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ADMINISTRATIVE AND BUDGETARY PROCEDURES OF THE UNITED NATIONS

Report of the Secretary-General on his consultations concerning the  
desirability and feasibility of establishing a peace fund

Comments received from Governments

Addendum

UNITED STATES OF AMERICA

The United Nations has already demonstrated some capacity to carry out the peace-keeping responsibilities entrusted to it by its members. Recognizing the importance of this role of the United Nations, the United States Government is naturally very interested in exploring any proposals which seek to assure that the Organization is financially able to fulfil effectively these responsibilities.

The study of the desirability and feasibility of establishing a peace fund raises a wide range of problems which require careful study. A meaningful analysis must specifically define the intended purposes of the fund, the conditions under which it would be used, its size, how it would be administered and whether and how it is to be maintained on a continuing basis. It should also include comparative evaluations of the advantages and disadvantages of the peace fund proposal as against those of possible alternative arrangements. While the United States believes that a detailed presentation of its views must await further clarification of these and other points from those who sponsored the study and advocate the establishment of such a fund, the United States would like to make the following preliminary observations.

The United States first wishes to address itself to the procedural aspects of the required report and to any possible action on it by the eighteenth General Assembly. The United States remains concerned about the short time

available for consideration and reply by Governments and for the study and report by the Secretary-General to the eighteenth General Assembly. The United States is further concerned about the relationship of this study to the responsibilities given the Working Group of Twenty-one under A/Res/1880. Under the resolution, the Working Group has been asked in operative paragraph 2 (b) "to consider suggestions regarding other sources of financing future peace-keeping operations"; and in 2 (c) "To explore ways and means for bringing about the widest possible measure of agreement among all Member States on the question of the financing of future peace-keeping operations". It is the United States opinion that study of the establishment of a peace fund is only one aspect of the responsibility vested in the Working Group. For this reason, it would be inappropriate and inadvisable for the eighteenth General Assembly to take any action on the peace fund study other than to refer the results of the present study and report to the Working Group for such consideration as it might find appropriate in its broader study under resolution 1880.

On the substance of the establishment of a peace fund, we believe that the funding of peace-keeping operations should be primarily the responsibility of the Member States of the United Nations. Although the terms of resolution 1879 do not preclude the collection of most of the funds from Governments, it seems unlikely to the United States that Members would be more willing to put up funds in advance for unknown future operations than they have been to finance specific current operations already approved for forces in the field. This leads the United States to believe that, at best, such a fund could only be a supplemental source of funds (in the nature of additional miscellaneous income), or in the nature of an additional, perhaps separate, working capital fund to get peace-keeping operations started.

In the first case - additional miscellaneous income - the peace fund might have some value as a source of revenue to defray part or all of the cost of necessary decreases in assessments for the economically less-developed countries, similar to the so-called "third-bite", which is being financed from voluntary contributions for the UNEF and ONUC operations for July-December 1963. Even this assumes that contributions could be secured from the public, foundations, and Governments in sufficient amounts for this purpose.

In the second case - additional working capital - the United States believes that the United Nations needs working capital availability of a significantly larger amount than the present \$40 million. The present capitalization of the fund at \$40 million has totally disregarded the magnitude and needs of the peace-keeping operations which for several years were nearly twice the size of the regular budget. If the proposal envisages working capital of perhaps an additional \$50 to \$60 million, this might merit careful examination. If such a working capital fund were established and drawn on to initiate a duly approved peace-keeping operation, it would, of course, require replenishment. The appropriate method of replenishment should, in our opinion, rely heavily upon assessments on the Member States.

Inherent in our comments above are grave misgivings about the practical possibilities of raising significant sums for a peace fund. Considerable reliance appears to have been placed by the sponsors on voluntary contributions which might be made to such a fund from individuals or foundations. Even though they may attach great importance to the effective conduct of United Nations activities to preserve the peace of the world, the United States doubts whether sufficient support for such a fund will be secured from United States citizens and institutions to make a sizeable peace fund a reality.

Similarly, the United States has found little evidence that the Members, developed or less-developed, are enthusiastic about making sizeable contributions to such a fund. If the success of the sale of United Nations bonds - repayable with interest - is any indicator, raising large amounts would be very difficult. It might also be noted that full subscription of the bond issue now (a) if the membership so decided and (b) if delinquent Members would pay up, could make it possible to set aside some of these resources for future peace-keeping which would, in effect, constitute a peace fund under the control of the General Assembly. Over \$50 million of the bond issue still remains to be sold, of which the United States remains prepared to purchase one-half.

Perhaps more basic is the question of approval of and control over the use of the fund. Appropriate approval within the United Nations of the operation itself as well as the funding would, of course, be essential. Here again, except to provide an immediate source of funds to get an operation started, the United States doubts that the existence of the fund would meet the

political problems concerning the authorization and control of operations or the financial problems of financing an operation once started.

Consequently, the United States Government feels that the question of establishing a peace fund raises a number of problems which have thus far not been fully examined. Principal among these are the questions of both the desirability of a peace fund and the likelihood of raising adequate funds for it. Inherent in the question of desirability is the problem of who would authorize expenditures from the fund and how.

Since so many questions and aspects of the peace fund proposal have not been fully examined, the United States Government considers that any report submitted by the Secretary-General to the eighteenth General Assembly should be referred to the Working Group of Twenty-one for consideration in connexion with its broader mandate.

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