

UN Finances and Reduction of the U.S. Assessment

147. Airgram From the Department of State to Certain Posts¹

CA-2230

Washington, April 15, 1969, 2:44 p.m.

SUBJECT

United Nations CY 1970 Budget and CY 1971 Planning Estimate

Ambassador Yost and his British and French colleagues have informed the UN Secretary-General that the three powers, concerned with the rapid increase in the UN budget in recent years, consider that the UN now requires a period of time to review and consolidate existing UN staff and organization. Convinced that budgetary increases for 1970 should be restricted to that amount necessary to maintain the UN at its 1969 level, the three powers consider that any program increases that may be required in 1969, 1970 and for the most part in 1971, should be accommodated by organizational, manpower utilization or other economies resulting from improved management and from retrenchments elsewhere.

It may be anticipated that this effort on the part of the three governments to exert a restraining influence on future UN budget increases will result in adverse reaction from some governments, particularly among the less-developed countries. Accordingly it is in the interest of the effort that its disclosure be avoided insofar and for so long as possible.

For your background information and guidance the text of the three-power memorandum follows:

Memorandum from the Representatives of
France, the United Kingdom, and the United States
on
THE UNITED NATIONS BUDGET FOR 1970 AND 1971

The three members have noted with concern the growth of the budget in recent years. Moreover, the total of the original submissions plus large additions to them in the form of amendments and supplementary estimates has made review of the budget complex and nearly unmanageable.

¹ Source: National Archives, RG 59, Central Files 1967-69, UN 10. Confidential. Drafted by Edward W. Lawrence, cleared by Pierre Graham, and approved by Louis E. Frechtling. Sent to the Mission in Geneva, Addis Ababa, Santiago, Rome (FODAG), Paris (UNESCO), Montreal (ICAO), Bangkok (RED), and Vienna (IAEA/UNIDO), and repeated to USUN.

The three members have the opportunity—and frequently take it—to state their views on these matters in the Fifth Committee. By that time, however, the Secretary-General has necessarily become committed to the draft budget presented to the Assembly, and even if he accepts any reductions which the ACABQ may recommend, these tend to be offset by additions made during the course of the Assembly. The three powers therefore consider it desirable to give the Secretary-General the benefit of their thinking at this formative stage on the maximum budget levels which should be provided by the General Assembly for 1970 and 1971.

The last few years have seen a rapid growth in the level of the U.N. budget. In 1969 alone, the increase was over 10%. It is the considered view of the three powers that the United Nations now requires a period of time to review and consolidate existing United Nations staff and organization. They consider that any program increases that may be required in 1969, 1970 and for the most part of 1971, should be accommodated by organizational, manpower utilization or other economies resulting from improved management and retrenchments elsewhere.

After discussion among themselves they have reached the conclusion that—without materially affecting important programs—it should be possible to contain expenditures within a total of 161 million dollars gross in 1970 and 169 million dollars gross in 1971. These figures do not include the amounts which may be required if UNCTAD III is held in 1971, and any additional amounts required for construction in Geneva and New York.

The three members also consider that after these amounts have been approved by the General Assembly they should not be increased during the course of the year by supplementary estimates.

In arriving at these figures, the three members have not sought to quantify individual sections of the budget since they wish to leave the Secretary General the maximum discretion to weigh the many and varied demands on the budget. But they have taken account of the main developments which they foresee. They have not, for example, overlooked such factors as the so-called mandatory increases, the extra cost in subsequent years of staff recruited in 1969, and the cost of expanding accommodation and training facilities. On the other hand, the three members took into account their belief that the desk-by-desk survey of staff, the need for which was agreed unanimously by the Fifth Committee, should produce sizeable economies and that it would be unwise to expand the staff of the Secretariat beyond the 1969 level, while that survey is under way.

They also believe that the recommendations of the Committee of Fourteen, and more recently of the Committee of Seven, to tighten financial control—particularly with respect to unforeseen and

extraordinary expenses—and to achieve economies with respect to conference services and documentation, provide the Secretary General with a unique opportunity. Moreover, if the earlier representations of the major contributors about the potential for savings in the 1969 budget bear fruit, then the Secretary General will, of course, have even more room for maneuver within the figures to which the three members now subscribe.

Rogers

148. Telegram From the Department of State to the Mission to the United Nations¹

Washington, July 20, 1969, 1059Z.

124877. FODAG, IAEA, ICAO, IMCO, UNESCO.

Subject: Appropriation for Assessed Contributions to International Organizations Fiscal Year 1970.

1. Appropriation bill for State and other agencies passed by House July 24 provides full amount requested (\$130 million) for assessed contributions to international organizations but requires that at least \$2.5 million be paid in form of U.S.-owned excess currencies.

2. Dept. will propose to Senate deletion of proviso for contribution of \$2.5 million in excess currencies, noting that USG has through missions recently explored possibilities for contributing excess currencies. At present only prospects reported are \$10,000 to UNESCO and \$10,000 to ICAO as part of Calendar Year 1969 contribution and \$6,000 to Colombo Plan Council (Ceylon). In preparation for Senate Appropriations Committee hearing, Dept. requests addressees to make further inquiries as appropriate with Secretariats and report by August 4.

3. At present U.S. excess currencies are those of Burma, Ceylon, Guinea, India, Israel, Morocco, Pakistan, Poland, Tunisia, UAR (Egypt), and Yugoslavia. Near excess currencies are those of Bolivia, Ghana, Indonesia, and Sudan.

Richardson

¹ Source: National Archives, RG 59, Central Files 1967–69, UN 10–4. Unclassified. Drafted by Sidney S. Cummins and Frechtling; cleared by Graham, Richard W. Murray, and Russell P. Whitener; and approved by Frechtling. Also sent to the Mission in Geneva, Montreal, London, Paris, Rome, and Vienna.

149. Telegram From the Mission to the United Nations to the Department of State¹

New York, July 25, 1969, 2119Z.

2501. UN Budget 1970: ACABQ Action.

1. After careful item by item review of entire budget, US member ACABQ forced to conclude that budget as submitted by SYG is most complete, tightest, and best reasoned budget submitted in last 8 years. SYG has, in US member's opinion, responded fully to USUN's repeated formal and informal pressures for holding budget down: our representations about acceptable level of budget for 1970 were substantially carried into print; and SYG—mainly due to ingeniousness and toughness of Controller Turner—has managed to reluctantly swallow further large (considering tightness of budget) ACABQ cut. Moreover, he has promised to hold further add-ons to minimum (\$0.9 million) which, frankly, will be extremely difficult level to keep within.

2. Examples of super-human toughness include actions on UNIDO, ECA and OPI. UNIDO staff additions were lapsed by some 52.5 percent (80 percent for professionals), including last minute cut of over \$200,000 by SYG which Abdel Rahman loudly shouts violates pledge of SYG to him (earlier reported) to not make further reductions in "an already emasculated amount." Of an ECA approved work program calling for additions of over \$2.0 million to budget, SYG plans to submit only \$43,000 as an add-on for 1970. Internal "review and appraisal" by new head of OPI (Hamid) called for an increase in personnel and operating expenses in 1970 of \$0.9 million and further sums spread over next 3 years of \$1.7 million for radio and television—of which \$0.5 million wld have been in 1970—none of which was allowed for [in] 1970 under SYG's tight budget policy. (Note: SYG has, moreover, agreed to conduct further "independent, but internal" review of entire OPI review and appraisal before submitting his recommendations to GA for action.)

3. Even though SYG reduced by over two-thirds requests for positions made to him, sizeable personnel increases have still been requested for 1970, summarized as follows:

¹ Source: National Archives, RG 59, Central Files 1967-69, UN 10. Limited Official Use. Repeated to the Mission in Geneva.

Additional Positions Requested, 1970

	Professional	General Service, Local and Manual	Total
Established posts	31	43	74
Provisional staffing requirements	100	134	234
Total	131	177	308

Recap: Related to 1969 Request
Section 3

Restoration of reductions in 1969	52	77	129	166
Additional requests in 1970	28	33	61	142
Total	80	110	190	308

Permanent posts requested are for situations (library, HICOM for Refugees, and Geneva conference staff) where there seemed to be little alternative to granting most of them. With respect to provisional posts, \$1,335,500 credit was requested for both salaries and common staff costs. (This amount was further reduced by advisory comite by \$197,000.) Moreover, SYG has requested this credit and advisory comite agreed with express understanding: that all presently authorized posts, including vacancies, will be fully utilized first; that provisional staffing requirement request is merely indication of maximum number of posts, by office, which SYG wld be prepared to allocate if he satisfies himself of need after survey; and that SYG will administer manning table on consolidated basis. (Note: It appears that by working informally with UN Controller we may have succeeded in getting SYG pledge of sounder manpower administration program, than one on which we were soundly defeated at last GA. LDC's bound to react adversely, but probably go along in final analysis.)

Budget Summary Data

4. Original budget estimates as submitted by SYG for 1970 totalled \$164.1 million. SYG estimates that additions before end GA will bring this total to \$165.0 million. ACABQ decrease from original estimates is \$1.3 million (\$1,256,600), a reduction of original estimates to \$162.9 million which, if SYG add-ons correct, wld bring budget appropriations for 1970 to about \$163.8 million. (Note: These figures exclude any new amounts for construction at Santiago and Headquarters, but only minor amounts likely be needed in 1970 in any event.)

5. Income estimates for 1970, as revised by ACABQ, total \$28.7 million, which assuming \$163.8 million figure above is correct for finally authorized expenditures, wld result in assessment budget of \$135.1 million. U.S. assessment budget wld, of course, be on basis of this figure, plus \$18,928,000 for staff assessment income, or \$154.0 million total. (*Comment:* For purpose of computing US appropriation request, amount of our bond repayment for 1970 plus our share of "surplus" wld be deducted. Total bond repayments for 1970 are estimated at \$8,738.00, surplus at \$700,127, of which \$252,443 wld be applied to respective shares of tax equalization fund.)

6. Comparing 1969 appropriation (\$154.9) with ACABQ allowances on 1970 original estimates (\$162.9) this is increase of \$8.0 million, or 5.2 percent. Of this amount, over \$6.0 million (or some 4 percent) is for "unavoidable" costs, mainly for higher salaries, wages, and other costs, plus annualization of personnel increases granted for 1969. The "program increase" is remaining \$2.0 million (or some 1.2 percent).

7. Another benchmark comparison can be made with "4-power" figure we had proposed to give to SYG, namely \$162.2 million (which also excluded construction). (Note: \$161.0 compromise figure to bring USSR aboard was never truly realistic or viable figure, since it wld have required program reductions.) Dept will recall \$162.2 million included 1 percent program increase; however, our estimates were low on cost of "unavoidables", or SYG's original estimate figures wld be roughly in line. To this must be added about \$0.9 million SYG expects to submit during GA.

8. For US appropriation purposes, there two key additional facts which affect amount to be requested from Congress. 1969 total surplus available for credit (from 1967) was \$3,280,256, whereas 1970 surplus (from 1968) is only \$700,127. In addition, SYG currently estimates 1969 supplementaries at \$2.3 million, although he qualifies this based on past experience by saying "it wld not be unreasonable to expect a final year-end position which wld reflect a shortfall of something less." Both of these increase our congressional request, although, taken year by year, real increase in UN budget for 1970 over 1969 wld be lesser percent than reflected in para 6.

9. In opinion of US member ACABQ, possibility of effecting any further reduction in 1970 budget not within realm possibility. In fact, US be extremely lucky if this budget can be held in view expected strong reaction to big-4 initiative; trouble Abdel Rahman likely stir up; anticipated concern of LDC's to highly-lapsed, provisional post concept tied to manpower survey; and tightness of budget per se.

Buffum

150. Telegram From the Department of State to the Mission to the United Nations¹

Washington, September 29, 1969, 2032Z.

165086. Subject: U.S. Position on UN Budgets for 1970 and 1971. Ref: (A) USUN 1385,² (B) USUN 2748,³ (C) USUN 2753,⁴ (D) London 6906.⁵

1. In light of U.S. budgetary objectives, and particularly, growing Congressional discontent with ever increasing U.S. assessments, upward spiral of international organizations' budgets including that of UN is problem which, if not alleviated or contained, threatens to produce situation which could seriously affect our relations with these organizations. Provision in the appropriations bill passed by House requiring \$2.5 million of U.S. contribution to be made in excess currencies is signal not to be ignored. In this situation, despite progress made to date, we must continue our efforts to hold down budget allocations and effect economies wherever feasible. To do so is not only important from viewpoint of our future relations with organizations but also makes good sense in terms of strengthening effectiveness and efficiency of organizations themselves.

2. Taking into account SYG initial estimates amounting to \$164.1 million, ACABQ recommended reductions of \$1.3 million and probable add-ons of \$2.2 million. We foresee 1970 expenditure budget of \$165.0 million for 1970, an increase of about \$10 million or 6.5 percent over last year's expenditure budget. Owing to decrease in offsetting income and adjustments including, particularly, a greatly reduced amount available in 1968 surplus account as opposed to amount available last year in 1967 surplus account, amount assessed against members in 1970 will increase by \$13.3 million or 9.3 percent over comparable 1969 figure (1969 assessment—\$143.2 million; 1970 projected assessment—\$156.5 million).

3. Although we are well aware that projected increase in expenditure budget of 6.5 percent is low as compared with previous years

¹ Source: National Archives, RG 59, Central Files 1967–69, UN 10. Limited Official Use. Drafted by Edward W. Lawrence; cleared by Ralph S. Roberts, Paul W. Jones, Fox (BOB), and John W. McDonald; and approved by Ward P. Allen. Repeated to London, Vienna for IAEA, and the Mission in Geneva.

² Dated May 8. (Ibid.)

³ Dated August 22. (Ibid.)

⁴ Telegram 2753, August 22, asked for U.S. budgetary objectives before the Four-Power representatives met to discuss the next UN budget. (Ibid., UN 10–1)

⁵ Dated August 29. (Ibid., UN 10)

(1969 increase over 1968 was 10.3 percent), increase in amount we must request from Congress estimated at \$4.2 million or 10.2 percent over last year will pose very real problem for U.S. at a period when Executive Branch is making every effort economize and in view of sentiment of Congress against rapid increase in costs represented by our contributions to international organizations.

4. Initial estimates for 1970, SYG foreword to these estimates and line of thinking expressed by Turner regarding 1971 planning levels (Ref B) all appear reflect atmosphere of improved budgetary restraint, achievement of which was main purpose of Four Power approach. Although SYG estimates even as reduced by ACABQ recommendations exceed target figure of \$161 million set by Four Powers, and further add-ons must be anticipated, approach has apparently been effective in relation to Secretariat and may even have limited restraining influence on the program formulating bodies. Moreover \$161 million target figure was based on somewhat inadequate information.

5. We agree that we are not tied to other three governments for or against any particular budget level for 1970 (Ref C). However we are persuaded that fundamental element in whatever success approach has enjoyed to date has been image of Big Four solidarity, and that it desirable continue convey strong sense of concern of four major contributors re need for economical budgetary approach. In furthering measures proposed (Ref A) believe you should also endeavor bring Western Group and other like-minded delegations into picture.

6. We agree that SYG has made what appears to be brave effort to curtail expansive tendencies of commissions and subordinate bodies and merits commendation by U.S. delegation for this endeavor. However, in light overall need for greatest possible savings and in interest of maintaining atmosphere of economy and good management, not just as one or two year phenomenon, but as continuing feature of UN growth and development, we must persevere in our efforts to seek cost reductions wherever they may be found and to avoid supporting excessive increases.

7. As we pointed out in our last year's communication on 1969 budget (State 261339),⁶ we are fully cognizant of problem posed by efforts to make reductions below those recommended by ACABQ. On one hand, going beyond ACABQ recommended may tend to emphasize non-aligned nature of ACABQ as group of experts and thus strengthen general acceptance of its recommendations. On other hand if developed countries start criticizing or rejecting ACABQ's recommendations, it might not be long before LDCs do same. Therefore U.S. will support ACABQ's recommendations for 1970 as basic point of

⁶ Dated October 24, 1968. (Ibid.)

position while taking advantage of realistic opportunities for further reductions consistent with ACABQ viewpoints.

8. We remain convinced that savings are to be found in area of conferences and documentation and we should make every effort seek adoption of recommendations of Committee of Seven as best way to achieve this end.

9. Certainly in discussions with other three caution must be exercised to avoid compromising our ultimate freedom of decision. In final analysis U.S. position may be influenced by number of factors not yet known or evaluated including amount and nature of additions, 1971 planning estimate, Assembly action on report of Contributions Committee, negotiations with respect to Headquarters expansion and possibly other issues. Therefore you may adhere closely to position contained in paragraph 3 of (Ref C) except that you should avoid any indication of how we might vote for budget above \$161 million level.

10. Subject to outcome of initial talk with UK, you are authorized use above views as basis for Big Four discussions.

11. Regarding 1971 planning estimates you should discuss with other three measures which might be taken to insure these be kept within acceptable limits, indicating we wish defer decision about possible approach to SYG until we have clearer indications his thinking this regard and are able assess likely Fifth Committee action on 1970 estimates.

Richardson

151. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 17, 1969, 2038Z.

3645. Subj: UN Scale of Assessments.

1. Yesterday Da Mota (Brazil–Chairman Fifth Comite) asked to meet with MisOff to discuss action to be taken by Fifth Comite on report of Comite on Contributions.

¹ Source: National Archives, RG 59, Central Files 1967–69, UN 8–4. Confidential.

2. Da Mota produced draft res, which he asked MisOff examine, saying he could not presently give him copy. Draft res contained fol important paras:

(A) Preambular para quoting from Para 38 of report Comite on Contributions to effect that Comite noted "that in the light of other directives of the Assembly, further reductions in the assessment of the largest contributor from 31.57 percent to reach the level of 30 percent prescribed under its present terms of reference may not be appropriate in the present circumstances."

(B) Operative para directing Comite on Contributions to increase maximum allowances for low per capita income countries from 50 percent to 60 percent.

(C) Operative para authorizing Comite on Contributions to increase percentage assessment of highest contributor if it found this necessary to enable it make other necessary adjustments in scale.

3. Da Mota stated that operative para C had been proposed by someone other than himself and he believed there was chance secure deletion this para if US could support balance of res.

4. MisOff informed Da Mota that draft res was totally unacceptable even if para C deleted. Restated US position it would oppose any res which affected its present ceiling position, including right of US have its contribution reduced to 30 percent. Da Mota replied that, assuming para C deleted from draft res, it would not affect ceiling position of US since it would result in no increase in US percentage and further would have no effect on possible decrease in US percentage since there was no real possibility that either Comite on Contributions or Fifth Comite would support any further decrease in US contribution percentage at this time. He believed that realistically US should be happy if it could avoid having its percentage increased.

5. MisOff also stressed danger that res would inevitably result in reduction of floor percentage below .04 percent. Da Mota said that he did not believe that this was case and there was no movement at present time for decrease in floor percentage. He added, if and when such decrease occurred, resulting impact would have be absorbed completely by countries other than low per capita income countries.

6. At conclusion discussion, Da Mota said he was sorry US could not accept his suggestion because he was certain that draft res would be tabled and thought it very likely would contain para C, which he personally was willing delete. He also stated we should recognize he personally would not participate in handling draft res since as Chairman Fifth Comite it would be inappropriate for him be involved.

7. In course of discussion Da Mota mentioned Mexico and Pakistan as two other countries involved with Brazil in this effort. Accordingly, MisOff spoke to Shahi (Pakistan) re matter and pointed out

serious situation which would arise if res tabled along lines that produced by Da Mota. Shahi said Yunus (Pak) had asked for authority co-sponsor res “in order to isolate us” but that Shahi had instructed him not to co-sponsor. Later Yunus informed MisOff Shahi had merely instructed him not to co-sponsor at present time but to await developments.

8. MisOff also spoke to Amjad Ali (India–Chairman of Comite on Contributions) re matter and informed him of US views. Ali professed ignorance of proposed draft res but commented he realized proposal of low per capita income countries would affect contribution highest contributor.

Yost

152. Telegram From the Department of State to the Mission to the United Nations¹

Washington, October 21, 1969, 2305Z.

178547. Subject: UN Scale of Assessments. Ref: USUN’s 3338,² 3534,³ 3511⁴ and 3645.⁵

1. Developments with respect to forthcoming Fifth Committee consideration of Contributions Committee report and increasing prospects of effort to eliminate or alter ceiling concept and to raise U.S. assessment, (reftels) bring us to conclusion that intervention by U.S. PermRep directly with PermReps of key missions in New York may be necessary.

2. We share USUN unwillingness to accept deal such as offered by Da Mota and reported USUN 3645. We unable to see how decision to increase allowance for low capita income from 50 to 60%, as proposed by para. 23c of Committee report can fail to lead to increased U.S. assessment, particularly in light of paras. 23d and 38 of report. In absence of assurance that a workable alternative can be developed which would stand good chance of success, we convinced we must

¹ Source: National Archives, RG 59, Central Files 1967–69, UN 8–4. Confidential. Drafted by Edward W. Lawrence, cleared by Ward P. Allen and Frechtling, and approved by Assistant Secretary De Palma.

² Dated October 1. (Ibid.)

³ Dated October 10. (Ibid.)

⁴ Dated October 9. (Ibid.)

⁵ Document 151.

continue (para 4 of USUN 3511) concert with other major contributors in position that there should be no change in Committee's guidelines and no increase in allowances for low per capita income.

3. As pointed out in position paper SD/A.5.626 an increase in U.S. assessment rate would be completely unacceptable to both Executive and Legislative Branches. Taking into account provisions in current appropriations bill requiring \$2.5 million of U.S. contribution be made in excess currencies, it not unrealistic to foresee more serious stricture placed on future contributions, particularly if U.S. is increasingly taxed by international organizations not only on basis higher budgets but also through higher proportionate share of assessments.

4. In addition to high level approaches by USUN, we would appreciate Mission's comments as to usefulness and possible nature of approach through U.S. Embassies to key countries. Also we prepared call in representatives here if considered desirable.

Rogers

153. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 22, 1969, 2216Z.

3719. Subj: Scale of Assessments. Ref: USUN 3716.²

1. We were informed by Meyer Picon (Mexico) he expected draft res which would direct Comite on Contributions increase maximum reduction for low per capita income countries from 50 percent to 60 percent would be sponsored by six LDC dels having reps on Comite on Contributions plus Mexico.

2. Accordingly, yesterday we approached reps of Dem Rep of Congo, Iran, and Peru, and they agreed withhold sponsorship, at least for time being. We had received similar assurances earlier from Pakistan.

3. This afternoon Buffum saw Fakhreddine (Sudan), explained strength of US opposition to opening up assessment issue, and urged he not sponsor res. Fakhreddine said he was sorry but had already agreed both sponsor and introduce res. He added he understood countries mentioned above would also sponsor. When we informed him our

¹ Source: National Archives, RG 59, Central Files 1967-69, UN 10-4. Confidential.

² Telegram 3716, October 22, transmitted the text of the draft resolution. (Ibid.)

understanding of position Congo, Iran, Pakistan, and Peru, Fakhredine said that, if this true, he would have to reassess position because he did not wish to be only one of three sponsors. Said he would look into situation and hoped meet with us tomorrow.

4. It clear our best tactic is attempt avoid tabling draft res, and accordingly we will discuss matter with reps Brazil and Mexico.

5. Hope tomorrow be able make judgment whether Dept should go to capitals re this matter.

6. GADel liaison officers have been briefed re this matter and will attempt convince potential beneficiaries of LDC res to go along with “no change” policy and will also attempt sell this policy to floor countries.

7. Yesterday both France and USSR expressed concern that LDC draft res had now dropped para which would authorize increase in US percentage contribution. They said they suspected US prepared make “deal” with LDCs to protect its ceiling. Threatened that, if US did not succeed in avoiding tabling or in defeating LDC res, they would denounce US “deal” with LDCs and would propose increase in US assessment percentage. Viaud (France) also stated such result would mean end of further cooperation between US and France on administrative and budgetary questions.

8. MisOff told reps of France and USSR that US Del doing its best to prevent any change in criteria for establishing scale of assessments and did not appreciate threats re this matter. Said he saw no evidence that France and USSR were making efforts to defeat LDC res and that they were apparently quite content that US assume responsibility for defeat of res. French and USSR reps appeared convinced of sincerity US position as result Congressman Fascell’s general debate statement in Fifth Comite and agreed they would work to secure votes against LDC res.

9. In conversations with French and USSR reps, it appeared be their position that, even if LDC res defeated, US would have expect no reduction at all in its contribution in immediate future. MisOff said this was not consistent with 1957 res and would not be accepted by US. Will try arrange four-power mtg this entire subject tomorrow in order be certain uniformity of views on part all four.

Yost

154. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 24, 1969, 2328Z.

3774. Subject: UN Scale of Assessments.

1. Yost has informed Perm Reps of Brazil, Mexico and Peru of US position this matter with fol results.

2. Brazil noncommittal but said would look into matter.

3. Mexico and Peru said would not cosponsor res providing additional maximum reduction for low per capita income countries but would probably vote for it if tabled.

4. Faura (Peru) informed Da Mota (Brazil) of Peruvian decision not cosponsor and found Da Mota quite depressed at present situation. Faura said he did not believe Peru would have vote for res if tabled.

5. Shahi (Pakistan) informed MisOff his del would not cosponsor and he would endeavor convince Da Mota not table res.

6. Sadry (Iran) said Vakil seeking instructions and had suggested to FonOff Iranian Del vote for res if tabled since it would save Iran money. Sadry felt certain Iran would not cosponsor.

Yost

¹ Source: National Archives, RG 59, Central Files 1967-69, UN 10-4. Confidential.

155. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 28, 1969, 0001Z.

3788. Subj: UN Scale of Assessments.

1. MisOff informed by Da Mota (Brazil) today that he has decided not to introduce res calling for increased reduction for low per capita income countries. He said, as result of US approaches and pressure, his potential cosponsors had decided not to join him in such res and that he had "lost enthusiasm" for it.

¹ Source: National Archives, RG 59, Central Files 1967-69, UN 10-4. Confidential.

2. We, Soviets, and some WEs plan speak on item tomorrow or Wed in favor continuation existing guidelines and against further reduction for low per capita income countries. Copy of draft US statement pouched Hennes (OIA) tonight.

3. There remains problem of how to dispose of item. We discussed this at mtg with WEs this afternoon, and consensus was we should settle for Comite decision “noting report of Comite on Contributions” and for para in Fifth Comite report reflecting views stated in debate. It was considered this course of action preferable to tabling draft res reflecting our views, which might draw unacceptable amendments which would be difficult to defeat.

4. Would appreciate Dept’s comments soonest since we may have take final action on item as early as tomorrow afternoon.²

Yost

² The Department replied later that day that it agreed with the Western European consensus. “Objective should be that statement in Fifth Committee report not change in any way existing General Assembly guidelines to Committee on Contributions.” (Telegram 182186 to USUN, October 28; *ibid.*)

156. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 6, 1969, 2355Z.

4029. Subj: UN Scale of Assessments.

1. There now appears the general agreement in Comite re two final paras of report to be made by Fifth Comite on item 78—scale of assessments for apportionment of expenses of UN: report of Comite on Contributions. Text of these paras, including Mexican amendments proposed this morning, telephoned Hennes/OIA today. Pursuant Allen/Bender telecon, US Del will vote for these paras.

2. This morning additional proposed “decision” para circulated by Dels of Australia, Canada, New Zealand, and United Kingdom. Purpose this para is to have it mentioned in report along with other proposals and to balance earlier twelve-power proposal. Like other pro-

¹ Source: National Archives, RG 59, Central Files 1967–69, UN 10–4. Confidential.

posals, it will not be put to vote. Text four-power proposal also telephoned Hennes/OIA today.

3. After four-power proposal formally introduced tomorrow morning, US Del will make statement indicating that proposal in accord with US views. US Del will state further that it remains position of US that existing guidelines, including ceiling principle, should be maintained and respected.²

Yost

² The Department replied that USUN should support the text proposed by Australia, Canada, New Zealand, and the United Kingdom, and should make every effort to have the U.S. position on a ceiling reflected in the Fifth Committee report. (Telegram 188134 to USUN, November 6; *ibid.*)

157. Telegram From the Department of State to the Mission to the United Nations¹

Washington, April 2, 1970, 1550Z.

47999. Subject: U.S. Position on UN Budget for CY 1971. Ref: USUN 483.²

1. At April 2 Four Power meeting (USUN 483) you should indicate that we intend approach SYG on '71 budget and will wish to exchange information concerning it with other delegations in hope they will take similar positions with SYG. However, we believe concerted approaches are unnecessary and prefer concept of individual approaches by concerned and responsible delegations, including but not necessarily limited to major donors, rather than joint Four Power effort.

2. You should see SYG soonest, explain present USG and Congressional concern at rate of growth of UN budget and express strong hope that any increase in initial estimates for 1971 be limited to what is absolutely essential. You should point to possibility of proposals for

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-1. Confidential. Drafted by Edward W. Lawrence; cleared by Ward P. Allen, Joseph F. Donelan, Louis E. Frechtling, and Strait (BOB); and approved by Assistant Secretary De Palma. Repeated to Vienna and the Mission in Geneva.

² Telegram 483, March 20, mentioned, among other things, that the Soviet representative at a Big Four meeting proposed that the Permanent Representatives of the Big Four should inform the Secretary-General that the 1969 Four-Power note set a \$169 million budget ceiling for 1971. (*Ibid.*)

new initiatives at next GA resulting from 25th Anniversary and Second Development Decade, which may well call for some budgetary increases, and to need to forego expansion of organization and staff pending delineation such initiatives and their financial implications.

3. Re possible post increases for 1971, you should express strong hope that these be kept to absolute minimum for reasons mentioned in paragraph 2 above. They should be limited to those additional posts specifically recommended by manpower survey which hopefully will be offset by reductions which we assume will also be forthcoming from survey for those parts of Secretariat it finds overstaffed. You should take position that results of manpower survey should be fully and strictly applied so that Member Governments have confidence that there exists a satisfactory basis for further development of Organization. You should express view that SYG will be in much better position to assess real needs of Organization in terms of additional posts after he takes into account decisions of next GA and after entire manpower survey has been completed.

4. You should point out that, apart from any post increases as discussed in paragraph 3, we would foresee a 1971 budget submission by SYG which would provide for only a minimum of increases. We believe that SYG should limit such increases to following:

(a) about 5 per cent (\$8.4 million) increase for higher wages and prices in 1971 and for full funding in 1971 of 1970 provisional posts, but we believe a portion of price and wage increases can and should be absorbed;

(b) \$3.0 million for construction costs in Geneva and New York;

(c) \$0.5 million for UN International School; and

(d) \$2.0 million for non-recurring conference costs. Should UNCTAD III be deferred until 1972, these conference costs could be reduced to \$1.0 million. Moreover we would hope SYG will be able to recommend the elimination or reduction of obsolete or low priority activities the savings from which would offset in part some of the increases above.

5. Following four power discussion you should inform other like-minded and responsible delegations of our position in such detail and in accordance with such schedule as you think appropriate and you should urge those found to be sympathetic to our viewpoint to make similar though not necessarily identical approaches to SYG in support this general concept.

6. In support this approach we agree that USUN officers should work closely with Controller and his staff on continuing basis to make certain that they take fully into account all reasonable possibilities for holding 1971 estimate to minimum (including for example reductions in documentation costs).

Rogers

158. Telegram From the Department of State to the Mission to the United Nations¹

Washington, April 18, 1970, 0331Z.

57999. Subject: Committee on Contributions.

1. We agree with Ambassador Finger's intention to seek reduction in U.S. percentage contribution during forthcoming session Committee on Contributions. We compute average U.S. reduction each three year period since adoption of 30 percent-ceiling-resolution 1137(XII) at 0.44 percent. Negotiated reduction half-way between that figure and no increase would be 0.22 percent, which coincidentally is average U.S. reduction achieved over last two scales, those adopted in 1964 and 1967. In view of strong sentiment in Fifth Committee last year in favor of increasing relief to certain developing countries, we would be very satisfied if Ambassador Finger could obtain Contributions Committee recommendation of U.S. reduction of at least 0.22 percent for 1971-73 scale and if U.S. Delegation to 25th General Assembly could get such a recommendation adopted.

2. The U.S. strongly opposes the position taken by some members of Contributions Committee last year that a reduction in the U.S. assessment "may not be appropriate in the present circumstances." Moreover under no circumstances could U.S. agree to any increase whatsoever over its present 31.57 percent figure. Not only would such an increase be intolerable in terms of its jeopardizing ceiling principle and increasing our contribution to the United Nations, but percentage increase would be adopted by Specialized Agencies to raise U.S. contributions to those organizations also.

3. Despite expert nature of Committee, we are prepared consider supporting in capitals foregoing positions taken by Ambassador Finger whenever Mission so recommends.

Rogers

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential. Drafted by Richard V. Hennes; cleared by Frechtling, Fox, and Donelan; and approved by Assistant Secretary De Palma.

159. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to the President's Deputy Assistant for Congressional Relations (Timmons)¹

Washington, June 25, 1970.

SUBJECT

Congressional Action on Administration's UN Requests

I am passing along to you a copy of a memorandum to the President from Ambassador Yost in New York, who expresses concern over the fate of two Administration bills in Congress in support of the UN.² One is the requested \$100 million appropriation for the UN Development Program (the UN's principal organ for multilateral economic aid) and the second is the requested \$20 million authorization and appropriation for the US share of financing the expansion of the UN headquarters in New York. Ambassador Yost asks for White House assistance, including the President's personal intervention, to obtain early favorable action on both these measures.

I agree with Ambassador Yost that these measures are important. Since this is the UN's 25th anniversary year, and since the President will likely want to participate in celebrations that will be going on in New York this September, this would be an inopportune time for the US to show signs of flagging in its support for the UN. Also, U Thant will be the President's guest at a dinner at the White House on July 10 in honor of the 25th anniversary of the UN Charter, and it might be helpful if there were at least some indication of the President's continued concern for the UN by then.

The UNDP appropriation request is the major item in one account (International Organizations and Programs) of the Foreign Assistance Appropriation Act. The House cut the total foreign aid request by \$537 million and this particular account by more than \$37 million. This means that the U.S. contribution to UNDP could be little more than \$62 million. Compared to last year's contribution of \$86 million, this reduction would threaten the credibility of the President's announced commitment to increased multilateralism by appearing to indicate a serious decline in U.S. support for UN development efforts. Thus it is important that some action be taken, but this must be considered in

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 298, Agency Files, USUN, Vol. IV. Confidential. A June 19 memorandum from Lord and Rodman to Kissinger indicates that they drafted the memorandum to Timmons as well as the response to Yost. (Ibid.)

² Yost's June 12 memorandum to the President is attached but not printed.

the broader context of strategy on the foreign aid appropriation bill as a whole. If an expression of Presidential concern (including mention of the UNDP) seems appropriate, it probably would be most effective at the time of the Senate–House conference, since the McGee appropriations subcommittee will likely restore the full amount for the UNDP. Conceivably, the amount could be raised further. For now, I believe that the forthcoming foreign aid message, which will probably include special mention of UNDP, should be enough.

On the UN headquarters bill, the only action so far has been a favorable report on the authorization from the Senate Foreign Relations Committee. This bill is now taking on some importance internationally: There are strong pressures within the UN to shift major portions of the UN Secretariat to Geneva, and there is danger that the absence of an assured US contribution by the time of the General Assembly session this autumn will undermine support within the UN for expansion in New York. Ambassador Yost believes that such movement away from New York would seriously reduce US influence over UN operations. Even if the plan is not abandoned, further delay in making our contribution means escalating construction costs.

You may know that the President was skeptical last fall about the desirability of taking any risks for the headquarters bill. In the meantime, however, he has cited it in his Foreign Policy Report as an example of America's support of the UN. In view of the Thant dinner and the UN anniversary activities, the President does have a stake in showing his continuing interest in the bill.

These items may not be of the highest priority on your agenda, but perhaps this information will be helpful to you.

I am informing Ambassador Yost that I have passed his memorandum on to you.³

³ Kissinger's response to Yost is dated June 25. (National Archives, Nixon Presidential Materials, NSC Files, Box 298, Agency Files, USUN, Vol. IV)

160. Telegram From the Department of State to the Mission to the United Nations¹

Washington, July 8, 1970, 2042Z.

108379. Subject: UN Deficit. Ref: USUN 1360.²

Mission authorized inform SYG as follows:

(a) We consider it essential that serious efforts to solve deficit problem be initiated at earliest possible opportunity but at same time wish to avoid premature effort that might prove abortive during 25th GA.

(b) We favor attempt achieve overall solution of deficit problem in order avoid accumulation new or additional deficit in near future.

(c) We believe that solution must be one considered to be in interest of organization as whole; accordingly, it can be arrived at only if vast majority of member states prepared support.

(d) We willing participate in effort arrive at solution and, if the other principal powers, especially the Soviet Union and France, prove willing to make significant and commensurate contributions, we would consider appropriate contribution to solution. Nature and level our contribution would depend upon nature of proposed solution, willingness other member states to contribute, and Congressional approval.

(e) We believe best approach to negotiation of solution is to have forthcoming GA appoint outstanding individual having confidence all parties to conduct negotiations looking to agreed solution by the 26th GA.

(f) We suggest that appropriate negotiator might be next Pres of GA, viz. Hambro (Norway), after next GA session has been completed. We, of course, are open to any other suggestions SYG may wish make re individuals who might serve as negotiator.

(g) If SYG agrees Hambro would be appropriate negotiator, believe would be helpful if he (SYG) made such recommendation to GA. If SYG prefers, Scandinavian group might be persuaded make such proposal to GA.³

Johnson

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10. Confidential. Drafted by Lawrence; cleared by Nathan A. Pelcovits, Allen, and Frechtling; and approved by Assistant Secretary De Palma.

² In telegram 1360, June 30, Yost outlined what he intended to ask Thant; for example, whether he intended to explore possible Soviet contributions to reduce the UN deficit during a forthcoming visit to Moscow. Yost also suggested that the General Assembly appoint an “outstanding individual having confidence all parties to conduct negotiations.” (Ibid.)

³ On July 9 Yost discussed the proposal in this paragraph with Thant, who agreed to consider it. (Telegram 1446 from USUN, July 10; *ibid.*)

161. Telegram From the Department of State to the Mission to the United Nations¹

Washington, October 20, 1970, 0108Z.

172334. Subject: US Position on 1971 Budget.

1. SYG's October 5 address to Fifth Committee on 1971 budget must be commended for courage and forthrightness.² Seems apparent from his remarks that earlier approaches of U.S. and other major contributors made significant impression on SYG. We support in full his recommendations for reductions in budget.

2. Stringent U.S. budgetary policies require that we seek maximum possible reductions. Moreover growing Congressional disenchantment with international organizations a matter of record. \$2.5 million excess currency requirement FY 1970 and 1971 appropriations may presage strong Congressional reaction to sharp increase in UN assessment associated with budget level now forecast. Although reduction in appropriation for ILO resulted from other than budgetary considerations, precedent of these Congressional actions should not be overlooked.

3. U.S. cannot accept \$200 million budget. We applaud and support SYG's proposals for \$7 million reduction in budget by acceptance ACABQ reductions, cutting back on new construction and freezing staff at authorized 1970 level. Result of such reductions would bring budget down to about \$193 million according SYG's calculations. However we believe there are other areas of budget where further cuts can be effected. Immediate goal is to bring budget down to \$188-\$190 million without impairing essential UN programs.

4. As heretofore, U.S. will support ACABQ recommendations for reductions in initial and revised budget estimates. Although we wish avoid undercutting of ACABQ recommendations, we would seize upon ACABQ observations or comments which may provide basis for further budget reductions.

5. Prime target for cut, in addition reductions proposed by SYG and ACABQ, is proposed 8% pay raise which SYG supports. As indicated CA-5259³ we do not support 8% figure particularly in view of anomalies apparent in ICSAB study. If raise held to 5% a further \$3.3

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Confidential. Drafted by Patrick T. O'Connor; cleared by Allen, Paul W. Jones, Frechtling, John W. McDonald, Fox, and Richard W. Murray; and approved by Allen. Repeated to Vienna and the Mission in Geneva.

² Printed in *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 73, document A/C.5/1309.

³ Dated October 7. (National Archives, RG 59, Central Files 1970-73, UN 10)

million could be cut from budget. If cut to 5% fails, we will send further instructions.

6. Second goal is to maximize absorption within existing appropriations of costs resulting from inflation and/or new and expanded programs plus reduction of conferences and documentation expenditures for a further saving of \$1.5 million.

7. Progress made in reducing documentation should be commended but redoubling of effort in this direction imperative. Convinced that progress in reducing documentation can be met only on basis Draconian measures, US Del should propose reduction of \$1.0 million in appropriations for this purpose. One particularly soft spot is \$700,000 item for documentation for 1972 Stockholm Conference on Human Environment. A further proportionate reduction should be absorbed in area of conference services. Recommended increase of \$522,000 for temporary assistance for augmented Geneva meetings schedule and 26th GA appears excessive and should be questioned. Schedule of conferences and meetings should be stretched out so bodies meet less frequently, not only for purpose of economy, but, even more importantly, to enable both secretariat and member states to prepare adequately for each session. Greater recourse should be made to approval of measures by mail poll or consultation with resident delegations as means of reducing agendas and duration and frequency of meetings. A more pointed effort is needed on part of substantive committees to restrict number of conferences held away from headquarters. U.S. should oppose reconstituting Committee on Conferences unless it can be given adequate authority to be effective and its terms of reference so written as to ensure that its basic purpose is to reduce the number, frequency, duration and costs of conferences.

8. The prospect of UN budget bordering on \$200 million dramatically underscores need for strictest economies and for review and reorganization of budgetary and programming procedures. Proposals for budget reform which SYG will present to GA should receive careful attention. In addition possibility should be explored of reconstituting Ad Hoc Committee of Experts to Examine Finances of UN and Specialized Agencies (Committee of 14) and charging it with responsibility for recommending ways in which greater order can be introduced in terms of establishment of priorities, program budgeting, and coordination with other UN agencies and programs, as well as establishment of more comprehensive means of inspection and evaluation of UN system. (This proposal to be discussed in greater detail under Agenda Item 80.)

9. US Del should strongly emphasize importance of manpower survey and of adherence to AMS recommendations as integral part of effort to restore confidence in UN. Believing that SYG and staff must give fullest cooperation to ACABQ in its inquiries re budgetary im-

plications of surveys, we welcome Oct. 8 announcement of USYG Stark that SYG will provide Committee with full report on personnel policy recommended by AMS manpower survey.

10. US Del may support ACABQ recommended draft resolution on unforeseen and extraordinary expenditures, which would continue same procedure for such expenditures as follows in past.

11. As heretofore, US Del should consult with members Big Four and other like-minded delegations to extent possible to seek concerted action for budgetary restraint.

Irwin

162. Telegram From the Department of State to the Mission to the United Nations¹

Washington, April 28, 1971, 2134Z.

73021. Subject: U.S. Assessment Rate in UN. Ref: USUN 887.²

1. We agree that present circumstances not propitious for launching campaign to reduce U.S. assessment rate in UN to 25 percent. Nor do we intend at this time to publicize ultimate desirability of reducing U.S. assessment rate in specialized agencies to 25 percent and below. Nevertheless we may face need to comment on recommendation of Lodge Commission that, while affirming its intention to maintain and increase its total contribution to the UN, the U.S. seek over a period of years to reduce its share of the assessed UN budget to 25 percent. Commission has linked U.S. reduction to redistribution of responsibilities as new UN members with sizable assessment rates (e.g., Federal Republic of Germany) come in.

2. If queried about Commission's recommendation you may respond: We understand the Commission to be talking about a future goal. While we want to study the particulars and have no present plan to obtain a UN assessment reduction to a specific level, the US will of course expect a significant reduction in its assessment rate as new members are admitted. Mission can explain that this is exactly what U.S. is

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential. Drafted by Hennes and Pelcovits, cleared by Allen and Robert L. Yoder, and approved by Assistant Secretary De Palma.

² Dated April 7. (Ibid., AV 3 ICAO)

doing in ICAO in effort to get fair U.S. share of reductions in assessment rates resulting from Soviet adherence. If ICAO discussions become known in New York, Mission can further note that reduction U.S. is presently seeking in ICAO is to vicinity of 26.5 percent.³

3. While we recognize difficulties, we have concluded that our long range goal should be to bring U.S. assessment rate closer to what is appropriate to organizations based on sovereign equality where more weight should be given to considerations other than capacity to pay in determining assessments. Situation of obligatory assessment differs from that involving voluntary contributions (to UNDP for example) where capacity of donors is key consideration in judging equitable shares. Without taking explicit stand now, request you carefully refrain from endorsing principle of capacity-to-pay as overriding element in establishing assessment rates. We should in future stress that other criteria need to be taken more into account. These criteria could be expected to include special responsibilities and privileges of permanent members of Security Council and special advantages pertaining to host governments, as well as basic concept that in organization of ostensible equals, membership dues should proceed in first instance from this very equality.

Irwin

³ The United States had taken the position that all ICAO member states should share the costs proportionally as new members were admitted. When the ICAO Assembly held its 18th regular triennial session in Vienna (June 15–July 7, 1971), it agreed to reduce the U.S. assessment to 28.75 percent rather than 26.85 percent. (*U.S. Participation in the UN, 1972*, p. 158)

163. Airgram From the Mission to the United Nations to the Department of State¹

A-727

New York, May 11, 1971.

SUBJECT

Report of the Committee on Contributions

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential. Drafted by Seymour M. Finger.

Summary—The UN Committee on Contributions met at United Nations Headquarters from 20 to 30 April 1971. Inasmuch as the scale for three years was established last year, this session was a relatively light one. Efforts were made by da Mota (Brazil) and Meyer Picon (Mexico) to discuss a revision of principles concerning the scale of assessments; however, these efforts were successfully resisted by a majority of the Members, principally from the developed countries. Instead, the Committee asked the Secretariat to provide improved data on the impact of price changes on the calculation of national income and on the ability of countries to secure foreign exchange.

Four copies of the Report are attached.² *End of Summary*

In general, this session of the Committee was not very controversial. The actual substantive work was completed in four days, after which the Secretariat and a Drafting Group took the first three days of the following week to prepare the Draft Report, which was then approved by the Committee on Thursday, except for a decision on the date and place of the next session. That final decision was taken at a one-hour meeting on the morning of Friday, April 30.

Da Mota and Meyer Picon made a strong effort to have the Committee discuss at this session changes in the criteria or principles governing the establishment of the scale. They were particularly interested in changes which would benefit the countries with a low per capita income. Their efforts were resisted by Zakharov (USSR), Viaud (France), Rhodes (UK), Naito (Japan) and Zodda (Italy). Conscious of Zakharov's position that any change in the criteria or principles would mean that he and the Soviet Union would oppose the US ceiling instead of supporting it, Finger also urged that no action be taken at this session to consider changing these criteria or principles. Da Mota and Meyer Picon then went along.

The issue of the implications of changes in price levels and exchange rates for the determination of relative capacities to pay was a delicate one. (Paragraph 20 of the Report.) The Soviet bloc countries have in general followed a policy of price stability; consequently Zakharov and Raczkowski (Poland) have consistently opposed any change from the calculation of national income in current prices. Other Members, however, felt that it is unfair to use national income statistics which contain a substantial measure of inflation as a basis for calculating the scale, thus providing a benefit for countries whose national income is stated at relatively stable prices. Finger felt this was a sensitive issue, bearing in mind the need of Soviet support for the US ceiling; however, he did join with the majority in pressing for

² Attached but not printed.

better data so as to neutralize the impact of differences in changes of price levels.

This thrust was aided by a note from the Netherlands, which had argued that the increase in its assessment had been too high because the degree of inflation in the Netherlands had not been taken into account sufficiently. In fact, this was not so. The Committee did make allowances for inflation as it considered the scale of assessments last year, and the assessment of the Netherlands is not out of proportion to that of other European countries in similar circumstances. Nevertheless, it is hoped that the improved data to be provided by the Secretariat for next year's session will enable the Committee to neutralize the impact of differences in changes of price levels in a more systematic way. Zakharov reluctantly went along with this consensus.

The Committee also requested improved data on debt burdens, so that it may take into account "in a more systematic way" the factor of the ability of Members to secure foreign currency. (Paragraph 21.) The Committee considered requests by Pakistan and Rumania for relief in their level of assessments because of the natural disasters which had stricken their countries. (Paragraphs 10–15.) While sympathizing with their plight and considering that the impact of such disasters on national income should be reflected on the next scale—1974–76—the Committee felt that it was not able to recommend any revision in the scale adopted by the General Assembly, in response to the two appeals submitted to it. This decision will have the incidental benefit of reducing the US assessment very slightly, from 31.52 to 31.50, in 1972. The reduction will be *de facto* in 1972 but, based on past practice, will be officially recognized in the next scale. More important than this slight reduction is the retention of the practice. If countries like the Federal Republic of Germany should be admitted, the practice of giving the United States one-third of the benefit would result in a reduction of several percentage points in the US assessment.

The most controversial point involved the acceptance by the Secretary General of currency other than US dollars. (Paragraph 24.) The Secretary General submitted a report outlining the sums that had been accepted in such currencies. He then referred to a paragraph in the Report of the Fifth Committee, reading as follows:

"In the context of the factor regarding the ability of Member States to secure foreign currency, and taking into account resolution 2291 (XXII), the Committee recommends that the needs of the Organization in currencies other than the US dollar should be met by giving priority for payments in non-US currencies to the countries whose currencies they may be."

A problem had arisen in the case of Indian and Pakistani rupees, although the sums involved were not large. The Secretary General interpreted this paragraph of the Fifth Committee's Report to mean that

a Member State should be entitled to pay up to its total contribution in its own currency if the needs of the Organization in that currency as established by the Secretary General so allowed. This position was supported by da Mota, Meyer Picon, Fakhreddine (Sudan) and Idzumbuir (Congo K). The Members from developed countries, and especially Finger, argued strongly that, while a Member State should be entitled to pay in its own currency a substantial portion of the amount required by the United Nations in that currency, payment of contributions in currency other than dollars was a special privilege which should be available to other Member States as well.

Finger considered it important to fight on this issue because of the provision in US legislation requiring that the US pay 2.5 million dollars of its annual assessment in certain foreign currencies that the US holds. He attempted to delete all reference to the issue from the Report on the grounds that the discussion was merely a private consultation with the UN Controller and the Committee had not been asked by the General Assembly to express its views on the paragraph. This position received firm support from Viaud, Zakharov and Gibson. Finally, however, a compromise was worked out under which no suggestion was made that the General Assembly should pronounce itself on this issue but the difference in views would be mentioned in the Report.

The Committee decided that its next session should be held from 23 May to 9 June 1972 in Geneva. Several members were involved in other UN meetings which would have made it impossible for them to meet in New York at that time and it proved to be virtually impossible to find another date convenient to all Members. Ironically, Zodda argued strongly for New York next Spring. (He has a daughter living in Westchester and likes to visit her once a year.) The Secretariat estimated that the additional cost of meeting in Geneva rather than New York would be a maximum of \$8800 for a two-weeks session and \$9800 for three weeks.

This sum would be reduced if some Members did not request reimbursement because they had official business in Geneva anyway. Viaud indicated that he would plan not to request reimbursement since he will have to be in Geneva for a meeting of the Governing Council of the United Nations Development Program. Furthermore, the Report stated clearly in its final paragraph that this decision to meet outside New York was of an exceptional nature, resulting from the schedules and commitments of Members.

Bush

164. Telegram From the Mission to the United Nations to the Department of State¹

New York, May 13, 1971, 2205Z.

1254. Subj: US Assessment Rate in UN. Ref: (A) State 073021, (B) USUN 887.²

1. We appreciate consideration Department has given to USUN 887. As we understand it, Department wishes first of all to reduce US percentage in UN assessment scale. We, of course, agree with this objective, but believe it would be useful to clarify certain points so as to be sure we are on the same wave length.

2. While we agree that capacity to pay should not be sole criterion and we might agree it should not be “overriding”—depending on how latter term is defined—it is important to recognize impossibility of convincing vast majority of member states that there is anything unjust or immoral in relating assessment percentages broadly to relative capacity to pay. As Department is aware, principle that assessments should be based “broadly” on relative capacity to pay as reflected in national income figure goes back to UN Preparatory Commission and was approved at first session of GA. Principle has been implemented flexibly and has not been considered an “overriding element” in establishing assessment rates. For example, there is ceiling principle, which protects US significantly from paying strictly on basis of relative capacity to pay, and inter alia there is floor principle, which does relate to element of “equality of membership” and requires many small member states to pay significantly more than their relative capacity to pay would call for.

3. Over past 25 years the principles governing scale of assessments have evolved into delicately balanced structure, and we have been fighting very hard to prevent any serious tampering with these principles. Consequently, while we agree fully that US should take necessary action to get its fair share in any redistribution of financial responsibilities as new UN members with sizeable assessments come in (e.g., Federal Republic of Germany), we feel our strategy and tactics must be carefully planned and, indeed, include some advance consultation with UK, France and Soviets. This is particularly important because Big Four collaboration in New York in last few years has become one of our most effective instruments in restraining growth of UN budget and in maintaining ceiling on US assessment. If we play our

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential.

² See Document 162 and footnote 2 thereto.

cards right entry of two Germanies could bring US assessment down three points to about 28.5. Eventually this might decline even further as comparative changes in net national income and admission of other new members have their impact on scale. In our view, however, Department and Mission should avoid any endorsement of 25 percent target lest we build future serious problems for our relations with Congress.

4. Suggested criteria of (A) "special responsibilities of permanent members of SC and (B) special advantages pertaining to host governments" might be useful in explanations to Congress and would have great appeal to Japan and Italy, whose national income puts them in same league with UK and France. But these criteria, especially (A), would be bitterly contested by UK, France and Soviets, thus threatening Big Four cooperation which has been so important in restraining budget and protecting US ceiling. Moreover, if US should give respectability to these new criteria and two Germanies are then admitted to UN, these criteria are likely to be used to argue against any further reduction in US percentage which we otherwise might have been able secure if ceiling principle alone were in picture.

5. We assume Department agrees any effort to increase floor-percentage will be overwhelmingly defeated and will make more difficult our efforts in Security Council committee to restrain admission of microstates. Further, any effort to increase floor percentage, which in case of many states requires them pay more than their relative capacity to pay, will almost certainly be answered by attempt to remove present ceiling on US contribution percentage and might well result in a lower floor.

Bush

165. Telegram From the Department of State to the Mission to the United Nations¹

Washington, August 27, 1971, 0110Z.

157561. Subject: UN Budget for CY 1972.

1. Department gravely concerned about US projected overall increase of \$27.5 million in assessed contributions to international

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Limited Official Use. Drafted by O'Connor; cleared by McDonald, Winthrop Southworth, Hennes, and Oscar H. Nielson; and approved by George von Peterffy. Repeated to the Mission in Geneva and Vienna.

organizations to be funded from FY 1973 Federal budget. Increase of this magnitude scarcely in keeping with measures USG taking to put own economy in order.

2. With regard to our estimated \$214 million UN budget for CY 1972 we consider following areas as being particularly susceptible to meaningful reductions:

a) Documentation—JIU report on documentation (A/8319) indicates saving of \$4.5 million can be achieved without loss of significant information to Organization. Continuing our initiative begun last year we should press for full reduction this amount.

b) Development Advisory Teams (UNDATS)—We unalterably opposed to separate line item funding for advisory teams resulting in automatic \$1.8 million increase in Part VI of budget. We oppose any increase in Part VI over present level. Prefer UNDATS funding be transferred to Section 3 of budget with Part VI being reduced by amount of transfer.

c) Office of Public Information (OPI)—SYG intends to ask GA for \$0.5 million for modernization of OPI. In view distressed UN financial situation we feel this low priority item should be deferred.

d) Headquarters Expansion—Since it appears highly unlikely Congress will reverse itself on this issue, believe it pointless exercise to add \$1 million more to \$2 million authorized but unused in 1971 budget. We should support removal of the \$1 million item pending reappraisal of situation.

e) UNIDO—According Vienna 4635² UNIDO intends submit revised budget estimate totalling \$14.7 million, including revaluation costs, for 1972—an increase of over 20% above 1971. Magnitude of increase unconscionable and unacceptable. Consonant with position taken by USRep in meetings with Vienna GG, believe total \$2.5 million increase requested should be cut by at least 50%.

3. Above items involve potential saving of \$9.1 million. We recognize however that efforts will also have to be made to counter additions that are either presently unpredictable or that may result from dollar float (State 154557)³ or from failure to defeat further General Service wage increase.

4. Would appreciate Mission's comments and suggestions soonest.

Rogers

² Dated August 13. (Ibid.)

³ Dated August 21. (Ibid.)

166. Telegram From the Mission to the United Nations to the Department of State¹

New York, September 15, 1971, 1417Z.

2668. Subject: Cash Crisis in the UN.

Summary: UN faced with serious financial crisis to extent that likely unable meet end of Sept payroll unless it receives contribution payments presently not foreseen. While UN attempting obtain accelerated contributions from other member states, these not likely provide needed cash. Consequently, UN requested US make accelerated payment on \$26 million balance owed for 1971 assessment, which already appropriated by Congress. I urge Dept expedite \$13 million payment now scheduled for about Oct 1 so that this amount available to UN by Sept 29. While this will not resolve financial problem, it will avoid placing onus on us if UN can't meet its obligations, and place it on those in arrears where rightly belongs. End summary.

1. UN now faced with extremely serious crisis since cash not available to meet current obligations. USUN advised mid-day Sept 14 to Sept 15 payroll (about \$2.5 million bimonthly) could not be fully met unless contributions to regular budget forthcoming from delinquent member states. However, this crisis averted when Controller (Turner) in violation existing rules, withheld \$2 million payment to UN pension fund, which was due Sept 10.

2. According to Ziehl (Deputy UN Controller), UN will not be able meet next payroll (Sept 30), necessary pension fund payment, and other obligations (many of which already being deferred) without sizeable payments of contributions prior that date. Expected contributions of others during remainder this month small, but Controller pressing for maximum payments. Anticipating new financial crisis, Turner informed USUN recently that, in absence of cash, UN might be forced introduce arbitrary restriction on program and other expenditures in order to preserve cash to meet commitments already made. However, did not believe SYG would consider doing this without GA approval. Turner described UN as "technically bankrupt," and has so informed SYG.

3. Since UN working capital fund depleted, as Dept aware, only recourse of UN to meet obligations pending receipt of contributions is to (a) borrow from trust funds with interest (Controller has drawn these down to maximum except for non-drawal on UNDP); (b) cut back expenditures (however, SYG cannot transfer funds between budget

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Confidential; Immediate.

sections without approval of ACABQ; or (c) obtain accelerated contributions from delinquent member states. Although US made \$26 million payment in Jul against 1971 assessment, similar amount remains to be paid. As Dept aware, UN Financial Rule 5.4 states that assessments on member states “due and payable in full within thirty days” of receipt of SYG’s communication informing them of assessments for budget most recently approved by GA (1971 SYG communication sent Jan 12, and full payment due at latest end Feb). UN recognizes delay in US payments due in part to FY/CY difference, but because of present situation has requested US pay balance of assessment more rapidly than now scheduled (i.e., one-half early Oct, and remaining one-half early Dec) in order avert expected new crisis end Sept.

4. If next UN payroll can’t be met, since US has not fulfilled its 1971 obligation under Rule 5.4 and owes more than any other member states on 1971 assessment, will almost certainly receive major share blame along with other delinquents and can anticipate broad negative press coverage, outcry from Secretariat members (especially Americans) if not paid salaries, possible accelerated “job action” by staff, and general unhealthy UN atmosphere 26th GA, when major items of interest to US (e.g., ChiRep, disaster relief, narcotics, ECOSOC reform, etc.) being considered.

5. Consequently, I strongly urge Dept expedite payment one-half balance owed by US (approximately \$13 million) on 1971 assessment so that (a) we can inform UN within seven days of intention US Govt to pay in time for UN meet Sept 30 payroll, and (b) check be transmitted by Dept to reach UN prior to Sept 29. Furthermore, I urge Dept expedite payment balance US assessment so no onus can be placed on US in any situation where UN unable meet its financial obligations.

6. Obviously, accelerated US payments cannot correct cause of UN financial crisis, but it can remove stigma from US and place blame where it rightly belongs on members in arrears (especially USSR and France). Indications are that Hambro unable to effectively deal with deficit problem, and SYG expects to return it to 26th GA. Turner has recommended to SYG that he inform GA that, in absence solution by end of year, he or next SYG would have to take steps to cut back on programs so that actual ongoing expenditures of UN be trimmed to availability of cash flow rather than based on approved budget section levels. He expects SYG to make such statement to Fifth Comite early in GA. Such a stringency measure applied in US Govt, and might have salutary effect in UN, and certainly we should support it. However, our support will be much more meaningful and effective if our own assessments are fully paid up.

7. I would appreciate Dept’s views soonest re what austerity measures we might urge UN to take once US assessment is paid in full.

Bush

167. Telegram From the Mission to the United Nations to the Department of State¹

New York, September 16, 1971, 1957Z.

2690. Subj: UN Budget for CY 1972. Refs: A. State 157561, B. State 154557,² C. State 160825, D. USUN 2509, E. USUN 2532, F. USUN 2593, G. USUN 2035, H. Vienna 5627, I. USUN 2638.³

Summary: Serious and reasonably successful efforts already have been made by USUN and Dept during year to limit level of UN budget for 1972. All possible efforts to achieve this objective, consistent with US interests in political, economic and social activities of UN, will continue to be made, but it is unrealistic to expect that necessary two-thirds majority of UN member states will support further substantial reductions in budget level. End summary.

1. USUN fully appreciates and shares Dept's concern at prospective UN budget level for 1972. However, in assessing possibilities of reducing presently foreseen level, we must take into account, (a) developments which have already taken place this year, (b) our own objectives in political, economic and social areas, and (c) views of other UN members.

2. As Dept aware, USUN has been actively engaged throughout year in attempting make certain budget level for 1972 be held to lowest possible figure consistent with US interests. Amb Bush discussed this on number of occasions with SYG, latest instance being July 27, 1971, and stressed importance of holding budget level to minimum (reftel G). Further, USUN arranged for Turner (UN Controller) to visit Dept last Feb to hold detailed discussions with Ass't Sec DePalma and staff re 1972 budget. USUN has also held discussions in NY with Missions USSR, UK and France to persuade them to make approaches to SYG re need for maximum restraint in 1972 budget estimates. (These Missions each made one approach to SYG but failed follow up with second approach despite USUN's efforts to persuade them to do so.)

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Limited Official Use.

² See Document 165 and footnote 3 thereto.

³ Telegram 160825 is dated September 1. (National Archives, RG 59, Central Files 1970-73, UN 17-1) Telegrams 2509 and 2532 from USUN are dated September 2 and 3, respectively. (Ibid., UN 10) Telegram 2593 from USUN is dated September 9. (Ibid., UN 13) Telegram 2035 from USUN is dated July 28. (Ibid., UN 10-1) Telegram 5627 from Vienna is dated September 13. (Ibid., INCO 10 UN) Telegram 2638 from USUN is dated September 9. (Ibid., COMMERCE DEPT)

3. When viewed in total context, efforts of USUN and Dept have borne considerable fruit, as evidenced by record. When Turner visited Dept in Feb, he presented preliminary initial estimates representing what he considered to be austerity budget. Those initial estimates amounted to \$211.5 million—an increase of about 10.3 per cent over 1971 appropriation level of \$192.1 million. As result discussions in Wash and subsequent pressure from USUN and Missions USSR, UK and France in NY, Turner reduced initial estimate to level of \$207.7 million, representing an 8.1 per cent increase over 1971 appropriation level, and this is figure which SYG has formally presented to GA. SYG pointed out in foreword to initial estimates that, of total increase of 8.1 per cent, only 1.3 per cent represented an expansion of existing resources and the balance of increase represented increased cost of maintaining 1971 establishment, rate and wage increases, and other unavoidable increases relating primarily to construction program.

4. In its report on 1972 initial estimates, ACABQ (of which USUN officer a member) recommended they be reduced by \$2.4 million to level of \$205.3 million which represents increase of 6.9 per cent above 1971 appropriation level.

5. Above record shld demonstrate that whatever might have been considered “water” in SYG initial estimates has been squeezed out and that these initial estimates retain almost no capacity to absorb additional expenditures. Action taken by SYG was largely in response to US pressure.

6. SYG, when presenting his initial estimates for 1972 to ACABQ, informed Comite that he foresaw potential revised estimates which wld call for an addition to 1972 budget of about \$7.3 million (i.e., an additional increase in budget level of about 3.8 per cent). These revised estimates wld relate to items which cld not be costed in initial estimates such as decisions taken in late spring re UNIDO programs, 1971 decisions of ECOSOC (spring and summer sessions) and its subsidiary bodies, effect of revaluation of Austrian and Swiss currencies, etc. A number of items in this total have since been adjusted—some upward such as UNIDO, some downward, such as losses on exchange resulting from revaluation of Swiss and Austrian currencies, and there have been some additions, deletions, and changes due to recent ECOSOC decisions—however, total remains approximately same. In addition, ECOSOC decided to add \$1.8 million for advisory services to Part VI of budget. Further, can expect SYG to submit revised estimates (a) in amount of about \$1.5 million to cover new posts in Secretariat, many of which are recommended by Administrative Management Service (AMS), and (b) roughly \$0.5 million to meet increased costs in 1972 for electronic data processing as reported reftel F. An additional \$1 million likely to be required as result dollar float beyond \$3 million earlier estimated by SYG for revaluation of Swiss and Austrian currencies.

7. Result in minimum 1972 budget estimates which can be forecast at present likely to total around \$218 million, with other add-ons possible. Most of add-ons to \$205.3 million revised base (para 4 above) result of either (a) increased costs to UN which could not be anticipated and over which SYG has minimal control, or (b) actions by various UN governmental bodies over which almost no control possible by SYG. Inability of SYG to exercise greater control is caused by and reflection of present program and budget "system" in UN.

8. Should be recognized that none of proposed revised estimates has yet been scrutinized by ACABQ, which is likely to recommend at least some reductions in them to 5th Comite.

9. We have carefully considered views set forth in reftel A re potential savings in light of foregoing, and our comments are fol:

[Omitted here are USUN's comments on specific budget reductions.]

10. As in past, US Del will press hard for any potential reductions 1972 budget which appear to be in our interest. We must remember, however, to be successful this effort US Dels must avoid, to greatest extent possible, supporting creating of new Comites or Secretariat units, convening of new conferences, and calling for new studies and reports by Secretariat. We assume Dept's position paper for GA will fully take this essential fact into account. In this connection must recognize that in past US has supported majority of GA reses calling for reports by SYG and various UN bodies and that we are now paying price in budgetary increases.

11. To assist US Del in securing budgetary reductions USUN urges Dept make concerted effort to identify programs reflected in SYG budget estimates which marginal and/or nonessential, and which not in interest of US Govt. While this exercise difficult in absence of program budget in UN, USUN believes this approach to budgeting has some chance of restraining and/or directing growth. Programs thus identified would provide US Del needed info to consult with other dels and to focus discussion in GA. Also this would provide clear guidance to US Del in various comites, especially 2nd and 3rd, when considering and acting on program proposals before 5th Comite takes up budget estimates and cost implications.

Bush

168. Telegram From the Department of State to the Mission to the United Nations¹

Washington, September 17, 1971, 0120Z.

171034. Subject: Cash Crisis in the UN. Ref: USUN 2668, dated 9–15–71.²

1. In recognition emergency situation, we prepared, as an exceptional measure, make additional payment \$13 million prior September 29 which is ahead of normal schedule first week in October. It is clear that onus of responsibility for financial crisis rests with others since US within normal schedule under which UN has traditionally geared its fiscal operations.

2. Unable make firm commitment with respect final payment \$13 million at this time but will act sympathetically in accordance with situation as it exists later in year.

3. In any event imperative we reserve portion of final installment for payment in form of “US owned” excess currencies. Even though FY 1972 Appropriation Act does not contain same legislative requirement as previous years failure to do as well will only convince Congress that the only way to attain adequate usage is through legislative action. End result could be restoration of limitation on use of funds and consequent inability meet our assessments in full. Important UN inform us how much we should reserve out of \$13 million for “US owned” excess currencies for period now through end of 1972 but chargeable to C.Y. 1971 assessment.

4. Additional comments relating Para 7 will be forthcoming but in any event we believe UN austerity measures should occur before another crisis.

Rogers

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10. Confidential; Priority. Drafted by Sidney S. Cummings and O'Connor; cleared by Hennes, Oscar H. Nielson, and George von Peterffy; and approved by Assistant Secretary De Palma.

² Document 166.

169. Telegram From the Department of State to the Mission to the United Nations¹

Washington, September 21, 1971, 0042Z.

173125. Ref: USUN 2668.² Subject: Austerity Measures for UN.

Following are possible austerity measures which UN might take to avoid bankruptcy of which SYG has warned (A/8401/ADD.1).³

1. UN could gear expenditures to its *actual* cash flow rather than to the level of the approved expenditure budget with the goal of balancing cash inflow and outflow. A cash flow system would negate the effects of the Franco-Soviet withholdings and force the SYG to determine priorities. Admittedly, the system would operate in a jerky fashion initially because of the lax payment habits of the members. It would be up to the SYG to orchestrate payments so as to avoid this. If members want programs they can either pay their bills or do without. (Concept would somewhat resemble US system in that budget level would amount to authorization while actual cash receipt would be like appropriation level.)

2. The switchover to a cash flow system would entail some immediate retrenchment. Some measures which the Organization might take to achieve this goal within 90 days are:

a. Postponement of purchases of new equipment except where the item to be replaced is defunct.

b. A stretch-out on the payments schedule of bills due to suppliers and to governments for participation in UN activities.

c. A freeze on all but essential staff travel to include postponement of home leave.

d. A reduction of communications; telegrams and long distance calls would require approval from central control units with the overall expense level tied to some past base period.

e. A freeze on the hiring of new permanent and provisional staff. All positions now vacant or which become vacant will remain so. Temporary assistance for the 26th GA would be held to the level allowed for the 25th GA.

f. A temporary lay-off to extent contracts permit of personnel whose activities are not essential to the 26th GA.

g. An immediate 10% cut-back in documentation by reducing the number of documents which are automatically sent to members, e.g.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Confidential. Drafted by O'Connor, cleared by Hennes and Edward B. Persons, and approved by Assistant Secretary De Palma.

² Document 166.

³ For text, see Andrew W. Cordier and Max Harrelson (eds.), *Public Papers of the Secretaries-General of the United Nations, Volume VIII: U Thant, 1968-1971* (New York: Columbia University Press, 1977), pp. 639-640.

instead of receiving 175 copies of all series, the U.S. would receive 157. Marginally useful documentation, e.g. staff announcements, would be reduced to the level of actual need.

h. Postponement of meetings and conferences except those declared absolutely essential by the SYG. Consideration might also be given to shortening the 26th GA through the elimination of some ceremonial appearances and postponement of debate on all but the most urgent items.

i. Indefinite postponement of all new program initiatives, including those passed by the 26th GA, until there is cash available to fund them. Programs in being should be audited to determine which could be eliminated or cut back to free up cash for new ventures.

j. The SYG should propose eliminating technical assistance in Part VI from the budget since these amounts can be funded through the UNDP without financial strain to that organization.

3. In addition to consideration foregoing austerity measures would appreciate Mission's views on what U.S. initiatives involving budgetary add-ons might be dropped as U.S. positions for 26th GA.

4. Using measures similar to those suggested above ILO has since August 1970 has been able to effect (real and projected) savings of \$6.8 million in approved 1970–71 biennium budget of \$62.9 million. If same 10.8% savings rate applied to projected \$218 million UN budget result would be saving of \$23.5 million.⁴

Rogers

⁴ Telegram 177011 to the Missions to ECA, ECAFE, UNCTAD, ECLA, and UNIDO, September 25, requested the Missions to review their budgets to determine specific reductions. (National Archives, RG 59, Central Files 1970–73, UN 10)

170. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 5, 1971, 1552Z.

3150. Subject: UN Deficit.

Summary: Four-Power mtg held PM Oct 1 under Hambro auspices to discuss UN deficit. French said willing make voluntary contribution of \$3.9 million toward current UN deficit. USSR stated it prepared contribute towards deficit of \$31.9 million, which was minimum deficit

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10. Confidential.

figure found by Comite of 14 in 1965; however, would announce contribution only after learning what US would contribute. UK took passive position since previously made voluntary contribution of about \$9.5 million. Bush pointed out figure of \$31.9 million was only minimum estimate of deficit arrived at six years ago and it pointless consider dealing with it alone since this would not solve UN financial problem. Much of mtg taken up by intransigent restatement of Sov position. Mtg concluded with Ambs Bush and Malik agreeing meet privately in near future to discuss their respective positions. Hambro, chairman, requested no public announcement be made of mtg.

1. Four-Power (UK, France, USSR, US) mtg held afternoon Oct 1 at Norwegian Mission to discuss means of dealing with UN deficit. Mtg chaired by Amb Hambro (Norway) with Ambs above perm UN Missions present, accompanied by advisers. Turner (UN Controller) also present. While no mtg agenda, Hambro opened discussions drawing on his earlier aide-mémoire.

2. In introductory remarks, Hambro mentioned "encouraging" reaction from most UN members contacted by him but that solution to problem "hinged on attitude of great powers." Said problem was two-fold, i.e., necessity to deal with present deficit and, secondly, take steps to ensure that causes of deficit were dealt with in order to avoid same problem in future. Pointed out that intention was not to discuss "matters of principle" to which various member states subscribed, but to deal with real problem, recognizing "political solution" was necessary.

3. France said without recognizing any debt but as political gesture to meet SYG appeal it willing contribute \$3.9 million, which was "important sum" mentioned by Fon Min Schumann at recent press conf. Explained that this amount arrived at by applying 7.5 per cent against current deficit of \$52.3 million, which lower figure used in para 4 of Hambro aide-mémoire. Emphasized this percentage above current UN assessment of 6 per cent. Said, if all govts acted in similar manner, deficit problem could be solved. During subsequent discussion, French resisted making commitment as to whether this amount first step of contribution or total amount it willing contribute; French said not interested in knowing against which part of deficit UN would apply this voluntary contribution.

4. UK took generally passive position on basis it had earlier made contribution of about \$9.5 million and felt UK had done its part.

5. Most of mtg taken up by Amb Malik, who repeatedly argued and restated Sov position. In nutshell, Sovs under instruction to contribute against \$31.9 million, which was lower figure for current deficit included in report of Comite of Fourteen (A/6289) to 21st GA. Malik refused to recognize Comite of Fourteen higher figure of \$53.3 million as having any validity, even when explanation provided by Turner.

Also, Malik would not accept Hambro's conclusion that current deficit today is \$52.3 million as minimum and \$69.9 million as maximum, nor willing consider amount of \$119.4 million remaining to amortize UN bonds. Malik argued must first resolve \$31.9 million deficit (which existed at 30 Sept 1965) and, if US announced amount it willing contribute against this deficit, USSR would follow and make known its voluntary contribution. Only after this deficit (\$31.9 million) resolved was USSR willing to discuss other aspects of deficit problem. This two-phase approach of Sovs could result in voluntary contribution by them against \$31.9 million deficit as first step with no commitment to make further contribution as second phase. Significant to note figures used by Sovs were lower ones included in both Comite of Fourteen report and Hambro's aide-mémoire.

6. Amb Bush took strong exception to Sov approach and emphasized essential to deal with total UN deficit problem, including amortization of UN bonds, since to do otherwise would be rejecting reality and not result in solution to problem. When pressed by Malik for amount US would contribute against \$31.9 million figure he used, Bush replied, if Soviets insisted on limiting consideration of problem only to this amount, US would contribute "zero." Went on to emphasize that US willing consider making substantial contribution but only within context of solution to total UN deficit problem—past, present and future, including amortization of UN bonds. Malik stated and restated original position with arguments that \$31.9 million deficit only amount GA had agreed to, juridically valid, etc. These arguments rebutted by Bush to no avail.

7. In attempting restate various positions and arrive at negotiating point, Hambro who took positive and constructive position throughout meeting, reiterated need to deal with total deficit problem along lines his aide-mémoire, at which point Malik accused Hambro of being a "good spokesman for the US." Hambro rejected this charge outright as offensive and unfair.

8. Mtg concluded with Hambro suggesting private consultations between Bush/Malik in order hopefully to resolve impasse. Suggested that subsequently Four Powers should meet again as follow-up to this initial discussion. Both Bush and Malik agreed, and mtg will be scheduled at earliest possible date. Hambro also suggested no public announcement be made of Friday's mtg. Before mtg concluded, Bush asked whether French \$3.9 million voluntary contribution was total amount France willing contribute and against what base this would apply. French evasive, responding this amount "nothing more nothing less" than a voluntary contribution. Bush replied it may be necessary for him to meet privately also with French at later date.

9. USUN analysis of mtg is, while there some possibility of future useful discussions among Four Powers, Sovs and French, especially

former, will be as difficult as ever to deal with on this subject. Sov approach looks like "dusted off" position of 1966 without updating to account for present reality. Appears both want US to "buy a pig in a poke," i.e., agree to a minimal voluntary contribution from both and leave to trust their willingness to make further contributions. While this totally unacceptable to US rep, as long as there willingness on part USSR and France to continue discussions, he believes US should participate actively under Hambro's auspices.

10. Would appreciate views of Dept soonest.²

Bush

²No reply to this telegram has been found.

171. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 19, 1971, 0259Z.

4361. Subj: Indebtedness of "China."

1. Summary: Efforts solve UN deficit likely be seriously complicated by indebtedness left by ROC when expelled from UN and unlikelihood PRC will agree to assume these obligations. Malik (USSR) told Hambro (Norway), who in turn passed to Bush, that presence PRC required for any further discussions UN deficit which would have to be held under UN rather than Hambro auspices. Deficit problem expected to be returned to GA in near future where question PRC/ROC financial obligations be aired. USUN seeks Dept. guidance soonest. End summary.

2. As Dept. aware, when ROC expelled by GA it left \$30.2 million assessed contributions outstanding computed as of Oct. 31, OQOQM broken down this was \$6.3 million on 1971 regular budget, \$11.9 million prior year's regular budget, \$5.3 million UNEF and \$6.7 million ONUC.

3. With PRC assuming seat of "China," the question of obligations of PRC and prior actions of ROC in UN is complex matter with political, legal and financial ramifications. Assuming that change in representation of China was simply matter of one govt. succeeding

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Secret. Repeated to Moscow, Taipei, and Tokyo.

another, one could assert that PRC as successor govt. would be responsible for obligations of ROC. Legal precedent is that in most circumstances successor govt. succeeds to rights and obligations of its predecessor. However, in present circumstances PRC claims it is a successor state and not successor govt. Consequently, if it is assumed that present situation is one of state succession rather than govt. successor then legal picture becomes more cloudy. Nevertheless one could argue that PRC would be responsible for obligations of ROC.

4. Since Oct. 1949 PRC has asserted that it was wrongly deprived of its right of representation and participation in UN. In this situation, to attempt to hold PRC responsible for obligations incurred during period which it contends it was wrongly treated and legally denied rights could be interpreted as "taxation without representation."

5. Question is further complicated by Article 19 UN Charter since if ROC obligations are transferred to PRC, latter could be subject to sanction provisions unless payment made prior to 27th GA. Since PRC represented this GA we can assume it would meet fully assessments under 1972 regular budget. However, if PRC not held to ROC obligation \$18.2 million indebtedness under regular budget would be added to already untenable UN deficit situation.

6. Question of financial obligations of PRC is one which we probably will be confronted this GA. Most likely forum will be when problem of UN deficit discussed following assumed failure of Hambro efforts. We expect Hambro to report failure to SYG early next week and expect SYG subsequently will report this to GA. Probably in turn 5th Comite will be given this problem at least initially. Lively debate could ensue and in this eventuality USUN must be prepared.

7. Options open to US include: First, pressing PRC to assume ROC indebtedness but PRC doing so appears most unlikely and could result in (a) creating an unresolvable legal problem and impediment to our relations with PRC; (b) inflaming public opinion in US against PRC and UN unnecessarily; (c) our losing in this attempt and (d) thus further eroding provisions Article 19 of Charter.

Second, our accepting PRC refusal to assume obligations and adding \$18.2 million indebtedness of ROC to present UN indebtedness of nearly \$190 million. This would make solution of UN deficit problem more difficult than at present and it would increase our expected contribution even if solution could be found calling for shared assumption by all member states and US were to participate.

Third, try to defer question of ROC indebtedness and PRC obligation and call for an in depth study of total UN financial problem. This not overly appealing because it would be once again delaying in membership facing up to single most serious problem now confronting organization. It would have advantage, however, of giving US more time

to negotiate behind scenes, including possibility of SYG obtaining one time substantial voluntary contribution from PRC.

Fourth, attempt to deal with overall UN deficit and to highlight PRC/ROC problem. However, this wld be all but impossible because ROC and/or PRC wld have to be included as major defaulters. Assuming PRC wld not assume ROC obligations, we wld then be in difficult position of having part of onus being put on ROC which only recently we characterized as responsible member of UN which fulfilled its Charter obligations. Other defaulters certain to capitalize on this with net effect likely to be at minimum pointing out inconsistency in US policy, and at maximum US be accused of hypocrisy and subject to further vilification.

8. Malik called Hambro yesterday in response to previous Hambro note to Perm Reps US, USSR, UK and France for follow-up meeting November 19 to discuss Hambro proposal. Hambro in turn called Bush to report substance of Malik call which is as follows: (a) no decision can be taken on deficit problem without PRC; (b) consideration deficit problem will require decision on how to treat indebtedness of ROC; (c) rather than private meetings under Hambro auspices, future meeting should be held under UN auspices with PRC present and simultaneous translation in both Russian and Chinese provided.

9. Malik will not attend meeting. However, Hambro still wishes other PermReps meet with him afternoon November 19 in order be able to report to SYG.

10. Request Department's guidance soonest.

Bush

172. Telegram From the Department of State to the Mission to the United Nations¹

Washington, November 23, 1971, 1815Z.

212454. Subject: UN Financial Situation. Ref: USUN 4361.²

1. Malik's action reported reftel in dragging PRC and Chinese arrearages into UN financial problem seems to us a fair indication that

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Secret. Drafted by Hennes; cleared by Perry, O'Connor, McNutt, Winthrop Brown, von Peterffy, Kerley, and Armitage; and approved by Assistant Secretary De Palma. Repeated to Moscow, Taipei, and Tokyo.

² Document 171.

the Soviet Union and its Eastern European allies are not about to make the kind of massive voluntary contribution (say \$40 million) which would make at least feasible the kind of over-all solution envisaged by Hambro. Rather it is likely that Soviets are attempting to becloud the issue so that when the UN runs out of money in the next few weeks or months the finger of blame is deflected as much as possible from the U.S.S.R.

2. If an over-all solution to UN finances is not possible the problem remains what to do about the real present liquidity crisis. This crisis in its simplest terms is a matter of the UN's spending more than it takes in. This cash problem could be solved either if the UN were to take in more money or spend less. Because the old arrearages and recent short-falls in contributions from Members both stem in great part from positions of principle on the part of the Soviet bloc and the French, it is unlikely that appreciable revenue will be derived from this source. The best that could be hoped is that the Soviet bloc could be pressured to make up for regular budget withholdings since 1963 (roughly \$26 million) by a voluntary contribution like that made last month by the French. Alternatively the UN could estimate its cash income and spend only at that rate. This could be done by cancellation of programs, by not filling vacancies, by not holding conferences, by cancelling document runs, and the rest of the austerity measures set forth in State 17325 (Notal).³

3. To maximize pressure on Soviets we have been exploring means of thwarting Soviet maneuver of dragging Red Chinese herring across UN financial problem. In this connection we suggest that United Nations Controller follow up on Stavropolous inquiry (USUN 4407)⁴ and ask PRC representatives what their intentions are regarding the Chinese debt, particularly regarding the regular budget arrearages of more than \$18 million. If debt is disavowed by PRC and no possibility whatever of a compensating voluntary PRC contribution emerges, we believe UN Secretariat should accord ROC the courtesy of ascertaining either directly or through an appropriate intermediary the intentions of the ROC toward payment at least of its regular budget arrearages up to the time of expulsion. If as indicated reftel, there then appears to be no practical possibility of getting the UN to ascribe the Chinese arrearages to the PRC and no way at all of getting either the PRC or the ROC to pay them, we would like your views on possibility that UN membership could be induced to forgive ROC arrearages of \$30.2 million. For tactical reasons, we assume initiative would have to come

³ The reference should be to telegram 173125, Document 169.

⁴ Dated November 20. (National Archives, RG 59, Central Files 1970–73, UN 22–2 CHICOM)

from Group of 77 which has interested itself in UN financial problem (USUN 4340 NOTAL)⁵ or LDC body with equivalent clout. ROC forgiveness would have to be done very carefully so as not to encourage forgiveness of arrearages of other members; perhaps through GA resolution keyed to unique conditions under which ROC departed organization. Example might be: "in view of circumstances under which representatives of ROC left organization, the General Assembly has decided to cancel the indebtedness incurred by those representatives in the name of China."

4. Were UN to pursue "forgiveness" initiative we would have to be sure that United States was in no way associated with an effort that relieved PRC of any fiscal responsibilities.

Rogers

⁵ Dated November 18. (Ibid., UN 10)

173. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 30, 1971, 1958Z.

4640. From: Congressman Edward J. Derwinski.

1. I am of the opinion that there is a lack of coordination at the Departmental level on actions to be taken in various committees of the 26th General Assembly.

2. For example, instructions are to push the austerity line at every opportunity in the Fifth Committee. This we have done. Yet the US is pushing hard for the creation of new posts, such as High Commissioner for Disaster Relief which, if approved, would increase annual expenditures significantly. This lack of consistency is also manifested in the situation where the US is pushing for a High Commissioner for Human Rights but not prepared to appropriate sufficient funds to support the office. A third example is in the International Court of Justice where we are pushing for an Ad Hoc Commission on the Role of the International Court of Justice, which will increase costs to begin with, then turn around and vote against an increase in salary for the Justices.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Unclassified.

3. Other examples of the lack of consistency are US efforts to increase UN activities in an effort to eliminate the illegal international traffic in narcotics, increases in program dealing with human environment, etc., which will undoubtedly result in additional expenditures.

4. While we try to hold the budget to lower levels than those proposed by the Secretary General, and in some cases at the 1970 level, we propose programs which will include additional expenditures elsewhere. This is making us look ridiculous in the Fifth Committee, where we have been accused of talking “out of both sides of our mouths.” The criticism is justified. As a result we are creating a “credibility gap” in the Fifth Committee.

5. It is also my considered judgment that we should discontinue trying to establish a record of opposition in the Fifth Committee and adopt a more flexible policy. I have reiterated the need for austerity to where these protestations have reached the point of diminishing returns. The record has been established and in my opinion we should stop pushing this line. We do not have to vote for a particular program if there is an unacceptable increase in expenditures but neither do we have to quibble over every item in the budget.

6. I might add that there is not sufficient support in the Fifth Committee or in the General Assembly for our position to prevail. We do not have the votes and it is politically and psychologically harmful to our prestige to be on the losing side on every issue. One Chinese disaster is enough.

Bush

174. Telegram From the Department of State to the Mission to the United Nations¹

Washington, December 2, 1971, 0953Z.

217350. Subject: UN Budgetary Position. Ref: USUN 4640.² For Congressman Derwinski.

1. We can assure you there is no lack of coordination here on items mentioned reftel. On other hand, we are quite aware of some incon-

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10. Limited Official Use. Drafted by Hennes and Assistant Secretary De Palma; cleared by Southworth, Kathleen Bell, Nielson, Kathryn N. Folger, and von Peterffy; and approved by De Palma.

² Document 173.

sistency between general instruction to press for austerity in Fifth Committee and certain specific instructions for other committees that do entail new or higher costs. We should however seek to minimize any inconsistency between positions taken by U.S. Dels on specific agenda items throughout the various GA Committees.

2. Between our initiative on Disaster Relief coordination and our general posture of budgetary stringency, any inconsistency is more apparent than real. Because UN has had no organized focal point for disaster relief activities, reaction to each emergency has up to now been improvised; result has been wasted motion, higher start-up and phase-out costs, and above all lack of control over relief-need data so that considerable sums voluntarily contributed by governments (including U.S.) were wasted. Need for Coordinator has been increasingly evident (glaringly so in dealing with early phase East Pakistan situation) and we took initiative not only to meet the need but also to head off probable initiatives from other quarters which to our certain knowledge would have been coupled with establishment of a substantial relief fund which we think unwise. In short, we believe Disaster Relief Coordinator should save money in long run, particularly if set up with minimal staff to be augmented as we proposed by short-term personnel on detail for each major emergency.

3. As for Human Rights Commissioner, hope you will consult Mrs. Hauser on background and significance this proposal. We consider Secretariat cost estimate very considerably inflated and would not support it.

4. Our interest in commission to review role of International Court of Justice derives from effort to revitalize ICJ which has never achieved role envisaged in its statute. We have not felt we could support pay raise for 15 judges but are prepared to consider your views on this.

5. We fully agree with your point that it is difficult to reduce the UN budget to tolerable levels and at the same time advance initiatives like those you have cited in paragraphs 2 and 3 of your telegram. We would agree that such initiatives should be pared to those clearly and demonstrably serving United States interests. In our view, the programs we ourselves have proposed do just that.

6. Although restraining our initiatives to their absolute budgetary minimum is sound policy, we do not believe that the United States, as the major contributor paying more than 30% of the UN budget, should totally stifle its interest in programs it favors. By the same token the United States as the major contributor should do its best to oppose those initiatives put forward by others with which the U.S. does not agree, but for which it would have to pay its very substantial share. Our over-all posture is zero net program increase which means we wish to add those programs we consider important to the United States and

offset such additions by attempting to defeat those programs of which we do not approve. Moreover, if austerity measures are voted, we would expect them to apply in some measure to our initiatives as well.

7. Realistically, of course, we recognize we do not have the votes to defeat many budgetary expenditures of which we disapprove. This does not lead us to conclude, however, that we should refrain from vigorously opposing and voting against such expenditures. If the UN membership and the UN Secretariat are politically realistic they will recognize a negative vote by the major contributor on a major item as a signal to be disregarded by the Organization at its peril. It is very likely that, for the first time, the United States this year will vote against the UN budget as a whole. We will want to discuss this with US Del. Such a negative vote might appear unwarrantedly capricious if it were not predicated upon a solid record of U.S. preferences and positions established in the deliberations of the Fifth Committee.

8. A U.S. posture of austerity in the Fifth Committee is all the more important at a time when the UN liquidity crisis is about to break. The UN would look very foolish to U.S. public opinion if it continued to vote expansionary budgets while threatened with insufficient cash to meet its payroll. Moreover, a UN policy of budget-levels-as-usual will not win the degree of world concern with the UN's financial plight that could pressure the Soviet bloc to make payments sufficient to restore the UN's fiscal viability.

9. For the above reasons we are very interested that the U.S. Delegation continue to give the kind of signals in the Fifth Committee that will tell the UN Secretariat and the UN membership exactly how the United States Government views the 1972 UN budget. We are especially interested in forwarding the austerity measures proposed in State 173125³ and in pressing the savings on the Office of Public Information, on documentation, and on currency movements alluded to in State 183457.⁴ Above all, we would wish a maximum effort to redistribute Part VI and move technical assistance out of the assessed budget (State 183457, State 205127⁵). We doubt if we can tolerate indefinitely a situation in which U.S. aid can be involuntarily allocated and increased by the votes of the recipients. We prefer to allocate our aid through UNDP, Congress willing.

Rogers

³ Document 169.

⁴ Dated October 3. (National Archives, RG 59, Central Files 1970–73, UN 10)

⁵ Dated November 14. (Ibid.)

175. Telegram From the Mission to the United Nations to the Department of State¹

New York, December 8, 1971, 1446Z.

4847. From Congressman Derwinski. Ref: USUN 4640, State 217350.² Subj: UN Budgeting Policies.

1. Received Department's totally unacceptable reply to reftel. It is based upon the same sort of reasoning that prompted my original message. The Departmental instructions that the USDel make a maximum effort to redistribute Part VI and move technical assistance out of the assessed budget is not only ridiculous but it is also horrible strategy. There is not the slightest chance that we can succeed in removing Part VI from the budget since this is a matter to which the LDC's attach great political importance. As justified as it may seem to those sitting in Washington for the US to push such a step would be disastrous to our posture in the Fifth Committee and in the United Nations, and would be self-defeating. We are pushing programs that require as much support as we can muster. To turn the LDC's against us unnecessarily by attacking the technical assistance program would weaken our position not strengthen it.

2. It is particularly ridiculous to launch a so-called "maximum effort" in the last two weeks of the Assembly when absolutely no ground work has been laid for such an effort by the Department in any force. It is true that in ECOSOC and in the Second Committee we have opposed any increase in Part VI and have mentioned undesirability of financial technical assistance from regular budget but we have not proposed in either of these policy bodies that Part VI be removed from the budget.

3. It is true that in our basic instructions for Committee Five the Department indicated that insofar as was possible "to encourage redistribution of all Part VI items which can be funded from other sources (UNDP, other sections of budget, narcotics fund, etc . . .)." However, the instruction went on to say that: "Mindful that various proposals now afloat might increase level of Part VI by up to \$3.8 million, USDel should make vigorous effort to prevent all such increases including \$1.8 million budget add-on for advisory services (perhaps by transferring costs to voluntary funds)." We have had nothing further to suggest any specific steps we should take to have programs now funded

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Limited Official Use; Priority; Exdis.

² Documents 173 and 174.

from Part VI financed from voluntary funds, and clearly Committee Five cannot determine what programs should be picked up by the voluntarily financed organizations such as UNDP.

4. In the past we have never in Committee Five objected to the inclusion of Part VI in the budget. However, such an objection has been made each year by the USSR and other Bloc countries that refuse to contribute in dollars to Part VI. The Soviet Bloc withholding is one of the causes of the UN deficit. We have felt that one of our bargaining counters in an effort to induce the USSR and the delinquent countries to make a contribution towards the deficit was the possibility of removing Part VI from the budget. If we now advocate such a removal ourselves without any compensation by the USSR, we will have removed one of the few elements we have to induce a Soviet contribution. It does not make sense to do this, particularly when any effort we might mount will surely be a losing one.

5. This is an issue on which we could expect support only from the Soviet Bloc. I feel certain that not a single WEO country would vote with us. This would not be a new development, however, the US and the USSR seem to be engaged in a duet in the Fifth Committee and I find myself dancing to the same tune as my Soviet colleague. In my opinion it does our image absolutely no good to be voting with the Russians on every issue and especially when it is in opposition to programs which are supported by an overwhelming majority of the Committee.

6. In the Fifth Committee, unlike the others, there is a possibility for a trade off, providing the US Delegate to that committee is able to negotiate. This is not possible under present circumstances and we are constantly in a minority, losing everything, when with a little flexibility we might be able to muster a majority on major items.³

Bush

³ In a reply to Derwinski, Assistant Secretary De Palma wrote that he hoped to discuss the UN budget crisis with him on December 10. "Meanwhile we understand need for Del to have flexibility to negotiate for such trade offs as are possible if in Del's judgment our preferred position is non-negotiable. I would only point out that on many budget issues, particularly major ones such as Part VI of budget, our objective has been to set stage for continuing negotiations this matter which we know is not negotiable at this session, particularly in view likely outcome Congressional action on our contribution to UNDP." (Telegram 221450 to USUN, December 8; National Archives, RG 59, Central Files 1970-73, UN 10)

176. Telegram From the Mission to the United Nations to the Department of State¹

New York, February 10, 1972, 2253Z.

491. Subj: SYG Press Remarks on UN Financial and Personnel Problems.

1. SYG Waldheim gave optimistic reply to question about UN financial problems during press conference Feb 10.² He indicated solution had been found for "short range" problem (i.e., financial obligations for 1972) in that number of countries had responded to his appeal for advance contributions.

2. He expressed pleasure at understanding for this problem shown by President Nixon and Secretary Rogers during his recent visit to Washington. He noted he had no commitment from USG and that complications existed because of timing of US fiscal year. US administration had promised to give matter careful consideration.

3. On long range financial problems he said only that he had "found understanding" during meeting Feb 9 with chairman of Comite of 15.

4. Asked about rumored restructuring of top level of Secretariat, Waldheim said number of contracts would expire at end of March so question was under active consideration and decisions would be made soon. He planned to appoint woman to high position; did not intend to institute post of Deputy Under SYG. He said he was in contact with USG about replacement for Bunche but no decision had yet been made.

5. FYI. In our view, Waldheim's statement considerably over-optimistic. Although several member states have agreed to advance somewhat date of assessment payments, we see as yet no real progress toward dealing with either the cash crisis or the deficit problem of UN. In fact, Waldheim's adviser, Bertrand, told us yesterday he believed that for this year Waldheim would have to rely on borrowing from UNDP funds to meet his financial commitments. So far as Comite of Fifteen concerned, there have been only two mtgs thus far, and Comite has not yet started to deal with substance of matter.

Phillips

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10. Confidential. Repeated to Kinshasa for Ambassador Bush who was there February 11-13 during a visit to eight African countries after a meeting of the UN Security Council in Addis Ababa.

² No further report on this press conference was found.

177. Telegram From the Mission to the United Nations to the Department of State¹

New York, March 2, 1972, 0114Z.

757. Subj: Proposed Reduction of US Assessment Percentage to 25 Per Cent.

Summary: Discussions in New York indicated that proposed US effort to secure reduction of assessment percentage to 25 per cent will be strongly resisted and faces serious danger of embarrassing defeat. Action requested: (1) that Department inform USUN its thinking and planning this matter, and (2) that Department consider exploratory approach to capitals in order to assess chances of success and determine tactics to be followed.

1. During the past week Whalley (UK) and Matheson (Canada) have discussed with MisOffs the announced US intention to seek a reduction in its UN assessment percentage to 25 per cent. They have asked whether we seriously intended to propose such a decision by the GA at its next session.

2. When MisOffs stated their belief that the Dept would seek a GA decision at the next session which would reduce the US assessment percentage to 25 per cent, both Whalley and Matheson expressed disbelief. Whalley said Dept must be aware from fairly recent confrontation re ICAO scale of assessments that UK Govt would strongly oppose such an Assembly decision. They both said that they did not believe that more than a handful of member states could be persuaded to vote for such a decision.

3. When MisOffs spoke to Dept's strongly held view that US assessment percentage above 25 per cent could no longer be justified and that it was in interest of UN that no one member state pay more than 25 per cent, both Whalley and Matheson said that while they understood the US position, they could not accept it. They both said that their govts had equally strong views that capacity to pay was the proper basis for assessments and that they believed that they were both already over-assessed in relation to the US. Accordingly, they said their govts simply could not accept the idea that they abandon their own valid interests simply because the US felt it should pay no more than 25 per cent. Even when MisOffs related reduction of US percentage to admission of new members, Whalley and Matheson said that they believed their govts would not accept the proposition that the US should obtain the maximum benefit from the admission of the two Germanies.

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential.

4. In view of foregoing, would appreciate Dept's advise re

(a) what specific action does Dept propose at next GA. (This will be earliest opportunity to raise matter since Committee on Contributions not competent to deal with it.) If we intend to link it to admission of new members and specifically to admission of two Germanies? Do we intend to seek a reduction immediately, or on fixed dates, or do we have in mind a reduction in principle effective over a period of years as new members may be admitted?

(b) Does Dept intend to make an all-out fight on this issue, regardless of odds against our being successful and political consequences if we are defeated?

(c) Has thought been given to possible impact of our proposed reduction on other major contributors such as USSR, France, Japan, China, and UK, who will necessarily be adversely effected by any reduction we might achieve? Can we propose action which adversely affects other major contributors and then expect them to work with us on other issues of interest to us?

(d) Does Dept intend to go to capitals on this issue and, if so, when?

5. In our view, this is such a serious issue, and danger of suffering embarrassing defeat so great, that we recommend Dept go to capitals as soon as possible in effort to make our case and establish what our chances of success. Result of such a canvass should help US determine not only whether to proceed but also what approach is most likely to have chance of success.

6. If Dept decides to approach capitals, should be aware of a new and growing problem in relating reduction in US percentage to 25 per cent to admission of two Germanies. In attempting find solution to UN deficit problem, some UN delegates now discussing question of whether possible solution might be to carry assessment percentage of newly admitted Germanies outside regular scale of assessments for several years and to devote contributions of two Germanies during those years to replenishment of UN working capital fund. If this line of thinking gains further adherents, then there will be even greater reluctance than was earlier anticipated to accept proposition that assessment percentages of the newly admitted Germanies should be devoted primarily to reducing the assessment percentage of the US. Of course might be possible combine two approaches, using contributions of Germanies first to rebuild WCF and thereafter to reduce US percentage.

7. Would appreciate Dept's guidance at early date.

Bush

178. Telegram From the Mission to the United Nations to the Department of State¹

New York, April 21, 1972, 1923Z.

1437. Subj: Anticipated Effort by LDCs To Recommend Changes in UN Assessment Principles. Ref: USUN A/727 (1971).²

Summary: USUN anticipates new efforts by LDCs in Comite on Contributions and GA to secure larger reductions in assessment percentages for low per capita income countries. In view past history this question, USUN anticipates these efforts will significantly increase difficulty of securing reduction of US percentage to 25 per cent.

1. Dept will recall that during last several years many LDCs have sought change in UN assessment principles which would provide larger reduction for low per capita income countries. It was only with greatest difficulty that we were able to defeat this effort in Fifth Comite three years ago. The effort was repeated last spring in Comite on Contributors (see ref air) and was defeated there by nationals of major contributors, including Finger (US).

2. At its 1971 session the Comite on Contributions agreed to examine at its session in May 1972 the possible effects on scale of assessments of suggested variations in low per capita income allowance formula (see para 22 of A/8411).³ Secretary of Comite has now informed us she anticipates some LDC members of Comite at May mtg will renew efforts of last year to secure recommendation to GA that larger reductions be provided for low per capita income countries. When such efforts were defeated in Comite last year, the argument which was made by nationals of major contributors and which prevailed was that scale of assessments was delicately balanced structure and that no changes in assessment principles should be recommended. Given announced intention of US to alter ceiling assessment principle, US national on Comite cannot take same line as was taken last year. His only plausible argument would appear to be that assessment principles are matters of policy which should be dealt with only by GA and that it inappropriate for Comite on Contributions to recommend changes. However, given decision by Comite last year to consider possible variations in low per capita income allowance formula, it will be very difficult to argue successfully that Comite is not competent to make recommendations re this matter.

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential.

² Document 163.

³ Dated March 24. (National Archives, RG 59, Central Files 1970–73, UN 10–4)

3. It probable that in Comite on Contributions and in GA this fall we are going to be faced with determined argument by LDCs that, since US is proposing change in contribution ceiling for highest contributor, they are equally entitled to propose changes for low per capita income countries. Indeed, it not unlikely that in GA effort will be made by some LDCs to extract support from US for reductions for low per capita income countries by making this price for support by them of our reduction to 25 per cent. We will then have to decide whether it is worth paying this price or whether we can produce other trade-offs which will attract LDC votes.

4. Should matters develop as anticipated, then we will probably be faced with situation like that of three years ago when Soviet and French reps informed us that, if US supported additional reductions for low per capita income countries or indeed if US was unable to prevent GA approval of such reductions, then USSR and France would propose removal of ceiling on US assessed contribution. At that GA session we were able persuade LDCs to drop their demand for larger reductions in their assessments by arguing that any change in assessment principles would probably make major contributors unwilling to participate through voluntary contributions in solution of UN deficit problem. If at forthcoming GA LDCs press for further reductions for low per capita income countries and we support or do not oppose, then on that basis alone and apart from other considerations USSR and France may propose removal of ceiling on US contribution, and other developed countries may well oppose any reduction in US assessment percentage.

5. Foregoing makes it clear that, because of our need for LDC votes to secure our reduction to 25 per cent, it will be difficult, if not impossible, to retain any kind of "united front" with other major contributors in Comite on Contributions or in Fifth Comite on matters relating to UN assessment scale; and this split between US and other developed countries is likely to carry over to other administrative and budgetary matters.

6. The latest development indicates clearly that our task of securing reduction in US assessment percentage is likely be even more complex and difficult than earlier anticipated, and Dept will wish take it into account in developing our overall strategy and in consulting with both LDCs and DCs.

Bush

179. Telegram From the Mission to the United Nations to the Department of State¹

New York, May 6, 1972, 0016Z.

1661. Subj: UN Financial Problems—Bush–Waldheim Meeting May 5.

1. Summary: Amb Bush had seventy minute in depth discussion with SYG and his senior advisors May 5 on certain UN financial matters SYG had raised with Bennett April 28. Reduction in US contribution to 25 percent, UNROD, US proposals in salary review committee were main topics covered. Bush reiterated US determination to work by negotiation toward reduction of US budgetary contribution to 25 percent as well as to narrow differential between total compensation paid UN personnel in NY and US civil service scales. SYG at length explained political and morale problems US actions causing him. End Summary.

2. Amb Bush accompanied by Newlin called on SYG to discuss certain financial problems SYG raised with Amb Bennett April 28. Contrary to his usual practice, SYG called in USYG Morse, Hennig and finally Narasimhan. Discussion was extremely frank on both sides.

3. Bush expressed pleasure that through combined efforts of USG and US House Foreign Affairs Committee in considering State authorization had voted not to reduce contributions appropriation or to legislate US contribution of 25 percent. Margin was narrow but we would continue to work on problem to see that recommendation not overturned on House floor. Bush and Department also in touch with Senate leadership.

4. SYG expressed appreciation. At same time, he stated he did not agree with statements attributed to U Thant and Narasimhan made before Waldheim was elected that US share should be reduced in absence of funds from other quarters. Unless amount of reduction could be made up by monies from other contributors, US reduction to 25 percent would be “disastrous.” When two Germanies admitted this would be new situation promising opportunity for relief but at present US policy created uneasiness among membership. Moreover, this stimulated anti-UN forces in Congress. SYG spoke with heat about members who professed support for UN but at same time would not provide resources so UN could function properly.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 303, Agency Files, USUN, Vol. X. Confidential; Exdis.

5. Bush closed this part of conversation by stressing US policy was to work toward announced goal of 25 percent through due process and negotiation and he required assistance of SYG in efforts to fend off attempts to legislate unilateral US reduction. SYG again expressed appreciation for efforts of Bush, DePalma and others.

6. Bush next took up salary review committee. SYG had told Bennett US pressing for UN salary reduction of 10 percent. There was obviously some misunderstanding here. US not proposing cut in present salaries, but proposing gradually to narrow differential between compensation paid UN personnel assigned to UNHQ and amounts paid for equivalent work in US civil service.

7. After lengthy technical discussion in which Narasimhan joined in, SYG admitted US was not, as he had stated previously, proposing immediate salary cuts. Rather, effect over few years as cost of living goes up and post allowances remain same would be to narrow differential between UN/US total emoluments from average of 25 percent to 15 percent. SYG said this would cause tremendous morale problems in Secretariat. Even more serious, it would make it impossible to recruit competent Secretariat officials from Western Europe. Recognized US made special arrangements for Americans overseas (i.e., "salary topping") working for UN as did Soviets. SYG then at great length explained difficulty of recruiting personnel from Western Europe. UN had to depend on skilled personnel from missions and in almost all cases such personnel already less well compensated by UN than when they provided diplomatic allowances in missions. Consequently, only nationalities who would want to work for UN would be Soviets and Africans since they would be attracted by UN salary scales. SYG expressed serious concern that it thus would become increasingly difficult to recruit Americans for UN in N.Y.

8. Bush stressed that he and Dept. had difficulty obtaining support for UN in Congress and therefore it necessary to eliminate reasons for criticism of UN. Congress found it especially hard to understand why UN personnel assigned to N.Y. paid 25 percent more than highest paid civil servants in the world. Bush repeatedly emphasized that present circumstances required austerity measures in UN. US and other member states had taken such internal measures and UN would have to see what it could do.

9. Narasimhan observed US proposals would depart from concepts of last 25 years and would risk breaking up UN common salary system. In confidence, Narasimhan provided us with circular letter to members of CCAQ from Secretary Salary Review Comite reporting on progress of comite to date (pouched IO/Hennes).

10. On UNROD Bush and SYG had relatively brief discussion over lack of US funds for use in clearing of Chittagong harbor which had

resulted in Soviets being asked by Mujib to do the job. SYG said he thought US had contributed millions but he was astonished when Hagen (UNROD) told him this was all in commodities and services and there no cash available to UN for this purpose. By time situation brought to attention SYG and alternate funds located, Mujib had lost patience with UN and approached Soviets who agreed to take on task. Bush said he not aware of this problem in time. On other hand, US had contributed aid to UN which was some 80 percent of total UN effort and such criticism did not sit well with USG. SYG admitted UN had been at fault for not raising problem earlier.

11. On administrative side, SYG assured Bush he did not intend to separate office of personnel from office of USYG, admin and management, retaining status quo for arrival of Davidson (new USYG/AM).

Bush

180. Telegram From the Mission to the United Nations to the Department of State¹

New York, May 31, 1972, 2339Z.

2001. Subj: Waldheim's Concern Over US Support for UN.

1. When Bush briefed SYG May 31 on current status of administration's efforts to avoid having Congress legislate US contribution of 25 percent, SYG expressed appreciation for executive branch's endeavors.

2. Waldheim then expressed his concern over negative effect caused by the debate in the House and Senate on this question. Waldheim said if US were to cease its support for UN, this would be the beginning of the end for the organization. He understood why US might view UN differently than in its early days when it had only 55 members and Western powers had majority. However, world and organization was different place and UN had useful role to play. It would be a tragedy if organization whose Charter drafted in San Francisco and whose headquarters in US were to become ineffective through lack of US support.

3. Bush then briefly outlined main complaints against UN he heard on Capitol Hill. While there was a real problem vis-à-vis public

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 303, Agency Files, USUN, Vol. X. Confidential; Exdis.

opinion in the US, Bush pledged that he would do everything possible to maintain US support.

Bush

181. Telegram From the Mission to the United Nations to the Department of State¹

New York, June 26, 1972, 2155Z.

2341. Subj: UN Financial Situation—Role of US.

1. In private 30-minute conversation with SYG Jun 24 before SC mtg began, SYG passed along his "great concern" about US role in UN financing. Referring to *New York Times* ltr (Jun 24 edition) by A.R. Arasteh, former UNITAR consultant, SYG pointed out that he was trying and was succeeding in making improvements in organization. He cited Davidson, Jackson, and Morse appointments as evidence of bringing able, strong men to Secretariat. He wondered if critics realized how hard he was trying to improve the UN.

2. SYG mentioned next year's budget increase would be held to 5 percent.

3. SYG wondered about deficit. He has gone to Malik (USSR) in last 24 hours and urged more forthcoming attitude in Moscow on deficit. Malik, while objecting to US desire to limit budget contribution to 25 percent, said USSR would be ready to pay the same amount to the deficit as the US. USSR unwilling to go first lest this be interpreted as guilt in causing deficit in first place.

4. SYG asked me if any way we could give him ltr before his Moscow trip about US Govt willingness to solve deficit by matching USSR contribution.

5. I told SYG this not possible because of immediate battle we were waging to get satisfactory Congressional action re current UN appropriation. I stressed that we must face appropriations problem which will be disposed of soon before raising specifics on deficit. What we don't need now is to get UN deficit problem stirred into Congressional debate on UN operating budget.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential.

6. SYG is clearly disturbed, citing numbers of Democrats normally UN supporters who voted against Hruska amendment.² I told him all these votes should not be considered anti-UN.

7. I emphasized that mood in US re UN is to streamline, eliminate waste, increase efficiency, but to continue support. I further emphasized great difficulty in supporting increases in UN budget while USG's own budget in significant deficit position.

8. If we do not get Senate version of appropriation bill adopted by conference, there will be an anguished wail of considerable duration emanating from 38th floor at UN.

Bush

² On June 15 the Senate approved an amendment sponsored by Senator Roman L. Hruska (R-Nebraska) to the Department of State Appropriation Bill for Fiscal Year 1973. The amendment, which was approved by a vote of 39 to 28, stated that the U.S. share of the UN budget would be limited to 25 percent as of December 31, 1973. (*Congressional Record*, 92nd Congress, Second Session, p. 21086)

182. Telegram From the Department of State to the Mission to the United Nations¹

Washington, July 28, 1972, 2218Z.

137514. Subject: Twenty-five Percent Assessment Ceiling.

1. Draft aide-mémoire misfaxed Bender to Hennes July 24 approved with minor amendments (text follows in para. 6).

2. We agree consideration should be given to addition of summary of U.S. resolution (or full text) after Congress acts on 25 percent ceiling.

3. We will provide Spanish and French translations of aide-mémoire.

4. We are using "pre-General Assembly program in support of a 25 percent assessment ceiling" misfaxed Southworth to Stottlemeyer July 11 as basic outline for our activities. Believe "twenty-five action plan" sent Hennes by Stottlemeyer July 19 memo can be helpful as implementation guide.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Unclassified. Drafted by Southworth; cleared by Bailey, Hennes, Kerley, and Armitage; and approved by Assistant Secretary De Palma.

5. Instructions to field concerning an initial approach to foreign governments and presentation of aide-mémoire, along with background information, now being drafted and will be discussed with Mission ASAP.

6. Aide-mémoire text follows.

The United States Government will seek the establishment by the General Assembly at its twenty-seventh session of a new ceiling on the rate of contribution of the member state bearing the highest assessment to the regular budget of the United Nations, namely, the United States.

The establishment of such a ceiling is consistent with United Nations practice. As early as 1948 the General Assembly, which then consisted of 58 member states, recognized "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." The one-third ceiling was reflected in the scale of assessments in 1954. The ceiling was reduced to 30 percent by the General Assembly in 1957, when the membership of the organization had increased to 82 states.

Since the first scale of assessments was established in 1946, the primary though not the sole criterion in determining the scale has been that it should be based broadly on member states' relative "capacity to pay." However, as indicated above, it has been recognized that adjustments must be made to accommodate a changing United Nations. Moreover, from the beginning it has been considered undesirable for any single member state to assume a financial responsibility which is overly disproportionate in relation to other members. Thus, in the first scale of assessments the rate of assessment of the highest contributor, the United States, was established in 1946 at 39.89 percent, although this percentage was below the estimated relative capacity to pay of the United States. The United States, which argued that the maximum contributor should be assessed no more than 25 percent, indicated its dissatisfaction with the 39.89 percent assessment but accepted it as a temporary measure because of the economic dislocations resulting from the Second World War. The United States made it clear that in an organization of sovereign equals, factors other than capacity to pay would have to be considered in determining assessments for the administrative budget and, further, that excessive reliance on the contribution of one member did not serve the interests of the organization.

Subsequently, as the temporary economic dislocations resulting from the war disappeared and a far more broadly based organization evolved, further adjustments were made in the scale of assessments so that eventually the United States assessment percentage was reduced to its present level of 31.52 percent, or 1.52 percentage points above the ceiling established by the General Assembly in 1957.

In view of the fact that an additional 50 states have become members of the United Nations since 1957 and significant additions to the

membership are anticipated, the United States believes that a further adjustment in the maximum percentage assessed against any one member state in the United Nations is both necessary and desirable. The position maintained by the United States and a number of other member states in 1946, that it is unhealthy for a world-wide organization to be excessively dependent upon the financial contribution of any one member state, continues to be reflected strongly in American public opinion. The view is widely held in the United States that in a virtually universal organization of sovereign equal states, the total membership must share its financial responsibilities more equitably.

It should be noted that since the founding of the United Nations, as witnessed by its financial and other support, the United States has consistently met its obligations as a member state and participated actively in the evolution and growth of the organization. In 1971 alone the contributions of the United States to all United Nations activities approached one-half billion dollars, including humanitarian relief, or almost 38 percent of total resources made available by all contributors. The United States to date has contributed more than four billion dollars to the United Nations system, with 1.2 billion dollars of this amount going to pay assessments for the regular budgets of organizations in the United Nations system. This record demonstrates continued United States support for a more effective and strengthened United Nations, including its intention to maintain United States voluntary contributions at a high level.

Accordingly, it is the position of the United States, which was announced by the United States Delegation to the General Assembly at the twenty-sixth session last year, that the United States assessment percentage should be reduced to no more than 25 percent. If, as the United States hopes, the reduction can be accomplished in the context of the admission of new members, necessary revisions in the assessments of a few members reflecting their comparative economic growth, and without altering the minimum rate of assessment, it will not be necessary to raise the assessment of any present member as a result of establishing the maximum rate at 25 percent. The United States Government urges all member states to support a resolution to this effect.²

Rogers

² Bush replied on July 31 that he concurred in substance with the aide-mémoire and he intended to present it to Waldheim on August 2. (Telegram 2679 from USUN, July 31; *ibid.*) The Department replied on August 1 that Bush might remind Waldheim that in 1946, Secretary-General Trygve Lie had supported a U.S. proposal that there be an upper limit for major contributors, since it was not in the UN's interest to be dependent on the contribution of any one member. At that time, the U.S. proposal had been for a 25 percent ceiling. (Telegram 139266 to USUN, August 1; *ibid.*)

183. Telegram From the Mission to the United Nations to the Department of State¹

New York, August 3, 1972, 0102Z.

2722. Subj: 25 Percent Financial Contribution.

1. Amb Bush delivered to SYG Waldheim Aug 2 courtesy copy of aide-mémoire on 25 percent issue which Dept has planned to deliver in capitals to all UN members within next few days.

2. Amb Bush reviewed full range of arguments in support of USG position, stressing that as SYG knew our concern is long-standing one which should not be regarded by anyone as related in any way to subjects discussed between SYG and Bush during previous week.

3. Inter alia Bush emphasized: fact issue dated from inception of UN; Senator Vandenberg had taken position no member state should pay more than 25 percent at first session of UNGA; Trygve Lie had also declared before Fifth Committee in 1946 that it in best interest of UN not to be too dependent on any one state; that total USG contributions to UN system was considerably in excess of 31.52 percent; that US case rested on philosophy of concern for welfare of UN rather than lowered evaluation of worth of UN; that our negotiating approach was intended to avoid causing any other member to be obliged to contribute more than present rate of assessment; and finally US comprehension of problems our position presented for UNSYG, notwithstanding which we hoped SYG would see his way clear to give support to our position.

4. Waldheim replied that he appreciated opportunity to hear our views. "I am not happy of course that US is cutting down." Waldheim said he was particularly pleased that we planned to negotiate the matter, as UN membership had been disturbed by possibility that US might unilaterally reduce its contribution.

5. Revealing some comprehension of status of consideration this question by US Congress, Waldheim said "Real question is date." If, for example, US contribution reduced retroactively, it would be disastrous for UN.

6. Bush replied that we very much desired to handle matter in manner that would avoid creating undue financial problems. If 27th GA puts through resolution establishing new ceiling at 25 percent, we would hope UN Comite for Contributions would be able next spring to effect reduction in US assessment. Waldheim nodded his satisfaction.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential; Exdis.

7. Waldheim said his most immediate concern was with timing of delivery of US aide-mémoire to UN membership. He hoped we would wait at least until next week, the longer the better. He felt it most important that no one be allowed to interpret our circulation of this note as sequel to last week's spat between USG and UNSYG. Bush assured him that US would resist tie-in to "last week" in every way it could. He undertook to urge Washington to delay delivery of aide-mémoire at least until next week but pointed out that US faces difficult campaign to sell its position and must initiate that campaign fairly soon.

8. *Comment:* Amb Bush believes Waldheim's point is valid one and should be respected to extent possible. He also hopes that instructions for delivery of aide-mémoire can include explanation to US Embassies on this sensitive point, and arm our representatives to refute any implication that we motivated by pique at Waldheim.²

Bush

² The Department replied on August 4 that it concurred with Bush's recommendation, and that the U.S. aide-mémoire to UN member states would not be distributed until the week of August 14. (Telegram 141601, August 4; *ibid.*) On August 16 the Department sent the aide-mémoire to most overseas posts with instructions to present it to the governments of all UN members. (Airgram A-8349, August 16; *ibid.*, UN 3 GA)

184. Telegram From the Mission to the United Nations to the Department of State¹

New York, August 23, 1972, 1625Z.

2940. Subj: Reduction of US Assessment Percentage to 25 Per Cent.

1. During conversation yesterday with Phillips re US proposal to reduce its assessment percentage to 25 per cent, Crowe (UK) raised fol matter with respect to which we require Dept's guidance.

2. In discussing with Phillips potential support of US proposal, Crowe asked what US position would be if developing countries paying floor percentage of .04 per cent or paying percentage which reflected reductions based on low per capita income, offered to support US proposal if, in turn US supported lowering of floor percentage and/or granting of greater reductions for low per capita income. Impact of such a lowering of floor percentage or granting of greater reductions for low

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential.

per capita income would fall entirely upon developed countries such as UK, which were already paying at a rate higher than that called for by their relative capacity to pay. Accordingly, those countries could not be expected to understand any US agreement to such actions.

3. Phillips avoided answering Crowe's question directly, saying we had no indication that issues referred to by Crowe were likely to arise and that we would try to avoid this occurring.

4. Crowe, who was accompanied by Whalley (UK national on UN Contributions Comite), said that they considered it not at all unlikely that these issues would arise, pointing out that there had already been a determined attempt in Comite on Contributions and in GA to secure greater reductions for low per capita income countries and that there had been mention from time to time of possibly lowering the floor percentage. However, Crowe did not press Phillips further on matter.

5. Dept will recall that fears expressed by Crowe are same as those mentioned to US several years ago by French and Russians in GA when they said they would make an all-out fight against US ceiling if we went along with developing countries on greater reductions for low per capita income or on reducing the floor percentage.

6. Dept is aware that, at last session of Comite on Contributions in May of this year, Comite agreed that changes in low per capita income formula would be justified but deferred action on changing formula until next Comite session.

7. Would appreciate Dept's advice as to how to respond to questions raised by Crowe if these are repeated by him or others.

Phillips

185. Memorandum From the Executive Secretary of the Department of State (Eliot) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, September 2, 1972.

SUBJECT

U.S. Efforts to Reduce our United Nations Assessment

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential. Drafted by Hennes and cleared by Assistant Secretary De Palma, von Peterffy, and Southworth. A copy was sent to Stottlemeyer at USUN.

The following responds to Mrs. Davis' memorandum of August 29 on the above subject.²

We have begun intensive efforts to reduce the U.S. rate of assessment in the United Nations and its Specialized Agencies to 25%. We have instructed our posts in capitals of UN member states to request support for the U.S. position in the General Assembly this fall. We have complemented these démarches with approaches both to the permanent missions in New York and to Secretariat officials of the United Nations and the Specialized Agencies and have called in selected Embassy representatives in Washington. The levels at which contacts have already been made have been those customarily utilized for issues on which we are planning to pursue a strong initiative at the General Assembly. The Secretary will no doubt be discussing the matter in his conversations in New York at the outset of the General Assembly.

Thus far the results of our approaches have been inconclusive. We had not expected an early favorable reaction because what we are in effect asking other members to do is to pay more so that the United States may pay less.

A recurrent note in most reactions to date is one of dismay at what is regarded as further evidence that the U.S. is downgrading the UN. Many have asked what we plan to do about voluntary contributions, particularly the UN Development Program. A few have not only expressed understanding for our proposal but gone on to say that they believe it is in the best interest of the UN.

Initial reactions of the Scandinavian members have encouraged us to hope that they will be willing to provide some of the leadership toward establishing a new UN ceiling rate of 25%. They would be doing this in our judgment in an attempt to save the United Nations from the consequences of a U.S. short-fall in meeting our assessed contributions.

Gibson Lanpher³

² In this August 29 memorandum the NSC requested information about the U.S. campaign to negotiate a reduction in its UN assessment, especially the level of foreign officials to be approached and the arguments that were expected to be most persuasive. The NSC requested periodic reports, with the first one due by September 5. (Ibid.)

³ Lanpher signed for Eliot above Eliot's typed signature.

186. Telegram From the Department of State to Certain Posts¹

Washington, September 11, 1972, 1949Z.

165200. Subject: Reduction of U.S. Assessment Rate in UN. Ref: State A-8349, State 148408.²

1. Replies to reair have raised questions how US assessment rate can be reduced without an offsetting increase in rates of other members. Following background information may be utilized in discussions with host governments on this subject.

2. The language of our General Assembly resolution will be explicit on the point that no present UN member's assessment rate is to be increased as a result of the US proposal. The offsetting 6.52 percentage points needed to bring our assessment rate down to 25 percent could come from two sources: percentage points brought in by new members and percentage points derived from the relative economic growth of present members.

3. Regarding new members, only the admission of the FRG and the GDR could substantially offset the reduction in the US assessment. The estimated assessment rates for each would be 6.80 percent and 2.00 percent respectively. However, USG does not intend to alter its position that entry of the GDR into UN cannot take place unless and until two conditions outlined in para VI of reftel have been met satisfactorily and the FRG is in a position, through authorization of the Bundestag, to apply for UN membership. We cannot predict when West and East Germany might enter UN since these complex issues must still be satisfactorily resolved within a sensitive political framework. (FYI—hopefully during 1973—end FYI.)

4. Regarding assessment rate increases due to relative economic growth, this point refers to increases that some members would receive in any event as a consequence of their economic progress in comparison with other members. It is an established procedure for Committee on Contributions to calculate such increases (which would occur with or without a reduction in the US assessment rate), and redistribute offsetting reductions.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Limited Official Use. Drafted by Bailey; cleared by Hennes, Walker, Bennett, von Peterffy, Chase, Kimball, Monsma, Daniel Goott, and Sutterlin; and approved by Assistant Secretary De Palma. Sent to Abu Dhabi, Cairo, Manama, Muscat, Nouakchott, Sanaa, and Suva and repeated to USUN, Bern, Berlin, Bonn, Saigon, and Seoul.

² Regarding A-8349, see footnote 2, Document 183. Telegram 148408 is not printed. (National Archives, RG 59, Central Files 1970-73, UN 3 GA)

5. What is implied in the above two methods of obtaining offsetting percentage points is that, while no member's rate will be increased as a consequence of our proposal, some countries will forego a pro rata reduction that they might have otherwise received. The United States position is that the first 6.52 offsetting percentage points that become available from either source be applied toward reducing our assessment rate to 25 percent; any additional available points may be redistributed among membership according to present procedures. Note that almost 70 countries paying the minimum assessment rate of 0.04 percent will not be affected at all, in that they would not receive any reductions from their minimum assessment rate in any case.

6. If the General Assembly adopts our resolution lowering maximum assessment rate to 25 percent, Committee on Contributions will follow GA instructions in computing a new scale of assessments to go into effect in 1974. If significant new members are not admitted before new scale goes into effect, then obviously we will not be able to receive needed percentage points. Then, if Congress does not appropriate contributions above 25 percent level the US will fall into arrears in its legal obligation to the UN.

7. A favorable UNGA response to US proposal will be extremely helpful in seeking appropriations for both assessed and voluntary contributions. If our proposal is rejected, and if Congress decides not to appropriate sufficient funds to meet our assessment, we will have to expect that Congress might also act to reduce our voluntary contributions, which we would like to maintain at a generous level.

Rogers

187. Telegram From the Department of State to the Mission to the United Nations¹

Washington, September 12, 1972, 2256Z.

166575. Subject: Reduction of U.S. Assessment Rate in UN.

1. We believe that consultations on 25 percent issue have reached stage where we can usefully begin discussions of draft resolution with

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Limited Official Use. Drafted by Everts; cleared by Hennes, Nielson, Bailey, and Kimball; and approved by von Peterffy.

appropriate delegations. For example, Mission may wish to discuss with Japanese and Canadians during upcoming bilateral talks. We would be receptive to suggestions towards improving acceptability of resolution.

2. Draft resolution as informally agreed to by Mission and Department is as follows: "The General Assembly,

Recalling its resolutions 14 (I) of 13 February 1946, 238 (III) of 18 November 1948, 665 (VII) of 5 December 1952, and 1137 (XII) of 14 October 1957, regarding the apportionment of the expenses of the United Nations among its members and the fixing of the maximum contribution of any one member state,

Noting that, when it was decided by the General Assembly in 1957 that, in principle, the maximum contribution of any one member state to the ordinary expenses of the United Nations should not exceed 30 percent of the total, the United Nations consisted of eighty-two member states,

Noting further that since the General Assembly decision of 1957, fifty states have been admitted to membership in the United Nations,

Recalling that since the General Assembly decision of 1957 there has been a reduction in the percentage contribution of the state paying the maximum contribution from 33.33 percent to 31.52 percent,

Decides that:

1. The maximum contribution of any one member state to the ordinary expenses of the United Nations shall not exceed 25 percent of the total;

2. The Committee on Contributions shall implement operative paragraph 1 in preparing scales of assessment for 1974 and subsequent years by reducing the percentage contribution of the member state paying the maximum contribution by an amount equivalent to (a) the percentage contributions of any newly admitted member states no later than the year following their admission and (b) the increase in the percentage contributions of member states with per capita incomes over dollars one thousand resulting from increases in their net national incomes, until the percentage contribution of the member state paying the maximum contribution shall have been reduced to 25 percent;

3. The percentage contribution of member states shall not, in any case, be increased as a consequence of the present resolution."

Rogers

188. **Telegram From the Mission to the United Nations to the Department of State**¹

New York, September 15, 1972, 0116Z.

3271. Subj: Reduction of US Assessment Rate at UN: Soviet Views.

1. Amb Bush explained US view of 25 percent issue to Soviet PermRep Malik during exchange of views on 27th GA Sept 13. Bush hoped Soviets would understand US position and at least not work against us, if SMUN could not support US.

2. Malik was noncommittal regarding exact Soviet position, although he did not think US goal was easy to justify. US status as world's most powerful economy was obvious, and most dels viewed assessment as hinging on capacity to pay. US timing was wrong, attention of UN was now focused on deficit, and US policy of seeking reduction in assessment would be interpreted as adding to deficit problem. And US argument about having too much political influence in UN because of high assessment rate was not convincing. Everyone knew US influence had diminished.

3. Bush explained that US initiative on assessment rate had nothing to do with deficit problem, that ability to pay was certainly one criterion but so was degree of financial, not political, dependence of UN upon one country.

4. *Comment:* Relative mildness of Malik's comments gives some hope Soviets will be content to take low profile on 25 percent issue. In any case, despite his negative noises Malik stopped short of saying USSR would oppose or work against us on this issue.

Bush

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential. Repeated to Moscow.

189. Memorandum From the Executive Secretary of the Department of State (Eliot) to the President's Special Assistant for National Security Affairs (Kissinger)¹

Washington, September 24, 1972.

SUBJECT

U.S. Efforts to Reduce our United Nations Assessment

We have been conducting a vigorous campaign since our last report on September 2 to obtain the support of other countries for our 25 percent assessment rate proposal. All UN member states have been approached in their capitals and in New York and we have made a number of selective *démarches* here in Washington. USUN has been pressing the Permanent Delegations for support and Ambassador Bush personally has taken a strong hand in this effort.²

The replies to date have been as favorable as could be expected, considering that this is not a proposal which other countries would be expected to welcome with much enthusiasm. The great majority of member states remain uncommitted, but our Mission in New York believes that at this juncture we might have support from about 25 countries. One disappointment is that no country has yet indicated a willingness to assume the leadership in pressing our case before the UNGA. Moreover, some usually friendly powers (e.g. the United Kingdom and Spain) have developed rather firm and reasoned negative positions which may influence others against our proposal.

Our evaluation of responses thus far indicates that many less developed countries remain convinced, despite our assurances to the contrary, that a reduction of the U.S. assessment rate will result in increased assessments for them. There also continues to be a general concern that this proposal indicates a lessening of U.S. interest in and support for the UN and foreshadows a reduction of our voluntary contributions to the organization. We have pointed out that an unfavorable UNGA response to our proposal could result in Congressional action reducing our voluntary contributions from their present generous level.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 303, Agency Files, USUN, Vol. X. Confidential.

² Telegrams 3379 and 3382 from USUN, September 21, reported on Ambassador Bush's meetings with selected South American and African delegations to outline the U.S. position. (Both *ibid.*, RG 59, Central Files 1970-73, UN 10-4)

As the General Assembly gets fully underway next week, our Delegation intends to enlist the active support of friendly delegations in an intensified effort to win the votes of the undecided.

R.H. Miller³

³ Miller signed for Eliot above Eliot's typed signature.

190. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 3, 1972, 2021Z.

3638. Subj: Reduction in US Assessment.

Based on reporting on contacts in capitals, Wash and NY, Mission has prepared initial status report on member states' position on this item.² While in some instances our assessment is based on hard info, in others it is only indicative since more precise info is not available at this time. Our assessment is as follows:

1. American Republics (24 countries): 5 yes, 3 no, 16 unknown
2. Europe and Canada (17 countries): 7 yes, 3 no, 7 unknown
3. Near and Middle East (25 countries): 5 yes, 5 no, 15 unknown
4. Far East (14 countries): 4 yes, 1 no, 9 unknown
5. Eastern Europe (10 countries): 0 yes, 10 no, 0 unknown
6. Africa (41 countries): 1 yes, 4 no, 36 unknown

Totals excluding US are: 23 yes, 26 no, and 83 unknown. Of the 23 yes we have 8 firm commitments (Dom Rep, Guatemala, Nicaragua, Italy, Portugal, Sweden, Iran, and Israel).

Our most serious problem relates to Africa, with 36 out of 41 total countries in unknown category. Since African vote will be critical in determining outcome on this issue and fact that many reports from African capitals indicate that individual country positions will be taken only after caucusing in NY, we are focusing our attention in particular on African reps. Our contacts to date also indicate that African

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential; Immediate.

² A second status report, dated October 9, gave an overall estimate of 36 in favor, 27 against, and 69 undecided. The breakdown for African countries was 3 in favor, 5 against, and 33 undecided. (Telegram 3762 from USUN, October 9; *ibid.*)

members grossly misunderstand our position and will require full scale education effort.

We understand that Secretary Rogers will be hosting lunch for African dels at noon Oct 4. Given above situation, we wld hope that Secretary wld make special effort during course of this luncheon to seek understanding from and support of African members.

We also suggest Dept consider further démarches in African capitals. Of 41 total African countries, South Africa is alone in yes category; Algeria, Libya, Nigeria and Sudan in no category.

Bush

191. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 17, 1972, 2311Z.

3944. Subj: Special Comite on Financial Situation of UN.

Summary: Comite of 15 held 17th mtg Oct 11 to consider draft interim report for later submission to GA. Comite treated to lengthy interpretation of history by Sov Perm Rep Malik, including charge that US had "done nothing" to help resolve problem and, in fact, would be contributing to problem by attempting to reduce its assessment to 25 percent. US rep (Schaufele) rebutted Malik's statement. US Del intends to set record straight when item comes before Fifth Comite.

1. Comite held 17th mtg Oct 11 to consider draft interim report (A/AC.155/R.17) to be submitted to GA at current session. Report drafted by UNSec, with personal input by Amb Algard, was immediately opened for comment by chairman. All members present except PRC.

2. For next half hour, Comite treated to interpretation of history by Sov Perm Rep Malik. His position, stated in stern and uncompromising manner, not only rejected proposals previously agreed to by twelve members, but would require report to be completely rewritten because it lacked objectivity. On latter point Algard took strong exception, saying that, as chairman, he had attempted to reflect Comite proceedings and proposals previously agreed to in Comite.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential.

3. Malik opened with fact that UN presently in difficult financial situation, but then added this due solely to ONUC and UNEF operations carried out “under UN flag” and in “violation of UN Charter.” He argued that these were illegitimate activities, as were Korean items and UN bonds. Consequently, he said that, because of illegal character of these activities, USSR and others were justified in withholding payments. On question of technical assistance in UN regular budget, Malik said its inclusion was contrary to “accepted standards” and, in order to “comply with spirit and letter of Charter,” it had to be removed so that regular budget be limited solely to UN administrative costs.

4. According to Malik, USSR had agreed in 1965–1966 to participate in efforts to find solution to financial problems of UN on two conditions: (1) all member states must participate, and (2) US must declare first its intention to make voluntary contribution and announce amount of its contribution. Since then, he said, US had maintained “total silence” and done “absolutely nothing” to solve problem, which was in total disregard of consensus. Malik next turned to strong criticism of US for attempting to reduce its assessment rate at time when UN was in serious financial condition. In so doing, he said, US was acting irresponsibly since, rather than reducing its assessment, US should be paying much more based on its capacity to pay. If US intended unilaterally to reduce its assessment, he wondered what would prevent other member states from doing likewise. If they did, Malik said financial integrity of UN would be destroyed, and possibility would be greatly increased of UN following in footsteps of League of Nations, etc.—for which US would be responsible.

5. US (Schaufele) responded immediately to Malik’s assertions, saying US had hoped Comite had gone beyond point of political rhetoric and was well on its way toward progress in finding solution to deficit problem; however, unfortunately, this stage had not been reached, as witnessed by remarks of Sov Rep. Schaufele made these additional points:

(A) 1965–1966 consensus did not include condition that US be first to announce voluntary contribution;

(B) Rather than maintaining “total silence,” US had stated continuously that, “if comprehensive solution found, US would not be found wanting”;

(C) Questions relating to UN peacekeeping should be discussed in Comite of 33 and kept out of this Comite;

(D) Similarly, this Comite was not forum to discuss question of UN scale of assessments since item would be dealt with fully in Fifth Comite;

(E) Pointed out that US contributing more than 38 percent of total to UN activities and said US would welcome USSR contributing at same level;

(F) Stressed that, rather than giving his interpretation of history, Malik could do Comite and membership as a whole real service if he would answer directly question of whether or not USSR intended, and in what way, to help resolve financial problem.

6. Our rebuttal brought forth another statement by Malik, in which he argued that historical facts re UN activities must be respected and, quoting Tolstoy, said "I cannot be silent" in establishing clear record of reasons for UN financial problem. Furthermore, with US capacity to pay of 38 percent and proposed new ceiling on US of 25 percent, he repeated that "If US can justify reducing its assessment, why can't others follow?" Unlike US, many would have a justifiable case. By implication, he put USSR in latter category, saying USSR was a "poor country" in relation to US, had suffered through two hundred years of aggression and destruction, which took heavy toll including twenty million lives alone lost in World War II.

7. Ghana (Cleland) directed two-part question to Malik. First, he asked whether USSR would agree to transfer of technical assistance from regular budget to UNDP; and second, whether, in making this transfer, USSR agreed that voluntary contributions must be in same amount as included in regular budget and paid in convertible currencies. Malik answered first point in affirmative, but on latter said it was "sovereign right" of contributors to determine currencies in which they would make voluntary contributions. Rather than answering whether USSR would contribute, Malik made lengthy comment on tremendous effort USSR had made in providing funds to LDCs to assist them in their development.

8. India and Brazil, commenting on proposal that technical assistance be transferred from regular budget, said this was not acceptable to them since important matter of principle was involved which required UN itself to include small amount of technical assistance in its regular budget.

9. Canada, Japan, UK, and France also spoke, expressing regret that Comite's proposals previously agreed to were not acceptable. French Rep said "I deeply resent" fact that Comite, which heretofore had been characterized by spirit of compromise and determination to find solution, had now become subjected to political rhetoric. Nigerian Rep said that, on basis of what he had heard today, Comite of 15 for all practical purposes was "finished."

10. Chairman announced that number of drafting changes suggested by reps would be incorporated in report and redraft be provided members by Oct 19. Said he would call another mtg of Comite a week or so after redrafted report circulated. Added that his intention was to submit interim report to GA at present session, have Fifth Comite discuss report, and on basis of this discussion determine what

new elements, if any, surfaced for consideration by Comite of 15 before drafting final report to GA.

11. Following mtg Schaufele and MisOff discussed situation briefly with Algard. Latter said that, while he would make some drafting changes, he was determined that report would reflect Comite proceedings and agreed proposals while at same time show without question where responsibility lay for lack of further progress.

12. *Comment:* During period since Comite mtg, MisOffs have been told informally by number other Comite members that they disappointed and angered over position taken by Malik. However, some appeared be uncertain about 1965–1966 consensus, in particular Malik's assertion that there was agreement on US making first move by announcing what it intended to do to help resolve financial problem. US del intends to set record straight when item comes before Fifth Comite.

Bush

192. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 27, 1972, 0212Z.

4171. Subj: Reduction US Assessment.

1. Political Counselor and MisOff, at our request, called on Georg Hennig (Austrian) who personal assistant and confidant of SYG. We led off with brief explanation of our 25 per cent policy, emphasizing that this priority issue for USG; USUN, Dept and American Embassies making all-out effort on question; pointing out political implications within US of success and failure in this endeavor; and stressing fact that if UNGA does not act favorably on our proposal, real loser will be UN and its membership. Hennig replied he had closely followed issue and was aware of basic points in our position. Said that SYG had continuing personal interest in question but had taken every precaution to ensure that he not take any action which in any way would be detrimental to our position. Hennig added, however, that SYG under strong pressure from some members to speak out against US proposal, but he assured us that SYG would continue to take totally neutral stand.

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential.

SYG hoped not to have to address question at all, as non-comittal or intrinsically neutral statement sure to be interpreted negatively.

2. Hennig asked our assessment of situation and added that, from his viewpoint, many members, particularly Africans, did not understand US proposal. On questioning by PolCouns and MisOff about what additionally we could do, Hennig offered following:

(A) Since Africans probably held swing vote on this issue, US might consider working through OAU and especially its reps in New York.

(B) For European members, pressure had to be brought in capitals on both Foreign Ministry and Finance Ministry officials.

(C) A concerted effort with Africans reps (including OAU reps) in New York, who often lack instructions and possess wide latitude, should bear fruit. Hennig offered that he would provide specifics of our discussion to SYG at earliest opportunity because of above-mentioned personal interest of SYG in subject.

3. Hennig said SYG, as well as himself, were appreciative of fact that US was attempting to reduce its assessment by working within Charter and established UN procedures. He next asked if new members (two Germanies) not admitted to UN in near future what effect this would have on achieving our assessment reduction. Hennig added, however, that this question somewhat hypothetical since in his opinion two Germanies were almost sure to apply for membership unless there is internal change within West German Government. We provided Hennig with copy our draft resolution and called particular attention to operative para. 2 which explicitly states that US assessment of 25 per cent would be reached "as soon as practicable"; however, if conditions to permit US reduction do not materialize by end of 1973, US could, having obtained prior UNGA adoption of our res, conceivably seek additional time from Congress. While we were hopeful but could not predict whether Congressional understanding would be forthcoming, we could say with some certainty that without approval for our res Congress likely to appropriate only at 25 per cent level which would result in significant dollar shortfall for UN CY 1974 budget. Hennig replied latter would be disastrous for UN and expressed strong hope that this turn of events would not become a reality. He clearly recognized, he said, separation of powers within USG, and fact that such unilateral action was neither intent nor desire of present administration.

4. Hennig queried us again on our assessment of voting within UNGA "if question brought to a vote today." We replied that during past weeks, more and more member states were responding favorably to support our res but that critical factor would be African members. By excluding Africans, which for most part uncommitted, we added our belief that we could carry our res. Hennig said he was hopeful our voting assessment was correct, and next asked what steps we were taking to obtain African support.

5. Re latter question, we said from Amb Bush on down USUN was mobilized to explain our position to and seek support of all dels and to this end were focusing in particular on the uncommitted dels which largely LDC's. Agreeing with Hennig that this was a political issue, we added that above anything else it was receiving priority attention from full US Del, including our working UN corridors in concerted effort on other dels. Hennig said he was glad to learn this since it demonstrated importance of issue, as well as fact that we were attempting to achieve our policy objective within existing UN institutional framework. He cautioned, however, to be alert to last minute African bloc voting on this question since at present "Africans were caucusing on practically every issue" within UN; he added that this was being led by OAU reps who could be found in every chamber and UN corridor. Hennig suggested that we consider whether USG had anything to offer OAU in return for African support on 25 per cent issue.

6. At conclusion, Hennig said he was deeply appreciative of our taking time to fill him in on this question and reiterated his intention to take up matter with SYG Waldheim. As we left, Hennig asked PolCouns whether "there was anything new to report from Paris." After not being given any direct response, Hennig asked that Waldheim be informed of any new developments by Amb Bush before SYG read about them in newspaper. PolCouns said he would convey message to Bush, to which Hennig replied this would be appreciated. Discussion was concluded on that note.

Bush

193. Telegram From the Mission to the United Nations to the Department of State¹

New York, October 30, 1972, 1622Z.

4222. Subj: Reduction in US Assessment to 25 Percent.

1. US Del now has agreement of Chairman Fifth Comite that consideration of scale of assessments item under which US will present 25 percent proposal will commence on or about Nov 15. Comite consideration of interim report of Special Comite on UN Financial Situation will follow scale of assessments item.

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential.

2. On basis of consultations here and reports from Wash and capitals, I am convinced time has now arrived for all-out effort to secure favorable GA action on our 25 percent proposal. I am optimistic that we can win on this issue but only if we make concerted effort at this juncture.

3. I consider it especially important that Asst Secretaries of State for geographic areas now mobilize their resources in support of our efforts here. I am convinced that, if we are to secure the necessary votes, we must make approaches within bilateral framework as well as UN context in order fully to convey importance we attach to this issue.

4. Areas causing us most concern are: first, Africa; second, Latin America; third, Near and Middle East, and then balance of Asia. Since these are areas composed largely of LDCs which are particularly interested in and dependent upon UN developmental activities, should be possible to convince most countries those areas that best hope for continued US support for such activities lies in success of US 25 percent proposal; if we fail, prospects are less than bright for continued US high-level support on which UN activities have been dependent. Particularly in the case of countries assessed at the floor rate (0.04 percent), we should be able to demonstrate conclusively that they cannot possibly be hurt by US proposal since they will not be affected by it in any way. Only way in which they could possibly lose in this effort would be if the US proposal were defeated and, as a result, levels of US voluntary financial support for UN developmental activities were endangered.

5. Dept best judge of cases in which approach recommended above can be limited to consultations with Wash Ambassadors or should at this stage include further *démarches* in capitals. In regard to latter Dept may wish request posts to make maximum use of contacts in Finance Ministries as well as formal approaches to Foreign Ministries. In case of many, perhaps most, LDCs, we believe Wash *démarches* may be more effective than efforts in capitals, unless latter made at Ambassadorial/Presidential level, in transmitting message of how important issue is to USG, UN system and LDCs, and in conveying adequate understanding of full range of political considerations underlying our position.

6. I would appreciate reporting on urgent basis re results of effort recommended above so that we can coordinate our activities here, and would hope that renewed calls for *démarches* in capitals and Washington would (1) be tailored to the individual country's special circumstances to the extent possible and (2) be coordinated with USUN.²

Bush

² The Department replied on November 2 that it had been canvassing on a desk-by-desk basis to find out which approaches would be most effective, with particular emphasis on the African area. Bush was asked to identify countries that should be concentrated on as the situation developed. (Telegram 199261 to USUN, November 2; *ibid.*)

194. Paper Prepared in the Bureau of International Organization Affairs¹

Washington, undated.

U.S. EFFORT TO REDUCE ITS UN ASSESSMENT RATE

In two weeks we expect the UN debate to begin on the U.S. proposal to reduce its assessment rate to 25 percent. Although we have lobbied in New York, in capitals and in Washington over the past two and one-half months, we still do not have a clear picture of how the voting will go. The last count from our Mission in New York showed a favorable ratio of about 4–3 as against the better than 2–1 ratio we require for safety. A large number of members are still uncommitted and it is apparent that they are finding the decision difficult and wish to delay it as long as possible.

Certain objections to our proposal have been raised rather frequently: 1) the U.S. attempt to lower the level of its assessed contributions is simply the first step toward a lowering of the over-all level of U.S. support for the UN system, including the voluntary contributions to the UN Development Program; 2) the U.S. has been paying well below its relative capacity to pay and a further reduction would be economically unfair; 3) the U.S. proposal is an ill-considered act of retaliation against the UN actions of which it disapproved; and 4) the U.S. already profits substantially in its net balance of payments from the presence of the United Nations in New York, even after its contributions to the United Nations have been included in the balance. There has also been some question about the actual intensity of top-level U.S. interest in the success of the U.S. proposal. Some countries have expressed disbelief in the U.S. position that a reduction of the U.S. assessment rate would not cause the rates of others to rise and many members have charged that the U.S. proposal would unfavorably affect the UN deficit or lower the UN budget level.

On our part, we have stressed the political argument that it is inherently inequitable in a nearly universal organization of sovereign states, each having one vote, for the assessed contribution of one state to be grossly disproportionate to that of others. We have pointed out that the Congress is convinced of the validity of this argument and has legislated to that effect. We have warned that the United States will

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Limited Official Use. The drafters of the paper are not identified. A covering memorandum from Executive Secretary Eliot to Kissinger is dated November 2.

have to go into arrears in its payments beginning in 1974 if the U.S. proposal for a reduction does not become effective by that time.

Surprisingly, we have done somewhat better than expected with the Western European states, Canada, Australia and New Zealand. Although these are major contributors, who will in many cases be denied reductions in their own contributions as a result of the U.S. proposal, we are reasonably sure of the support of most, with the notable and damaging exception of the United Kingdom. We have also done reasonably well with the American Republics and the Asian members but have done no better than break even with African and Middle Eastern countries. As of October 30, 42 out of 66 African and Middle Eastern countries were still uncommitted. The Eastern European bloc is at present solidly opposed to our proposal; we are continuing to work on the Soviet Union as the sole key to that group.

In conclusion, although the results thus far show a favorable trend, only about a dozen countries are firmly committed to our proposal and more than 60 have reserved their position. Accordingly, the Mission and our geographical bureaus are intensifying efforts to assure a favorable outcome.

195. Telegram From the Department of State to Certain Posts¹

Washington, November 3, 1972, 0121Z.

200130. Subj: Reduction of U.S. Assessment Rate in UN. Ref: State A-8349, State 165200.²

1. During past two and one-half months we have conducted intensive campaign to obtain support from UN member states for our proposal to reduce United States' assessment rate in United Nations to 25 percent. Focus of our campaign has of course been in New York but posts have provided much appreciated assistance for this priority effort.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Limited Official Use. Drafted by Everts; cleared by Hennes, Walker, McNutt, Chase, Monsma, and Rendall; and approved by von Peterffy. Sent to Manama, Nouakchott, and Sanaa and repeated to USUN, Brussels (NATO), Bern, Berlin, Bonn, Saigon, Taipei, Dacca, Vienna (IAEA), Paris (OECD), and Suva.

² For airgram A-8349, see footnote 2, Document 183. Telegram 165200 is Document 186.

2. We expect assessment rate issue will be debated beginning November 15 and brought to vote in UNGA Administrative and Budgetary (Fifth) Committee and in plenary session of General Assembly within following week. While we do not have clear picture at this time how voting will go, recent developments indicate that if we can maintain momentum of our campaign during these final two weeks, we will be able to obtain necessary majority in Fifth Committee and two-thirds majority in General Assembly. (Latter majority will be necessary if, as we expect, proposal is considered important question under Article 18–2 of UN Charter.) However, we must intensify efforts 1) to win over uncommitted and wavering member states to vote affirmatively, 2) to neutralize or convert opponents to abstentions or better and 3) insure that those who have promised support deliver it and do not reverse themselves at last moment. USUN's most recent vote count indicates 40 countries are either firmly in our camp or likely support us, 30 are indicating opposition and 62 are more or less uncommitted.

3. In the lobbying process thus far, certain strengths and alleged weaknesses of the U.S. proposal have received particular attention. Accordingly, although the essentials of the argument remain as stated in the referenced messages, we are providing the following highlights for use in the continuing efforts of posts to advance the U.S. proposal. They can be of assistance in carrying out separate instructions many posts will be receiving on approaches desired during the period preceding and during the critical discussion in the General Assembly.

4. Following are key arguments for U.S. proposal:

(A) Present U.S. legislation requires that no money be appropriated for U.S. payments to the United Nations and its affiliated agencies at more than a 25 percent assessment level after December 1973. It is not the intention of the United States Government to violate its international obligations but it will have no alternative but to go into arrears if the U.S. proposal for a reduction does not become effective by that time.

(B) No UN member's assessment rate will be raised as a result of the U.S. proposal for a 25 percent ceiling. A key paragraph of our resolution will explicitly state: "The percentage contribution of member states shall not, in any case, be increased as a consequence of the present resolution."

(C) An unfavorable vote on the reduction of the U.S. assessment could result in Congress reducing our voluntary contributions to the UN which we would like to maintain at a generous level. Thus, all developing countries stand to be significant losers if we are unsuccessful in our effort to reduce our rate of assessment.

5. Posts may hear economic arguments against our proposal that emphasize either the capacity to pay factor in determining assessments or the profits that accrue to the United States from the presence of the United Nations in New York. It is true that on the basis of a strict capacity to pay, the United States' rate of assessment would be higher

than its present 31.52. It is also true that the United States benefits economically from the UN's presence in New York. For these reasons we have justified our position on political and not economic grounds. To these arguments, posts should respond as follows:

(A) Political equity requires that in an organization of sovereign and equal states approaching universality of membership, an extreme disparity between contribution levels must be reduced.

(B) Prudence and political realism dictate that it is unhealthy for an international organization to be unduly dependent on one contributor for financial support.

6. Posts also may wish to stress that our proposal does not reflect a lessening of U.S. interest in the United Nations. We want the UN to perform its mission with greater effectiveness and with a more equitable sharing of responsibilities. To that end we want to maintain our substantial level of contributions to voluntary programs.

7. Action requested: Posts should take every opportunity to advance U.S. proposal that promises to be productive. Specific instructions to many individual posts have or will be forthcoming.

Rogers

196. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 13, 1972, 2300Z.

4599. Dept pass action priority to all diplomatic posts. Subj: Reduction in U.S. Assessment.

1. USUN formally submitted U.S. draft resolution on subject to UN Sect this morning in preparation for discussion in UNGA Fifth Committee later this week. Text will be distributed as UN document within next day or two and thus available to all delegations.

2. If Department concurs, we believe posts may find it useful to provide texts to governments to which accredited as part of continuing effort in capitals to obtain support for U.S. proposal.

3. Text of draft resolution which will be considered under Agenda Item 77 on scale of assessments to the UN follows.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Limited Official Use.

“The General Assembly,

Recalling its resolutions 14 (I) of 13 February 1946, 238 (III) of 18 November 1948, 665 (VII) of 5 December 1952, and 1137 (XII) of 14 October 1957, regarding the apportionment of the expenses of the United Nations among its members and the fixing of the maximum contribution of any one member state,

Affirming that the capacity of member states to contribute towards the payment of the ordinary expenses of the United Nations is a fundamental criterion on which scales of assessment are based,

Noting that, when it was decided by the General Assembly in 1957 that, in principle, the maximum contribution of any one member state to the ordinary expenses of the United Nations should not exceed 30 per cent of the total, the United Nations consisted of eighty-two member states,

Noting further that since the General Assembly decision of 1957, fifty states have been admitted to membership in the United Nations,

Recalling that since the General Assembly decision of 1957 there has been a reduction in the percentage contribution of the state paying the maximum contribution from 33.33 per cent to 31.52 per cent,

Decides that:

1. As a matter of principle, the maximum contribution of any one member state to the ordinary expenses of the United Nations shall not exceed 25 per cent of the total;

2. In preparing scales of assessment for future years, the Committee on Contributions shall implement operative paragraph 1 as soon as practicable so as to reduce to 25 per cent the percentage contribution of the member state paying the maximum contribution, utilizing for this purpose to the extent necessary;

(A) The percentage contributions of any newly admitted member states immediately upon their admission, and

(B) The normal triennial increase in the percentage contributions of member states resulting from increases in their national incomes;

3. Notwithstanding operative paragraph 2 above, the percentage contribution of member states shall not, in any case, be increased as a consequence of the present resolution.”

Bush

197. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 16, 1972, 0100Z.

4704. For the Legal Adviser and Assistant Secretary DePalma. Subj: Legal Aspects of 25 Percent—Action Message.

1. DeOff followed up AM conversation with Sloan of UN Legal Office (reported septel)² with discussion with UN Legal Counsel late 15 Nov. Stavropoulos took distinctly harmful position that "Of course your resolution involves a 'budgetary question' within the meaning of Article 18(2)" and therefore would require a 2/3 vote for adoption by plenary. DeOff noted that, were Stavropoulos to take this position, he might by his own hand bring about a crisis in US relations with the UN. He replied he understands the importance that Washington places on 25 percent but said he cannot, for political reasons, advise Trepczynski that the law is what he, Stavropoulos, thinks the law is not. He asked expressly specifically that the Legal Adviser be told that, if he is to be of assistance, Stavropoulos must be given a paper by the US that seeks to establish that our narrow interpretation of "budgetary" to include only immediate appropriations or expenditure questions is correct. He would consider with the greatest care such a paper. He said Sloan and his staff were trying to produce the arguments "for you" but had not yet done so.

2. Stavropoulos argued that, were it not for the US resolution, prospective contributions to the UN budget by the two German states would redound to the benefit of other members, their budgetary contributions being lessened thereby. DeOff pointed out this would not in any event be the case with the large majority of members whose contributions are at the 0.04 percent floor; even following Stavropoulos' argument, the U.S. resolution would not as to these members involve a "budgetary question". Moreover, DeOff argued, the recent practice of the UN showed that, off-again-on-again US contrary arguments notwithstanding, the GA had pretty consistently interpreted "budgetary question" narrowly to include only appropriations or expenditure proposals, which were not involved in our resolution. Indeed, a broader interpretation would have meant that practically every action proposed by the 5th Committee would require a 2/3 vote, which had certainly not been the case in practice. Stavropoulos repeated sev-

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential; Priority; Limdis.

² Document 198.

eral times that our proposal involves questions of “income” for many members and must therefore be a “budgetary question”.

3. Comment action requested: (A) We hope that reiteration of importance of 25 percent to whole character of US attitude may have stopped Stavropoulos from discussing his view with other delegations, at least for the moment. (B) Request that Department prepare a paper that can be given Stavropoulos on the 18(2) question.

4. Discussion with Stavropoulos will be reported septel Thurs AM.

Bush

198. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 16, 1972, 1405Z.

4718. Subj: Legal Aspects of 25 Percent. Ref: USUN 4704.²

1. DelOff called on Blaine Sloan, Director of UN General Legal Division 15 Nov, to discuss various legal issues in connection with 25 percent. DelOff reviewed importance US attributes to this effort and significance of success in terms of meaningful US relationship with the UN.

2. Sloan agreed that approval by the Fifth Comite of the US proposal requires only a simple majority, citing Rule 127 of the Rules of Procedure: the problem, he said, was in plenary. DelOff noted that what would most concern US would be a ruling by Trepczynski that the US proposal would require two-thirds for adoption because, under Charter Art 18(2), it concerns a “budgetary question”. This would be wrong in view of the GA’s practice to apply the term “budgetary question” to the narrowly delimited area of appropriations proposals. A contrary ruling by the President would place US in an extremely difficult position because, given the prestige and authority of the chair, it might not be possible to put together a simple majority to overturn his ruling. By contrast, we were not so concerned about an unfriendly effort to seek a ruling by the Assembly itself that the question should be regarded as “important” under Art. 18(3); if we have the strong majority we

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential; Immediate; Limdis.

² Document 197.

expect on the 25 percent issue, we should also have a majority willing to vote against and defeat such a proposal.

3. Sloan said he agreed with the view that recent Assembly practice is to treat "budgetary question" narrowly. He said, however, that he was obliged to point to the fact that the US itself has argued for a far wider application of "budgetary question", as for example in the decision to establish the capital development fund and many other cases; he also cited the dictum in the records of the 1957 GA following the vote that the proposal had been adopted because it had received "the required two-thirds majority." (A/PV.705, P. 335) DelOff noted that out of the whole practice of the Assembly this one instance was the only one of a contrary character; as Sloan had observed, we considered it to be an erroneous dictum.

4. DelOff explained we would like the Legal Counsel (Stavropoulos) to discuss the matter with Trepczynski at an appropriate time and advise that, assuming a question were raised from the floor of the plenary, the proper course would be for Trepczynski to rule that the res adopted by the Fifth Comite on 25 percent does not involve "a budgetary question" and that consequently only a simple majority is required for its adoption by the Assembly. In response to a question, DelOff replied that the USSR is opposed to the 25 percent effort but added that the Soviets are not, to our knowledge, working actively against us and their opposition is thus somewhat restrained in character. Sloan said that in view of Trepczynski's allegiances, it might well be that Trepczynski would decline to rule on the question whether the two-thirds majority requirement of Art 18(2) applied and might instead put the question to the Assembly for decision (by majority vote). DelOff said this would not be good enough; we and the Secretary-General have always taken the position that presiding officers are obliged to fulfill their responsibilities by making rulings where the matter is clear. We reiterated that we would like the Secretariat to try to the best of its ability to convince Trepczynski of the rectitude of the position that Art. 18(2) is not applicable. Sloan said he would review the matter and would discuss it with Stavropoulos. DelOff commented that we, too, are looking further into the history of the matter.

Bush

199. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 18, 1972, 1535Z.

4805. Subject: Reaction to US 25 Percent Presentation November 16.

1. Reaction to Senator McGee's presentation of US position and draft res on 25 percent assessment in 5th Comite November 16 has been positive and favorable, as has been reaction to Amb Bush's reply to Soviet intervention. Soviet statement, however, apparently did have troublesome impact.

2. Many delegates, including some representing countries which are still in unknown or undecided categories, volunteered that statement helped to clarify our proposal and they welcomed its public expression of the reassurances which USUN Ambassadors and MisOffs have been giving privately during their extensive consultations on the issue. The Soviet performance, on the other hand, took many by surprise, as the Soviets apparently had not been making any noticeably strong effort with other delegations against the US initiative. Several wondered why the Soviets had been so eager to jump into the fray, particularly because of their widely-perceived vulnerability on their "capacity to pay" argument. Although one or two delegates commented that the subsequent discussion was more "emotional" than the normal restrained tenor of 5th Comite exchanges, there was widespread expression of unmistakable pleasure that Amb Bush had replied to the Soviets so forcefully and had called them tellingly on their "capacity to pay" posturing.

3. There is no question that the US presentation was well-received and was considered enlightening and helpful, even by those who have not yet firmed up their positions. Despite its transparency, the Soviet speech, and the subsequent lobbying effort, had obvious and possibly serious damaging effects by raising points and provoking concern along lines already present in some delegates' minds—concern which had been fertilized to some extent at last week's meeting of the 77. Some of the Africans especially seemed to be vulnerable some fall-out effect from the Soviet speech. For example, Rwanda subsequently seemed wobbly in its support. We learned from a Libyan delegate that the Soviets, in their efforts to increase doubts, were asking other delegations privately what they would do if, should the US proposal be adopted, the Soviets announced that they were unwilling to pay beyond 12 percent.

Bush

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Limited Official Use; Priority. Repeated to Moscow.

200. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 18, 1972, 2200Z.

4816. Subj: Reduction of US Contribution to 25 Percent.

1. Summary: Canada made strong statement in support US res to reduce UN contribution to 25 percent. Brazil and Czechoslovakia spoke in opposition. Brazil introduced res which would request Comite on Contributions to change elements of low per capita income allowance in scale of assessments. End summary.

2. Fifth Comite resumed debate on scale assessments Nov 18 after one day hiatus. Brazil (Da Mota) led off debate with strong and persuasive statement opposing US res. After acknowledging distinguished US record of financial support UN system he keyed argumentation to capacity to pay principle and effect of reduction US assessment in UN on scale of assessments specialized agencies. Capacity to pay is mainstay assessment scale and should be protected he argued. Stated ceiling, in principle, of 30 per cent and US assessment of 31.52 per cent has resulted in other member states shouldering difference between over 38 percent US should pay and actual assessment; lowering ceiling to 25 per cent will present further inequity. Believed it unfair other countries pay more per capita than US; if US proposal adopted about eight other countries should have lower assessments because of per capita ceiling, noted scale of assessments adopted with concurrence US each time since ceiling, in principle, lowered to 30 per cent in 1957. Re impact specialized agencies, he stated no secret US expects entry two Germanys to offset US reduction in UN. West Germany, already member specialized agencies in which US contribution exceeds 25 per cent, asked how offset US reduction in those agencies. Believed time inopportune lower US assessments in view financial difficulties UN. Announced will vote against res if put to vote and suggested proposal be deferred until after entry new states at which time could be reviewed in concrete manner.

3. Czechoslovakia in opposing US res hammered at capacity to pay principle. Cited positions Canada and UK at first GA at which Canada believed if ceiling placed on US assessment ceiling also should be placed on contributions all members who would be assessed at higher per capita rate, and UK considered it dangerous depart from capacity to pay principle at 12th GA. Quoted Neylon at same GA as

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Unclassified. Repeated to Brasilia, Ottawa, Prague, and Manila.

stating countries whose assessments less than capacity to pay getting permanent rebate. Argued US has not presented any justification for ceiling figure of 25 per cent as compared some other figure. Czech didn't believe richest country should profit most from entry new states, especially since would put burden on developing countries with lower per capita income. Rehashed financial benefits to US of location UN in New York.

4. Canada (Amb Rae) gave strong support US proposal and urged other delegations do likewise. Believed reduction US assessment realistic, desirable, and in best interests organization. Reduction would assure continued viability of organization in world today, he stated. Noted McGee pledge there no diminution US support of UN and provision in res that assessment rate of no state be increased because of US reduction.

5. Philippines took no stand on US res but reserved right speak later. Urged progressive lowering of scale for low per capita income countries. Stated disastrous floods have affected ability Philippines to contribute to UN and will inhibit economic growth. Said floods more devastating than damage during WWII.

6. Brazil introduced res (A/C.5/L.1092) with fourteen co-sponsors which requests Comite on Contributions to change elements of low per capita income allowances formula to adjust it to changing world economic conditions. In explanation, stated co-sponsors requesting partial restoration of situation provided for by 1946 GA when low per capita income formula established, but leaving Comite on Contributions to determine what adjustments required.

Bush

201. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 20, 1972, 0341Z.

4857. Subj: 25 Percent Issue and Deficit.

I had a discussion with the SYG and George Davidson (Secretariat) on above subject on Nov. 18. The SYG requested an assessment from me on the 25 percent issue, stating he would like to be of as much quiet help on this item as possible. He sees this matter as one of extreme

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential; Limdis.

importance to the UN, and, given the feeling in the US, he thinks that the US Govt must be successful if the UN is to move towards a final solution of the deficit. I filled him in on the general assessment, stating that I thought we could and would win in the 5th Comite, but that we must not have an adverse ruling regarding the "important question" aspects of the case when the matter went to plenary.

The SYG is genuinely concerned about the deficit and is struggling to find an answer. He specifically requested a ltr. from the US Govt—not to be made public—that he can use to get the USSR off dead center. He feels that a general or specific amount—letter, saying we will contribute "x" dollars if the USSR will, is all that is needed at this point to get the USSR to commit itself. He again reviewed for me his talks in Moscow, where he got the feeling that they would help, but came away without a firm commitment.

Davidson discussed the Liberian proposal, which provides for the SYG to set up a special fund. It would not be stipulated that this fund is to be used for solving the deficit, but the SYG stated that of course this is what he would use the fund for. The Secretariat plans to get behind the Liberian proposal, encouraging countries such as United Arab Emirates and Qatar, which have already stated they will contribute, to back the Liberians. Japan has also assured the SYG of their help, the SYG having asked them for \$10 million.

The SYG visualizes the res originating in the 5th Comite but being acted upon in this session by the plenary. As to specific plans for solving the deficit, Davidson and the SYG feel that each perm member of the SC might give \$15 million, giving credit of course to those that have made voluntary contributions before (France, for example). Davidson and the SYG both said they wld help as much as poss on the 25 percent issue, recognizing that a US defeat on this issue will complicate any chance to solve the deficit.

SYG mentioned that the Poles had been very helpful in agreeing that the SYG not have to pass out to members the \$4-\$6 million in savings. The USSR had been saying any such savings would have to be passed on to member states, thus making the deficit even worse.

Action requested: The deficit problem is a real one. The US Govt must help if it is going to be solved. If we contribute a total of \$14 million, this will be more than offset by moneys that are owing to the US Govt at this time (estimated \$15.5 million). I hope that this matter can be given top-level Dept consideration in order to comply in some form with the SYG's requested letter. I recognize the political difficulties here, but at some point we will have to bite the bullet, and if we can make a deal where we put in no net cash and in fact will get back a small amount which is uncollectible as of today, I think we should try to close the deal.

Bush

202. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 21, 1972, 0200Z.

4846. Subj: Reduction in US Assessment.

1. At our request Ambassador Phillips, acting for Ambassador Bush, met November 20 with PRC Perm Rep Huang Hua to discuss 25 percent issue. Meeting took place in PRC office in UN Conference building. Accompanying Huang were PRC Fifth Comite rep Hsing Sung-yi and interpreter Mrs. Shih Yen-hua. MisOffs Stottlemeyer and Bleha accompanied Phillips.

2. Explaining that Amb Bush had personally wished to make 25 percent presentation to Huang now that issue being discussed in Fifth Comite, Phillips recalled that two-tier arrangement of UN assessments (capacity to pay and limit on maximum contributor) in effect since inception of organization. He said that issue was political as well as financial, noting in passing Chinese sensitivity to political dependence issue. He outlined importance USG attaches to 25 percent issue and expressed belief that favorable UN handling of US res would permit continuing generous US voluntary support for UN programs. He said we now have firm commitments of support for 25 percent res from more than 50 UN members, but we expect a close vote and, therefore, hope that China would be able to abstain rather than oppose us.

3. Huang replied that they had read our documents and, as result of Phillips' presentation, they had clearer understanding of US position. He said that Chinese would study matter further, adding that perhaps something could be worked out during the normal tri-annual reassessment process. He agreed with Phillips' point that matter was basically political. Perhaps, he said, some "middle way" could be found.

4. Phillips asked whether "middle way" meant halfway between 31.5 percent and 25 percent. When Huang nodded, Phillips said he could hold out no hope on this score. Referring to Congressional sentiment, he added that, if US draft res were to fail, Congress might be tempted to slash our voluntary contributions to UN system.

5. Huang stated that PRC cannot support US draft res and pointed out that not much money involved in any event. Noting that Congress had already taken firm position on 25 percent, Huang said China would prefer to handle matter through normal UN financial processes.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential. Repeated to Hong Kong.

6. Phillips agreed only \$13 million at stake but stressed importance of principle involved. Admitting that Congress had acted on matter recently, he recalled February 1972 Presidential policy statement in support of 25 percent in response to earlier recommendation of Lodge Commission. He also stressed intent of US to negotiate within UN context to achieve Presidential policy. Phillips concluded with request for Chinese abstention or, at very least, Chinese decision not to lead crusade against US.

7. Smiling, Huang promised they would study matter and mentioned again desirability of "middle way."

8. *Comment:* While it far from certain that China will abstain on 25 percent, we believe that Chinese now better understand context of issue, which may lead them to temper their statements and actions. If so, we will have realized our purpose in talking again with them.

Bush

203. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 21, 1972, 0406Z.

4860. Subj: Reduction in US Assessment.

Summary: Ten reps spoke Nov 20 in UNGA 5th Comite on US draft res (A/C.5/L.1091). Three expressed support, 3 opposed, and 4 waffled.

1. Yugo kicked off debate with long elliptical defense of capacity to pay principle quoting Mexican, Canadian and UK interventions in defense of same during 1946 debate in UNGA on assessment question. Said "despite welcomed US voluntary support of UNDP, Yugo del cannot support US initiative."

2. Ghana (Cleland) called for additional time to study US proposal since doubtful that implications on US and other dels of draft res had been fully studied. Referring to Lodge Commission recommendation that reduction in US assessment to 25 percent be achieved over number of years, asked whether US del prepared to consider postponement.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Limited Official Use. Repeated to Accra, Belgrade, Buenos Aires, Colombo, Jidda, Lagos, Monrovia, Port-au-Prince, and Santo Domingo.

Citing rumored US disenchantment with UN, particularly after PRC admission during 26th session GA, wondered whether submission draft res at this GA might confirm these apprehensions. Proposed whole issue of ceiling be referred to Contributions Comite for study and report to 28th GA. Believed US del shld not find it difficult to accept this proposal for delay, since US willing to wait for admission of two Germanys to UN to apply reduction.

3. Cuba (Rodriguez) made strong defense of capacity to pay principle, and questioned concept of ceiling on major contribution. Added that ceiling on maximum has brought about situation in which during past 15 years other countries have absorbed part of US share (used figure of 7 per cent being absorbed by other members each year), stated that with increases of GNP over past years all countries paying more to UN regular budget except one (US). Repeated arguments made during general debate in Comite that US deriving great economic advantage from UN being located in US. Said economic benefit to US averages \$1 billion on gross yearly, and \$700 million net. (FYI—Cuban figures up from \$600 million two weeks ago.) Concluded that his del wld cast categorical no on US res.

4. Liberia (Morris) gave eloquent and forceful defense of US multilateral assistance since World War II. Questioned whether any member in chamber cld with clear conscience question US generosity. Rather than horde gold bullion in Fort Knox, said US had transformed it into international medium of exchange permitting expansion of world trade during past half century which had effect of binding world together. Re economic benefits to US, said those received from UN expenditures in US “pale in comparison with good accomplished.” Tracing US draft res to 1946 Vandenberg position, expressed firm support for US.

5. Haitian rep, in announcing support for US proposal, also stressed continuity of 25 percent goal since 1946.

6. Argentina (De Prat Gay) cited recent increase in liquidity among industrialized countries and increased ability to pay. In low key said GOA was opposed to US res. Wld support Brazilian res (A/C.5/L.1092) calling for increased budget to low per capita income members.

7. Sri Lanka opened by expressing appreciation for what US had done since World War II for developing countries, including his own. Added “when history of 20th century written this will be recorded as outstanding contribution to betterment of the world as whole.” However, had number of difficulties with US proposal, especially it violating capacity to pay criterion. Nevertheless, his del was prepared to accept in principle ceiling reduction to 25 per cent; cld not support this being done immediately; but shld be carried out progressively in accordance with existing criteria. Also concerned that use of points provided by new members wld preclude downward revision for less

affluent countries. Said cld not support proposal in toto and requested para-by-para vote of US draft res in separate vote. Sri Lanka wld vote for subpara (a) against subpara (b) and abstain on subpara (c).

8. Nigerian member tied US proposal to failure of US to achieve its objectives when China question voted at 26th GA. Also concerned that US action now was sign of diminution of US interest in UN, including US use of veto for first time on an African issue (Rhodesia). Suggested US furnish Contributions Comite with appropriate info for detailed study of question at later date.

9. Dominican Republic (Dipp-Gomez) enthusiastically supported US proposal, noting that it provided opportunity for UN to establish its financial independence.

10. Saudi Arabia (Baroody), after consulting with US rep, made long and impassioned plea to Comite to "face the facts" of reality. On question, UN had been jolted by recent action of US Congress, but for UN reps to vote against US res wld have no salutary effect on US Congress; on contrary, it might cause vindictiveness by Congress. Speaking to all dels, but especially small members, attempted to reduce US proposal to its simplest terms, i.e., request by US to reduce its current contribution to UN by \$13.5 million from total amount contributed of \$400 plus million; members must make choice between former reduction and likely further reduction against other \$400 million. Queried: "What will have been gained by opposing US resolution?" Losers wld be all members, especially LDC's who need UN. Recalled that US Congress had reduced US payment to ILO. Saying he was "not pitching for US", Baroody emphasized he was simply facing realities even though he didn't like it. He pleaded against hasty action on part of members to vote against US res. At this point, Baroody took radical turn and drifted off into polemics re need for spending retrenchment policy in UN, freeze on UN budget in real currency for 8 to 10 years, a halt to proliferation of UN bodies, etc. Concluded by calling on US rep to consider phasing [in] over time 6.5 per cent assessment reduction; if not possible asked US to find funds from USG "reserves" in order to circumvent Congressional action. Baroody said he had not yet decided how he wld vote.

Bush

204. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 23, 1972, 0214Z.

4941. Subj: Reduction in US Assessment.

1. While support for US position seems to be gaining generally as we approach likely Nov. 28–29 Fifth Cmte vote,² support among ASEAN nations remains uncertain. Those leaning in our favor (Malaysia and Thailand) apparently do not yet have firm instructions; those non-committal thus far (Indonesia and Singapore) show strong tendencies toward abstention; and, unhappiest of all, our firm commitment of support from the Philippines shows signs of erosion.

2. Our latest country-by-country information is as follows. Thai Amb Anand told DelOff Nov. 20 that they remain likely to support US but final RTG decision not yet taken; this indicates to us that favorable Thai UN del recommendation not yet acted upon in Bangkok. Indonesian Fifth Cmte rep (Gontha) recently told Canadians his del would abstain on issue. Malaysian Counsellor Kamil told MisOff Nov. 21 that GOM UN del inclined to favor voting for US proposal, but would not have firm position for two or three days. Canadians tell us that they have heard indirectly that Singapore will abstain, although Singapore continues to express “sympathy” for our proposal to US directly; we intend yet another approach here. Philippine Fifth Cmte rep told MisOff Nov. 22 that it now uncertain that GOP can support US despite firm assurance support given Amb Bush by General Romulo last month; needless to say we intend prompt Bush follow-up here. Finally, we have word that ASEAN dels met recently to discuss 25 percent and reportedly only Phils had firm instructions to support US at that time.

3. In this situation, we strongly recommend that one final top level approach be made in info addressee capitals unless there is overriding objection or unless, after careful consideration, it is thought that further approach would be counter-productive.

4. While approach will obviously have to be tailored carefully to country involved, info addressees may find it helpful to draw on following points in event approach is made: A) continuing high importance USG (and Congress) attaches to this issue; B) expectation of a roll

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential; Priority. Repeated to Bangkok, Jakarta, Kuala Lumpur, Manila, and Singapore.

² The vote in the Fifth Committee was rescheduled, first to November 30 and then to December 1. (Telegram 5140 from USUN, November 29, and telegram 217720 to USUN, November 30; both *ibid.*)

call vote which will, of course, be matter of public record; C) increasing support for US proposal on worldwide basis (latest best case estimate shows 55 favorable with additional 10 leaning in favor); D) impressive support among Asian nations, including Australia, Fiji, Japan, Khmer Republic, Laos, New Zealand and Philippines (we trust); E) elaboration (to extent believed effective) of possible unhappy consequences of failure of US res to carry; F) possibility that later UNGA plenary consideration will require two-thirds majority making it essential that we have every possible favorable vote.

5. Indonesia is obviously a special case given fact that top leadership now in Europe. We recommend that approach be made in Europe if at all possible, but would of course defer to Dept's final decision.

Bush

205. Telegram From the Mission to the United Nations to the Department of State¹

New York, November 25, 1972, 0145Z.

4981. Subj: Legal Aspects of 25 Percent.

1. On 24 Nov Sloan asked DelOff whether there were any new developments on 25 percent following DelOff's earlier conversation with Stavropoulos. DelOff described US world-wide efforts to secure appropriate vote in Fifth Committee and said we hope to be able to review with Stavropoulos and Sloan legal aspects in detail next week.

2. Sloan said he and Stavropoulos are troubled by the impact of our contention that 25 percent would not require 2/3 in plenary on a hypothetical LDC move at a future session to raise DC assessments by simple majority. DelOff replied this would be entirely different case involving raising a member's assessment against its will. By contrast, our 25 percent proposal involves no increase in any member's assessment; in fact, L.1091 expressly states that reduction can take effect only as additional percentage points become available. Sloan said that one could as well argue that since our proposal entails denying prospective reductions in assessments of various members, it does involve an in-

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential; Limdis.

crease in assessments. DelOff countered that this would not in any event be the case for the approximately 70 members whose assessments are at the 0.04 floor; at least as to them the 25 percent proposal involves no denial of prospective benefits whatever.

Bush

206. Editorial Note

The Fifth (Administrative and Budgetary) Committee of the UN General Assembly approved the U.S. resolution lowering the maximum assessment rate for any member state to 25 percent on December 1, 1972. The vote was 67 in favor (U.S.), 30 against, 32 abstentions, and 3 absent. (Telegram 5235 from USUN, December 2; National Archives, RG 59, Central Files 1970–73, UN 10–4)

207. Telegram From the Mission to the United Nations to the Department of State¹

New York, December 5, 1972, 2358Z.

5267. Subject: Legal Aspects of 25 Percent.

1. Fifth Comite chairman and Japanese DepPermRep Ogiso told Sen McGee recently US should not, without further action, assume that Japan would follow US lead in plenary to effect that resolution reducing assessment to 25 percent requires simple majority. Subsequently Japanese MisOff Yamada explained that Japanese del here could go along with US view on simple majority so long as no question is raised in plenary. If, however, GA President or some delegation raises question, he is unsure Japanese would be able to support because they wish to “make the most of the 2/3 requirement.” Since admission of two Germanies would entitle Japan to a reduction in its assessment were it not for the US resolution, they would consider our text as a “budget-

¹ Source: National Archives, RG 59, Central Files 1970–73, UN 10–4. Confidential; Limdis; Priority.

ary question" within the meaning of Art 18(2). Yamada said he thought the relinquishment of prospective reductions was as "important" a matter as UN appropriation actions of the sort traditionally considered to involve "budgetary questions."

2. USUN MisOff had private dinner conversation with Polish Legal Adviser Wyzner 29 Nov; Wyzner is serving as Trepczynski's Parliamentary adviser. Wyzner raised question of majority required for adoption of US proposal and said he thought "the better legal argument" would be that US text requires a 2/3 vote in plenary and he was certain the President would be asked so to rule. He thought Trepczynski would not want to make a ruling that would seriously antagonize position of one side or another, however.

3. At 5th Committee meeting 30 Nov, Barbados PermRep Waldron-Ramsey asserted that 2/3 would be required. No further discussion at that meeting.

4. Sloan, Stavropoulos' Deputy, says he thinks Stavropoulos remains of the view that US resolutions, requires 2/3 vote.

5. On 30 Nov Legal Adviser Stevenson indicated to Stavropoulos importance US attributes to 25 percent effort. Stavropoulos said that Trepczynski could be expected, were the question raised in plenary, to turn to Stavropoulos for advice. He said that he continued to think that the better legal argument was to require 2/3. He said that if the US were in a different position, we might well be arguing that 2/3 was necessary. Nevertheless, he had not yet conclusively made up his mind.

6. Australian Fifth Comite rep (Butler) just advised MisOff of receipt instructions from Canberra re requirement for two-thirds vote in plenary.

7. Mission plans to convene meeting of friendly dels to discuss this question, seek views, and solicit support for our res in plenary.

8. Appreciate Dept comments soonest.

Bush

208. Telegram From the Mission to the United Nations to the Department of State¹

New York, December 6, 1972, 2118Z.

5350. For the Secretary from Bush. Subject: Reduction in US Assessment.

1. We were successful in 5th Comite in obtaining approval of our res on this subject, but we need to improve our support for UNGA plenary. Since two-thirds vote may be required in plenary, it is essential that we: (A) Hold firm 67 dels that voted for our res in comite; (B) move some of 32 abstentions into affirmative category; and (C) move some of those that voted negative to abstention and, if possible, to affirmative. We are cranking up here with this objective in mind and on a selective basis suggesting that approaches be made in capitals.

2. We must not be overconfident even to slightest degree re plenary vote. On contrary, we must make every effort possible within next week to garner maximum amount of support for our res in plenary.

3. To that end I suggest you send following cable to all diplomatic posts:²

For the Ambassador from the Secretary

As you are aware, UNGA 5th Comite on Dec 1 favorably approved long-sought USG objective of reducing maximum assessment for UN regular budget to 25 percent. This success, I am convinced, resulted in good measure from high degree of coordination and cooperation, at many levels, among USUN, Embassies and Dept. Our success to date is highly gratifying to me, as I am sure it is to all of you. However, we are not home free yet since our resolution must still be acted upon favorably by plenary, in a vote that we now hope to have, at latest, on Dec 13. We may be faced in plenary with a requirement for a two-thirds vote (of those voting either yes or no). Our 5th Comite margin exceeds two-thirds by only two votes. We must now work toward insuring that Comite supporters stick with us in plenary and toward improving votes of those dels that either abstained or voted negatively in Comite. This is essential particularly in view of the fact that experience shows that some unpredictable changes will occur.

Prior to plenary vote, USUN will be following up on selective basis with dels in effort to maximize plenary margin. In some instances

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 303, Agency Files, USUN, Vol. X. Confidential; Priority; Exdis.

² Sent as telegram 222289 on December 8. (Ibid., RG 59, Central Files 1970–73, UN 3 GA)

posts will be asked to make further démarches in capitals to supplement USUN's efforts. If opportunities occur where posts have received no specific follow-up direction, you may be able to consolidate or improve position of host govt. I would caution, however, against any approach that might appear to be gratuitous double-check, that would give rise to negative reconsideration in NY or capitals, or that would be interpreted as excessive pressure by USG. It is important therefore that you exercise particular discretion in making uninstructed contacts in capitals.

Your continued responsiveness to tactical situation in NY will be essential to final vote on this issue. There is no doubt that outcome will be crucial for our future relationship with UN.

Bush

209. Telegram From the Mission to the United Nations to the Department of State¹

New York, December 7, 1972, 0219Z.

5381. Subj: Legal Aspects of 25 Percent. Ref: USUN 5267,² USUN 5312.³

1. For a variety of reasons we think it wise to plan on a 2/3 majority being required in the plenary when our 25 percent resolution is put to the vote. These include the following:

(A) The US has traditionally sought to apply as broadly as is reasonable the protecting provision in Charter Art. 18(2) requiring a 2/3 vote for "budgetary questions." In 1962 the Department told the House Foreign Affairs Committee that scale of assessments questions must be approved by 2/3 vote in the plenary.

(B) UN Legal Counsel Stavropoulos has consistently maintained that our 25 percent resolution requires such a majority. We must plan on his informing GA President Trepczynski who, in response to what seems an almost inevitable request by the USSR or Tanzania, will likely rule that this majority is required or put the matter to the Assembly for a decision.

¹ Source: National Archives, RG 59, Central Files 1970-73, UN 10-4. Confidential; Priority; Limdis.

² Document 207.

³ Not printed. (National Archives, RG 59, Central Files 1970-73, UN 10-4)

(C) Such friends as Austria, Australia and Japan have told us of their concern over the possible consequences of the GA proceeding on the basis that a simple majority suffices. They apparently fear a future effort to raise their assessed shares and believe a simple-majority ruling or determination in the 25 percent case could imperil their ability to argue that their assessments can be changed only with a 2/3 vote. They have remained worried even in the face of our explanation that cases can be distinguished and that a simple majority can be defended for our resolution since it expressly denies the possibility of raising any member state's assessment.

(D) Given the Trepczynski Presidency, the best we could hope for would be that when the procedural question were raised, he would put it to the GA for decision. In order to carry a simple-majority-only proposition, we would have had to have lobbied and lobbied hard. Not only would the result be unpredictable but such corridor work might well detract from our basic lobbying task of getting support on 25 percent.

(E) We must recognize that certain of those who voted with us in Fifth Committee did so only because they were instructed to do so. They might welcome the development of any procedural dispute that might "create a new situation" in which they would change their votes adversely and take the risk of arguing with their foreign offices that a change was justified by unforeseen events.

2. Against this background we spoke to Under Secretaries Morse and Stavropoulos to say we would not object were Stavropoulos to inform Trepczynski of Stavropoulos' opinion that under the better legal view, a 2/3 vote, is needed.⁴ Morse said he thought we could not count on winning a battle over simple-majority-only and are right to concentrate on the substance of the matter. Stavropoulos said he was gratified; he took our point that the optimum handling of the matter might be for Trepczynski to rule, if asked to do so, that 2/3 is required. He agreed to keep in touch on scenarios. (We also went over the same ground with Stavropoulos' deputy, Sloan, who had earlier been very helpful on this issue.)

3. We are informing Amb Nakagawa in confidence that, in part because of strong Japanese views, we are prepared not to object to a 2/3 ruling. We are telling others, such as Saudi Arabia, that since a 2/3 vote "may be required," we simply must have their support.

⁴ Stavropoulos' statement to the December 13 Plenary Session of the UN General Assembly before the vote was transmitted to the Department in airgram A-1802 from USUN, December 18. (Ibid.)

4. Since we fear that open US espousal of application of the 2/3 rule might dissuade Trepczynski from so ruling and instead put the matter to the GA, we are at this point continuing to tell our friends that 2/3 "may be required." In a day or two we will tell them we have decided, in view of the many concerns involved, not to object to such a ruling.

Bush

210. Editorial Note

The UN General Assembly approved Resolution 2961B (XXVII) lowering the maximum contribution of any member state to ordinary UN expenses to 25 percent on December 13, 1972, by a vote of 81 in favor, 27 against, with 22 abstaining and 2 absent. (*Yearbook of the United Nations, 1972* (New York, 1975), pages 712 and 717)