

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
CH 10, Sec B3	open 4-14-97 NLJ 96-333 UN Membership and Organizational Issues Confidential	25 pp	A
CH 10, Sec. B4	Reappointment of U Thant as Secretary General <i>open 4-14-97 NLJ 96-333</i> Secret [open 11/6/85, NLJ 85-255]	8 pp	A
CH 10, Sec. B5	Chinese Representation in the UN <i>open 4-14-97 NLJ 96-333</i> Secret <i>sanitized 2-7-86 NLJ 84-402</i> 48 pp <i>more info released 7-21-89 NLJ 89-122</i>		A
CH 10 Sec, C1	The Rhodesian Question <i>open 4-14-97 NLJ 96-333</i> Secret [sanitized 1/24/85 per NLJ 84-374] 23 pp <i>more info released 3-30-94 NLJ 93-459</i>		A
CH 10 Sec C2	The South West Africa Question <i>open 3-30-94 NLJ 93-459</i> Secret [SANITIZED 1/24/85, NLJ 84-375] 25 pp		A
CH 10, Sec E	The Outer Space Treaty Secret <i>open 12-3-90 NLJ 90-272</i> 15 pp		A
CH 10, Sec B 1 and 2	Constitutional Issues and Budget Controls... Confidential [sanitized 11/6/85, NLJ 85-255] <i>open 4-14-97 NLJ 96-333</i> 12/5/83, NLJ 81-159		A

FILE LOCATION

Administrative History of the Dept. of State, Volume I
Chapter 10

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

X. THE UNITED NATIONS

A. OVERVIEW: U.S. PARTICIPATION 1963-69

1. The US View of the UN Role

At the outset of his Administration, President Johnson declared before the UN General Assembly that "more than ever we support the United Nations as the best instrument yet devised to promote the peace of the world and to promote the well being of mankind."

The Administration sought to engage UN agencies in the attainment of US foreign policy goals whenever they promised to be effective. While the UN offered a certain scope for dealing with foreign affairs problems, the Administration recognized that UN action was only one instrument among many for the pursuit of national interests. Moreover, US policy in the United Nations was essentially a reflection of our policy generally. It was not determined principally by the world organization, although the United States has related all of its foreign policies to the purposes and principles

of the Charter. This meant balancing the limits and shortcomings of the United Nations against its capacities.

In particular, the Administration found that the UN could not be effectively engaged on Vietnam, despite repeated efforts by President Johnson in 1966 and 1967 to obtain UN support in moving the conflict toward negotiation. The UN also was unable to take effective action in countering the Soviet invasion of Czechoslovakia or in coping with a number of other world crises.

Yet, as this history shows, the United States rejected a narrow view of the United Nations -- as just a symbol and static conference mechanism -- and viewed it as an action agency. The Administration became deeply involved in UN matters and supported UN activities -- not as a panacea for all global ills or as a way of shucking off responsibilities -- but as an important instrument for helping us cope with the many sources of world conflict and disorder, mobilizing resources for development, and dealing with the promise and perils of the new technology.

2. US Participation in UN Activities

During the Johnson Administration the United States continued to participate, and often took the leadership, in the activities of almost 80 international agencies and programs and in some 600 international conferences a year.

US financial support reached almost \$300 million a year, apart from subscriptions to international lending institutions. During this period the UN undertook new peacekeeping operations, and UN activities reached into various new areas, such as food for peace, international cooperation on water and weather and population, on deep seabeds and outer space.

3. US Strategy in the Face of a Less Manageable UN

For the Johnson Administration the great challenge in dealing with the United Nations was that international agencies became less manageable during the sixties, because of the growth of membership, even as they remained important vehicles for helping the United States share with other nations the responsibilities and costs of world security and

development. As greater demands were placed on the UN, its political and administrative shortcomings became matters of prime concern. US policy required both a defensive strategy to overcome these shortcomings and a positive strategy aimed at improving the political relevance of UN action, helping the UN define realistic programs compatible with US interests, and supporting the UN in its peacekeeping and nation-building activities.

a. Political and Security Crises

The Administration sought to engage the UN in political and security crises whenever such recourse appeared promising. A useful UN role proved possible in the management and alleviation of certain crises in third-world areas, such as Kashmir, Cyprus, and the Middle East. On occasion, the UN offered a useful neutral ground for peaceful engagement with the Soviets on limited, specific matters of parallel interest such as outer space and certain peacekeeping operations. Where the USSR itself or its allies were involved, the UN served to spotlight Charter violations (as in the cases of the illegal seizure of the USS Pueblo

by North Korea in January 1968 and the Soviet invasion of Czechoslovakia in August 1968) even though the UN could not take concrete action.

b. Peacekeeping

Largely because of Soviet and French attitudes -- and the damage to the UN's ability to finance peacekeeping which followed their refusal to pay peacekeeping assessments for the Congo and Middle East operations, described in this Chapter -- the UN was less well organized to undertake peacekeeping operations and to finance them reliably than had been hoped. The Administration sought, therefore, to engage the UN on a case by case basis when such action promised to be effective. Peacekeeping depended on a political consensus (including non-objection by the Soviets) and pragmatic arrangements. This improvisation proved effective in Cyprus and in expanded peacekeeping activities in Kashmir and the Middle East during 1965-1968. At the same time, the Administration worked (though with little result) for concrete, practical steps to strengthen peacekeeping machinery.

c. Problems of Southern Africa and Colonialism.

During the five years of the Johnson Administration the process of decolonization centered increasingly on the intractable issues of southern Africa. As the account in this Chapter of the Rhodesian and South West Africa cases shows, the Administration faced difficult decisions because the preponderant majority in the UN pushed for far-reaching measures, including military force, that were beyond the capacity of the UN. The Administration identified itself with the basic objectives of racial equality and self-determination, but withheld support from many General Assembly resolutions and opposed efforts to use the Security Council to enforce such resolutions in keeping with the US view that UN actions should be kept within the scope of practical and peaceful means. Thus the Administration supported mandatory economic sanctions against the illegal regime in Southern Rhodesia because of the underlying threat to African stability and the special circumstances of the case, but opposed economic sanctions against South

Africa and Portugal in dealing with apartheid, with Southwest Africa, and with Portugal's African territories.

d. Financing and Managing the UN System

The Johnson Administration took the initiative in calling for prompt payment of assessments and pledges, fiscal responsibility, sound management, and tight budgets allowing for reasonable growth. The Administration organized groups of major contributors to exercise a restraining influence on sharp budget increases. The Administration recognized that the activities of international agencies were bound to grow and be costlier, but this was all the more reason for improved budgetary and management practices. US efforts to keep a tight rein on budgets and assure sound program and budgetary procedures achieved some success, but the underlying problem remained. The UN failed to put its financial house in order, accumulated a large deficit, and tolerated the growth of budgets and indifferent management procedures. At the close of the Administration the watchwords were consolidation and increased stress on budgetary restraint and good management.

e. Discrepancy Between Power and Responsibility

With the expansion of UN membership, US influence in the Assembly became diluted. The Assembly became less manageable, and the Administration had to develop strategies to counter the shift in formal voting power to the new underdeveloped, non-aligned and impecunious nations, the obstructive tactics of the new and unwieldy majority, the extravagant demands and unrealistic resolutions, the abuse of procedures, and a tendency toward a double standard for judging US conduct as against that of the Communists or the unaligned.

The core of the problem, as explained in this Chapter, was the growing gap between real power and voting power in the UN General Assembly and in other international agencies based on the one nation one vote principle. The Administration concluded that fundamental UN structural reform was not feasible, and that any formula for weighted voting which would improve the US position would not be generally accepted. Consequently US efforts were directed to proposals for procedural reforms such as better representation on subsidiary

bodies. Also, the United States and other large members turned more and more to the Security Council which is smaller and more manageable.

f. International Development

The Johnson Administration looked increasingly to international programs under the aegis of the UN to meet the needs of the developing countries. Economic and social activities in their behalf accounted for 80 percent of UN budgets and personnel during this period and in general the United States supported this allocation of effort and the need for measured growth in these activities. The Administration sought to protect US interests in these UN programs by stressing realistic aid targets, a careful evaluation of priorities and capacities, sound program and budgetary practices, and a realistic appreciation of the capacities and limitations of international institutions.

g. Cooperation in New Technologies

Acceleration of technologies produced world-wide political and economic ramifications, and challenged the capacities of international institutions to deal with the

promise and perils of the technological revolution. Oceanography, population control, food production, health and sanitation, scientific exchange, communications satellites, environmental hazards -- these and other concerns placed new demands on international agencies. The Administration took the lead in encouraging UN involvement in many of these matters. Its principal objective was to assure the development of sound international institutions and relationships that would both safeguard US interests and serve the common good of mankind.

4. The Record: Key Accomplishments

Operating in this context and within these limits, the Johnson Administration pursued US foreign policy objectives through the UN in numerous ways -- in stating the US case before international forums; mobilizing international support for US policies; advocating and supporting peaceful processes for handling disputes; supporting peacekeeping operations to localize disputes and insulate them from direct US-USSR military confrontation; joining with others

in multilateral action programs for economic development and technical cooperation; and, developing an international consensus to influence constructive actions in the field of disarmament, peaceful uses of outer space, and deep sea beds, and programs to safeguard the human environment.

Among the major UN accomplishments during the Johnson Administration in which the United States played a leading role, the following are singled out as either important in themselves or representative of important UN activities. (Some are treated fully in this Chapter; others in preceding Chapters.)

--In 1964 the UN, with the United States in the lead, successfully organized and sustained a difficult peacekeeping operation in Cyprus, averting the threat of a direct military confrontation between two of our NATO allies, Greece and Turkey.

--The Security Council in September 1965 halted hostilities between India and Pakistan over Kashmir, thus arresting a potential full-scale war on the sub-continent.

--For 20 years the UN helped keep the lid on the Middle East conflict and for most of that time successfully dampened down Arab-Israel flareups. In June 1967 the Security Council, though it did not move as rapidly as the United States sought to have it do, achieved a cease-fire, deployed observers, and, after extensive discussions, affirmed the principles of a just and durable peace which had been articulated by President Johnson on June 19, 1967. The Administration gave its strong and continuing support to the efforts of UN Special Representative Jarring to help the parties achieve this goal.

--Under UN auspices and largely as a product of US initiative a treaty was successfully negotiated in 1966 banning weapons of mass destruction from outer space and ensuring peaceful cooperation in the exploration and use of outer space and celestial bodies. In 1967 a companion agreement was reached on the rescue and return of astronauts and the return of objects launched into outer space.

--Years of discussion in the General Assembly and negotiation in the Eighteen-Nation Disarmament Committee (ENDC)

culminated in the spring of 1968 in an agreement to curb the proliferation of nuclear weapons while spreading the benefits of peaceful nuclear explosives to all mankind.

Equally important were UN activities for the economic and social betterment of developing nations. Many of these activities began on US initiative, and our continued support was crucial to their success.

--Largely on US initiative the UN Development Program (UNDP) was established in 1965, bringing under one roof and an effective administration led by Paul Hoffman the major technical aid and pre-investment programs of the UN -- helping the new nations train the people and open up resources for more rapid economic and social development.

--Easier financing became possible through the World Bank's affiliates and regional development banks were established in Asia and Africa.

--The US-initiated World Food Program (WFP) helped avert famine in many countries and spurred world food production.

--As described in a following section, a world-wide weather watch was established to improve man's ability to

predict the course of the weather.

--A program to eradicate smallpox was representative of the accomplishments of the World Health Organization.

--International control of illicit drugs was rendered more effective by the wide acceptance of the single convention on narcotics which was approved by Congress in 1966.

--Significant strides were made in human rights. In 1967 the United States ratified the slavery convention -- the first of several human rights conventions the Johnson Administration and its predecessors had urged the Senate to approve.

F
I
N
A
N
C
I
A
L

~~SECRET~~

THE DEPARTMENT OF STATE DURING THE ADMINISTRATION
OF PRESIDENT LYNDON B. JOHNSON

NOVEMBER 1963 - JANUARY 1969

VOLUME I

ADMINISTRATIVE HISTORY

PART IX

[chapter 10 continued;
chapters 11, 12, 13]

~~SECRET~~

SERVICE DL.

~~SECRET~~

DECLASSIFIED

Authority 96-333

By ing NARA Date 3-1-97

3
~~A.~~ INSTITUTIONAL AND FINANCIAL PROBLEMS

1. Constitutional Issues: Financial Crises and Peacekeeping
 - a. Peacekeeping: Article 19 and Aftermath

Throughout 1963, a major constitutional crisis was building at the United Nations because of persistent refusals by the Soviet Union, France, and certain other members to pay assessed expenses for the Congo and United Nations Emergency Force (UNEF) peacekeeping operations. It also posed a vital financial problem for the UN, particularly its ability to meet peacekeeping costs. If the refusals were not effectively countered, the financial integrity of the UN would be jeopardized for the future.

Since 1956, UNEF costs had been budgeted by assessments in a special account, with shares apportioned on a special scale so that poorer members paid less than their regular budget percentages. In December 1960, essentially the same system was adopted by the General Assembly to cover the costs

~~SECRET~~

SERVICE 801

of the Congo operation (authorized by the Security Council in July 1960, extended by the GA in September), and a special United Nations Operation in the Congo (ONUC) account was established. Congo costs were particularly high, about \$10 million a month. Because of default by certain members (including the Soviet Union and France), the UN was unable to meet all its bills and decided in 1962 to sell UN bonds up to \$200 million. By early 1963, about \$150 million worth of bonds had been sold, half of them to the United States. The proceeds of the loan were just about enough to cover costs of Congo and Middle East peacekeeping operations for the 12 months from July 1962 to June 1963.

The United States subscribed to the loan following a very intensive Congressional examination.^{1/} The terms provided that servicing of the loan would be covered through the regular UN budget. During hearings, the Kennedy Administration promised Congress that none of the proceeds of the loan would be used

^{1/} Hearings before the Committee on Foreign Affairs - House of Representatives 87th Congress - Purchase of UN Bonds, 1962.

to forgive Soviet indebtedness to the UN for peacekeeping arrears. The Administration also expressed confidence that in the end the Soviets would pay up rather than face possible loss of vote in the GA. Under Article 19 of the Charter the Soviets would be subject to loss of vote in the GA when more than 2 years in arrears on their assessments. If they persisted in refusing to pay peacekeeping assessments while paying regular budget dues, the Soviets would become subject to this provision at the first GA meeting in 1964. France, which refused to pay only for the Congo operation, would be subject to loss of vote in 1965.

The Soviet objection was political. The Soviets claimed that the Congo operation was not legal and that the General Assembly did not have the right to assess member states for peacekeeping. The position of the United States and the overwhelming majority of the membership was that the operation had been duly authorized, initially by the Security Council (and renewed three times); that the GA had authority to assess all members for such operations; and that the assessments were

"expenses of the organization" under Article 17 of the Charter. Moreover, the United States maintained that failure to respect the obligatory nature of these assessments would undermine UN authority in peacekeeping and impair its ability to finance UN activities.

To insure an authoritative legal basis for this position the International Court of Justice (ICJ) was asked for an advisory opinion, specifically whether the GA had authority to vote peacekeeping expenses as obligatory apportionments under Article 17 of the Charter. The Court in July 1962 affirmed (8 to 5) the binding character of the UNEF and ONUC assessments. In December 1962, the GA overwhelmingly "accepted" the Court's opinion (76-17-8).

A special General Assembly was convened on May 14, 1963, to consider the financing of peacekeeping expenses. It faced the problem of how to meet current peacekeeping costs (running about \$140 million a year -- \$120 million for the Congo, and just under \$20 million for UNEF) and the longer-range problem of more permanent financing arrangements for future peacekeeping

~~SECRET~~

operations. A Working Group of 21 members to consider the UN financial problem had been established the previous winter to consider three policy issues: (a) what to do about the \$100 million in arrearages owed to the UN; (b) whether to adopt a general scheme for financing future peacekeeping expenses or to consider financing each operation on an ad hoc basis; and (c) more immediately, how to raise money to cover peacekeeping expenses for the second half of 1963.

On long-term financing there was a clear consensus to apply a "special scale" to future peacekeeping operations not covered by the regular budget. The Department of State estimated that the US percentage in the various schemes suggested in the Working Group would probably fall somewhere between 38 and 44 percent. The Department opposed general application of a special scale to particular peacekeeping operations without some mechanism for making decisions on financing so as to give a commensurate voice to bigger contributors, and without a satisfactory solution of the arrearages problem. Neither the Working Group nor the Special General Assembly was able to reach definite conclusions or agree either on arrearages

~~SECRET~~

SERVICE SET

or on arrangements for the future. The special General Assembly did call upon delinquent countries to pay their arrears and the Secretary General supported this effort. As a result, more than 30 countries began to pay their assessments, but the hard core of the problem remained since the Soviet Union and the Eastern European countries refused to pay anything for either operation while France refused to pay anything for the Congo. The resulting impasse set the stage for the constitutional crisis.

A memorandum on UN financing by Assistant Secretary of State Harlan Cleveland, dated April 27, 1963, concluded that future financing would probably need to be carried out on an ad hoc basis through a "voluntary consortium", but that more systematic and equitable proposals for financing should be developed. On the question of arrearages, Cleveland took a position which was reaffirmed repeatedly in the next two years: that while there was growing fear among UN members that a showdown on Soviet arrearages might break up the UN, this was unlikely if the GA stood firm in insisting the Soviets pay up, and that

in any case there was no real alternative to trying to force the Soviets to pay up or lose their vote. He stated further:

If in the last analysis, the UN General Assembly is not prepared to enforce the one sanction provided in the Charter for dealing with financial delinquencies, then the whole basis for mandatory assessments, and the legal framework laboriously constructed through last year's World Court Opinion, falls to the ground. It would be difficult under these conditions to prevent a serious erosion of public support for the UN in this country.

The memorandum concluded that our strategy should be to mobilize sufficient pressure on the USSR so that it would feel compelled to avoid a major confrontation with a majority of the Assembly.^{2/}

(1) The Crisis

No solution was in sight on the critical date of January 1, 1964. At the first meeting of the GA in 1964 -- at a special or regular session -- the Soviet Union and six other UN members would be subject to loss of voting rights in the Assembly under provisions of Article 19 since their

^{2/} Memorandum of Assistant Secretary of State Cleveland, "Financing the United Nations", April 23, 1963 (CONFIDENTIAL).

~~SECRET~~

unpaid assessments (arrearages) exceeded the amount of financial contributions due from them for the preceding two years. For the first time in the history of the UN a major power and permanent member of the Security Council, the Soviet Union, was subject to this penalty. The Soviet Union, of course, insisted that Article 19 was not applicable; it argued that the peacekeeping apportionments were illegal and therefore not "assessments" and should not be calculated as "arrears".

For the Administration the situation posed a very complex and difficult decision. The situation was inherited from the Kennedy Administration when the legal and political groundwork was laid for confronting the Soviets with the choice of paying up or facing the Article 19 penalty, and when promises were made to Congress that this policy would be followed. Indeed, the key decision had been made in the Eisenhower Administration when it vigorously supported the proposal in the

~~SECRET~~

SERVICE SET

15th GA (December 1960) to assess members for Congo costs.

The Administration wanted to avoid a showdown on application of Article 19, and to work out a negotiated solution that would persuade the Soviets to pay up. It had no interest in taking away the votes of any country. It wished to honor the past commitment to Congress and get as much money paid by the delinquents as possible.

The US desire for a negotiated solution was reinforced by developments that had been taking place in relations with the Communist countries and France. In the case of the Communist countries, the Administration was anxious to preserve and extend the limited detente developing after the test ban agreement. In the case of France, the Administration was anxious not to complicate relations that were already difficult enough because of disagreements outside the UN. The Administration recognized that the great powers had a special concern and responsibility for ensuring efficient and cost-conscious financing of UN activities and that the bigger contributors should work out

~~SECRET~~

reliable and equitable financing arrangements for the future, but without prejudice to a settlement of the arrears in a manner consistent with the Charter.

The Administration was concerned that failure to sustain GA financing power in peacekeeping would impair peacekeeping prospects for the future. Failure to apply Article 19 would erode the single effective sanction in the Charter for assuring that the UN was reliably financed.

The Administration was aware that many countries who in principle favored upholding Article 19 feared that any attempt to apply it to the Soviet Union would exacerbate the cold war and foster divisive tendencies, and could lead to the breakup of the UN. The issue could readily be distorted as a punitive act against the Soviet Union undertaken by the United States for political and ideological reasons. And, indeed, a number of commentators, both at the time and after the fact, accused the Administration of pressing the constitutional issue for these purposes. Neither the Kennedy nor Johnson Administrations ever desired to use the Article 19 crisis to score points against the Soviets, let alone to evict them from the United Nations.

~~SECRET~~

SERVICE SET

~~SECRET~~

The Administration decided on an approach to the problem which involved upholding the Charter (collective financing and Article 19) while seeking a negotiated solution both to the immediate problem of arrearages and to future peacekeeping arrangements. A three-part strategy was adopted.

One part was to underline the legality of peacekeeping expenses and the applicability to them of Article 19, and to enlist diplomatic support for this position. Second was a major effort to induce the defaulting countries to pay up. The United States throughout 1964 made clear that the "modality" of payment was immaterial so long as enough was contributed to remove the defaulters from the terms of Article 19. The method of payment could be without prejudice to legal positions regarding past peacekeeping operations. For example, contributions could be made indirectly into a "rescue fund" to help restore UN solvency. Third, and equally important, the Department (through IO and USUN) developed a plan designed to reach the widest possible agreement on reliable arrangements for the conduct and financing of peacekeeping operations.

~~SECRET~~

SERVICE 001

The Administration advanced proposals that would (1) recognize the primary responsibility of the Security Council while preserving the residual authority of the GA to initiate peacekeeping operations when the Security Council proved unable to take action; (2) provide reliable and equitable methods of financing with widest possible sharing and commensurate voice for the bigger contributors; (3) support the Secretary General as the key peacekeeping executive; and (4) encourage member states to make available to the UN forces and facilities for peacekeeping.

The planning paper prepared in the Department (IO) at the Administration's request at the end of 1963, dated January 2, 1964, set forth the longer-range considerations in the constitutional-financial crisis, and proposed negotiations with the Soviets and others, designed to liquidate arrears and present equitable guidelines for the authorization, financing, and conduct of peacekeeping operations in the future. ^{3/} At the end

^{3/} Department of State/IO, Planning Paper, "Future of UN Peacekeeping Operations", Jan. 2, 1964 (CONFIDENTIAL).

13

~~SECRET~~

of January 1964, a Department (IO) Memorandum for the President proposed that Ambassador Stevenson talk with the Soviets on future UN peacekeeping and recommended the line to be taken. ^{4/} Although there is no evidence in the files that this memorandum was delivered to the President, the proposal to explore this issue with the Soviets was approved and undertaken in March.

On March 6, 1964, Ambassador Stevenson and the UK Permanent Representative to the UN, Ambassador Patrick Dean, presented to Ambassador Fedorenko of the Soviet Union, and later to other UN members in New York, certain ideas on the initiation and financing of future UN peacekeeping operations. These, while fully recognizing the residual authority of the GA, emphasized the primary role of the Security Council in peacekeeping, and the desirability of giving full weight to the views and positions of permanent Security Council members and other major contributors to peacekeeping expenses. One point was that, in order to avoid a similar crisis in the future, some arrangements might be explored for "selective assessment"

^{4/} Draft Memorandum for the President on Ambassador Stevenson's Talks with the Soviets on the Future of UN Peacekeeping (CONFIDENTIAL).

~~SECRET~~

~~SECRET~~

to insure that countries opposing an operation on political grounds would not be assessed for its support. The US hope was that an agreement on modalities for future peacekeeping operations which took into account in some measure the Soviet interpretation of the Charter would induce the USSR to settle its arrears for past operations. 5/

The Soviet Union never responded directly to this US overture. Instead, on March 21, the Soviet delegation circulated a Soviet Government statement which asserted flatly that the USSR would never pay any part of the expenses of UNOC and UNEF. The statement reiterated the Soviet position that the GA had exceeded its powers in assessing the membership for such peacekeeping expenses, and that only the Security Council had authority under the Charter to take peacekeeping decisions, including methods of financing. Thus, the Soviet Union maintained, it did not consider itself in arrears within the terms of Article 19. On July 10 the USSR circulated another memorandum, repeating in greater detail its thesis that

5/ Department of State Memorandum, "Suggestions for the Conduct and Financing of Future UN Peacekeeping Operations", March 6, 1964. (~~CONFIDENTIAL~~)

~~SECRET~~

SERVICE SET

only the Security Council had authority under the Charter regarding peacekeeping operations, including financing, and that the GA and the Secretary General had no authority in this field. There was no mention of the arrears problem or of the ideas the United States had suggested for consideration. Further endeavors to discuss the matter with the Soviet Union met with the answer that the July 10 memorandum was the only reply to be expected.

(2) US Efforts Prior to the General Assembly

During July, Ambassador Stevenson and USUN discussed next steps on peacekeeping with certain delegations in the light of the discussions with Fedorenko and the Soviet memorandum, but no consensus was developed on how to break the impasse.^{6/} Throughout the summer of 1964, the Department and USUN attempted to enlist the cooperation of a number of middle powers to devise a formula that would prevent a showdown at the forthcoming GA. Various proposals were made for a "rescue fund" to which members would make voluntary contributions. The United States said it had no

^{6/} From USUN, Telegram 100, July 10, 1964, Western Group Meeting Regarding Soviet Memorandum on UN Peacekeeping (~~CONFIDENTIAL~~).

~~SECRET~~

objection to the Soviets and others contributing to such a fund so long as the contributions were adequate to remove defaulters from applicability of Article 19. One problem the Administration faced was the diplomatic cross-fire. Inspired stories in the press and diplomatic corps speculated on the one hand that the United States sought a confrontation and defeat of the Soviets, and on the other that Ambassador Stevenson was having second thoughts and was prepared to compromise.

During August and September 1964, the Administration was becoming more firmly committed than ever to application of Article 19. Both Houses of Congress adopted without a dissenting vote a joint resolution calling on Ambassador Stevenson to do everything possible to get the defaulting countries to pay their debts, and failing that, to apply Article 19. This joint resolution was not inspired by anyone in the Executive Branch; it was put forward by two Congressional members of the US delegation to the 1963 Assembly, Edna Kelly and William Mailliard, who considered that the joint resolution would help convey to UN members the seriousness with which Congress took the Article 19 commitment.

~~SECRET~~

SECRET

~~SECRET~~

On the diplomatic front, during the summer, very little pressure was being put on the defaulting countries to pay, either by the UN Secretariat or other UN members apart from the United States, and even many western countries were wobbling on the issue, hoping a showdown would be avoided somehow in the GA. The Administration emphasized that the United States was not seeking a showdown on Article 19 and hoped there would be no need to apply the sanction. This was not an issue between the United States and the USSR. The Administration also stressed that it was not wed to a particular method for settling arrears, that such payments could take any number of possible forms so long as they conformed to the Charter and to the financial regulations. Various devices had been suggested and the United States believed that the membership would cooperate with the defaulting countries once they agreed to settle. 7/

Nor was progress made at meetings of the Working Group of 21, September 9-14, 1964. The United States presented a working

7/ Department of State Telegram 187 to Copenhagen re Article 19, Sept. 15, 1964 ~~(CONFIDENTIAL)~~

~~SECRET~~

SERVICE SET

~~SECRET~~

paper outlining suggestions for changes in the arrangements and methods for initiating and financing UN peacekeeping operations, discussed by Ambassador Stevenson with Ambassador Fedorenko in March. It stated that these suggestions "pre-suppose settlement in some manner of arrears for past peacekeeping operations. Such payments may take any number of possible forms so long as they conform to the United Nations Charter and Financial Regulations." Recalling his visits to the capitals of four permanent members of the Security Council during the summer, the Secretary General said he had the definite impression that all the leaders shared the objective of strengthening the UN, but he was unable to propose a formula for settlement that would be acceptable to the key countries concerned.

It is their common--and I am convinced, sincere--desire to see the Organization become a truly effective instrument for the performance of the functions outlined in the Charter. Unfortunately, this basic unanimity on objectives is accompanied by a very wide divergence of views as to the means of achieving them. I find it difficult to believe, however, that such divergency of views, albeit strongly and sincerely held, will be so inflexibly maintained as to jeopardize, if not nullify, the larger objective.

~~SECRET~~

SERVICE SET

19
~~SECRET~~

The Soviet Union submitted no suggestions to the Working Group. However, on September 11 it sent a Memorandum from the Ministry of Foreign Affairs of the USSR concerning the "Question of the Financial Situation of the United Nations" to the President of the Security Council, requesting its circulation as an official Council document. The document reviewed the substantive arguments of the two Soviet memoranda mentioned earlier, reemphasizing that the Soviet legal interpretation of UN Charter provisions concerning peacekeeping activities was that all functions involving UN action, including financing of peacekeeping operations, were the exclusive responsibility of the Security Council.

The Administration's assessment at the end of September was that the Soviets would be moved and settle arrears only if confronted with a determined UN majority, and that our efforts should be directed toward building such a majority and convincing the Soviets they would be isolated and defeated if they insisted on a showdown. The Administration did not believe the Soviets would pull out of the UN if Article 19 was applied but

~~SECRET~~

SERVICE SET

~~SECRET~~

would find a way to settle. The clinching argument in the Administration's view was that the

UN runs grave risk of losing support in countries that have contributed men and money generously in past, if there is softening or retreat on arrears issue. Recent Congressional resolution and other indications demonstrate that failure to apply impartially to Soviets financial provisions of Charter, as authoritatively interpreted in ICJ advisory opinion, would seriously erode public and parliamentary support for UN in this country, and we suspect in other Western countries. Also, any prospect for fashioning workable and equitable scheme for future financing hinges on satisfactory settlement of arrears. There are numerous ways the Soviets could comply with obligations without giving appearance of retreat. 8/

At the same time, the Administration was faced with indications of defeatism from key countries. An assessment from London did not see how we could win, while the Indian representative in the Working Group held that key "unaligned" countries would not support action against the USSR. He stated "We do not think that any member state can be forced to make contributions behind what they may have specially agreed to in accordance with provisions of Article 43," and "It is clear

8/ Department of State Telegram 525 to Amembassy Brussels, Sept. 22, 1964 (CONFIDENTIAL).

~~SECRET~~

SERVICE SET

~~SECRET~~

that neither Article 43 of the Charter nor the Uniting for Peace resolution contemplates compelling unwilling countries to pay their share of the costs of peacekeeping operations." The Department strongly opposed this interpretation, in a demarche to New Delhi, and also underlined that the Administration did not seek a confrontation with the Soviets.

On October 8, the United States submitted to the Secretary General, for circulation to all GA members, a comprehensive memorandum concerning "The United Nations Financial Crisis". The memorandum dealt in detail with the serious extent of the financial crisis facing the Organization, the law on the issue as laid down by the ICJ and the GA itself, and the implications which any breach of the Charter would entail. In this memorandum, the United States emphasized the nature of the fundamental issue facing all UN members.

The United Nations financial crisis is not an adversary issue between individual members; it is an issue between those who refuse to pay and the Organization itself, the Organization as a whole. It is an issue which involves

~~SECRET~~

SERVICE SET

~~SECRET~~

the future capacity of the United Nations as an effective institution. If the United Nations cannot collect what is due from its members, it cannot pay what it owes; if it cannot collect what is due from its members, it will have no means of effectively carrying on its peacekeeping functions and its economic and social programs will be jeopardized. 9/

The Department became concerned over the fact that some UN delegations believed the US position on Article 19 would change after the US elections, and over the growing sentiment to postpone the GA until the following year so as to permit further efforts at compromise. There were reports that the UN Secretariat was pushing for postponement in the hope that a Johnson-Khrushchev summit meeting could solve the issue. The Secretary, in a message to Ambassador Stevenson, emphasized that application of Article 19 had nothing to do with the US elections, nor was it a bilateral US-USSR problem suitable for disposition at a Johnson-Khrushchev summit. He added that US policy would remain firm on the Article 19 issue after the elections. Moreover, postponement until 1965 would not be technically feasible. The Secretary challenged the idea held by some members that more time was needed to work out an

9/ US Memorandum on "The UN Financial Crisis,"
Oct. 8, 1964 (UNCLASSIFIED)

~~SECRET~~

SERVICE SET

~~SECRET~~

accommodation with the Soviets. The Administration had been trying since March to do just this and the Soviets had not budged. This did not mean that the United States would not make a last effort with the USSR in the near future to give them an opportunity to accommodate themselves or, at a minimum, demonstrate to the rest of the members that we have gone the last mile. 10/

During October, several members held informal consultations to seek a negotiated solution to the arrears problem which would be acceptable to the major powers and would avoid a confrontation in the GA on Article 19. Particularly active was the informal "Group of Four," consisting of the Chairman of the Working Group of 21, Chief Adebo of Nigeria; the President of the 18th GA, Ambassador Sosa-Rodriguez of Venezuela; the UN Representative of Norway; and the UN Representative of Afghanistan, who served as Chairman of the Afro-Asian caucus during November. In the weeks preceding the opening session of the 19th GA, several proposals were developed to provide an opportunity for defaulting members, without prejudice to their legal and

10/ Department of State Telegram 861 to USUN, October 9, 1964 (~~CONFIDENTIAL~~).

~~SECRET~~

SERVICE SET

~~SECRET~~

political positions, to make voluntary contributions to the UN to help overcome its financial deficit. Central to all these formulas was the implied ability of the Secretary General to reduce arrears of defaulting members in amounts corresponding to their voluntary contributions, thus--provided the contributions were adequate--eliminating any question of applying Article 19.

The Administration's position was expressed by Ambassador Stevenson on November 11. Replying to a letter addressed to President Johnson, in which Chief Adebo of Nigeria had proposed establishment of a "rescue" fund to redress the financial difficulties of the UN, Stevenson said:

...The United States has been cooperating with others to help achieve a generally acceptable solution and will be pleased to work further to this end.

We have put forward three main ideas, as you are aware:

First, without derogating from the power and authority of the General Assembly, in which all United Nations members are represented, we would be glad to cooperate in strengthening the primary role which the Charter gives to the Security Council in the maintenance of international peace and security.

Second, we will be glad to cooperate in establishing arrangements under which the Assembly, in making assessments for major peace-keeping operations, would take more fully into

~~SECRET~~

SERVICE SET

account the views of those who, such as some of the states now in arrears, would be expected to share the main burden of supporting future peace-keeping activities.

Third, we have consistently said that, as far as the United States is concerned, the current financial difficulties can be settled in any number of possible ways consistent with the Charter.

Following a meeting with the Secretary General 2 days later, the US Representative again emphasized US flexibility on settlement of arrears.

Voluntary payments could be made without prejudice to the Soviet's or anyone else's legal views. Any arrangements for such payments consistent with the Charter and satisfactory to the Secretary General will be satisfactory to the United States.

The high point of the Department's diplomatic effort to mobilize support for our Article 19 policy was a message dated November 16, 1964, sent to almost all diplomatic posts (the Eastern Europeans were obvious exceptions), by the Secretary of State to the Foreign Ministers stressing that the decision on the Article 19 dispute would have a "grave effect on whether the Organization will continue to develop as a vigorous and active instrument...for maintaining the peace." Failure to respect impartially Article 19 where it applies would entail risks to the Organization far more serious than any likely to result from applying it. It could impair the constitutional integrity of the Organization, open the door to further violations

~~SECRET~~

of the Charter, gravely affect public confidence in and respect for the Organization, and "could sharply affect the attitude toward it of many who have always been its strongest supporters." 11/ This last point put in veiled language the concern in the Department of State that acquiescence by the UN membership in a soft attitude toward collection of assessments could erode Congressional and public support for US contributions to UN activities across the board and, in particular, to peacekeeping. An accompanying instruction to our Ambassadors explained that through this approach in the capitals we hoped delegations to the UN would be instructed (a) to vote for application of Article 19 when the substantive issue came to a vote, and (b) to cooperate with USUN and others in the procedural and tactical situation against moves to obscure, delay, or otherwise confuse the issue in any form which would allow voting on other matters at the GA with a resulting erosion of the integrity of Article 19 and our Charter position.

11/ Department of State Circular Telegram 935, November 16, 1964 (~~CONFIDENTIAL~~).

~~SECRET~~

SERVICE SET

~~SECRET~~

Further, to back this firm diplomatic line, in mid-November the United States announced it would not make its usual pledge of a voluntary contribution at the annual pledging conference of the United Nations Special Fund and Expanded Program of Technical Assistance. The official announcement gave as the reason that the United States could not make a decision on a voluntary contribution until the UN decided the fundamental question of its fiscal integrity.

There were widespread expressions of anxiety and even resentment against the United States for taking such a strong stand. But returns from the circular telegram were promising. Based on commitments or indications given in response to the telegram, it appeared that a vote to apply Article 19 would be carried by a margin of about two to one. (The median calculation of the Mission and the Department a week before the opening of the Assembly showed 54 in favor, 26 against, with the remainder abstaining.)

At the same time these measures were being taken to establish credibility of the sanction, the Administration was also giving quiet indications of its wish for a compromise settlement. US support for an acceptable "rescue fund" was indicated to the

~~SECRET~~

SERVICE SET

Secretary General and a large number of delegations. The United States made clear that it was not insisting on a "victory" for its position but rather on an outcome in which both sides could maintain their legal and political positions. To provide adequate time for negotiations on this compromise, the United States agreed to postponement of the Assembly's opening from November 19 (just one week after the Presidential election) to December 1.

Meanwhile, the Department and USUN were discussing possibilities for avoiding a confrontation. Some held that possibilities for negotiations with the Soviet Union on matters of mutual interest both inside and outside the UN would be undermined if the United States continued to press for Article 19 sanctions against the USSR. Others argued that the Soviets would find a way to back down without prejudice and would pay up. All agreed that the crux was whether a dependable two-thirds majority could be mounted. Although the procedure envisaged required only a simple majority to sustain a ruling by the President of the GA that the defaulters had no vote, the parliamentary situation was not clear. The Department and the Mission wanted a two-thirds vote both for political effect and in case two-thirds proved to be required. The General Assembly might hold that deprivation of the vote was

SECRET

not automatic, that it required an explicit act by the GA, and that it was an important question requiring two-thirds. Various surveys and nose-counts showed that, on paper, two-thirds of the membership would sustain our position, but it was not clear whether all who favored application of Article 19 would stand fast in a showdown.

The Soviets were engaged in a major diplomatic effort around the world, dispatching deputy foreign ministers to Asia, Africa, and Latin America to lobby on behalf of their cause. What made the situation most difficult was that another permanent member, France, agreed in principle with the Soviets and had a vital interest in the outcome since by January 1, 1965, France would itself become subject to Article 19 if it persisted in refusing to pay its assessments for the Congo.

Toward the end of November 1964, a series of high-level meetings took place in New York and Washington to consider ways to avoid a confrontation. These involved the Secretary of State, Stevenson and his senior aides, Assistant Secretary Cleveland and his senior staff, and the Acting Legal Adviser Len Meeker and his staff. Also one or two discussions were held with the President, though it appears the President was leaving tactical

SECRET

SERVICE SET

decisions largely to the Department and USUN. On November 20, 1964, Ambassador Stevenson arranged a meeting with Soviet Ambassador Fedorenko in New York noting that the two countries were like two ships on a collision course and that steps should be taken to avoid a confrontation through the rescue fund compromise. Fedorenko rejected the rescue fund compromise but asked what would happen if all members wanted to postpone the Article 19 issue. Stevenson said a postponement might be possible if done without prejudice and without voting, perhaps through adoption of the budget and election of SC and ECOSOC by acclamation, and conduct of other essential business by some non-voting process. The second half of the Assembly might then take place in March or so, allowing 2 or 3 months for talks, ^{12/} but then the issue would have to be faced.

On Saturday, November 24, Stevenson met with Secretary Rusk in Washington and discussed this issue with him, among other matters. Assistant Secretary Cleveland the same day prepared a memorandum which argued that, all things considered,

^{12/} From USUN, Telegram 1796, November 23, 1964
(SECRET).

~~SECRET~~

it was doubtfull that US interest would be served by strict adherence to application of Article 19 to peacekeeping arrears (since in the future the United States might politically oppose a peacekeeping operation undertaken by the GA). It recommended that an attempt be made to arrive at procedural compromise and avoid a showdown. If this failed we could then (at a resumed GA) proceed with application of Article 19. 13/

(3) Efforts During the General Assembly

On Sunday, November 22, the senior staffs of IO and the Legal Adviser's office met to work out details of a non-voting plan. Although with some misgivings, the decision was to try to work out this compromise in a manner which would not undercut possibilities for applying Article 19 later if this should prove necessary. Several events in the crucial days before the 19th GA opened on December 1 tended to weaken possibilities for application of Article 19. Khrushchev had been deposed, and this caused observers to wonder about the extent of flexibility in Soviet policy. Ambassador Pazhwak of Afghanistan produced a

13/ Memorandum from Assistant Secretary Cleveland to Secretary Rusk, USUN Telegram 1964, Nov. 21, 1964 (CONFIDENTIAL).

~~SECRET~~

SERVICE SET

~~SECRET~~

"plan" on behalf of the Afro-Asian group which appeared to suggest setting aside Article 19 in advance of any payment by defaulters. This position of the "unaligned" countries did not augur well for holding the necessary votes if the issue came to a head in the Assembly. Finally, the Stanleyville air-drop by the United States and Belgium to rescue Europeans menaced in the Congo by the leftist rebels produced a wave of resentment against the United States and threatened African support for the US position on Article 19.

Shortly before December 1, Soviet Foreign Minister Gromyko indicated in New York that the USSR was prepared to contribute an undisclosed amount to the UN to help restore its financial position. Partly in the light of this information, many members took the position that an immediate confrontation on Article 19 should be avoided in the hope that further efforts to achieve a negotiated solution during the early weeks of the session would be successful and urged that the Assembly therefore proceed on a "non-objection" basis.

This position was translated into an understanding that the Assembly would refrain from voting during the general debate while negotiations continued, so that application of Article 19 need not arise. This understanding was reported to the GA on December 1 by Secretary General U Thant, who recommended that

~~SECRET~~

SERVICE SET

~~SECRET~~

the Assembly so proceed, and that it choose its new President, admit three new members, and approve nominations for its Credentials Committee under a "no-objection" procedure. When no member objected to this proposal, the Assembly chose by acclamation the sole candidate, Alex Quaison-Sackey of Ghana, as President of the 19th GA. In addition, Malawi, Malta, and Zambia were admitted to membership and the Credentials Committee was constituted by the "no-objection" procedure. This procedure was used again on December 29 and 30 to fill four vacancies on the Security Council occurring at the end of 1964, and to authorize the Secretary General to continue to make expenditures at the 1964 rate pending decisions on the budget at the resumed session.

Ambassador Stevenson welcomed the decision of the GA to work further for a settlement of the UN financial crisis. In a statement following the December 1 meeting he said:

Our hope right along has been to get started on talks about how the United Nations can clean up its financial situation and arrange about the management and financing of future peacekeeping operations. It now looks as if all parties are prepared to talk about these important constitutional matters, and we share the general hope

~~SECRET~~

~~SECRET~~

that these consultations can proceed very rapidly.

It is, of course, necessary that while the constitutional discussions are going on, the basic issues involved should not be prejudiced by having votes in the General Assembly. The no-voting agreement that was arrived at today therefore seems sensible to us.

Nearly 5 weeks later, on December 30, the GA recessed until mid-January 1965 with its financial problems unresolved and without any action on application of Article 19 to the defaulting members. Despite the original assumption that only minimal business would be conducted under the no-vote procedure, in fact certain steps were taken which appeared to some in the Department as eroding the possibility of re-establishing the majority for applying Article 19. UNCTAD was established on a no-objection basis, thus reducing whatever leverage there may have been in withholding support for this step. The Article 19 issue was discussed with Gromyko by Rusk and Stevenson but no firm commitment was extracted though it was assumed some compromise would be worked out based on the rescue fund.

During the Christmas and New Year recess, efforts were made to reach a solution through voluntary contributions, but

~~SECRET~~

SERVICE SET

~~SECRET~~

no headway was made by the time the GA reconvened on January 18. The problem was aggravated when a second permanent member of the Security Council, France, and 8 additional members became subject to Article 19, bringing the total to 16. Gromyko had hinted that the USSR might commit itself to a "substantial" contribution sufficient to render Article 19 inapplicable. However, Fedorenko subsequently refused to say, even in confidence to the Secretary General, how much the Soviet Union would contribute until after Article 19 had been set aside. The Soviet delegation indicated publicly that it had "accepted" an "Afro-Asian" proposal (never formally tabled but circulated on December 30, 1964) which contained a provision that could be read as setting aside Article 19.

...to avoid a confrontation at the present session, the question of the applicability of Article 19 would not be raised.

The US position was that the Assembly's acceptance of any such formula, unless accompanied by assurances of sufficient payments by defaulting members to permit reduction of their arrears below the Article 19 limit, would represent de facto abnegation of the Assembly's key authority under the Charter--the power to assess members for expenses of the Organization, and was

~~SECRET~~

SERVICE SET

36

~~SECRET~~

bound to have a damaging effect on the Organization's integrity and capacity to act.

The Administration, through Stevenson, refused to buy a "pig in a poke" and negotiations broke down. Various resolutions and plans distributed by the Afro-Asian group came to naught as the Soviets rejected any clear commitment to contribute an amount sufficient to set Article 19 aside. Increasing pressure was brought to bear on USUN and the Department to accept a resolution setting aside Article 19 without a firm indication of what the Soviets would contribute. Ambassador Francis T.P. Plimpton, Stevenson's deputy who was carrying on the negotiation, supported by the Department, steadfastly declined to accept any such formula.

On January 18, the Secretary General reported to the Assembly on the UN financial position, observing that "the problem is serious and merits the urgent attention and concern of its membership." He indicated that \$136 million of assessed contributions remained outstanding, the Working Capital Fund was virtually depleted, and the UN owed about \$45 million for goods and services previously provided--in addition to \$154.8 million of unamortized principal on outstanding UN bonds.

~~SECRET~~

SERVICE SET

~~SECRET~~

The Organization's net cash resources amounted to little more than that required to maintain minimum bank balances for the purpose of meeting day-to-day expenditures. The Secretary General concluded:

...By one expedient or another, the Organization has so far managed to meet its obligations and thus to maintain its financial integrity. But experience has shown...that such a policy cannot much longer endure if the United Nations itself is to endure as a dynamic and effective instrument of international action.

He appealed to all delegations, "as a matter of urgency, to cooperate in devising ways and means of remedying this situation."

In January 1965, all but the barest hope for the rescue fund compromise had faded. Further discussions took place between Ambassador Stevenson and his aides and State Department officials. It was decided to make one more attempt. Ambassador Stevenson delivered a statement to the GA on January 26 which summarized the legal and political rationale for the American position and warned of the damaging consequences to the UN if Article 19 were abandoned. In a forecast of the Goldberg statement of August 16, 1965, Ambassador Stevenson warned:

~~SECRET~~

SERVICE SET

~~SECRET~~

We cannot have a double standard for applying the present law under which we have been operating in good faith for the past two decades.

We cannot have two rules for paying assessments for the expenses of the Organization -- one rule for most of the members -- and another rule for a few. If the Assembly should ignore the Charter with respect to some of its members, it will be in no position to enforce the Charter impartially as to others, with all the consequences which will follow with respect to the mandatory or voluntary character of assessments.

When the Assembly met again on February 8, it was apparent the Soviet Union would not agree to the formula acceptable to the majority for a negotiated solution of the constitutional and financial crisis unless Article 19 were specifically set aside. The Secretary General then suggested that the GA recess pending "a substantial measure of agreement on the points at issue" by the proposed peacekeeping review committee, once the Assembly had agreed on the composition of such a committee and had disposed of several important items of business by consensus procedure.

On February 18, the GA adopted a resolution delegating to a Special Committee on Peacekeeping Operations (Committee of 33) the double task of (1) attempting to overcome UN financial difficulties resulting from unpaid past peacekeeping assessments,

~~SECRET~~

SERVICE SET

~~SECRET~~

and (2) examining all aspects of future peacekeeping operations, including their authorization and financing, to see whether equitable and practical ground rules could be developed. The Assembly recessed until September 1, 1965.

(4) Efforts During the General Assembly Recess

By spring 1965, a central problem facing the Department and USUN was how to disengage from the Article 19 commitment in view of the lack of Assembly support. The issue became entangled with a more far-reaching review of US policy toward the UN, involving not only disquiet about Article 19 but also two pending amendments to the UN Charter on enlargement of the SC and ECOSOC which would raise these questions before the Senate Foreign Relations Committee. In a memorandum to the Secretary, Assistant Secretary Cleveland noted the cross currents in Congress on Article 19. Some still feel strongly, he said, about the USSR's refusal to pay its dues. He then stated:

But two other preoccupations seem now to be in the front of Congressional minds. One of these is the fear, particularly among the Liberals, that an undue rigidity on Article 19 may be hurting the UN. The other preoccupation is the fear that the General Assembly, with all those

~~SECRET~~

SERVICE SET

40

~~SECRET~~

African and Asian members, may soon start some operation or vote some budget which is against the vital interests of the United States. These two relatively new fears should make it possible for us to achieve a sensible arrangement for continued support of UN peacekeeping on a voluntary basis, even if the principle of collective financial responsibility is, in effect, suspended by the reluctance of the General Assembly to invoke Article 19 against the Soviet Union and France.

Cleveland noted a positive attitude on UN matters reflected in his talk with the Speaker and many Congressmen: on Article 19 the former had said that it was important to maintain the principle that the Soviets should pay but he did not feel we ought to press the matter to a confrontation for fear of damaging the UN itself. The most effective argument, Cleveland felt, was that our decision about our interest in the UN's future cannot be made in the Kremlin and should not depend on a Soviet decision to cooperate or not with the UN. 14/

On April 28 and 29, Secretary Rusk, Ambassador Stevenson and Assistant Secretary Cleveland testified before the Senate

14/ Memorandum from Assistant Secretary Cleveland to the Secretary, on Congressional reactions on the UN (CONFIDENTIAL).

~~SECRET~~

SERVICE SET

41
~~SECRET~~

Foreign Relations Committee on UN Charter amendments. The Committee's hearings noted that negotiations were continuing in the Committee of 33 on the Article 19 issue. The summary of the US position was contained in a letter from Assistant Secretary for Congressional Relations, Douglas MacArthur II, to Senator Saltonstall dated June 15, 1965. This letter noted that our chief "concern is to keep the UN an effective operational instrument offering a ready option in case of threats to the peace."

In connection with the 20th anniversary celebration of the Charter in San Francisco in June, a proposal was advanced to the President that in his address to the conference he would agree that the United States would itself contribute to a fund to restore UN solvency provided "substantial" contributions were forthcoming from the Soviet Union and France. Various formulas were considered, the substance of which was later contained in the statement made by Ambassador Goldberg before the Committee of 33 in August. The President would say that, while the United States considered its previous position on Article 19 sound both as a matter of law and policy, it would no longer

~~SECRET~~

SERVICE SET

insist on pressing it if the membership as a whole did not wish to do so. However, the United States henceforth would reserve the same option to withhold payments if, in its view, strong and compelling reasons existed for doing so. Whether such payments included regular budget costs as well as peace-keeping costs was left deliberately obscure. In the end, the President decided not to refer to the financial-constitutional crisis.

Secretary Rusk and Ambassador Stevenson again reviewed the Article 19 issue and recommended to the President on July 2, 1965, a course of action to be adopted following discussion with Congressional leaders.^{15/} The recommendation was that Stevenson would inform the Committee of 33 just before it reconvened in early August that if the UN membership was not prepared at this stage to require major powers to pay assessments for major

^{15/} Memorandum to the President on the US position on Article 19, July 2, 1965 (~~CONFIDENTIAL~~).

43

~~SECRET~~

activities they did not wish to support, we would note this conclusion and consider it applicable to the United States. On this understanding we would acquiesce in the Assembly's resuming normal business when it reconvened in September. There would be no writeoff of Soviet and French debts; they would remain on the books even though uncollected. The Assembly would still have the problem of restoring UN solvency and we would state our belief that it should make every effort to raise sufficient funds, especially from those who had not contributed to UN peacekeeping operations. This was substantially the formula later adopted.

The President approved this approach, subject to Congressional consultation. On July 28, 1965, consultations were begun with key Congressional leaders by Secretary Rusk and Ambassador Arthur J. Goldberg who had been sworn in on July 26 as successor to the late Ambassador Stevenson as US Representative to the UN. The consultations followed the policy outlined in a memorandum from Assistant Secretary Cleveland to the Secretary of State dated July 27. ^{16/} The key points were:

^{16/} Memorandum, Assistant Secretary Cleveland to Secretary Rusk, on Congressional Consultations on UN Financial and Constitutional Impasse, July 27, 1965 (~~CONFIDENTIAL~~).

~~SECRET~~

SERVICE SET

~~SECRET~~

(1) the United States would make the declaration in the Committee of 33 noted in the July 2 memorandum to the President, and (2) a solution of UN financial difficulties would probably require "voluntary contributions," mainly from those who had not contributed to past peacekeeping operations. It was recognized that there would be pressure on the United States to contribute, no decision was to be made at this time regarding a US contribution.

Consultations were held by the Secretary and Ambassador Goldberg with Senators Fulbright, Hickenlooper, Gore, and Church at breakfast on the morning of August 4. In addition, Ambassador Goldberg consulted with Senators Mansfield, Aiken, and Dirksen, as well as Speaker McCormack, House Majority Whip Boggs, and House Majority Leader Carl Albert. They agreed with the Administration's position on Article 19 but expected difficulties and some criticism. But in the final analysis Congress would understand the reasoning behind the shift in the US position. In addition, Ambassador Goldberg consulted with the House Foreign Affairs Committee. At breakfast on August 5, the Secretary, Ambassador Goldberg, and Assistant Secretary Douglas MacArthur

~~SECRET~~

SERVICE SET

~~SECRET~~

also briefed Chairman Morgan of the House Foreign Affairs Committee and key Congressmen of the Subcommittee on International Organizations and Movements. 17/

On August 16, Ambassador Goldberg told the Committee of 33 that "the United States adheres to the position that Article 19 is applicable in the present circumstances," but said, "the United States recognizes, as it simply must, that the General Assembly is not prepared to apply Article 19 in the present situation and that the consensus of the membership is that the Assembly should proceed normally." Declaring that the United States would "not seek to frustrate that consensus, since it is not in the world interest to have the work of the General Assembly immobilized in these troubled days," he then stated:

At the same time, we must make it crystal clear that if any member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the organization, the United States reserves the same option to make exceptions if, in our view, strong and compelling

17/ Memorandum for the record on Congressional consultations on UN Article 19, August 4, 1965 (LIMITED OFFICIAL USE).

~~SECRET~~

SERVICE SET

40

~~SECRET~~

reasons exist for doing so. There can be no double standard among the members of the organization.

In conclusion, Goldberg said:

We look forward nonetheless to the not too distant day when the entire membership will resume its full range of collective responsibility for maintaining world peace. In the meantime, it is all the more important for the membership, though unready to apply Article 19, to solve the United Nations financial problems and to continue to support in practice the sound principle of collective financial responsibility, and to adopt practical and equitable means by which those willing to share the responsibility for peace can act in concert to maintain and strengthen the indispensable peacekeeping capacity of the United Nations.

The US statement broke the logjam and, it was hoped, pointed to the possibility of renewed efforts at the 20th General Assembly to deal with two key problems confronting the UN: its need to overcome its financial difficulties, and its need to agree on rules for future peacekeeping operations, including their financing.

A number of delegations were concerned that the understanding not to press for applying Article 19 in the present situation should not create a precedent undermining the validity of Article 19. The Canadian Representative on August 20 and the Mexican Representative on August 25

~~SECRET~~

SERVICE SET

~~SECRET~~

emphasized their understanding that the agreement not to enforce Article 19 was applicable only to the Congo and Middle East debts. However, as the US Representative had noted on August 16, in the US view, in not applying Article 19, "no one can or should overlook the fact that the exercise of important prerogatives of the Assembly granted to it under the Charter is being impaired."

Realizing the importance of explaining the US position throughout the world, the Department sent a circular telegram to all diplomatic posts on August 16 summarizing the main points of Ambassador Goldberg's statement to the Committee of 33, and noted that, in the light of consultations in the Committee, the United States had concluded that a requisite majority was not available to enforce Article 19 against the USSR and France when the GA resumed. The Administration had come to the conclusion that it was no longer in our interest to carry the ball on Article 19. Even our closest allies were changing course; a number had informed us that they would be unwilling to support us further on this issue. The circular underscored that we were prepared to see collective financial responsibility put to practice

~~SECRET~~

SERVICE 95T

~~SECRET~~

to the extent that a requisite majority would support it. If the principle was not upheld by the GA "there can be no double standard." At the same time we believed that the UN must not be hamstrung and that its full capacities for peace must remain available. 18/

(5) Consensus Statement of August 31

At the conclusion of the 18th meeting of the Committee on August 31, Chairman Quaison-Sackey stated:

In the light of the statements made in the Committee, without prejudice to the positions taken therein and on the basis of paragraph 11 of the Committee's report of 15 June, I take it that the consensus is:

(a) That the General Assembly will carry on its work normally in accordance with its rules of procedure;

(b) That the question of the applicability of Article 19 of the Charter will not be raised with regard to the United Nations Emergency Force and the United Nations Operation in the Congo;

(c) That the financial difficulties of the Organization should be solved through voluntary contributions by Member States, with the highly developed countries making substantial contributions.

18/ Department of State Circular Telegram 248, August 16, 1965 (~~CONFIDENTIAL~~).

~~SECRET~~

SERVICE SET

The 19th GA reconvened on September 1 for one day and endorsed his consensus statement without objection. The US Representative recalled his statement before the Committee of 33 on August 16 regarding the Article 19 issue that the United States had been motivated by the realization that every parliamentary body must somehow resolve the issues before it or cease to have any useful existence. The Assembly had determined to do this, and "it is now our hope and conviction that it will get on with the job of helping to build a world of law and reason and peace."

(6) Appeal for Voluntary Contributions

In a memorandum dated March 31 submitted to the Committee, the Secretary General had estimated that \$108.4 million would be needed to (1) permit the UN to meet in full its current obligations (exclusive of the servicing of the UN headquarters loan and the UN bond issue for which annual repayments are provided in the regular budget); (2) meet additional obligations (other than those relating to the regular budget) that would be incurred at present and at such time as the GA might be expected to have decided on assessments in respect of the Organization's expenses for the current year;

~~SECRET~~

and, (3) restore the Working Capital Fund to the authorized level of \$40 million.

When the Committee adopted its interim report on June 15 and adjourned until August without alleviating the UN difficulties, a number of members launched a campaign for voluntary contributions. It was hoped their example would be followed by others, particularly delinquent members. On June 21, the United Kingdom announced a pledge of \$10 million as an unconditional voluntary contribution and Canada made a pledge of \$4 million. Four Scandinavian countries at the same time pledged \$3.78 million (Sweden \$2 million; Denmark \$1 million; Norway \$700,000; Iceland \$80,000). Additional pledges from 16 other countries raised the pledged total to \$20 million by the end of the year. The contributing countries were Finland, Ghana, Greece, Italy, Jamaica, Kuwait, Liberia, Mali, Malta, Nigeria, Sudan, Tunisia, Uganda, United Arab Republic, Yugoslavia, and Zambia.

With the shelving of the Article 19 question, it was hoped that the major debtors, including the Soviet Union and France, would follow the UK lead and see their way clear to making the promised contributions. But none was made in 1965.

~~SECRET~~

SERVICE SET

31

~~SECRET~~

On August 16, the Soviet delegation told the Committee of 33 that the Soviet Union would not make a voluntary contribution without a firm guarantee that the Article 19 question would not be raised. Despite the Committee's "consensus" statement of August 31 that the Article 19 question would not be raised with respect to UNEF and ONUC, the Soviet Union made no contribution. The French Representative stated in the final session of the Committee of 33 on August 31 that his government had made no commitment as yet to make a voluntary contribution because it believed the question should be studied in the broader context of the general financial policy of the UN and its specialized agencies.

At the end of 1965, hope for progress toward UN solvency centered on the work of the Committee of 14 Experts, scheduled to convene early in 1966 to examine the UN^N financial situation and the budgetary problems of the UN and the specialized agencies.

Throughout 1966, 1967 and 1968, no progress was made on the issue, the Soviets and French refusing to make substantial contributions in any context which would imply that their position differed from that of the United States or that they owed any

~~SECRET~~

SERVICE SET

~~SECRET~~

debt from peacekeeping arrears. The US position was that it would be historically unjustified and unfair for the United States to be asked to make simultaneous or "harmonized" contributions which would equate the obligations of defaulters with that of the country that had been most generous in supporting the UN. Within the Administration there was agreement that to do so would prejudice an important constitutional principle and would be domestically unacceptable. Moreover, it would go beyond the understanding of the summer of 1965 which was based on two points: (1) that applicability of Article 19 would not be pressed so that the General Assembly could get back to business, but that the principle of Article 19 had to be sustained, and (2) that those countries which had not contributed their share to past peacekeeping operations should first be required to make a "voluntary contribution" of substantial proportions to help restore financial solvency. In this context the United States would not be found wanting and might be prepared to do more on a voluntary basis toward helping UN finances.

~~SECRET~~

SERVICE SET

~~SECRET~~

The general feeling in the Administration was that this outcome of the Article 19 crisis was not a happy one but that under the circumstances the formula of 1965 had both protected US interests and permitted the UN to carry on its activities and had kept open peacekeeping possibilities for the future. In the larger perspective this was considered our most vital interest.

~~SECRET~~

SERVICE SET

~~CONFIDENTIAL~~

b. Ad Hoc Committee on Finances

(1) Creation of Committee

The French proposal for a special committee to study the finances of the United Nations and its specialized agencies was first aired by Foreign Minister Couve de Murville during the UN general debate on September 29, 1965.

On October 22, the US Mission received an advance copy of the French draft resolution proposing establishment of the committee. The text dealt with the lack of "clear and precise information" regarding the UN's financial situation and referred specifically to problems "created by certain peacekeeping measures." It then proposed two courses of action: (1) that the General Assembly undertake a study of the budgets of the UN and the specialized agencies with a view to possible standardization of procedures and evaluation of feasible growth rates in relation to organizational needs and the capacity of member states to pay; and (2) establishment of a committee of government experts to draw up a

~~CONFIDENTIAL~~

SERVICE SET

~~CONFIDENTIAL~~

balance sheet for the UN establishing its financial status, and to transmit this report to the member states through the Secretary-General at the earliest possible date. The resolution also proposed that the committee examine the budgetary problems of the specialized agencies and submit its recommendations to the 21st GA. ^{1/}

The initial US response to French inquiries was that while we were sympathetic to France's desire to maintain careful scrutiny over the financial growth of the UN and the specialized agencies, there was concern that the proposal might be used to delay voluntary contributions to the UN. The French Ambassador (Seydoux) replied that, in all candor, it should be made clear that there would be no French contribution until the study had been completed. At this point a US Mission officer suggested that voluntary contributions for UN peacekeeping need not be tied to a review of the specialized agencies' budgets and that the French seemed to

^{1/} USUN Telegram 1517 to Department of State, October 22, 1965 (CONFIDENTIAL).

~~CONFIDENTIAL~~

SERVICE SET

be begging the peacekeeping problem for at least another year. 2/

After a thorough review of the situation, however, the US Mission decided we should support in principle certain aspects of the French proposal dealing with a review of the growth of UN and specialized agency budgets (a) if this were not tied to general problems of the UN and the agencies, and (b) if the report were made within a short period (2 weeks or so).

On peacekeeping, the Mission agreed with other delegations that the proposal was a French device to avoid voluntary contributions, but it proposed to peg our discussions to a comment made by Couve to Ambassador Goldberg that the preliminary report could be made within 2 weeks. Specifically, the Mission suggested the following approach: (a) have Ambassador Goldberg remind Seydoux of Couve's

2/ USUN Telegram 1546 to Department of State, October 25, 1965 (CONFIDENTIAL).

statement to Goldberg that the proposal was not a device to avoid voluntary contributions, and (b) offer to support the proposal if it were divided into two parts. The first part would be to appoint a small committee to report to the GA within a few weeks on financial questions related primarily to peacekeeping. The second would be a separate study of the budget and growth rates of the UN and the specialized agencies, which we would support with certain modifications. We did not anticipate that the French would accept our terms, but felt they would form a good basis for discussions with other UN delegates as the situation developed. ^{3/}

In his approach to Seydoux, Ambassador Goldberg outlined the US position and promised basic US support for the proposal if divided along the lines we suggested. Additionally, however, Ambassador Goldberg said that in exchange for our support we would expect France to demonstrate its support for the UN by making a voluntary contribution. ^{4/}

On November 2, the French submitted a revised draft

^{3/} USUN Telegram 1696, November 1, 1965 (CONFIDENTIAL).

^{4/} USUN Telegram 1720, November 2, 1965 (CONFIDENTIAL).

resolution; the most significant change was that the committee would be instructed to work with the assistance of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). ^{5/} The US Mission felt that the proposal should be amended to have the ACABQ draw up the balance sheet and submit it to the GA by December, and pressed this point in discussions with other UN delegates. The Chairman of ACABQ agreed that a balance sheet reflecting the UN financial situation could be drawn up within 2 weeks by the combined efforts of ACABQ and the office of the Secretary-General. ^{6/}

At this time the US Mission reported it had been informed by a French representative (Plihon) -- in terms as plain as he dared state -- that France fully intended to make a voluntary contribution after the initial study had been made. He also expressed the hope that American and British officials would meet with the French to discuss the issue and work out any changes necessary to insure mutual support for

^{5/} USUS Telegram 1719, November 2, 1965 (UNCLASSIFIED).

^{6/} USUN Telegram 1794, November 4, 1965 (CONFIDENTIAL).

the proposal. ^{7/}

Toward the end of November, a final resolution of the issue seemed to be approaching. On November 24, Ambassador Seydoux called on Ambassador Goldberg. In describing the considerable importance attached to the proposal by the Government of France and by De Gaulle himself, Seydoux said he hoped that the United States would not play an obstructionist role. He added that if the resolution were adopted by the GA, he expected the French voluntary contribution to be forthcoming as soon as the committee's work had begun, possibly as early as February. Ambassador Goldberg expressed appreciation for this information, but also pointed out the importance to the United States that the financial statement called for in the French proposal be made available to member governments before the end of the GA. ^{8/}

The following day, US Mission representatives met with their French counterparts to discuss in greater detail the

^{7/} USUN Telegram 1809, November 4, 1965 (CONFIDENTIAL).

^{8/} USUN Telegram 2251, November 25, 1965 (CONFIDENTIAL).

status of the French proposal and of our suggested changes. The French made clear that they intended the committee to concern itself primarily with observations and recommendations designed to solve present UN financial problems. Further, they thought the financial documents prepared by the Secretary-General should be transmitted directly to the committee before they were made available to member states.

The US side observed that, under the guise of setting up a financial committee, the French were actually suggesting a new forum to seek solutions to political difficulties which were the real basis for the UN's financial crisis. When the French representatives began to hedge about whether their voluntary contribution would be tied to the recommendations of the committee, we said that, despite French objections, the United States would insist that the balance sheet on the UN financial situation be submitted before the end of the GA so that no country might have an excuse to delay its contribution. ^{9/}

^{9/} USUN Telegram 2251, November 25, 1965 (CONFIDENTIAL).

~~CONFIDENTIAL~~

On November 26, Ambassador Goldberg met with Seydoux to clarify whether the French did in fact intend to use the committee to seek solutions to the political questions behind the UN's financial difficulties and, if so, to express firm US opposition to any attempt to impair UN bond repayments. To Seydoux's reply that Couve felt "strongly" that the committee should look into the matter, Goldberg countered by saying Secretary Rusk's opposition was equally strong and, further, that the Secretary's prestige with the Congress was at stake in the issue. Goldberg also sought, and received, reassurances that the committee was not intended to deal with future peacekeeping operations.

Later that afternoon, the US Mission was informed that the Government of France was eager for unanimity of the Big Four in the committee (this was presumably a reference to the bond issue). The French reconfirmed that the United States would insist that the balance sheet be distributed before the end of the GA, and they said they would include specific wording barring the committee from looking into the

~~CONFIDENTIAL~~

SERVICE SET

question of financing future peacekeeping operations. ^{10/}

In a message to the Department on November 29, Ambassador Goldberg outlined the concessions to our viewpoint made by the French to date: (1) the balance sheet would be prepared by the Secretary-General, not the committee; (2) the balance sheet would go to the member states before the end of the GA; and (3) the committee would transmit to the member states only its comments on the balance sheet, not the sheet itself or any revision of it.

In addition, Ambassador Seydoux, on instructions from Paris, had given oral assurances that the document would not "bring to bear any judgment either on the political advisability or the legal validity of financing operations."

The United States had also suggested a paragraph restricting the committee from judgments on the political advisability or legal validity of financial obligations for peacekeeping operations. The French demurred on this point, but did offer to make such a statement when presenting the

^{10/} USUN Telegram 2288, November 26, 1965 (CONFIDENTIAL).

~~CONFIDENTIAL~~

draft resolution. They then reiterated their willingness to enter into a gentlemen's agreement that neither side would present a proposal in the committee to which the other objected.

On the basis of these considerations and in the general context of our political relations with France, Ambassador Goldberg recommended that we support the revised French proposal. ^{11/} The Department sent its concurrence on November 30. ^{12/}

By a vote of 104 to 0, the GA approved the French resolution on December 13, 1965. In its final form, the resolution contained the following key points: (1) the Secretary-General would draw up the balance sheet as soon as possible and deliver it simultaneously to the committee and the member states; (2) the committee would study the balance sheet and submit its comments to the member states through the Secretary-General no later than March 31, 1966;

^{11/} USUN Telegram 2345, November 29, 1965 (CONFIDENTIAL).

^{12/} Department of State Telegram 1354 to USUN, November 30, 1965 (CONFIDENTIAL).

~~CONFIDENTIAL~~

SERVICE SET

(3) the committee would examine the administrative and budgetary procedures of the UN and specialized agencies; and (4) the committee would submit to the 21st GA its recommendations to secure more efficient use of funds by the organizations concerned and to ensure that any expansion of their activities takes into account the needs they are intended to meet and the costs member states will have to bear as a result. ^{13/}

On December 21, the President of the GA named Argentina, Brazil, Canada, France, Hungary, India, Italy, Japan, Nigeria, Senegal, the USSR, the UAR, the UK, and the US to be members of the committee, which became known as the "Committee of 14."

(2) Work of the Committee

The Committee of 14 held its first session from February 2 to March 25, 1966. At this session the Committee examined the UN's financial situation to determine the amount

^{13/} UN General Assembly resolution 2049 (XX) of December 13, 1965.

~~CONFIDENTIAL~~

of money needed over the next year in voluntary contributions, beyond that already paid or pledged to the Rescue Fund, to help restore the UN to solvency. The study assumed that the defaulters were unlikely to pay any substantial part of their peacekeeping arrears by the end of 1966. The purpose of this phase of the Committee's work was to formulate a solid basis for voluntary contributions requested in the consensus statement approved by the GA on September 1, 1965.

The Department's Bureau of International Organization Affairs, the US Mission to the UN, and Ambassador Philip M. Klutznik, the US Representative on the Committee of 14, participated in formulating US policy on this phase of the Committee's work. The basic US goal was to obtain Committee conclusions on the size of the UN deficit which would show the need for the largest possible voluntary contributions from the Soviet Union and other bloc countries and from France. We were concerned that the Committee do nothing which could be interpreted as writing off the past arrearages of the USSR, France, and others, and that conclusions as to

~~CONFIDENTIAL~~

SERVICE SET

contributions still needed to restore the UN to solvency not be used to pressure us to match any voluntary contributions by the USSR and France on a more or less comparable basis. ^{14/}

After many weeks of hard negotiations, the Committee issued its first report on March 25, 1966. Due to differences between the Soviet Union and France and the United States, United Kingdom and others, the Committee was unable to reach agreement on the size of the deficit. It therefore decided to give two sets of figures. It also recorded certain conclusions on the scope of the UN's long-term financial problem. The report amounted to a factual presentation and contained no recommended solutions to UN financial difficulties in the short or long term.

The report concluded that, after taking into account voluntary contributions already paid or pledged, the deficit was \$53 million according to some Committee members and \$32 million according to others. The difference between the two

^{14/} Department of State Telegram 2244 to USUN,
March 18, 1966.

17

~~CONFIDENTIAL~~

estimates resulted largely from conflicting views of "surplus accounts" on the books for the Middle East and Congo operations. These accounts represented the excess of appropriations over actual expenditures. The United States and other Committee Members took the position that these accounts constituted bona fide obligations of the UN and that, as soon as the money was available, the surplus should be credited to member governments that contributed to the operations. Therefore, the United States supported the higher deficit figure of \$53 million. The USSR and France, however, argued that only \$32 million was required since in their view no such surplus accounts existed for ONUC and UNEF.

The Committee's first report provided a solid basis for voluntary contributions requested by the GA. However, despite recurrent rumors of possible contributions, neither the USSR nor France has come forth with voluntary funds.

The Committee of 14 held its second session in Geneva from April 19 to May 6, 1966, to review in detail the

~~CONFIDENTIAL~~

SERVICE SET

administrative and budgetary problems of the specialized agencies. The United States supported such a review as necessary because of the expanding programs and costs of the UN family. In addition, there was some hope, but not much expectation, that improvement in administrative and budgetary practices of UN organizations might further induce the Soviet Union and France to come forth with voluntary contributions.

The US position paper for the second session was formulated in the Bureau of International Organization Affairs, cleared by the Bureau of the Budget, and approved by Assistant Secretary Sisco. ^{15/} In this paper the Department (a) stated that a hard look at budgetary problems of the specialized agencies was necessary, particularly in view of the growth rate of these organizations; (b) recalled the President's memorandum of March 15, 1966, which stressed that we must apply to international organizations "the same rigorous standards of program performance and budget review that we do to our own Federal programs; (c) pointed out that

^{15/} Letter of April 15, 1966, from Assistant Secretary Sisco to Ambassador Klutznik enclosing position paper for second session of Committee of 14.

~~CONFIDENTIAL~~

our overall objective of this phase of the Committee's work "is to obtain Committee recommendations designed to help governments more effectively control the rate of growth of the budgets of the specialized agencies and to increase the efficiency of their operations;" (d) suggested that the work of the Committee should be considered complementary to the work of the Geneva Group, and that informal contacts by the Group with the heads of specialized agencies was likely to be more effective than Committee recommendations in reaching many of our objectives; and (e) contained points on which the United States hoped the Committee would concentrate, including long-term planning, coordination, and budget procedures. The US Delegation was instructed to work closely with other Geneva Group members. US policy on these and other questions evolved in part from a meeting of the Geneva Group, held March 7-8, 1966, which had included in its Note on this meeting a number of suggestions it believed the Committee of 14 should consider. ^{16/} This note was

^{16/} Note on Geneva Group Meeting dated March 7-8, 1966.

~~CONFIDENTIAL~~

SERVICE SET

drafted mainly by the US Delegation to this meeting headed by Assistant Secretary Sisco.

Ambassador Klutznik represented the United States at the second session and gave a major address to the Committee on April 21, 1966. The address contained basic US policy on UN administrative and budgetary problems. Within the framework of basic US policies, members of the US Delegation contributed substantially to development of US positions on particular matters during the session. The Delegation consisted of officers from the US Mission to the UN, the Bureau of International Organization Affairs, the US Mission in Geneva, and the Bureau of the Budget.

After hearing representatives of the various specialized agencies in Geneva, the Committee held its third session in New York from June 6 to July 19, 1966. The purpose of this session was to hear UN representatives and prepare a report containing recommendations for administrative and budgetary improvements in the UN family of organizations. The United States submitted a number of Working Papers at the start of

72

CONFIDENTIAL

the New York meeting to serve as a basis for preparing such a report. These Working Papers concerned long-term planning, evaluation, the UN conference program, coordination, and standard budget presentation. The papers were prepared by members of the US Delegation to the Committee of 14 and were cleared with the Bureau of the Budget. The Delegation also had guidance from the Department of State through an airgram (CA-12107) dated June 11, 1966, drafted in the Bureau of International Organization Affairs, cleared by the Bureau of the Budget, and approved by Assistant Secretary Sisco.

At the conclusion of its third session, the Committee of 14 issued its second report. The report contains numerous recommendations for administrative and budgetary improvements in the UN system, many of which, such as those on program planning and evaluation, coordination, conferences and documentation, stem from the US Working Papers. The Committee used the consensus procedure in arriving at its recommendations and avoided decisions on political issues. The Committee paid "particular attention to overall efficiency,

CONFIDENTIAL

SERVICE SET

~~CONFIDENTIAL~~

to the elimination of possible duplication and overlapping, to improved methods of budget preparation and presentation, to inspection and control, to better administration, long-term planning and evaluation and to the best utilization of available resources, both human and material." The report made no recommendation for ceilings or growth rates for the budgets of the international organizations in question. The United States did not press for such proposals. It concluded, along with other members of the Geneva Group and the Committee of 14, that rather than divide the Committee on this issue, on which agreement would not be possible, it would be better to take the line that any expansion of activities should consider both the needs they are intended to meet and the costs member states would have to bear as a result, and to concentrate on greater efficiency, coordination, avoidance of waste, etc.

It has been basic US policy to urge the UN and the specialized agencies to implement the Committee of 14 recommendations to the fullest extent possible. This policy was

~~CONFIDENTIAL~~

SERVICE SEI

enunciated by Senator Frank Church at the 21st GA and by Congressman William S. Broomfield at the 22nd GA. ^{17/} The Bureau of International Organization Affairs has pursued this policy throughout the UN system in position papers and cables of instruction prepared for US Delegations.

Substantial progress has been made in implementing Committee of 14 recommendations by the organizations in the UN system, but much remains to be done and the United States is continuing to press for still fuller implementation.

^{17/} USUN Press Releases No. 4949, October 25, 1966 and No. 153, October 13, 1967.

~~CONFIDENTIAL~~

2. Budget Controls and Administrative Improvements

The Department of State in the early 1960s faced a number of significant problems relating to US participation in international organizations. Among these were the need to have the United States speak with one voice in the organizations, the question of how to keep their budget growth rates within reasonable bounds, and the matter of assuring effective and efficient agency management. Recognition of these problems led to the issuance of the President's Memorandum of March 15, 1966, which directed the Secretary of State to coordinate US participation and to give budgets of international organizations the same careful examination given the domestic budget. In carrying out the directive, the Department of State restructured an informal consultation procedure of Assistant Secretaries of Departments and Agencies concerned with US participation in international organizations as a formal interdepartmental committee. It placed greater emphasis on the Geneva Group, particularly sub-groups in the headquarters cities of major Specialized

~~CONFIDENTIAL~~

SERVICE SET

Agencies, as a means to develop a consensus of major Free-World contributors to those agencies on administrative and financial matters. And it played a major role in developing and seeking full implementation of the recommendations of the UN Committee of 14 relating to the Specialized Agencies.

The three papers that follow concern the Geneva Group, the President's directive, and the interdepartmental committee. The Committee of 14 is reported in another section.

a. The Geneva Group

(1) Situation and Background

The number of small new nations greatly increased in the early 1960's. As their combined voice in the councils of the UN Specialized Agencies began to drown out the developed nations and major contributors, it became more apparent that the US position was that of a "large contributor with a small vote." ^{1/}

^{1/} Assistant Secretary Harlan Cleveland, US-UK Consultations, May 26, 1964; Department of State Circular Airgram CA-12724, June 5, 1964 (~~CONFIDENTIAL~~).

With a view toward developing a mechanism to enable the United States and other major contributors to exercise influence commensurate with their contributions to Specialized Agency budgets, Assistant Secretary for IO Affairs Cleveland, in bilateral talks on the UN at London, January 22-23, 1964, proposed a "continuing caucus of the main free-world contributing governments to UN agencies, to concert on budget and financial strategy." ^{2/}

The UK, in early May 1964, expressed a desire to follow up Assistant Secretary Cleveland's suggestion with bilateral talks in Washington. The Department agreed, and meetings were held on May 26-27, 1964. The principals were Assistant Secretary Cleveland and Duncan Wilson, Assistant Under Secretary for UN Affairs, UK Foreign Office. After a review of the four largest Specialized Agencies (FAO, ILO, UNESCO and WHO), the two countries agreed to jointly sponsor a meeting of major contributors in late September at the US Mission in Geneva (hence the designation as "The Geneva

^{2/} Department of State Telegram to USUN 2832, May 23, 1964 (~~CONFIDENTIAL~~).

Group"). The purpose was to be an "informal discussion of working level personnel, to attempt to develop a consensus on program and budget issues of the Specialized Agencies." It was made clear that the frame of reference was that of seeking an orderly and reasonable growth rate in the Specialized Agencies, not opposition to growth.

(2) IO Action and Follow-Up

Within the Bureau of International Organization Affairs (IO), responsibility for US participation in the Geneva Group was placed in the Office of International Administration (OIA). This office then initiated informal conversations with the UK Embassy on arrangements for the first meeting.

The basic organizational problem was in determining the countries to be invited to participate. It was solved by using a list of Western-oriented countries contributing one percent or more of the main Specialized Agency budgets. Accordingly, on September 1, 1964, the US Embassies in Bern, Bonn, Brussels, Canberra, the Hague, Ottawa, Paris, Rome,

Stockholm, and Tokyo, in concert with the UK Embassies which received parallel instructions from the UK Foreign Office, were asked to invite their respective host governments to participate in consultations in Geneva, October 5-8, 1964. ^{3/} The Embassies were also asked to suggest that representation might best come from the departments or agencies of government concerned with broad aspects of participation in the Specialized Agencies (Foreign Office and Budget/Treasury) rather than from special interest areas of government (agriculture, health, etc.). All but Switzerland accepted. Eventually (1967), Switzerland joined with Sweden in being represented at Geneva Group meetings as "observers." (Although endorsing GG objectives, these two countries feared they would be attacked by the developing countries as members of a "rich man's club.") Much earlier, however, Switzerland participated as an observer in the Geneva meetings of GG representatives to Specialized Agencies,

^{3/} Department of State Circular Airgram CA-2394, September 1, 1964 (LIMITED OFFICIAL USE).

headquartered in that city. In practice, because of the Group's informality and its lack of organizational structure, the distinction between members and observers is negligible.

(3) The October 5-8, 1964, Meeting

The first Geneva Group meeting, with Assistant Secretary Cleveland and UK Assistant Under Secretary for UN Affairs Denis Greenhill as Co-Chairman, assembled at the US Mission in Geneva with representatives present from Australia, Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, the UK, and the United States. Representing the United States with Assistant Secretary Cleveland were William Capron, Assistant Director, Bureau of the Budget, and Ambassador Roger W. Tubby, US Permanent Representative, Geneva.

The US position for this meeting in essence was "that it may be possible to develop alliances with the Directors General of the major agencies and with the major contributors in order to get an agreement early in the budget cycle upon guidelines for future programs and budgets. Agreement on such guidelines might make it possible for us to support the

DG's budget proposals, rather than to wind up in a conference fight over a budget increase which we have very little hope of defeating." ^{4/} This position was detailed for the US Delegation in a "US Talking Paper" developed by OIA.

It was agreed no record would be kept, but that a consensus paper would be prepared at the close of the meeting. Principal points in the consensus strongly supported by the United States were: (a) expansion of Agency activities should only take place at a rate that would permit adequate support by contributing countries for meaningful and constructive programs; (b) the degree of support which the Specialized Agency programs could command would depend on their content and their cost; (c) a greater degree of forward planning by Specialized Agencies is desirable (taking into consideration available financial resources); (d) contributing governments should participate very early in the budget cycle of each

^{4/} Memorandum to the Secretary of State from Assistant Secretary Cleveland, "Consultations Among Governments on Activities and Budget of Specialized Agencies," October 2, 1964 (UNCLASSIFIED).

agency in the discussion of forward programs and the establishment of budget planning figures; and (e) increases in the aid and technical assistance activities of the agencies (and the UN Secretariat) as a rule should be funded by voluntary rather than assessed contributions.^{5/}

(4) Other Geneva Group Meetings

Early in May 1965, on the basis of consultations in GG capitals, the United States and the United Kingdom agreed that the first meeting had proved useful and that a second should be held July 7-8, 1965. The general pattern of the first meeting, including US-UK co-hosting, was followed for this and later meetings. As previously, a consensus paper was developed, largely reflecting US leadership. It included these principal points: (a) the practice of GG meetings of representatives of member governments in Geneva, Rome, and Paris in specialist groups for specific discussions on the major Specialized Agencies was useful and

^{5/} "Note of Meeting," October 7, 1964 (UNCLASSIFIED).

should be continued; (b) Agencies should be pressed to undertake long-term planning and, as early as possible in each budget cycle, GG Governments should give Agency heads their views on program content and acceptable budgetary totals for forward periods; (c) the proliferation of special voluntary funds should be resisted; (d) better examination of Agency budgets was required, suggesting the possibility of expert groups in each Agency, similar to the ACABQ in the UN; and (e) "mandatory" increases needed more precise definition and did not necessarily all have to be additive.^{6/} It was also agreed to meet again in 1966, thus in effect establishing the Geneva Group as a continuing consultative mechanism.

A third meeting was convened on March 7-8, 1966. For the first time several governments included in their delegations, as had been the US practice, their permanent representatives to Specialized Agencies headquartered in

^{6/} "Note on Meeting," July 7-8, 1965
(UNCLASSIFIED).

Rome and Paris as well as Geneva. The US delegation was headed by the new Assistant Secretary for IO Affairs, Joseph J. Sisco. In Mr. Sisco's view the meeting "reflected the coming of age of the Geneva Group." ^{7/} Major conclusions, all reflecting a US position, were: (a) meetings of the Geneva Group at local levels should not only be continued but should be held more frequently to promote constructive activity by Agencies and to develop concerted action to influence agency budget levels; (b) GG Governments should carefully scrutinize programs much earlier than had been the practice (and in the process should establish program priorities) to allow time for concerted action to avoid excessive increases in budgets; and (c) more information on the operation and impact of Agency field activities (evaluation) was needed. At US initiative, views were expressed concerning the approach the UN Committee of 14

^{7/} From Copenhagen, Telegram 603, for the Secretary from Sisco, March 10, 1966 ~~(CONFIDENTIAL)~~.

might take, with the hope that the 6 GG members on that Committee would take these views into account in developing their positions in the Committee. Suggestions included: (a) the development of long-term planning; (b) standardizing budget presentation; (c) consideration of the total program and resources of an Agency (assessed and voluntary contributions); (d) establishment of more effective inter-Agency coordination; (e) improvement of budgeting for mandatory increases; (f) examination of the use and level of working capital funds, and (g) establishment of more comprehensive procedures for the ex post facto examination of Agency expenditures. ^{8/}

At the March 1966 meeting, the GG agreed to a special meeting in New York after the UN Ad Hoc Committee of Experts (Committee of 14) submitted its report to the GA. Accordingly, the Group convened on September 22, 1966, at the US Mission to the UN, to concert on strategy for handling the Committee's report in the GA. The agreement on strategy was fully in line with the US position. It provided: (a) for consideration

^{8/} "Note on Meeting," March 7-8, 1966 (UNCLASSIFIED).

of the Committee of 14's Second Report (on Specialized Agencies) as a unit by Committee V of the GA; (b) that Ambassador Majoli of Italy (Chairman of the Committee of 14) should take the lead in introducing a resolution of approval of the report, co-sponsored as widely as possible; and (c) that the resolution should urge implementation of the Committee of 14's recommendations by all UN agencies and that the Secretary-General should report on implementation at the next GA. The Geneva Group also proposed to extend its coverage to include UNCTAD. ^{9/}

A fourth meeting took place in Geneva on April 6-7, 1967. For the first time, papers reviewing the situation in each of the Specialized Agencies of GG concern were prepared (each government taking one agency) and distributed in advance through the US Mission in Geneva. These papers formed the basis for the Group's deliberations. The US paper, prepared in IO, dealt with implementation of the Second Report of the UN Committee of 14. Its recommendations, agreed to by the

^{9/} "Note on Geneva Group Meeting of September 22, 1966" (UNCLASSIFIED).

Group, ^{10/}were to the effect that representatives of GG Governments to meetings of the UN and Specialized Agencies should be instructed to support maximum practicable implementation of the Committee of 14 recommendations at the earliest date. Special emphasis was given to certain recommendations such as the proposal for a UN inspection unit. General conclusions of the meeting, again reflecting the US position, were:

- Geneva Group Governments should make greater effort to provide to representatives in local groups, before the Agency budget cycles begin, more timely information on (a) any new program which Governments may wish to see initiated, with an indication of immediate and long-range budgetary implications, (b) any suggestions to expand existing programs, with an indication of budgetary implications, (c) any proposal on

^{10/} "Note on Meeting," April 6-7, 1967
(UNCLASSIFIED).

programs which might be eliminated, reduced, or financed (in whole or in part) from other sources, and (d) budget planning figures which Governments would be prepared to accept.

- Local Groups should initiate their discussions of Agency programs and budgets as early as practicable in budget cycles. Each local group, at the outset of an Agency's cycle, should (a) exchange information obtained from Agency officials on projected trends in content and budgetary implications of programs for the forthcoming financial period, and (b) identify particular programs or administrative areas on which Governments might wish to focus special attention in formulating their attitude toward the program and budget. Further, local groups should strive to reach a consensus on program priorities as well as on a budgetary planning figure sufficiently early so that it could serve as a basis for (a) a GG approach to Executive Heads at the

outset of the program and budget cycle, and
(b) through bilateral consultation on a
selected basis, the broadest possible consensus
of the membership as a whole before formal
debates begin in the competent bodies of the
Specialized Agencies.

At the Fourth Meeting the French, without making a
formal proposal, suggested possible USSR membership in
the Geneva Group. Assistant Secretary Sisco opposed
Soviet membership at this time, but agreed, as recorded in
the Note on Meeting, that it would be desirable to establish
and gradually develop informal bilateral consultations be-
tween GG members and the Eastern Europeans, and, on a
selective basis, with the developing countries.^{11/}

A fifth meeting -- the most recent as of this writing --
was held May 21-22, 1968, with the US Delegation headed by
Deputy Assistant Secretary for IO Affairs David Popper. As at
the previous meeting, papers reviewing developments during

^{11/} From Geneva, Telegram 3196, to Department, April 8,
1967 (LIMITED OFFICIAL USE).

the intervening year were prepared by participating governments. The US paper, prepared in IO's Office of Economic and Social Affairs, was on "Developments in Inter-Agency Coordination: Review of Progress Being Made by the Enlarged Committee for Program and Coordination (ECPC) in its General Review of Programs and Activities of the UN Family." This paper pointed out that the ECPC resulted from the pressures of developing countries who are seeking basic changes in the UN system, and suggested: (a) GG members should be alert to the divisive effects extreme recommendations of developing countries in ECPC may have on present organizational arrangements within the UN family; (b) with guidance, the Committee might serve a useful purpose in channeling the discontent of less developed countries into constructive reform efforts such as long-term planning and review of priorities, and (c) every effort should be made to keep ECPC recommendations within existing constitutional and organizational arrangements. The meeting concurred in general with the US position on the ECPC, adding it would

be desirable to have a study of means to assure more effective links between field representatives of the different agencies in the UN system, perhaps around the UNDP Resident Representative. As at previous sessions, the GG reviewed the situation of each Specialized Agency with which it is concerned. The Note on the Meeting outlined a program of work for the coming year for each of the local Geneva Groups and reiterated support for implementation of Committee of 14 recommendations. 12/

The United States expects to convene a sixth meeting, in cooperation with the British, in February or March, 1969.

Of all the Geneva Group countries, the United States has for some time been taking the hardest line on international organization expenditures in view of its serious budgetary and balance of payments problems. At the high-level Geneva Group meeting this year, the United States maintained that to the extent possible "the budgets of the

12/ "Note on Meeting," May 21-22, 1968
(UNCLASSIFIED).

~~CONFIDENTIAL~~

organizations should be held at existing levels." In individual organizations US policies have also become more restrictive than those of other Geneva Group countries, although the United States supported some increases to meet the rise in the cost of living and to provide for modest program expansion.

The Geneva Group process of consultation has served to exert limited control over budget growth. While the agency budgets have continued to rise more than the United States favored, the growth rates would have been even higher without the Geneva Group.

b. The President's Memorandum of March 15, 1966

While the effort to concert with other large contributors through the Geneva Group proceeded, the Administration undertook an initiative within the US Government to assure that US participation in international agencies and programs would be a constructive influence toward overall program efficiency, budgetary soundness, improved planning, and better administration. This effort resulted in a Presidential

~~CONFIDENTIAL~~

SERVICE SET

~~CONFIDENTIAL~~

memorandum on international organizations initiated by the Bureau of the Budget.

About a year before the memorandum was issued, the Budget Bureau's International Division talked informally on several occasions with IO's Office of International Administration (OIA) on achieving better coordination within the US Government to improve management efficiency and budgetary procedures in international organizations. Both offices agreed some step in this direction should be taken.

In the summer of 1965, the President twice talked with the Director of the Bureau of the Budget on the need for more effective control of US participation in international organizations. The Bureau gave intensive consideration to the problem, and at the Bureau's request OIA informally (a) prepared material on the nature of the problem, and (b) reviewed tentative Bureau drafts of a statement that could be recommended to the President. During the budget season, however, the Bureau was unable to bring the project to a conclusion.

~~CONFIDENTIAL~~

SERVICE SET

Early in 1966, the Budget Bureau drafted a memorandum from the President to the Secretary of State which set guidelines and established the primary role of the Department. On March 8, 1966, a final draft was cleared by IO (the text having been cabled to Assistant Secretary Sisco and Ambassador Goldberg who were in London for US-UK talks) and was recommended to the Secretary by Acting Assistant Secretary Popper. The Secretary approved the draft which, in turn, was approved by the White House with but one or two minor editorial changes.

The President issued his Memorandum, accompanied by a Memorandum for the Heads of Departments and Agencies directing their full cooperation with the Secretary in carrying out his instructions, on March 15, 1966.

c. The Interdepartmental Committee on International Organizations

(1) Situation and Background

Following the first Geneva Group meeting, the Assistant Secretary for International Organization Affairs (IO), Harlan Cleveland, concluded that his counterparts in other

US Departments and Agencies concerned with US participation in international organizations should be tied into the operations. He therefore invited the appropriate Assistant Secretaries (or equivalents) to meet with him to discuss the results of the GG meeting and their implications for US policy toward the Specialized Agencies. The IO Office of International Administration (OIA) was assigned secretariat responsibility for the meeting -- and for subsequent meetings which became known as "Assistant Secretaries Meetings."

(2) Assistant Secretaries Meetings

The first of these informal meetings was held October 20, 1964. A similar session was held July 23, 1965, immediately after the second GG meeting. Both were largely devoted to a report by the US Delegation on what had taken place at the GG meetings. At the July 1965 session, however, the participants agreed it would be useful to extend their consultations and to meet from time to time to review matters of common concern.

Following up this consensus, the new Assistant Secretary for IO Affairs, Joseph J. Sisco, called the group together

2

~~CONFIDENTIAL~~

on January 26, 1966, to discuss across-the-board policy problems relating to the Specialized Agencies. The principal concern of the group was the expectation of continuing pressure for increases on budgets of international organizations. A draft policy statement on "US Participation in International Organizations" prepared by OIA was distributed for comment. Mr. Edward Strait, International Division, Bureau of the Budget, reported on the President's interest in assuring that US participation in international organizations took due account of national goals and of the US position as a major contributor. Mr. Strait stressed the need for (a) a determination of US long-range objectives with respect to these organizations, and (b) a hard look at the budgets and financial management of the Agencies.

A fourth Assistant Secretaries Meeting was convened by Assistant Secretary Sisco on March 31, 1966. Reporting on the March 7-8, 1966, GG meeting, Mr. Sisco noted: (a) the increasing effectiveness of the local Geneva Groups (in

~~CONFIDENTIAL~~

SERVICE SET

2

~~CONFIDENTIAL~~

cities where major Specialized Agencies are located); and (b) the importance of arriving at a consensus on program priorities and informal budget-level targets very early in each Specialized Agency budget cycle for the information of the Directors General. James Clark, International Division, Bureau of the Budget, addressing himself to the President's Memorandum of March 15, 1966, noted: (a) it stemmed directly from the President's concern that the United States should relate its resources to its goals for the specialized agencies; (b) its effect was to place on the Assistant Secretary of State for IO Affairs the responsibility for directing and coordinating US participation in international organizations; (c) State and the respective subject matter agencies should give increased attention to analysis of US positions on international organization problems and to recommending steps to improve the administrative capability of those organizations; and (d) the President's stated interest in certain general international programs, such as health and education, should not be interpreted as a blank

~~CONFIDENTIAL~~

SERVICE SET

check -- hard, lean programs aimed at achieving US goals were a prerequisite to funds.

(3) Interdepartmental Committee on International Organizations (ICIO)

In the March 15, 1966, memorandum, the President instructed the Secretary "to continue to direct and coordinate the activities of the US departments and agencies involved in international organization affairs." In furtherance of this directive, the Secretary, on April 26, 1966, established an Interdepartmental Committee on International Organization Affairs to "carry forward on a more formal basis the occasional meetings which have been held in the Department of State under the chairmanship of the Assistant Secretary for International Organization Affairs." ^{13/}

The first ICIO meeting, held June 30, 1966, under chairmanship of Assistant Secretary Sisco, was devoted largely to

^{13/} Letter from the Secretary of State to heads of Executive Departments and Agencies concerned with US participation in International Organizations, April 26, 1966.

~~CONFIDENTIAL~~

a review of activities of the local Geneva Groups concerned with FAO, ILO, WHO and WMO.

A second meeting was held on November 8, 1966, under chairmanship of Walter M. Kotschnig, Deputy Assistant Secretary for IO Affairs. Major items considered were:

1. Views of the Congressional Appropriations Committees expressed in their reports on the FY 1967 appropriation for contributions to international organizations. These views were sharply critical of the constantly increasing US assessments. It was agreed that Congressional attitudes must be taken fully into account in developing US positions on international organization programs and budgets.
2. The need for all US agencies concerned with international organizations to press for effective coordination by the Specialized Agencies.
3. The need for rapid development of evaluation activities in the Specialized Agencies. (A briefing paper on this subject prepared by IO's

~~CONFIDENTIAL~~

SERVICE SET

~~CONFIDENTIAL~~

Office of Economic and Social Affairs had been distributed in advance of the meeting.)

The third meeting was convened on January 17, 1968, but ICIO was utilized in the interim for the distribution of information, such as Geneva Group minutes and Appropriations Committee reports. Assistant Secretary Sisco and Deputy Assistant Secretary Popper chaired the meeting. The meeting focused particularly on these points:

- The Congress is increasingly critical of the rising annual request for funds to meet the US contribution to international organizations. It was agreed that greater effort must be made to acquaint the Congress with the work of international organizations and their contributions to attainment of US goals.
- The Geneva Group has become the principal US means to influence executive heads of international organizations before they prepare their budgets for submission to governing bodies. It

~~CONFIDENTIAL~~

SERVICE SET

27
~~CONFIDENTIAL~~

was agreed that ICIO members should increase efforts to furnish the US representative to GG meetings with careful and timely analysis of programs and budgets, and that the Executive Branch must increase and coordinate its efforts to keep the growth rate of Specialized Agency budgets within acceptable bounds.

~~CONFIDENTIAL~~

SERVICE SET