The U.N. and the (Economic) Education of Henry Kissinger

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Something remarkable and of historic importance took place in New York during the first two weeks of September, 1975. At a Special Session of the United Nations the poor countries of the world, who have 70 per cent of its people and 30 per cent of its income, demanded that the rich countries make some major changes in the international system. And the rich countries, including the United States, responded in new ways. Most reporters failed to notice how remarkable the events were, but the evidence is there.

I shall begin with three testimonials from an improbable assortment of observers, all of whom, from differing perspectives, stressed the pervasive atmosphere of cooperation and the sense of purpose of the session. Ambassador Richard of the United Kingdom said that what made the Special Session significant was not the actual provisions of the documents the delegates considered but rather the clear indications that both sides were determined to reconcile their opposing views. Ambassador Mills of Jamaica referred to the "miracle" of the session and said it was to be found less in the changes in relationships between countries that were being proposed than in the fact that decisions to make changes were at last being taken in common. An editorial writer of the Wall Street Journal, apparently somewhat startled at his own reaction, wrote that the results of the session seemed "so much less bad than they could have been that even we are tempted to applaud them." He went on to say that the results vindicated Ambassador Moynihan's basic approach, neglecting to add that this approach was a departure from U.S. negotiating procedures at previous international meetings on economic development.

Other observers, equally astute but more cynical, have been skeptical. They remain unswayed by the euphoric mood that prevailed and the degree of consensus that emerged, and say that everything hinges on whether or not the advances made by the United States, are prepared to deliver on the commitments they have made. Some of them suggest that the positive approach of the United States was only a gambit designed to lull the fears of the poor countries and to crack their solidarity. Others believe that the commitments were seriously entered into but that they are a bad approach to helping the poor countries of the Third World. Still others approve of the U.S. position but think that the prospects are poor for getting the U.S. executive branch to push for, or the Congress to vote for, the commitments that require legislative action, and that therefore the whole exercise is a cruel joke on the poor countries. Unfavorable reactions to the Special Session, however, were in the minority, and when so many people of differing views and expectations support the outcome, one has a basis for arguing the session must have something going for it.

A most interesting question is why things happened the way they did, why now? To answer that question one must reflect on events leading to this session. The recent session was only the seventh in the U.N.'s thirty-year history to be called into being for a special purpose, and only the second that dealt with economic issues. The first five special sessions were concerned with political and peacekeeping objectives—two on Palestine in 1947 and 1948, and one each on Tunisia in 1961, the Congo in 1963, and Southwest Africa in 1967. The Sixth Session in the spring of 1974 was concerned especially with raw materials and their role in the economic development of poor countries. The Seventh Session of September, 1975, broadened the agenda to include all aspects of development.

Both of these economic sessions were convoked at the request of the Third World, the so-called Group of 77 (the developing countries that now number over a hundred, but are still referred to by their original name). Most of their demands were not new, but by the time of the 1974 session they had been strengthened by the strategy of the oil-producing countries, which had shown their economic muscle when

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they successfully defied an international "system" that in their view consistently works to the disadvantage of the developing countries. This system, comprising a whole series of relationships ranging from formal agreements to centuries-old commercial and political customs, has been described by countries of the Third World as the major device for perpetuating global inequality. An African delegate at the September, 1975, session expressed the widespread belief of the developing countries when he said that the fact that they have remained poor is not an accident but is rather the result of "the sad logic" of a system that operates for the sole benefit of the powerful. Touching up such a system with a reform here and there is an unacceptable substitute for what these countries believe is needed—a fundamental restructuring of the way the world carries on its business. They point out that when the United Nations Charter was drawn up in 1945, the idea of the development of poor countries was not included; rather, the concern was for peace and security. But when the plight of the poor countries began to receive attention, the developed world responded by providing grants and loans under military as well as economic aid programs. The recipients saw that these programs were justified less in economic and humanitarian terms than in political and strategic terms, with overtones of exploitation lingering on from former colonial days.

The developing countries, in any case, have always asserted that they preferred trade to aid as the means for advancing economically. Their main goals have been: (1) to receive what they consider adequate prices for their food and raw materials, and (2) to be given an opportunity to build up their industries and sell their manufactured goods in the advanced world. Trading and financial relationships seemed, however, to have lopsided results. Investments by the rich countries were substantial, but the poor countries regarded the terms as harsh, especially when the return flow of interest and dividends to the investors began to approach the volume of new funds flowing in. Trade usually consisted of buying raw materials from the poor countries at low prices that more than offset the value of the aid programs, shipping these materials long distances to be processed and fabricated in the rich countries, and then shipping back the finished goods to be sold at high prices.

For years the Third World has complained about the deterioration in its terms of trade. This simply means that on the average it has taken more and more tea or jute or copper to buy a ton of steel or a piece of farm equipment. (Opponents of this view argue that the manufactured products exchanged for the raw materials are worth more because their quality has increased.) As the poor countries see it, the prices of their products go up in some years, but go down in others, while the prices of the goods they have to buy from the advanced countries only go up. International institutions and regulations naturally seem to the advanced countries to be working reasonably well, but that is because these countries are the ones that invented them to meet their own needs. In the past twenty-five years the advanced countries have energetically gone about reducing trade barriers, but the reductions chiefly benefited their own trade, and where there was backsliding, with the imposition of new barriers, they usually seemed to apply to the goods of the poor countries.

Advances in technology make the rich richer, but somehow don't always seem to be appropriate for poor countries. When new financial resources have been made available by the International Monetary Fund, the bulk of the funds is allocated to the rich countries. Even something seemingly as minor as transport costs generally operated to the disadvantage of the poor countries. For example, the representative from Tanzania at the United Nations spoke of his country's desire to stop exporting sisal to Europe and instead to make it into rope at home and earn the higher income the finished product brings—except that the shipping companies charge five times as much, on a weight basis, to transport rope as to transport the raw material, and this difference is enough to eat up any profit the Tanzanians might earn.

In spite of some progress by the poor countries in expanding their production and trade, by the early 1970's it was becoming clear that most of them were not meeting the goals that development theories or plans had predicted for them. Instead of being narrowed, the gap between them and the rich countries was growing. There were, to be sure, exceptional cases where development programs had successfully lifted a country, usually a small one, onto a relatively high level of economic activity. But for most countries, including the more populous ones and especially the poorest sectors of virtually all of them, progress was painfully slow and the burden of debt increasingly heavy. It seemed that so long as decision-making and therefore rule-making were determined by the financial weight of the members of the international bodies that regulated trade and financial matters, the system would maintain the gap between rich and poor.

Furthermore, from their experience in operating under advanced-country rules the poor countries could see little evidence that the system of free markets and private enterprise would solve their problems. Their belief that salvation lay neither in the free enterprise system of the West nor in the centrally planned system of the Soviet Union was first expressed twenty years ago when a conference of so-called nonaligned countries met in Bandung, Indonesia. Institutional underpinning for the group was strengthened with the formation of UNCTAD, the acronym of the U.N. Conference on Trade and Development, which held its first meeting in 1964, and of UNIDO, the U.N. Industrial Development Organization set up in 1966. In 1970 the United Nations agreed upon an International Development Strategy that called for the adoption of new economic and commercial policies by the developed world in order to speed up the process of development in the Third World.

In the period from 1970 to late 1973 the gains of the poor countries (excluding the oil producers), as mea-
sured by increases in earnings from their exports, precisely matched those of the rich countries. But the October, 1973, action by the oil producers and the subsequent recession in the developed countries put a halt to the prospects for continuing advances as the members of the Third World came up against high oil costs, rising prices of food and manufactured goods that had to be imported, and reduced demand by developed countries for their products. For many of them, particularly those that had few raw materials and were therefore doubly affected by increasing costs of everything they needed, the situation was extremely serious.

Encouraged by the success of the oil producers in maintaining a solid front against the rich oil consumers, the Third World countries assembled at the Sixth Special Session in April, 1974. Their spokesmen were determined to force the advanced countries to acknowledge that long-term deterioration in economic relationships can as seriously affect the peace of the world as unresolved political differences and that the existence of unremitting poverty in large parts of the world can be a greater threat to the security of the rich countries than military buildups. Their proposals for change were put forward, in vigorous fashion, in a proposed program of action under the heading the "New International Economic Order." It was an awesome list of demands that called for assurance by the rich countries that they would cooperate in underwriting the economic development of the Third World. The advanced countries, especially the United States, responded less enthusiastically, and the session, which turned into a long, angry confrontation, was generally regarded as a failure.

In the summer of 1974 the U.N.'s Economic and Social Council recommended that another attempt be made, in 1975, to discuss the major problems of development and to propose measures that would bring about appropriate changes in the U.N. system itself and in the overall pattern of world economic relationships. In spite of the recent bruising experience the two sides had by early 1975 set to work exploring new ways of presenting their respective cases. Having been asked by the advanced countries to make specific suggestions instead of general charges and complaints, the Group of 77 did just that, preparing a document in which they proposed fairly concrete measures in six areas of interest to them—trade, monetary reform and foreign assistance, industry, science and technology, food and agriculture, and restructuring of the United Nations. At the same time, the European Common Market and the United States undertook six-month-long reviews of their policies toward developing countries. The papers of the Group of 77 and the Common Market were widely circulated and discussed in the months before the September meetings.

The U.S. position was not set forth until the opening day of the Special Session, and then it was presented in a speech prepared by Secretary Kissinger and his staff and read by Ambassador Moynihan; this was called familiarly the "Kissihan speech." Although Mr. Kissinger had for three or four months been dropping hints about what he was going to say, apparently no one at the United Nations was prepared for quite so formidable a set of proposals, ranging from new financing for existing international agencies to the establishment of several new ones and a number of important recommendations on trade, food, and commodity agreements.

While the speech was received with enthusiasm, the U.N. committee that had been established to do the actual negotiating went ahead with a decision to make the paper of the Group of 77 the basis for discussion, thus in effect dismissing the Kissinger proposals as a working document. The European Common Market had drafted its paper so that it followed the outline of that of the Group of 77, and its members, as well as others, urged the United States to produce a paper that would be in line so that all of them could be discussed together. This the U.S., after one false start, eventually did, submitting a document modestly entitled "Informal Working Paper Submitted by the United States for Negotiating Purposes," whose general outline followed that of the other papers. It contained none of the admonitions or demands for acceptance of responsibility by others that earlier U.S. proposals had had and that had touched sensitive nerves of some delegates. It

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put forward ideas that went beyond anything an American delegation had ever before proposed, and in several places it did so in the actual language of the Group of 77.

The new U.S. paper had an electrifying effect on the other delegations. It was as though a door one expected to find locked was, in fact, wide open, and the room it opened into, while unfamiliar, appeared to be so full of promise that it would be unreasonable not to explore it. The morning after the U.S. paper was presented the rather irreverent daily newsletter that kept everyone at the United Nations informed of what was going on had a headline—"U.S. Wonders What It Has Run Up the Flagpole—But World Seems Ready to Salute." It went on to say that the U.S. paper, along with the other two papers, "provides the basis for the conceptual breakthrough for which we have all been waiting." A member of the U.S. delegation said later that although the paper was only a negotiating document, "its presentation changed the course of the negotiations."

As the session wore on, with the easier issues disposed of, the positions of the negotiators hardened on the more intractable problems. Jan Pronk of the Netherlands, chairman of the negotiating committee, who had relentlessly whipped his members along, kept them at work through exhausting night sessions. Near the end he broke up his committee into very small negotiating teams, mostly of three or four members. At one point, when the talks seemed deadlocked, U.S. Assistant Secretary of State Enders arrived to join in the negotiations, and the Common Market's foreign ministers, who were meeting in Venice, sent a cable instructing their representatives to stay flexible and keep lines of communication open. It was a cliff-hanging situation. The result was a resolution entitled "Development and International Economic Cooperation" that everyone signed and, as Kissinger put it, one that "the United States is proud to support." (He did not add that the U.S. was attaching some reservations that in effect denied a U.S. obligation to fulfill certain of the resolution's commitments.)

What was agreed upon? Not everything that the Third World wanted by any means, but I think far more than anyone expected. The developing countries put forward three major demands; none of them was accepted outright. The first demand called for the annual transfer by 1978 of 0.7 per cent of the rich countries' gross national product to the poor countries; the U.N.'s resolution added two years to the time by which the goal must be met, and the United States indicated that it could not even go along with a specific target. The goal of 0.7 per cent had been embodied in earlier commitments by the rich countries, and with only a few exceptions not only had they failed to meet it, but in recent years they had failed to come anywhere near it. The U.S. level at the time of the Seventh Special Session was less than 0.3 per cent of its GNP, the country itself was in a period of recession, and Congress was skeptical about the extent to which the transfer of U.S. funds to poor countries served either their interest or that of the U.S. The U.S. delegation to the United Nations may perhaps be excused for regarding a firm commitment of assistance at a level two-and-a-half times what the country was managing to deliver as something that could not in good conscience be made.

A second demand called for an automatic transfer to poor countries whenever new international funds, the Special Drawing Rights, are created. The International Monetary Fund began creating the SDRs to supplement other means of payment for international transactions six years ago. But because the total of 9.3 billion was distributed to IMF members in proportion to their quotas in the Fund, only 2.1 billion, less than 25 per cent, went to the developing countries. The rich countries believed strongly that a relationship should be maintained between the creation and distribution of new resources and the financial contribution of members. The U.N. resolution sidestepped the issue by recommending that this link between the creation of funds and their delivery to poor countries be studied by the Fund, while the United States flatly said in its reservation that it did not support such a link.

The third demand, opposed by almost all advanced countries, was for indexation. Since this is an expression that will in time, I am sure, become a household word, it might be useful to define it. As the term is used today, it is an agreed-upon relationship between prices that the Third World countries receive for their exports and the prices they pay for their imports from the advanced countries. Thus the prices of their exports would not be determined by the cost of producing them or the demand of consumers, but by the prices of unrelated products. In this way, for example, the same number of shiploads of bananas would always buy the same number of tractors, and the purchasing power of the banana grower would remain stable. As it happens, over 90 per cent of the bananas that enter world trade are grown in the developing countries, and any price fixing arrangement would have potential benefits almost exclusively for them, as it would for a number of producers of other commodities, such as coffee, cocoa, tea, tin, rubber, and cane sugar, for which developing countries represent more than 70 per cent or more of world trade.

Most Western economists look with distaste on this proposal to link the prices of mineral and agricultural products to the prices of manufactured goods. The concept, however, is certainly not new in the Western world. For decades the United States practiced a form of indexation when it pegged prices of certain farm products to a standard set in a base year. Wage contracts tied to cost-of-living changes are also a form of indexation. But the U.S. has never ventured to consider the extension of this concept to a relationship between the prices of U.S. products and those of foreign markets, and good reasons have been offered for thinking that the idea is not practicable. A few of the more compelling reasons for a wary approach to the international indexation of prices are:

1. For many commodities, advanced countries like Canada, Australia, and the Soviet Union supply a
greater proportion of world exports than the poor countries and would share in the benefits of the scheme.

2. For some commodities, the setting of artificial prices leads to investment in the production of substitutes, for example, synthetic textiles and rubber, and in the long run reduces or even eliminates the consumer's demand for natural products.

3. The improved bargaining power of the developing countries that are able to take advantage of an indexation scheme is likely to harm the majority of the developing countries that do not have such power far more than they would the rich countries.

Nevertheless, the matter of linking one set of prices to another set has not received serious consideration in the light of new economic relationships and changing priorities and goals that have been taking shape in both the developed and the developing worlds, and at the Special Session the stiff opposition of the West broke down to the extent that many advanced country delegates talked about stable prices and remunerative prices, and even the U.S. working paper referred to the need "to insulate the developing countries from the adverse effects of inflation," a phrase some delegates proceeded to interpret (incorrectly) as a roundabout way of endorsing the indexation proposal. The U.N.'s final resolution compromised by recommending only that indexation schemes be studied and reported on at a later meeting. This outcome should not be regarded as a defeat for one side or the other. A number of representatives from the Communist countries and the Third World had recommended that further study of this extremely complicated device would be useful before it was accepted.

It is probably fair to say that the Communist countries were outmaneuvered in a debate in which pragmatism won out over rhetoric. In earlier discussions of a New International Economic Order the Third World had made much of the proposition that they had suffered and continued to suffer from the colonialist and neocolonialist exploitation by the rich countries. At the Seventh Special Session the developing countries for the most part looked forward, not backward, and stressed the policies that would be needed to help them in the future rather than those they believed had contributed to their past difficulties. The European Communist countries carefully dissociated themselves from the advanced, market-economy countries. Maintaining that the imperialist behavior of the latter justified demands for compensation by the Third World, they stressed that they themselves had no such obligation, and even suggested that the proposals for preferential treatment for poor countries might better be given by the rich Western countries than by the Eastern Communist ones. They tended to put great emphasis on the close connection between peace and security on the one hand and development problems on the other and to ascribe a causal effect to the benefits of disarmament on economic development. To some Third World countries in search of practical answers to immediate problems the call for disarmament first and economic solutions second had a sophistical ring to it that they did not find persuasive.

On the other hand, the Third World demands the advanced countries were more forthcoming. In provisions designed to encourage the expansion and diversity of exports of the developing countries, trade was acknowledged to be the propelling force behind economic development. The emphasis here was on processing domestic raw materials into semi-manufactured and finished products. The advanced countries agreed to remove barriers to imports from the developing countries and to extend the period of preferential treatment most of them give to products of Third World countries over similar products from developed countries. In order to smooth out fluctuations in trade the developed countries agreed to consider arrangements for accumulating stocks of commodities, long-term purchase contracts, and compensation to developing countries when their export earnings fall sharply. Under the heading "transfer of real resources" the advanced countries accepted the idea of providing assistance on easier terms and, for the most part, free of requirements concerning how and where the funds should be spent. They agreed that the resources of the World Bank, the International Monetary Fund, and the United Nations should be increased and that ways of easing the debt burden of the developing countries should be considered at the fourth session of UNCTAD in the spring of 1976.

The need for greater access to, and development of, technology was a thread that ran through the discussions of the entire session, and some delegates thought that the real distinction between countries is not between rich and poor or raw materials producers and industrial goods producers, but rather between

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technology-creating and nontechnology-creating countries. Significant provisions were adopted without reservation for an increased flow of technology to developing countries, greater attention in the advanced countries to the development of technology especially suited to the Third World's needs, and support for the establishment in the Third World of national scientific programs that would look toward the goal of creating their own technology. A recommendation for an international code of conduct governing the transfer of technology was amplified in a subsequent U.S. statement to propose that international guidelines for the transfer be of a voluntary nature, an amendment that had not been in the minds of the Third World delegates.

In a section on industrialization the U.N. resolution proposed that developed countries should adopt policies under which their less competitive industries would be encouraged to move to developing countries so that more efficient use could be made of human and other resources in the developed countries. The U.S. statement of reservations added a qualifying phrase to the effect that policies regarding industrial "redeployment" must take account of national objectives in economic, social, and security areas and that such policies are a matter more appropriately of evolution within a national economy than of international policy. The resolution's recommendation that UNIDO become the forum for industrial negotiation was rejected by the United States, which has always been lukewarm in its approach to this agency.

A section dealing with food aid and support for the development of agricultural production was supported by the United States, although a reservation was attached to a phrase regarding increased access to developed-country markets, which the U.S. delegate pointed out was contrary to present U.S. policy. Two final sections dealt with cooperation among developing countries and restructuring of the U.N. system. The former gave fresh impetus to attempts already under way to increase policies of self-reliance and mutual cooperation among Third World countries. The latter section grew out of earlier studies that recommended that the economic and social sectors of the United Nations be reorganized so that they could more effectively carry out the new programs aimed at achieving greater global equity.

On the crucial question of a greater role in decision-making for the Third World the final resolution offered a modest and relatively innocuous recommendation that the participation by developing countries in the process whereby financial and development decisions are made should be "adequately increased." But the United States insisted in its reservation that due account be taken of relative economic positions and contributions, the very standard the poor countries were trying to escape.

The U.S. reservations add up to a potentially severe constraint on the carrying out of the resolution's provisions. Although eighteen senators and representatives participated in the Special Session and supported the final resolution, there had been clear signals from Washington that not all the agencies there were as willing as the U.S. delegation in New York to attempt a reconciliation with the Third World's views. As a member of the U.S. delegation put it, the U.S. position was a domestic compromise and the final resolution was an international compromise.

Some critics think that the U.S. reservations are so constraining that there is nothing left in the U.S. position except commitments that cost us very little and barely touch the main problems. I disagree with this view. The Third World's demands are so sweeping, so truly revolutionary that—whether or not they are justified—no one, not even their sponsors, I suspect, could realistically expect them to be fully agreed to in the space of a two-week meeting. Given the fact that the advanced countries are still working their way out of a recession that leaves them feeling strapped financially, that the U.S. Administration is preparing for an election year in which it is poor politics to endorse proposals for the transfer of inefficient domestic industries to other countries, and, perhaps most important, that further study in the new atmosphere of conciliation rather than immediate implementation may actually be beneficial for some of the proposals, it is hard not to agree with one Third World delegate who said that he was glad to measure progress by how far the two sides had advanced, not by how much they fell short of the goal.

The provisions for promotion of developing-country trade are in themselves a significant advance in international policy-making. When one adds support for countries whose earnings decline, easier terms for aid, reaffirmation of initiatives in agriculture that grew out of the World Food Conference a year earlier, a new approach to the supplying of technology, and special measures of assistance for the poorest countries, the total becomes a creditable package. Among the resolution's recommendations are many of Mr. Kissinger's major proposals. Furthermore, as the congressional delegation noted in its report on the session, the American reservations were made so that the world would have an accurate picture of the current U.S. position, but they are not irrevocable, and even on indexation, a subject on which the U.S. has the strongest doubts, it has agreed to study the proposal in the hope of finding a solution to the problem of assuring some measure of stability of income, a problem that both sides recognize must be solved.

What is the explanation for the improved relationships of the Seventh Special Session? It was generally agreed that the whole tone of the session was radically different from that of other recent international economic meetings. At the preceding Special Session each side adopted a take-it-or-leave-it attitude, but at the Seventh Session the Third World countries clearly came prepared to negotiate realistically. Instead of the more radical spokesmen who presented their case at the earlier session, they chose a moderate representative whose emphasis was on feasible goals, not differences in ideologies. In
turn, the advanced countries were ready to examine the Third World proposals carefully. Most important, the United States came prepared to respond positively, "rather than conducting a kind of political trench warfare against the vast majority of U.N. members," as a New York Times editorial described the earlier U.S. attitude. In fact, at this session the United States assumed the role of a leader.

There are many reasons given for the change in approach by both sides. Even the maligned Sixth Special Session should be given some credit. It was then that the world organization formally took note of the fact that the situation of many of the poor countries was getting dramatically worse, and the resolutions of that session provided the framework for the consultations and draft proposals that were developed in the next fifteen months. By the opening day of the Seventh Session, although there was certainly no consensus on the extent and timing of the changes that were needed, ideas about restructuring the world economy, reform of world trade patterns, and redistribution of world income had become fairly commonplace.

Most observers see a number of factors influencing the thinking of both rich- and poor-country representatives. The failure of the delegates to the Sixth Session to come to any agreement and the more recent failure of the energy talks in Paris in April, 1975, created anxieties on both sides about the long-term effects of this sort of bitter quarreling. The realization by the Third World, however reluctantly acknowledged, that it needs the technical and financial help of the advanced world and, equally, the recognition by the advanced world that its security and economic well-being are linked to stability in the Third World and to assured access to its raw materials, particularly in the light of the successful strategy of the oil producers—all of these contributed to the new sense of purpose.

However, there may have been another factor at work so far as the United States is concerned, and in tracing its manifestations I have made notes under the heading "the education of Henry Kissinger." It is hardly debatable that no major shift in U.S. foreign policy could have occurred in the last few years that had not been initiated by Kissinger, and it is instructive to see how some aspects of international relations he has succeeded in neglecting until recently have emerged and blossomed forth in his public statements in the last year. In a speech in Los Angeles in January, 1975, he agreed with what many people had been saying for a long time: "Progress in dealing with our traditional agenda is no longer enough." Economic problems "now rank with the questions of military security, ideology, and territorial rivalry which have traditionally made up the diplomatic agenda." In May he said that the United States understands the interest of the poor countries in obtaining equitable prices for their products. In July, after scolding them for making unrealistic demands, he went on to say that "the industrial world must adapt its own attitudes to the new reality of scores of new nations." In August he characterized the forthcoming U.N. session as "a fateful occasion because it can determine the nature of the relationship" between rich and poor. In his speech on the opening day of the session, as read by Daniel Moynihan, he said to the Third World delegates: "We have heard your voices. We embrace your hopes. We will join your efforts." After the session, speaking before the regular General Assembly meeting, he said that "the Special Session forged a sense of common purpose based on the equality and cooperation of states. Now we must dedicate ourselves to implement this consensus." He went on to note that in the past two years we have seen "to what extent economic relations are an essential foundation of the international order. The conduct of our economic affairs will therefore determine an extraordinary degree whether our political relations will be based on cooperation or conflict."

Is Secretary Kissinger engaging in flights of rhetoric, or does he really mean what he is saying? I think that he is at least on the way to meaning it, and I suggest that Arab boycotts and angry confrontations with poor countries have had very little to do with whatever change has occurred in his thinking. Rather I believe he has been profoundly influenced by changing views in the advanced countries themselves, views that more and more have been crowding in on him. The people expressing the new ideas are his peers, not troublesome outsiders whose hopes for the future don't fit very neatly into his scheme of things. Quite naturally, he has no desire to seem to be bringing up the rear, and the intellectual respectability of these people and the momentum many of their ideas are developing make some sort of acknowledgment and even some accommodation to them almost obligatory.

As recently as last May Kissinger said in a Kansas City speech that while the United States is prepared to study the views of the poor countries, "it is convinced that the present economic system has generally served the world well." However, many of the new proposals of groups in the advanced countries are based on the belief that the present system is not working well, and some even go so far as to assert that it is breaking down.

Social justice, global fairness, interdependence are
the new watchwords. The sense of alienation, dissatisfaction with the work environment and with traditional institutions, the disintegration of social bonds, the questioning of values that are present in all the advanced countries have led to proposals for new relationships and commitments among groups at home, and from this it is no great leap to the suggestion that relationships with people in other countries may also need reexamination. Just as within their own societies the advanced countries have come to realize that their domestic systems must be changed to permit more rapid progress toward equity for different sectors, so have many concerned groups in the advanced countries begun to think that the international system must be changed to assure a more equitable sharing among nations, not as a matter of charity but as an obligation on the part of those who have what these groups think is more than their fair share. Miriam Camp speaks of wide agreement that there must be some narrowing of "disparities in wealth as between countries." A report by the Dag Hammarskjöld Institute says that rich countries have a duty to end global poverty. A group called the World Order Models Project concludes that everyone in the world has a right to enough to eat. The Aspen Institute foresees a new world order in the making, in which everyone, simply by virtue of being alive, is entitled to have basic needs met, the cost to be "the joint responsibility of each nation concerned and of the community of nations." Even at the Harvard Business School traditional concepts of the sanctity of contracts, property rights, and freedom of markets are being questioned.

Some of the more farsighted spokesmen for the Third World say that they don’t want to emulate the advanced countries, that they are not interested in aiming for something that someone else has found wanting and is trying to change. But they do feel that any change must bring a better deal for them and that a start toward the redistribution of the world’s wealth is not too much to ask. Since the idea of redistribution of wealth seems to many people to mean that for someone to have more than he had before someone else must have less, it may be worth describing a mathematical exercise undertaken by a distinguished team of economists at Brandeis and Harvard. They have calculated that, if the prices of agricultural products were to be raised by 50 per cent over 1970 levels and those of some minerals by 100 per cent (and a large part of this increase has already taken place), the present gap between rich and poor could be reduced by a ratio of 6 to 1 by the year 2000 from the present ratio of 12 to 1, still a large discrepancy, but not an intolerable one. The average North American would still enjoy a doubling of income by the year 2000; true, it would be $1,500 less than if no redistribution had taken place, but would still be worth twice as much as it was thirty years before (all this after allowing for inflation).

At the Seventh Special Session there were about 110 speeches in two weeks, and support for "‘a better balanced and fairer international economic order’" in the words of Mariano Rumor of Italy, was expressed by a majority of the rich countries as well as all of the Third World. Nothing actually happened overnight, so perhaps it is not fair to characterize the U.N. session as a turning point, with its connotation of abrupt reversal of direction. But the change that had been slowly taking place in men’s minds—perhaps all the more desirable for not being sudden—was revealed in a clear and striking way at the session. What was achieved has been called an economic pact of peace between the rich and poor, an agreement to approach the long-range problems of economic development from a common point of departure. One can’t expect that the delegates would go home and immediately implement all the parts of the resolution they signed, but as the U.S. delegate said, "We have started a process; we have an agenda."

There are, as I write, a number of opportunities coming up that get the process going. Twenty-seven countries are scheduled to meet in Paris in December, 1975, to discuss raw materials, energy, and how to promote and pay for the development of poor countries. Nineteen of the delegates will be from the Third World and eight from the Western countries; the Soviet Union and China have not been invited. This will be the first chance to prove that the good feeling of the recent U.N. session can be carried over. A second chance will come in May, 1976, when the members of UNCTAD meet in Nairobi.

The spirit of conciliation that so heartened the delegates and observers of the Seventh Special Session has already been impaired by the acrimonious U.N. debate on a resolution characterizing Zionism as racism and racial discrimination. In spite of the favorable report to Congress of its members who attended the session, the bad feeling created by the vote on Zionism may severely limit the effectiveness of those in Congress who hope to push ahead with those parts of the September resolution that require legislation. The major problem at present is not the restraint on action imposed by the U.S. reservations, but rather a possible reduction in the strength of the U.S. commitment to those proposals that it viewed positively. Political disputes in the United Nations can harden congressional attitudes on economic issues, particularly when the latter call for the kind of long-range planning and farsighted statesmanship that is usually made palatable by describing it as enlightened self-interest.

One cannot know how much of the spirit of the Seventh Session will survive. However, one can be hopeful, without being mindlessly optimistic, that in spite of the slippages that are to be expected in any series of negotiations, progress must be measured on the basis of long-term movement, and it seems unlikely that the United States will find itself back in the position it was in before the session. The phrase "a new international economic order" has become part of the language. Almost without thinking people find they have slipped it into their conversation, and while it doesn’t mean the same thing to everyone, it is probably safe to assume that to everyone it is coming to mean not just a patched-up old system, but substantial change made in unaccustomed ways.