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43

WHY THE U.N. STILL DOES NOT MERIT FULL U.S. FUNDING

(Updating Backgrounder No. 567, "United Nations Reform: Where's the Beef?" March 10, 1987.)

United States policy toward the United Nations is at a crossroads: with the General Assembly's adoption last year of a resolution specifying reforms in the U.N.'s budget process and management operations, the U.S. is facing pressure from the U.N. to exempt international organizations from the budgetary constraints facing most U.S. domestic programs. In mid-April, for example, U.N. Secretary-General Javier Perez de Cuellar had a luncheon meeting at the State Department with Deputy Secretary of State John Whitehead, at which the issue of U.N. contributions was raised.

All the U.N. has done so far, however, is make half-hearted attempts at reform. There thus are compelling economic and political reasons to freeze U.N. funding at its present level. They include:

1) **There is no justification** for boosting spending on international organizations and operations at a time when many domestic programs face severe cutbacks. This would be the case even if the U.N. clearly and directly served the interests of the United States; it is particularly true since it is widely argued that the U.S. reaps no significant benefit from the U.N.

2) **Full U.N. funding would deprive** the U.S. of one of its most effective negotiating levers at a time when the U.N. "reform" process has barely begun. The sole driving force behind this "reform" in fact has been the congressionally mandated reductions in U.S. contributions to the U.N., as well as the implied threat of even further cuts if tangible progress was not achieved. The need to maintain this pressure, commensurate with achievement of genuine reforms, was recognized recently by the House Committee on Foreign Affairs. It tied further appropriations to the U.N. to progress in the reform process. Writes Representative Gerald Solomon, a New York Republican and key architect of U.N. policy, in the Committee Report: "...the new section is so crafted as to take into account the fact that the reform process at the U.N. is a long way from being

completed, much of it could still come unraveled. Therefore, the need to maintain American financial leverage becomes even more important. By linking the amount of money to be made available to the U.N. to a Presidential determination that the reform process is working, we are maintaining our leverage over that process."

3) **The reforms do not justify** increasing the U.S. contribution to the U.N. If anything, the "reforms" deserve to be met by Washington with further reductions in U.S. contributions to the U.N. Although there has been reduction in the number of U.N. Secretariat personnel, primarily through attrition, and though the U.N. Secretary-General and others have committed themselves to making more changes, the most wasteful and dubious U.N. budget and management practices continue. So do violations of the U.N. Charter itself.

Example: Despite what the U.N. continues to describe as a financial crisis, the General Assembly at its last session actually revised its 1986-1987 biennial budget upward--by \$61 million, or 4.5 percent of the total budget. This prompted the U.S. representative on the Fifth (Budget) Committee to state that "The cost of running the organization continues to increase at an unacceptable rate."

Example: A recent U.S. General Accounting Office study entitled "United Nations: Personnel Compensation and Pension Issues" confirms that U.N. employees earn substantially higher salaries and pensions than U.S. Government employees, exceeding even the U.N.'s own guidelines. States the Report: "...New York-based U.N. professional employees' net remuneration exceeded that of equivalent U.S. civil servants in Washington, D.C., by a margin of 21.3 percent. This margin doubled from 1978 to 1985." Also, "...U.N. pensions are substantially higher than those in the U.S. Civil Service." The Report also confirms the fact that all of the U.N.'s 172 Assistant and Under Secretaries General make substantially more than U.S. Senators.

Example: The abuse of the U.N. Secretariat by the Soviet Union continues unabated. Practices such as "secondment," a bureaucratic ploy that allows the USSR to maintain control over its nationals who "work" for the U.N. Secretariat, salary kickbacks from all Soviets in the Secretariat to their government, the housing of Soviet U.N. officials inside their diplomatic compound in Riverdale, and outright Soviet control over key U.N. offices--none of these questionable and in some cases illegal practices have been ended. Says one Secretariat official: "The Soviets have effectively used the 'reform' effort to consolidate their position in the Secretariat."

Example: In the Fifth Committee during the last General Assembly, 15 recorded votes were taken on budgetary issues. On 14 of these, the U.S. and other nations advocating fiscal restraint at the U.N. were outvoted. They won majority support for only one proposal.

The U.N. reform effort, in short, must go a great deal further in addressing the serious structural problems of the United Nations. Unless and until steps are taken to address these problems, the U.S. Congress, using its power of the purse, should hang tough.

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