

RUSH!

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CASH ON DELIVERY: CONGRESS SHOULD PAY U.N. PAST DUES AFTER REFORMS

The Clinton Administration and some Members of Congress are locked in a struggle over the payment of past dues, also known as arrears, owed by the United States to the United Nations. The U.S. has withheld payment of an estimated \$825 million to \$1.3 billion of its assessed dues to protest the U.N.'s well-documented lack of progress toward reform. While both sides of the debate acknowledge that U.N. reform must occur, they differ over strategy. The Administration maintains that U.S. arrears should be paid before America can demand reform. Some in Congress believe, however, that the U.N. should reform itself before payment begins.

Congress is right to be skeptical of the U.N.'s commitment to reform. For years the U.S. paid its dues while waiting for promised reforms, yet little was done to shrink the U.N.'s wasteful bureaucracy or cut its ballooning costs. The best way to spur reform at the U.N. is to promise "cash on delivery." Once progress is made on specific reforms, the U.S. should pay its back dues, calibrating the amount of payment to the degree of reform.

The Pros and Cons of the Administration's Plan

The Administration insists that efforts to reform the U.N. will not succeed unless the U.S. pays at least a portion of its arrears. It proposes paying \$100 million of the arrears in the 1998 budget and an additional \$921 million in 1999.

To support this position, the Administration claims that the U.S. is legally obligated to pay its arrears, arguing that the signatories of the 1945 United Nations Charter agree to pay for the expenses of the organization in a manner determined by the General Assembly. To be sure, the U.S. has assumed an obligation to fund the U.N., but this in no way supersedes the constitutional obligation of Congress to exercise its budgetary discretion over particular programs. Joining the U.N. was not meant to overrule Congress or require America's taxpayers to fund an ever-expanding U.N. budget.

Moreover, there is historical precedent for withholding payment. While the U.N. General Assembly is empowered to deny voting privileges to any nation that is more than two years in arrears in assessed dues, in practice the U.N. has censured member states only rarely, despite numerous incidents of delinquency. Many member nations, including the former Soviet Union and France, have fallen into arrears without censure. This situation spurred U.S. Ambassador to the U.N. Arthur Goldberg to declare in 1965 that "the United States reserves the same option to make exceptions [in paying its assessed dues] if, in our view, strong and compelling reasons exist for doing so."

The Administration and the U.N. Secretary-General have declared that the U.S. debt must be paid before the U.N. can implement reforms. However, the reforms described by Senator Jesse Helms (R-NC), the most prominent opponent of the Administration's plan, are reductions in staff, elimination of wasteful and redundant departments and agencies, and restricting the breadth and number of U.N. activities. These reforms do not require more funding. In fact, they would lead to substantial savings and alleviate the financial crisis in which the U.N. now finds itself.

The Administration and many U.N. member states insist that calls for reform cannot be taken seriously as long as the U.S. remains in debt to the U.N. This argument overlooks the fact that the U.S. devotes more resources to the U.N. than any other nation, despite its arrears. The U.S. is responsible for 25 percent of the U.N. general administrative budget and 31 percent of the peacekeeping budget. These percentages are more than those of all the other permanent members of the Security Council combined, and about twice as much as the second largest contributor, Japan. In 1997, Congress appropriated \$1.3 billion to the U.N. and its specialized agencies, including the bulk of the dues assessed the United States. Additionally, a recent General Accounting Office report indicates that America has provided \$4.8 billion in voluntary support above its assessment between 1992 and 1995, mainly in support of U.N. peacekeeping activities, for which it was not reimbursed. Indeed, if these voluntary contributions were applied to the U.S. assessment, the U.N. would owe America and not the other way around. A lack of U.S. money is not the main obstacle to U.N. reform. U.N. bureaucratic resistance is the main culprit.

It is true that the U.N. is in a financial bind, but the cause is not the U.S. refusal to pay its arrears. The real cause of the U.N.'s financial crisis is its leadership's refusal to cut back on activities, staff, and programs. Instead of recognizing that it was unable to meet its financial commitments and curtailing activities, the U.N. secretariat recklessly continued the status quo by borrowing \$700 million from the U.N. peacekeeping budget. As a result, the organization now requires U.S. back payments to remain solvent. The U.N. has always possessed the option of tightening its belt, but it has refused to do so. The U.N. has only itself to blame for its current financial bind.

The Congressional Plan

Some Members of Congress, led by Senator Helms, wish to set reform "benchmarks" for the United Nations. These benchmarks are specific, verifiable reforms, such as reductions in staff and budgets. In return for the U.N.'s meeting these benchmarks, a portion of U.S. arrears would be paid. This approach has worked in the past. For example, after repeated criticism of U.N. activities and requests for reform, Congress passed the Kassebaum-Solomon Amendment in 1985. This legislation reduced U.S. payments to the U.N. general administrative budget until the U.N. adjusted its voting on budgetary issues to reflect member contributions. Full payment was resumed in 1987 after President Reagan certified that the U.N. had met the reforms demanded by the legislation.

This strategy worked before, and it will work again. Throughout the late 1970s and 1980s, the U.S. repeatedly called for fiscal reform, oversight, and reductions in waste. These requests were disregarded or answered with cosmetic reform until Congress began to withhold U.S. payments to the U.N. Only then were substantial reforms initiated. The same will hold true in the future. Senator Helms's plan, grounded in both common sense and historical experience, is the most likely path to achieving fundamental U.N. reform.

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