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Welcome Initiative

With Henry A. Kissinger's speech at the special session of the United Nations General Assembly yesterday, the United States has made its most positive and comprehensive response in years to the demands of the developing countries for a greater share of the world's bounty and fairer conditions of world trade.

In fact, the 12,000-word statement, read for the absent Secretary of State by Ambassador Daniel P. Moynihan, covers so vast an area in such detail that the delegates and their governments will doubtless be studying it for days. It was as if the Administration, having stonewalled third-world demands on the economic front in many international forums for the last eighteen months, had decided it must make up for lost time.

Responding to what he called "an opportunity to improve the condition of mankind," Mr. Kissinger spelled out proposals for coping with problems over the whole spectrum of vital concern to struggling nations: food and energy supplies, export earnings, access to development capital and foreign markets, conditions of trade and investment. Altogether, he urged creation of nine new international agencies as well as expanded functions for the World Bank, the International Monetary Fund and affiliated organizations.

To ease the chronic problem of violent fluctuations in the export earnings of developing countries—particularly those dependent on a single crop or mineral resource—Mr. Kissinger proposed the creation in the I.M.F. of a new Development Security Facility. It would provide loans up to $2.5 billion a year to sustain development in such countries, and the poorest among the recipients might convert their loans into grants.

Such a facility would seem to make good sense. All of the other proposed agencies might also prove useful; but the question certain to be raised is whether their projected functions might not be undertaken by existing international machinery; for Mr. Kissinger does call for extensive efforts to improve the United Nations and its organs in order that they can make a greater contribution to development and economic cooperation.

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Mr. Kissinger announced that this country will institute next Jan. 1 a system of generalized tariff preferences to give the exports of developing countries increased access to American markets. He projected expanded American contributions to the World Bank's International Finance Corporation, the Inter-American Development Bank and the Asian Development Bank.

Third-world delegates may take sharp issue with parts of Mr. Kissinger's address—his plea for agreed guidelines for private foreign investment, for example, and his defense of the transnational corporation as an important factor in development—but they cannot ignore the positive thrust of his proposals or the readiness of the United States, at least as he sees it, to make sacrifices to implement them.

The question arises, however, as to the depth of support such a program can muster in the Congress but, more importantly, in other areas of an Administration that still stubbornly opposes as inflationary all proposals for economic expansion on the home front. Mr. Kissinger tried to answer doubts about this by telling the General Assembly that Treasury Secretary William E. Simon had worked closely with him on the program and by pointing to a large Congressional contingent in the American U.N. delegation.

"The successful recovery of the industrial economies will be the engine of international stability and growth," Mr. Kissinger told the Assembly. But it is precisely the Ford Administration's reluctance to take effective action to promote that recovery—its stated preference for a "go-slow" movement out of the recession—that will jeopardize the kind of imaginative program projected by the Secretary of State.