

SPECIAL REPORT

THE FORGOTTEN CONCEPTS OF SOVEREIGNTY, INDEPENDENCE AND NATIONHOOD AS CRITERIA FOR UN MEMBERSHIP

by

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THE FORGOTTEN CONCEPTS OF SOVEREIGNTY, INDEPENDENCE AND NATIONHOOD AS CRITERIA FOR UN MEMBERSHIP

A benevolent ruler from some far galaxy conquers earth and is predisposed toward allowing a self governing planet. But before granting self rule he/she examines the management, practices, and procedures of the United Nations.....

Definitions

sovereign (n)

(4) independent of all others, as, a sovereign state

independent (adj)

2(a) not depending upon another for financial support

nation (n)

(1) a stable, historically developed community of people with a territory, economic life, distinctive culture and a language in common

Webster's New Universal Unabridged Dictionary, 1979

The United Nations

As of October 1997 there were 185 member states of the United Nations. At its beginning in 1945 there were 51 original members. (1)

The Charter of the United Nations states the “the organization is based on the *sovereign* (italics supplied) equality of all Members,” and that “Membership in the United Nations is open to all peace-loving states which accept the obligations contained in the present charter and in the judgement of the Organization are *able* (italics supplied) and willing to carry out these obligations.” Membership is recommended by the Security Council and passed on by the General Assembly. (2)

Tempting as it might be to examine the “peace-loving” requirement for membership in the UN and the conditions (Chapter II, Article 6) under which a nation may be expelled, this monograph will primarily consider the implied requirements of economic viability and internal stability of an applicant state as a pre-condition for membership.

Although the UN Charter avoids setting specific economic and internal stability criteria as a condition of membership. e.g., a specified per capita GDP or specific form of government, never intended was that a territory (nation) admitted to the UN, could as a matter of right, expect the UN to guarantee its internal stability and/or subsidize its economy in perpetuity. Argued here is that the majority of countries that were admitted to the UN after 31 December 1945 were not economically viable and that a lesser number lacked internal stability. (3) If this proposition is tentatively granted, the question becomes—Why were geographic areas that could not meet the definitional test of a sovereign, independent nation, admitted to the UN as fully participating member states?

Rationale For UN Membership in the Post World War II Period

In the haste to end colonial rule after World War II, “freedom,” “independence,” (as in the 4th of July), and “self-determination,” became the operative words and phrases. Little, if any, attention was paid to economic viability/ sustainability and internal stability when considering an application for UN membership, and in so doing, ignored a primary function of the UN International Trusteeship System. (4)

A second and more pragmatic reason for the explosive growth in UN membership was that once admitted each nation had one vote and only one vote in the General Assembly.(5) Thus was it logical for those nations that could not meet the test of sovereign nationhood, but were UN members, to enhance their influence in the General Assembly by supporting the applications of potential allies. As the UN’s agenda became more contentious and divisive in the 1970s and ’eighties, voting in the General Assembly was determined as much by economic and regional considerations (rich vs. poor and northern vs. southern hemisphere nations) as by the geopolitics of the Cold War.

Of the 51 original members of the UN, admitted prior to 31 December 1945, six had a 1997 per capita GDP of \$2500 or less (11.7%). Of the 134 nations admitted after 1945, sixty (44.7%) had a 1997 per capita GDP of \$2500 or less and of these 60, twenty seven had per capita GDPs of \$1000 or less in 1997.

With respect to being able to carry out their obligations to the UN, one of which is financial support, of the 60 relatively poor nations cited above, all but five are assessed .01 percent of the UN annual budget. Thus, 55 nations, approximately 30 percent of all UN members, are responsible for only .55 percent of UN operating costs, the greater part being a redistribution of wealth as between nations and maintaining political stability in member states. (6) Appendix A provides detailed information on the economic data cited.

In the 1990s, the “richness” of the English language was again demonstrated when appellations such as rich and poor nations was replaced by “developing,” “transitional,” and “advanced” nations. (7)

Political Stability

Chapter I, Article 2(7) of the UN Charter states:

Nothing contained in the present Charter authorizes the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter—

A plain English reading of this article would imply that maintaining internal stability within a country is a matter left to the government of that country. Be that as it may, the UN has intervened on a number of occasions to insure internal stability in a member country. The most recent instances are: Somalia (admitted to the UN 1960), Bosnia and Herzegovina (admitted to UN 1992), Rwanda (admitted to UN 1962), and Haiti (admitted to UN 1945). (8)

In 1997 the UN was engaged in 16 peacekeeping operations at a cost of over \$3 billion annually. (9) It is worth noting that none of these UN operations were in UN ‘trust territories’ but rather in the territory of sovereign UN member states. One interpretation of the above might suggest that UN intervention in a peacekeeping role is a major factor in maintaining world peace and security. This is questionable at best. The fact is that the UN has been a marginal player in situations that count. (10)

The UN General Assembly

The General Assembly is one of the principal organs of the United Nations, the others being the Security Council, the International Court of Justice, the Trusteeship Council and the Secretariat. Of the five, the General Assembly is the only organ where all nations are theoretically equal, i.e., each has one vote.

This paper has argued that most nations admitted since 31 December 1945, would not qualify as sovereign, independent nations under a more exacting standard for membership. But why is this important? What authority does the General Assembly have that can be exercised to the detriment of the United States and, for that matter, other developed nations? In this regard:

1. Membership in the United Nations is recommended by the Security Council but also requires a two-thirds vote in the General Assembly.
2. Assessment of dues is determined by the General Assembly. Likewise, any change in a country’s assessment requires a majority of the 185 member General Assembly. Appendix B summarizes and analyzes the UN budget.

3. Member nations may be expelled by the General Assembly upon recommendation of the Security Council.
4. The General Assembly may meet in emergency session when it feels a threat exists to international peace and security. It is essentially a judgment call on the part of the Secretary General.

In addition to the above, the General Assembly may make recommendations on just about any subject brought before it. (11) While such recommendations are for the most part non-binding, they can influence world opinion on almost any issue, with or without merit.

Many attempts have been made to make the UN a more efficient and responsive organization. The United States, in particular, has been a constant critic and has used monies owed to the UN as leverage for change. (12)

Changes to make the UN more economically efficient and responsive, however, is only a marginal concern of this paper. The major concern is the present lax, or non-existent, requirements for UN membership.

UN Membership: Expanding Without End?

The possibility of an infinitely expanding UN membership might be called a gross exaggeration. After all, UN membership increased only 3 1/2 times since 1945 (51 to 185). But a growing membership with no end in sight is not only possible but quite plausible. Consider the following territories which, in 1998, are actively seeking independence from a central authority. And should they succeed would certainly apply for UN membership.

| Territory | Present Governing Authority |
|------------------|-----------------------------|
| Chechnya (13) | Russian Federation |
| Kosovo | Serbia |
| Palestine | Israel |
| East Timor | Indonesia |
| Kurd territories | Iraq and Turkey |
| Basque territory | Spain |

Other geographic areas where a significant part of the population favors independence or where independence is a possible solution to long standing disputes.

| | |
|-----------------|--|
| Quebec | Canada |
| Puerto Rico | United States |
| Cyprus | Greece and Turkey |
| Kashmir | India |
| Taiwan | Republic of China and People's Republic of China |
| Tibet | People's Republic of China |
| Tamil territory | Sri Lanka |

Countries where partition might be the only solution to civil war. Precedents include North-South Vietnam, North-South Korea, North-South Yemen.

These countries are:

- Northern Ireland
- Rwanda
- Sudan
- Democratic Republic of Congo (Zaire)
- Liberia
- Bosnia and Herzegovina
- Somalia (14)
- St. Kitts—Nevis (St. Kitts pop. 35,000; Nevis 10,000)

The above is hardly an exhaustive list of possibilities. With several exceptions, most of the above are bitterly poor. Nor do population projections offer any great amount of hope for increased standards of living in existing as well as potential developing countries.

World Population Estimates (Thousands) (15)

| Area | 1984 | 2000 | 2025 |
|------------------------|-----------|-----------|-----------|
| World | 4,763,004 | 6,127,117 | 8,117,052 |
| Developed Regions | 1,165,611 | 1,275,655 | 1,396,673 |
| Less Developed Regions | 3,597,393 | 4,851,462 | 6,780,379 |

A politically popular comment in present day United States is “To end welfare as we know it.” This paper argues that the concept be extended to nations as well as individuals. Not suggested, however, is an end to the transfer of wealth as between developed and developing nations. When voluntary transfers are made, by definition, there are gains for both sides. Such transactions fit comfortably into the classic economic “gains from trade” model. Objections arise when wealth transfers are determined by a one nation, one vote system.

Lord Thomas Babington Macaulay best made the point when he said:

The day will come, when in the State of New York a multitude of people, none of whom have had more than half a breakfast, or expect to have more than half a dinner, will choose a legislature. Is it possible to doubt what sort of legislature will be chosen? On one side is a statesman preaching patience, respect for vested rights, and strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and to ride in a carriage. Which of the two candidates is likely to be preferred by the working man? (16)

Lord Macaulay has proved to be a prophet in his own time. In 1997, most third world countries voted to significantly cut their own assessment and to increase the United States share to 31 percent of the UN budget. And in July 1998, the UN General Assembly voted overwhelmingly to grant the Palestinian UN delegation about the same rights as those of independent states, a resolution vigorously opposed by the United States.

Appendix C discusses unilateral and voluntary transfers of wealth as between nations.

Under the present criteria, or lack thereof, for UN membership, a showdown between rich and poor (developed and developing) nations in the General Assembly is inevitable. Proponents of the present voting system in the General Assembly could be expected to strenuously deny such a possibility and point out that the Security Council, in which permanent members have a veto, effectively limits the power of the General Assembly. But before accepting that argument at face value, consider the following scenarios.

The Security Council’s permanent members are expanded to include two representatives from Africa, two from South America and one each from India, Germany and Japan. (Note that an expanded Security Council has been under discussion for over a decade) Now assume the newly constituted Security Council votes to abolish its veto power. Such a vote would be actively supported by a variety of interest groups in the *developed* countries that historically have favored one man, one vote in all things, and would argue that global interests must prevail over national interests.

Should a veto proof Security Council emerge, a likely outcome is a Security Council divided between economically (not militarily) have and have not nations with the “have nots” in the majority.

A less likely scenario is that a majority of an expanded Security Council votes to abolish itself leaving world governance in the hands of the General Assembly. In either scenario, a breakup of the UN is inevitable.

While it is probably too late to unscramble the egg, i.e., revoke UN membership of an existing member, it is not too late to discipline the present one country, one vote system in the General Assembly. In this respect, two recommendations are made:

1. Membership in the UN be made contingent upon the applicant state demonstrating long run economic viability and political stability for a defined period of time prior to membership. During the waiting period, the applicant state could be granted observer status at the UN. (17)
2. The number of votes assigned to a nation in the General Assembly would coincide with the nation's contribution to the UN budget and its population. No longer would a country of 50,000 population, with an assessed .01 percent of the UN budget, have the same number of votes as a nation of 100 million with an assessment of 5.0 percent or more. (18)

Conclusion

Over the years the United States has suggested and argued for many changes in how the UN is operated and managed. At different times and on different issues it has been supported by one or more developed nations. The umbrella U.S. complaint is that the UN is mismanaged and wasteful in the extreme. A long standing American recommendation is to reduce the number of organizations and agencies reporting to the General Assembly, which in turn would reduce the 48,000+ UN payroll.

A minority in the U.S. Congress favor a U.S. withdrawal from the United Nations. Many more insist on a significant reduction in the present U.S. assessment of 25 percent of the UN budget. The difficulty, however, of achieving any serious reform measures was noted by Secretary of State Madeleine Albright. In an address to the North Carolina Community Foundation on 4 March 1996, she said:

I have often compared the {UN} to a business with 185 members of the board; each with a different culture; each with a different philosophy of management; each with unshakable confidence in his or her opinions; and each with a brother-in-law who is unemployed. (19)

While both of America's major political parties favor major UN reforms, no recommendation with respect to qualifications for UN membership has ever been put forth. An infinitely expanding UN membership is a problem that must be addressed and one that can be addressed by the United States acting unilaterally.

Under the present UN charter the Security Council recommends membership in the UN which is then voted on by the General Assembly where a two-thirds majority in favor of membership is required. It is at the Security Council that the United States could insist that applicants for UN membership demonstrate that they are, in fact, sovereign, economically viable, and political stable entities. The threat of an American veto would go a long way toward insuring that membership requirements, or lack thereof, are fully debated.

Should, however, the United States implement such a strategy, world outcry would be loud and strenuous. Words and slogans such as the inalienable right of any population in a defined geographic area to be "free, independent and sovereign" would echo in a thousand places and forums. Consider a worst case scenario from the American point of view. After a prolonged and bitter struggle, Kosovo achieves independence from Serbia and asks for admission to the United Nation. The United States then would have essentially two choices. One. Veto the application and accept world condemnation. Two. Acquiesce and face unlimited "Kosovo applications" in the 21st century.

NOTES

(1) "The United Nations at a Glance," *United Nations Association of the United States of America, 1997*.

(2) *Charter of the United Nations*, Chapter I (Purposes and Principles) Article 2(1). Chapter II (Membership) Articles 4(1) and 4(2).

(3) Economic viability is minimally defined as {a nation} having a gross domestic product capable of insuring a subsistence level of diet, shelter and medical care for its population and a GDP growth sufficient to provide the above for an increased population as the case may be.

Internal stability implies maintenance through government of a stable social/political structure within a territory or country. The opposite definition is one of anarchy which implies a social structure without government or law and order.

(4) Chapters VII and VIII of the UN Charter established a Trusteeship System and Council to oversee the well being of territories that would not otherwise be admitted to the UN as member states. Various member states (e.g. the United States) administered trust territories under these provisions in the Charter. Initially there were 11 trust territories administered by the UN. In 1994, the last trust territory, Palau, was granted independence and became a UN member. The Trusteeship Council suspended operation in November of 1994.

(5) Each member state may send up to five delegates, five alternates and unlimited advisors to the General Assembly. Each member state, however, has only one vote.

(6) Eighty three countries admitted to UN membership after 31 December 1945 are assessed a minimum .01 percent of the UN budget.

(7) The International Monetary Fund categorizes countries as (a) advanced (28), (b) developing (127), (c) transitional (28), and (d) no category (2) [International Monetary Fund, *World Economic Outlook, May 1998*]

(8) There is a fine line between maintaining internal stability (peacekeeping) and taking sides in a civil war. In the past, the United States has acted unilaterally and taken sides in a number of civil wars. Justification was on humanitarian and national interest grounds. UN involvement in what are essentially civil wars is on humanitarian grounds.

(9) Over 20,000 UN troops, so-called “blue helmets,” were involved in peace-keeping operations in 1997. [*1998 Collier’s Yearbook*, p. 456.]

(10) It has been argued that the UN is a major player in maintaining world peace. The fact is that the UN had little, if any, influence in preventing or settling major confrontations. Peace in Europe was maintained by NATO, not the UN. It was a United States-China standoff that ended the fighting in Korea. Nor did the UN play any role in the outcome of the Vietnam War or the three wars fought by India and Pakistan. Nor did it contribute much in the way of ending the Soviet occupation of Afghanistan.

(11) Six major committees report to the General Assembly—Disarmament and International Security, Economic and Financial, Social, Humanitarian and Cultural, Special Political and Decolonization, Administrative and Budgetary, and Legal. A number of Housekeeping Committees make recommendations on various topics including agenda and organization of work. There are 75 Special Committees that report on special issues. Three major commissions report to the General Assembly—International Law, International Trade Law, and Disarmament. Fourteen other organizations (created by the General Assembly) report to that body.

(12) According to UN figures, the United States owes \$1.3 billion in unpaid arrears, of which \$488 million is in dispute. Seventy five other countries, including Russia, owe \$559 million in unpaid dues. The United States has offered to pay a part of its back dues contingent on major UN reforms.

(13) An armistice in the Chechnya-Russia conflict called for a five year cooling off period before deciding the status of Chechnya.

(14) In 1992, the Secretary General of the UN declared Somalia to be without a government.

(15) “World Population Statistics 1985-2025, *The Encyclopedia of the UN and International Relations* (1990), p. 1089.

(16) Lord Thomas Babington Macaulay in a letter written to Henry S. Randall, May 23, 1857.

(17) Observer status at the UN is granted to Switzerland and the Holy See.

(18) A major instance where a UN vote worked against long run U.S. interests and ultimately world peace was the 1979 vote in the General Assembly to deny UN membership to the Republic of China (Taiwan) and recognize the People’s Republic of China as the sole representative of the Chinese people. The fact that the United States demonstrated unbelievable ineptitude in the run up to the vote is acknowledged, but beside the point.

(19) Albright, Madeleine K., Quoted in: “*Restoring American Leadership: A U.S. Foreign and Defense Policy Blueprint*,” The Heritage Foundation (1996), p. 155.

APPENDIX A

ADMISSION DATE AND 1997 PER CAPITA INCOME FOR SELECTED MEMBER STATES

| | |
|---|------------------------------|
| Afghanistan, Republic of (b,d) | Cyprus |
| Albania, Republic of (d) | Czech Republic (a) |
| Algeria | Denmark (a) |
| Andorra, Principality of (d) | Djibouti, Republic of (b,d) |
| Angola, Republic of (c,d) | Dominica (d) |
| Antigua and Barbuda (d) | Dominican Republic (a) |
| Argentina (a) | Ecuador (a) |
| Armenia, Republic of (c) | Egypt (a) |
| Australia (a) | El Salvador (a,d) |
| Austria | Equatorial Guinea (c,d) |
| Azerbaijan, Republic of (c) | Eritrea (b,d) |
| Bahamas | Estonia |
| Bahrain | Ethiopia (a,b,d) |
| Bangladesh, Peoples Republic of (c,d) | Fiji, Republic of (d) |
| Barbados (d) | Finland |
| Belarus (a) | France (a) |
| Belgium (a) | Gabon |
| Belize (d) | Gambia (c,d) |
| Benin, Republic of (c,d) | Georgia, Republic of |
| Bhutan, Kingdom of (b,d) | Germany |
| Bolivia (a,d) | Ghana (d) |
| Bosnia and Herzegovina | Greece (a) |
| Botswana (d) | Grenada (d) |
| Brazil (a) | Guatemala (a) |
| Brunei Darussalam | Guinea, Republic of (b,d) |
| Bulgaria | Guinea - Bissau (b,d) |
| Burkina Faso (b,d) | Guyana (d) |
| Burundi, Republic of (b,d) | Haiti (a,b,d) |
| Cambodia, Kingdom of (b,d) | Honduras (a,d) |
| Cameroon, Republic of (c,d) | Hungary |
| Canada (a) | Iceland |
| Cape Verde (d) | India (a,c) |
| Central African Republic (c,d) | Indonesia |
| Chad, Republic of (b,d) | Iran, Islamic Republic (a) |
| Chile (a) | Iraq (a) |
| China, Peoples Republic (a) | Ireland (a) |
| Colombia (a) | Israel |
| Comoros, Federal Islamic Republic (b,d) | Italy |
| Congo, Democratic Republic (b,d) | Jamaica (d) |
| Congo, Republic of (c,d) | Japan |
| Costa Rico (a) | Jordan (d) |
| Cote d'Ivoire (c,d) | Kazakhstan |
| Croatia, Republic of | Kenya (c,d) |
| Cuba (a,c) | Korea, People's Republic (b) |

Korea, Republic of (c,d)
 Kuwait
 Kyrgyzstan (c)
 Lao, People's Democratic Republic (c,d)
 Latvia
 Lebanon (a,d)
 Lesotho, Kingdom (c,d)
 Liberia (a,b,d)
 Libya
 Liechtenstein, Principality (d)
 Lithuania
 Luxembourg (a)
 Macedonia (d)
 Madagascar, Republic of (b,d)
 Malawi, Republic of (b,d)
 Malaysia
 Maldives, Republic of (c,d)
 Mali, Republic of (b,d)
 Malta
 Marshall Islands (c,d)
 Mauritania, Islamic Republic (c,d)
 Mauritius, Republic of (d)
 Mexico (a)
 Micronesia (c,d)
 Moldova
 Monaco, Principality (d)
 Mongolia (c,d)
 Morocco, Kingdom
 Mozambique, Republic of (b,d)
 Myanmar, Union of (b,d)
 Namibia (d)
 Nepal, Kingdom (c,d)
 Netherlands (a)
 New Zealand (a)
 Nicaragua (a,c,d)
 Niger (b,d)
 Nigeria (c)
 Norway (a)
 Oman, Sultanate of
 Pakistan (c)
 Palau, Republic of (d)
 Panama (a)
 Papua New Guinea (d)
 Paraguay (a)
 Peru (a)
 Philippines (a)
 Poland (a)
 Portugal
 Qatar, State of
 Romania
 Russian Federation (a)
 Rwanda (b,d)
 Saint Kitts and Nevis (d)
 Saint Lucia (d)
 Saint Vincent and the Grenadines (c,d)
 Samoa, Western (c,d)
 San Marino, Republic of (d)
 Sao Tome and Principe (b,d)
 Saudi Arabia (a)
 Senegal (c,d)
 Seychelles (d)
 Sierra Leone (b,d)
 Singapore
 Slovakia
 Slovenia, Republic of
 Solomon Islands (d)
 Somalia (b,d)
 South Africa (a)
 Spain
 Sri Lanka (d)
 Sudan (c,d)
 Suriname, Republic of (d)
 Swaziland, Kingdom of (d)
 Sweden
 Syrian Arab Republic (a)
 Tajikistan (b)
 Tanzania (b,d)
 Thailand
 Togo (c,d)
 Trinidad and Tobago
 Tunisia
 Turkey (a)
 Turkmenistan
 Uganda (c,d)
 Ukraine (a)
 United Arab Emirates
 United Kingdom (a)
 United States of America (a)
 Uruguay (a)
 Uzbekistan (c)
 Vanuatu (c,d)
 Venezuela (a)
 Viet Nam (b,d)
 Yemen (c)
 Yugoslavia (a)
 Zambia (b,d)
 Zimbabwe, Republic of (c,d)

- (a) = original member, prior to 31 December 1945 (51)
- (b) = 1997 per capita GDP or \$1,000 or less (30)
- (c) = 1997 per capita GDP of \$1,001
\$2500 (36)
- (d) = .01 percent assessment of UN budget (91)

Sources: "Nations of the World," *1998 Collier's Yearbook*; "The United Nations at a Glance," *UNA-USA Publications, 1997*; *Chronology and Fact Book of the United Nations, 1941-1991* (Chapter 11, Table 1).

APPENDIX B

BUDGET OF THE UNITED NATIONS, 1946-1997-98*

| Year | Budget in Thousands of U.S. Dollars | |
|---------|-------------------------------------|-------------|
| 1946 | \$19,390 | |
| 1947 | 28,617 | |
| 1948 | 39,825 | |
| 1949 | 43,204 | |
| 1950 | 44,521 | |
| 1951 | 48,926 | |
| 1952 | 50,548 | |
| 1953 | 49,869 | |
| 1954 | 48,529 | |
| 1955 | 50,228 | |
| 1956 | 50,683 | |
| 1957 | 53,175 | |
| 1958 | 61,122 | |
| 1959 | 61,657 | |
| 1960 | 65,735 | |
| 1961 | 71,649 | |
| 1962 | 85,818 | \$1,053,216 |
| 1963 | 92,877 | |
| 1964 | 102,949 | |
| 1965 | 108,473 | |
| 1966 | 121,081 | |
| 1967 | 133,084 | |
| 1968 | 141,788 | |
| 1969 | 156,967 | |
| 1970 | 168,957 | |
| 1971 | 194,628 | |
| 1972 | 208,650 | |
| 1973 | 233,820 | 1,366,274 |
| 1974-75 | 612,550 | |
| 1976-77 | 745,814 | |
| 1978-79 | 1,084,186 | |
| 1980-81 | 1,339,151 | |
| 1982-83 | 1,472,962 | |
| 1984-85 | 1,611,551 | |
| 1986-87 | 1,711,801 | 8,578,015 |
| 1988-89 | 1,749,000 | |
| 1990-91 | 2,188,000 | |
| 1992-93 | 2,375,000 | |

| | | |
|---------|-----------|------------|
| 1994-95 | 2,632,000 | |
| 1996-97 | 2,608,000 | |
| 1997-98 | 2,610,000 | 12,022,000 |

*Years 1946 to 86-87 exclude peacekeeping operations. Biennium budgets begin in 1974-75. Years 1990-91 to 1997-98 rounded.

Sources: *Chronology and Fact Book of the United Nations, 1941-91* and *The World Almanac and Book of Facts, 1997 and 1998*.

APPENDIX C

UNILATERAL AND VOLUNTARY REDISTRIBUTION OF WEALTH AMONG NATIONS

While the transfer of wealth between nations has been going on almost since the beginning of recorded history, this appendix will concern itself only with redistribution of wealth since the end of World War II, and more particularly, transfers made voluntarily and unilaterally by individuals, private organizations, and the U.S. government.

As among governments, methods have been many and varied, including arranged marriages, outright piracy (Sir Francis Drake), reparations (loser to victor in World War I), voluntary exchanges (America's Louisiana Purchase), outright grants (Marshall Plan) and Lend Lease arrangements of World War II.

Transfers by individuals and private organizations also have a long history. Let, for example, an earthquake or other calamity occur anywhere in the world and new or existing channels will immediately become available to distribute private contributions. The International Red Cross, the Salvation Army and numerous religious organizations come immediately to mind. A recent private transfer of wealth by an individual is the pledge by media mogul, Ted Turner, of \$1 billion to be used by the UN for humanitarian purposes.

Since the end of World War II, the United States, acting unilaterally, has been the largest foreign aid donor (redistributor of wealth) in the history of the world. In the period 1945-86, United States foreign aid totaled \$257 billion. During the past 12 years, various American foreign aid programs have been between \$12-15 billion annually. The 1998 foreign aid bill was \$12.8 billion. (1) However, these huge, taxpayer funded, gifts and grants have not been without their critics. A 1997 Heritage Foundation study noted:

- * Sixty eight percent of U.S. foreign aid recipients voted against the United States a majority of the time, up from 64 percent in the 1995 session. Thus, two out of every three foreign aid recipients voted against the United States most of the time.
- * Of the ten largest U.S. foreign aid recipients, six voted against the United States more than half the time.
- * The top ten countries voting against the United States in the UN most of the time received some \$323 million in U.S. foreign aid in 1997.(2)

A significant number of Americans, if not a majority, are critical of U.S. foreign aid policy. This criticism has been constantly reflected in the Congress where the annual foreign aid bill is bitterly contested as to amount and donor recipient.

One approach to redistribution of wealth among nations with respect to the United States would be to abolish government to government transfers. In its place transfer of wealth would be voluntary and left entirely to the private sector. This is not a new concept. American citizens and legal residents have a long history of “sending money home” whether it be the Mexican field worker remitting part of his wages or just plain Jock McKenzie making a contribution to the National Trust For Scotland. American corporations also have a long history of in-kind and cash contributions to humanitarian foreign organizations.

Under such a system of wealth transfer, the role of the U.S. government would be limited to screening various foreign charitable organizations seeking private sector American contributions much as the Better Business Bureaus screen domestic charitable organizations and make their findings available to the public. And just as the federal government grants a tax deduction for contributions to charitable domestic causes, so too could it grant, within limits, tax deductions to private sector entities be they individuals or businesses.

Under present law, a church member may make a contribution to his/her church and the church may then send all or a part to its foreign missions. However, an individual lacking a tax deductible “middle person,” can claim no deduction for a foreign contribution no matter how worthy.

(1) “The 1998 Foreign Aid Bill: Congressional Priorities.” *USIS Washington File, 20-11-97.*

(2) “*Does Foreign Aid Serve U.S. Interests? Not at the United Nations,*” The Heritage Foundation (April 15, 1997)