.	Gambia	0.04	47,053	5,057	41,996
41.	Ghana	0.08	94,107	10,113	83,994
42.	Greece	0.25	294,084	31,605	262,479
43.	Guatemala	0.04	47,053	5,057	41,996
44.	Guinea	0.04	47,053	5,057	41,996
45.	Guyana	0.04	47,053	5,057	41,996
46.	Haiti	0.04	47,053	5,057	41,996
47.	Honduras	0.04	47,053	5,057	41,996
48.	Hungary	0.56	658,747	70,795	587,952
49.	Iceland	0.04	47,053	5,057	41,996
50.	India	1.85	2,176,219	233,876	1,942,343
51.	Indonesia	0.39	458,771	49,303	409,468
52.	Iran	0.20	235,267	25,284	209,983
53.	Iraq	0.08	94,107	10,113	83,994
54.	Ireland	0.16	188,214	20,227	167,987
55.	Israel	0.17	199,977	21,491	178,486
56.	Italy	2.54	2,987,889	321,105	2,666,784
57.	Ivory Coast	0.04	47,053	5,057	41,996
58.	Jamaica	0.05	58,817	6,321	52,496
59.	Japan	2.77	3,258,446	350,182	2,908,264
60.	Jordan	0.04	47,053	5,057	41,996
61.	Kenya	0.04	47,053	5,057	41,996
62.	Kuwait	0.06	70,580	7,585	62,995
63.	Laos	0.04	47,053	5,057	41,996
64.	Lebanon	0.05	58,817	6,321	52,496
65.	Lesotho	0.04	47,053	5,057	41,996
66.	Liberia	0.04	47,053	5,057	41,996
67.	Libya	0.04	47,053	5,057	41,996
68.	Luxembourg	0.05	58,817	6,321	52,496
69.	Madagascar	0.04	47,053	5,057	41,996
70.	Malawi	0.04	47,053	5,057	41,996

71.	Malaysia	0.12	141,161	15,170	125,991
72.	Maldives Islands	0.04	47,053	5,057	41,996
73.	Mali	0.04	47,053	5,057	41,996
74.	Malta	0.04	47,053	5,057	41,996
75.	Mauritania	0.04	47,053	5,057	41,996
76.	Mexico	0.81	952,831	102,400	850,431
77.	Mongolia	0.04	47,053	5,057	41,996
78.	Morocco	0.11	129,397	13,906	115,491
79.	Nepal	0.04	47,053	5,057	41,996
80.	Netherlands	1.11	1,305,731	140,326	1,165,405
81.	New Zealand	0.38	447,007	48,039	398,968
82.	Nicaragua	0.04	47,053	5,057	41,996
83.	Niger	0.04	47,053	5,057	41,996
84.	Nigeria	0.17	199,977	21,491	178,486
85.	Norway	0.44	517,587	55,624	461,963
86.	Pakistan	0.37	435,244	46,775	388,469
87.	Panama	0.04	47,053	5,057	41,996
88.	Paraguay	0.04	47,053	5,057	41,996
89.	Peru	0.09	105,870	11,377	94,493
90.	Philippines	0.35	411,717	44,247	367,470
91.	Poland	1.45	1,705,685	183,308	1,522,377
92.	Portugal	0.15	176,450	18,963	157,487
93.	Romania	0.35	411,717	44,247	367,470
94.	Rwanda	0.04	47,053	5,057	41,996
95.	Saudi Arabia	0.07	82,344	8,849	73,495
96.	Senegal	0.04	47,053	5,057	41,996
97.	Sierra Leone	0.04	47,053	5,057	41,996
98.	Singapore	0.04	47,053	5,057	41,996
99.	Somalia	0.04	47,053	5,057	41,996
100.	South Africa	0.52	611,694	65,738	545,956
101.	Spain	0.73	858,724	92,286	766,438
102.	Sudan	0.06	70,580	7,585	62,995
103.	Sweden	1.26	1,482,182	159,289	1,322,893
104.	Syria	0.05	58,817	6,321	52,496
105.	Thailand	0.14	164,687	17,699	146,988
106.	Togo	0.04	47,053	5,057	41,996
107.	Trinidad & Tobago	0.04	47,053	5,057	41,996
108.	Tunisia	0.05	58,817	6,321	52,496
109.	Turkey	0.35	411,717	44,247	367,470
110.	Uganda	0.04	47,053	5,057	41,996

111. Ukrainian Soviet Socialist Republic	1.97	2,317,379	249,046	2,068,333
112. Union of Soviet Socialist Republics	14.92	17,550,908	1,886,180	15,664,728
113. United Arab Republic	0.23	270,557	29,076	241,481
114. United Kingdom	7.21	8,481,371	911,485	7,569,886
115. United Republic of Tanzania	0.04	47,053	5,057	41,996
116. United States of America	31.91	37,536,827	-	37,536,827
117. Upper Volta	0.04	47,053	5,057	41,996
118. Uruguay	0.10	117,634	12,642	104,992
119. Venezuela	0.50	588,168	63,210	524,958
120. Yemen	0.04	47,053	5,057	41,996
121. Yugoslavia	0.36	423,481	45,511	377,970
122. Zambia	0.04	47,053	5,057	41,996
	<u>100.37</u>	<u>118,068,671</u>	<u>8,654,686</u>	<u>109,413,985</u>

SOURCE: UNITED NATIONS SECRETARIAT
ST/ADM/SER.B/202
27 December 1966

APPORTIONMENT OF THE EXPENSES FOR THE OPERATION OF THE
UNITED NATIONS EMERGENCY FORCE FOR THE YEAR 1967 IN ACCORDANCE WITH
GENERAL ASSEMBLY RESOLUTION 2194 (XXI)

Member States	1967 Scale of Assessments	Apportionment under para- graph 2(a) of resolution 2194 (XXI)		Apportionment under para- graph 2(b) of resolution 2194 (XXI)		Total
		US \$		\$13,260,000 US \$	Additional 25% US \$	
1. Afghanistan	0.05	2,110	-	-	-	2,110
2. Albania	0.04	1,689	-	-	-	1,689
3. Algeria	0.10	4,221	-	-	-	4,221
4. Argentina	0.92	38,836	-	-	-	38,836
5. Australia	1.58	-	252,907	63,227	316,134	
6. Austria	0.53	-	84,836	21,209	106,045	
7. Barbados	0.04	1,689	-	-	1,689	
8. Belgium	1.15	-	184,078	46,019	230,097	
9. Bolivia	0.04	1,689	-	-	1,689	
10. Botswana	0.04	1,689	-	-	1,689	
11. Brazil	0.95	40,102	-	-	40,102	
12. Bulgaria	0.17	7,176	-	-	7,176	
13. Burma	0.06	2,532	-	-	2,532	
14. Burundi	0.04	1,689	-	-	1,689	
15. Byelorussian Soviet Socialist Republic	0.52	-	83,235	20,809	104,044	
16. Cambodia	0.04	1,689	-	-	1,689	
17. Cameroon	0.04	1,689	-	-	1,689	
18. Canada	3.17	-	507,414	126,854	634,268	
19. Central African Republic	0.04	1,689	-	-	1,689	
20. Ceylon	0.08	3,376	-	-	3,376	
21. Chad	0.04	1,689	-	-	1,689	
22. Chile	0.27	11,397	-	-	11,397	
23. China	4.25	179,406	-	-	179,406	
24. Colombia	0.23	9,709	-	-	9,709	
25. Congo (Brazzaville)	0.04	1,689	-	-	1,689	
26. Congo (Dem. Rep. of)	0.05	2,110	-	-	2,110	
27. Costa Rica	0.04	1,689	-	-	1,689	
28. Cuba	0.20	8,442	-	-	8,442	
29. Cyprus	0.04	1,689	-	-	1,689	
30. Czechoslovakia	1.11	-	177,675	44,419	222,094	

31.	Dahomey	0.04	1,689	-	-	1,689
32.	Denmark	0.62	-	99,242	24,810	124,052
33.	Dominican Republic	0.04	1,689	-	-	1,689
34.	Ecuador	0.05	2,110	-	-	2,110
35.	El Salvador	0.04	1,689	-	-	1,689
36.	Ethiopia	0.04	1,689	-	-	1,689
37.	Finland	0.43	-	68,829	17,207	86,036
38.	France	6.09	-	974,812	243,703	1,218,515
39.	Gabon	0.04	1,689	-	-	1,689
40.	Gambia	0.04	1,689	-	-	1,689
41.	Ghana	0.08	3,376	-	-	3,376
42.	Greece	0.25	10,553	-	-	10,553
43.	Guatemala	0.04	1,689	-	-	1,689
44.	Guinea	0.04	1,689	-	-	1,689
45.	Guyana	0.04	1,689	-	-	1,689
46.	Haiti	0.04	1,689	-	-	1,689
47.	Honduras	0.04	1,689	-	-	1,689
48.	Hungary	0.56	-	89,638	22,409	112,047
49.	Iceland	0.04	-	6,403	1,601	8,004
50.	India	1.85	78,094	-	-	78,094
51.	Indonesia	0.39	16,463	-	-	16,463
52.	Iran	0.20	8,442	-	-	8,442
53.	Iraq	0.08	3,376	-	-	3,376
54.	Ireland	0.16	-	25,611	6,403	32,014
55.	Israel	0.17	7,176	-	-	7,176
56.	Italy	2.54	-	406,572	101,643	508,215
57.	Ivory Coast	0.04	1,689	-	-	1,689
58.	Jamaica	0.05	2,110	-	-	2,110
59.	Japan	2.77	-	443,387	110,847	554,234
60.	Jordan	0.04	1,689	-	-	1,689
61.	Kerya	0.04	1,689	-	-	1,689
62.	Krwait	0.06	2,532	-	-	2,532
63.	Laos	0.04	1,689	-	-	1,689
64.	Lebanon	0.05	2,110	-	-	2,110
65.	Lesotho	0.04	1,689	-	-	1,689
66.	Liberia	0.04	1,689	-	-	1,689
67.	Libya	0.04	1,689	-	-	1,689
68.	Luxembourg	0.05	-	8,003	2,001	10,004
69.	Madagascar	0.04	1,689	-	-	1,689
70.	Malawi	0.04	1,689	-	-	1,689

71.	Malaysia	0.12	5,065	-	-	5,065
72.	Maldives Islands	0.04	1,689	-	-	1,689
73.	Mali	0.04	1,689	-	-	1,689
74.	Malta	0.04	1,689	-	-	1,689
75.	Mauritania	0.04	1,689	-	-	1,689
76.	Mexico	0.81	34,192	-	-	34,192
77.	Mongolia	0.04	1,689	-	-	1,689
78.	Morocco	0.11	4,643	-	-	4,643
79.	Nepal	0.04	1,689	-	-	1,689
80.	Netherlands	1.11	-	177,675	44,419	222,094
81.	New Zealand	0.38	-	60,826	15,206	76,032
82.	Nicaragua	0.04	1,689	-	-	1,689
83.	Niger	0.04	1,689	-	-	1,689
84.	Nigeria	0.17	7,176	-	-	7,176
85.	Norway	0.44	-	70,430	17,607	88,037
86.	Pakistan	0.37	15,618	-	-	15,618
87.	Panama	0.04	1,689	-	-	1,689
88.	Paraguay	0.04	1,689	-	-	1,689
89.	Peru	0.09	3,799	-	-	3,799
90.	Philippines	0.35	14,774	-	-	14,774
91.	Poland	1.45	-	232,098	58,025	290,123
92.	Portugal	0.15	6,332	-	-	6,332
93.	Romania	0.35	-	56,024	14,006	70,030
94.	Rwanda	0.04	1,689	-	-	1,689
95.	Saudi Arabia	0.07	2,954	-	-	2,954
96.	Senegal	0.04	1,689	-	-	1,689
97.	Sierra Leone	0.04	1,689	-	-	1,689
98.	Singapore	0.04	1,689	-	-	1,689
99.	Somalia	0.04	1,689	-	-	1,689
100.	South Africa	0.52	-	83,235	20,809	104,044
101.	Spain	0.73	30,815	-	-	30,815
102.	Sudan	0.06	2,532	-	-	2,532
103.	Sweden	1.26	-	201,685	50,421	252,106
104.	Syria	0.05	2,110	-	-	2,110
105.	Thailand	0.14	5,909	-	-	5,909
106.	Togo	0.04	1,689	-	-	1,689
107.	Trinidad & Tobago	0.04	1,689	-	-	1,689
108.	Tunisia	0.05	2,110	-	-	2,110
109.	Turkey	0.35	14,774	-	-	14,774
110.	Uganda	0.04	1,689	-	-	1,689

111. Ukrainian Soviet Socialist Republic	1.97	-	315,333	78,833	394,166
112. Union of Soviet Socialist Republics	14.92	-	2,388,208	597,052	2,985,260
113. United Arab Republic	0.23	9,709	-	-	9,709
114. United Kingdom	7.21	-	1,154,087	288,522	1,442,609
115. United Republic of Tanzania	0.04	1,689	-	-	1,689
116. United States of America	31.91	-	5,107,757	1,276,939	6,384,696
117. Upper Volta	0.04	1,689	-	-	1,689
118. Uruguay	0.10	4,221	-	-	4,221
119. Venezuela	0.50	21,106	-	-	21,106
120. Yemen	0.04	1,689	-	-	1,689
121. Yugoslavia	0.36	15,196	-	-	15,196
122. Zambia	0.04	1,689	-	-	1,689
	<u>100.37</u>	<u>740,000</u>	<u>13,260,000</u>	<u>3,315,000</u>	<u>17,315,000</u>

SOURCE: UNITED NATIONS SECRETARIAT
ST/ADM/SER.B/202
27 December 1966

Proposals for Independent Sources of Revenue for the United Nations

Various proposals have been made in recent years for new sources of revenue for the United Nations which would be independent of the control of member nations. Such proposals have ranged from surcharges on international services to giving the United Nations taxation authority or rights to certain property.

For instance in the first category, the Commission to Study the Organization of Peace proposed in 1957 that the United Nations be given a percentage of the fees or excises on international mail, passports,¹ visas, or international waterway tolls.

Perhaps the most well-known proposal for granting taxation authority to the United Nations is that advanced by Grenville Clark and Louis B. Sohn in their book, *World Peace Through World Law*, by which "the United Nations would assign annual revenue quotas, not to exceed 2 percent of estimated gross world product, to the 'people of each member state.'²" Existing national taxation machinery would be used with the revenue turned over to a United Nations fiscal office in each nation. A more modest version of this proposal is that nations remit to the United Nations a³ certain percentage of their tax collections each year.

The Commission to Study the Organization of Peace also suggested in 1957 that the United Nations be legally empowered to declare territorial rights over the bed of the oceans beyond the continental shelf and over

1. Stoessinger, John G., op. cit., p. 266.

2. Ibid., p. 280.

3. Ibid., p. 281.

outer space. Along the same line, Dr. Eugene Staley of Stanford Research Institute proposed in 1961 that "the United Nations should at once be granted exclusive authority to license, regulate, and tax all exploitation of ocean resources outside presently recognized limits of national jurisdiction."¹ He, too, suggested that the United Nations be granted the authority to license, regulate, and tax space traffic. At the World Peace Through Law conference held this past summer, a resolution was adopted urging the United Nations to proclaim jurisdiction and control over marine resources other than those within territorial waters or the limit of the continental shelf.

Providing the United Nations with an independent source of even limited revenue might help alleviate the financial difficulties of the organization. However, the United Nations financial difficulties may continue until the members resolve the conflict over the principle of collective responsibility for the financial costs of peacekeeping operations.

1. Stoessinger, John G., op. cit., pp. 284-285.



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