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OGI/FSIC/CMP

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7 September 1988

TALKING POINTS FOR THE DCI**SUBJECT: UN Funding Issues****BACKGROUND ON UN FUNDING PROBLEM**

The UN faces a severe financial crisis and will not be able to meet its bills this fall, according to Secretary General Perez de Cuellar. Latest figures--through 30 June--show a shortfall of \$429 million (excluding peacekeeping costs), largely because the United States has withheld \$215 million in dues for the 1988 UN program budget. Congress is withholding these funds until the UN:

- o Reforms its management procedures--progress has been slow at best;
- o Compels the Soviets to permanently assign its nationals to the UN--which it has announced it will do but has yet to implement;
- o Allows major donors such as the United States more input into the UN budget process--a move resisted by the UN's Third World majority.

We understand that the State Department is considering a recommendation for full funding for FY 90. [redacted]

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NEW ROLE FOR THE UN?**Peacekeeping Operations in Disputed Areas**

The UN will also need more money to conduct its expanded and separately funded peacekeeping duties. Two new observer missions--in Afghanistan and on the Iran-Iraq border--were recently added to five ongoing operations. These seven operations now involve a total of about 11,000 UN troops from 37 countries and will add at least \$83 million in expenses. [redacted]

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Several other peacekeeping operations may be created in the near future:

- o In Namibia and Western Sahara within the next year;
- o In Cambodia, where the UN has volunteered to supervise the withdrawal of Vietnamese troops; and possibly in Central America to verify implementation of the 1987 Peace Plan.

Meeting these additional demands will be difficult and costly.

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- o The Namibian operation, according to a 1982 estimate, will cost initially at least \$625 million and require 7,500 personnel; Cambodia will absorb another \$25-50 million per year.
- o Personnel levels are already stretched. Experienced observers initially were drawn from the UN Truce Supervision Organization (UNTSO) in Jerusalem; and must be replaced.
- o Communications and transportation support is inadequate. Canada has temporarily provided a signal battalion to fill communications shortages in the newly formed UN Iran-Iraq Military Observer Group.

Who Pays?

The major donors pay most of the expenses for UN peacekeeping missions. For the existing UN force in southern Lebanon, for example, six countries underwrite 76 percent of the cost: the United States 31 percent, the USSR 12 percent, Japan 11 percent, West Germany 8 percent, France 8 percent, and Britain 6 percent. Only West Germany and France, however, are paid up. [REDACTED]

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The State Department announced last month that the United States will follow a two-track policy on UN funding. We will agree to pay our contribution to new peacekeeping operations while continuing to withhold our dues to the UN program budget pending further reforms. [REDACTED]

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UN VOTING RECORD

The United Nations has, since the late 1960s emphasized general anti-Western themes and rhetoric and avoided criticism of the USSR. The correlation that exists between the Third World and Soviet voting, however, appears due to opportunistic Soviet support for the UN's Third World majority rather than Soviet direction. In examining African voting patterns, for example, we found that the Third World was equally unsupportive on issues considered crucial by either superpower (see figure 1).

- o Top African priorities on development, South Africa and Israel/Palestine conflicted with US policies,
- o The Third World has also been reluctant to support such Soviet priorities as Moscow's Comprehensive System of International Peace and Security Initiative--a proposal which would increase Soviet propaganda and espionage opportunities in the UN.
- o US tactics to temper sharp, anti-Western rhetoric in the UN may be paying off. Last year there was only one explicit negative reference to the United States in a UN General Assembly resolution, versus 15 the year before and over 25 in 1985. [REDACTED]

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SOVIET ACTIONS AND OBJECTIVES IN THE UN

To improve its image, gain propaganda value and open doors for more Soviet personnel, Moscow is paying its UN dues this year ahead of schedule,

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agreed to pay arrearages and offered to allow Soviet nationals to accept permanent assignments in the UN. Moscow hopes this will:

- o Gain support for its proposals to enhance the UN's capacity to handle international crisis, field peacekeeping forces to help resolve conflicts, and verify compliance with diplomatic settlements of disputes; which Moscow expects will produce more UN jobs for the Soviets;

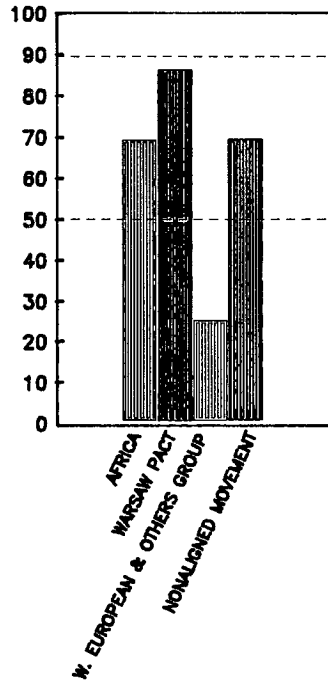
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**UNITED NATIONS BLOCS: VOTING PATTERNS ON
ISSUES OF IMPORTANCE TO THE UNITED STATES DEBATED
IN THE UN GENERAL ASSEMBLY
1983 - 1987**

OPPOSITION SCORES:
Percent of votes cast supporting resolutions opposed by the United States or against resolutions favored by the United States.



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OF IMPORTANCE TO THE USSR DEBATED IN THE
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