from Book One

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In the Eye of the Storm

A Memoir

Kurt Waldheim

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major crisis area of the continent. I have no doubt that their policy of racial discrimination will one day collapse. The white man has long realized, despite his fear of annihilation, that he cannot do away with his black compatriots. The black population has long been aware that the white man is not a colonialist in South Africa but has the right to live there. A genuine dialogue is crucial, and both sides must recognize that they need each other. I hope it is not too late for the necessary revolution of the spirit.

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The New Majority

During the whole of the seventies, when I was Secretary General, world attention focused mainly on wars, conflicts and international crises and on how these were dealt with by the United Nations. Unfortunately this led to a misconception about the work of the world organization. Since the attitudes of the member governments very often did not permit the UN to discharge its duties as foreseen in the Charter, the image of the United Nations deteriorated. Although I fully recognize the importance of the political role of the organization, during my term of office I was faced with a new challenge, the handling of a new phenomenon, namely the growing gap between the rich countries in the North and the poor countries in the South of the globe.

In a world which had not really taken note of the historic dimension of this dramatic awakening in the Third World, the United Nations was the one single place where these forces could express themselves and mobilize the community of nations to draw attention to their plight.

The influx of newly independent countries radically altered the entire character of the United Nations. This massive group of Third World nations was not beholden to the West; it was encouraged, but not controlled, by the Soviet bloc. Its leaders proved highly adept at establishing operational groupings within the organization. In addition to continental and regional groups, they formed two over-arching organizations that included the vast majority of United Nations membership. In the political sphere, the Non-Aligned Movement was designed to function as a third force which could remain aloof from East-West alliances and manoeuvres. Their founding fathers were Tito, Nehru and Nasser, together with the Indonesian President Sukarno. A parallel organization, the 'Group of 77' (actually, now over 125 states), was set up in order to advance the economic and social development of its membership. Each of these groups met periodically to concert strategy and tactics. Their

cohesion has remained remarkable, in spite of the fact that they include a number of oil-rich developing countries. This has failed to disturb their common front.

These overlapping coalitions now include virtually all the non-white, non-Western states in Asia and Africa, the bulk of the countries in South America and even a few Soviet allies such as Cuba, Vietnam and the Mongolian People's Republic. They have transformed the parliamentary structure of the United Nations. Bloc politics tends to dominate decision-making. The new majority of the Third World overwhelms the outnumbered West. East-West rivalries, while still predominant in global terms, have become relatively less prominent in United Nations affairs.

The goals of these new members are egalitarian. The bulk of the wealth, scientific and technological skills, educational talent and productive capacity in the world is concentrated in a relatively few states. As long as this continues, the anti-colonial revolution, in the eyes of the less developed countries, cannot be considered complete.

On their own, most of these countries could do little to make their case persuasively. But in the United Nations, where all states enjoy the same voting rights, the situation is different. By joining forces, the smaller states can, within broad limits, control most of the decisions. To be sure, the word 'decisions' is, in most cases, a misnomer. In the General Assembly there are only recommendations, without binding effect. Even so they are not to be ignored, and over the course of time are bound to influence thought and action.

In order to facilitate the development process, the General Assembly created in 1964 the UN Conference on Trade and Development (UNCTAD). Three years later the UN Assembly established the UN Industrial Development Organization to assist the developing countries. It is now in the process of becoming a fully fledged specialized agency of the UN with its own separately funded budget.

Both the agenda and the membership of the world organization were evolving in a way not foreseen by its founding fathers. It soon became apparent that what the new Third World majority was seeking was nothing less than a revolution in the world economy, to be won less by coercion than by the power of persuasion in the international forum. They demanded fairness and justice: fairness because they did not accept that three-quarters of the world's population living in the under-developed countries should enjoy only one-fifth of its gross income; justice because, in their eyes, the old colonial powers had gained their wealth by exploiting the peoples and resources of their former possessions. To redress the balance they should now agree to a massive transfer of resources to the countries of the south.

There had indeed been examples in post-war history of such acts of enlightened self-interest as the Marshall Plan, the American Alliance for Progress, and European Community arrangements for economic assistance to their former African, Caribbean and Pacific territories under the Lomé Conventions. These programmes had one feature in common: they combined economic aid with the strengthening of alliances, or at least enhanced political affinity.

In contrast, the demands the Third World countries made on the Western industrialized states offered no comparable rewards. Their more radical leaders seldom based their claims in the context of mutual benefits. They spoke of the redressing of wrongs, and economic and social development, not as an aspiration but as a right to which they were entitled. It was an approach which produced confrontation rather than accommodation of views. The Third World could not achieve its purposes without the participation of the industrialized states they were attacking. The result of this policy in the United Nations was chronic acrimony and frustration.

One group, the bloc of Marxist states, stood largely aloof from the whole debate. The Soviet Union and its supporters, and also China, regarded development as a responsibility of the former colonial powers. They supported the argument that it was for the Western countries to compensate the developing nations for the exploitation to which they had been subjected in an earlier era. The Marxist countries hardly participated in the multilateral development activities of the UN. They preferred to pursue their own bilateral aid programmes.

Obviously, the industrialized countries were reluctant to accept blanket liability for the alleged evils of colonialism and imperialism. They were willing to make adjustments in existing institutions and practices to meet the pressing needs of the South, but the improvements they proposed were incremental rather than radical. They insisted that economic development was a complex and lengthy process. They refused to – as they put it – give money and credit, machinery, infrastructure and technical assistance to countries lacking the personnel, organization and experience to absorb them.

It must be said that they did not have to look far to find instances of the failure of ill-considered development projects, or examples of lack of co-ordination among donor agencies and waste and corruption among the recipients. The cost of major aid programmes was high. To grant trade preferences or guarantee higher prices for raw materials, or to extend financial aid on concessionary terms, involved a real cost to the industries, consumers and tax-payers of the developed countries. They preferred to rely as far as possible on market forces to increase the productive capacity

of the poorer nations.

Both personally and in terms of my constitutional position, I felt considerable sympathy for the basic position of the South. In all good conscience, nations which had subscribed to the UN Charter's pursuit of 'better standards of life in larger freedom' could not stand passively by in the face of massive poverty, hunger, ill-health and illiteracy. The disparity between the two worlds was not diminishing but to a considerable extent increasing. Remedial action was necessary, and in my judgement it could only be carried out on a world scale if the UN organization participated in a major way. The facts were incontrovertible. In the North, one-fourth of the world's population possessed more than nine-tenths of its manufacturing industry and received more than four-fifths of its income. In the South, more than 1.2 billion people lived in countries with a gross national product averaging less than $250 per head per year.

Realistically, however, the process could not be a one-way street. Whatever the help from outside, a critical factor in development would be the self-reliant effort of the countries in the south themselves.

Nothing would be accomplished if the two sides dug in on extreme positions and used the United Nations to launch verbal broadsides at each other. I therefore devoted myself to a search for areas of agreement, the advocacy of moderation and gradualism and the continuation of a dialogue between the parties.

When I assumed office the industrial world was ending a decade of exceptional growth. The UN had established an 'international development strategy' to set economic targets, and while the major industrialized nations had expressed some reservations, they had endorsed the general principle of moving by co-operation towards a more just and rational world economic and social order. The decade of the seventies was one of sharp and painful economic adjustments. The system of fixed exchange rates created by the Bretton Woods Conference in 1944 had collapsed and, in 1973/4, the Organization of Petroleum Exporting Countries ended the era of cheap energy by quadrupling the price of oil. These events shook the world economic system, but their weight fell most heavily on the poorest countries, which lacked the reserves and productive resources to cope. Even the richer nations went into recession, resulting in a combination of inflation and unemployment.

The oil shock galvanized the more outspoken leaders of the Group of 77. They saw that their oil-rich brothers had wrested control of their natural resources from the multinational corporations. They had sharply reversed the adverse terms of trade from which the former colonial territories habitually suffered. The invulnerability of the North had been challenged and the other developing countries, particularly those with other market-

able assets, hoped to make comparable gains.

Under the leadership of President Houari Boumédienne of Algeria, at that time the head of the non-aligned group, they called for a special session of the General Assembly in April 1974 'with a view to establishing a new system of relations based on equality and the common interests of all states'. Boumédienne was peremptory, proclaiming the failure of the international development strategy and attributing this to the lack of political will on the part of the developed countries to take the required urgent action, and the inadequacy of the growth targets in relation to the real needs of the South.

He sustained this combative tone in the conversation we had at the outset of this sixth special session in New York. The real issue, he said, was economic domination of the poor by the rich. The Third World now had real bargaining power by virtue of their natural resources. In order to avoid confrontation, both sides should initiate a responsible dialogue. The industrialized nations would have to change their policies and demonstrate a political will to co-operate. What his group hoped for from the Assembly was nothing less than the forging of a new international economic order.

He insisted that the position of the United States would be particularly significant. I told him that I knew from my contacts in Washington that the American administration was taking a passive attitude towards the special session. For my own part I felt that the US must participate actively in the work of the session if it was to have any meaning. It would become highly undesirable for them to be isolated in the Assembly, and I persuaded them to assume a more active role. At the same time I advised Boumédienne to seek a constructive compromise.

The special session in 1974 was not to be guided by counsels of moderation. It adopted a resolution providing for fundamental changes in the entire structure of international economic relations, including provisions on commodities, trade and industrialization, natural resources, food, finance and multinational corporations. The countries of the North were not prepared to respond in depth to these far-reaching proposals. They did not vote against the resulting 'Declaration and Programme of Action on the Establishment of a New Economic Order', but they made it clear through numerous reservations that they would not comply.

At the regular Assembly session the following autumn, the same adversarial spirit prevailed. This time the Group of 77 united behind a proposed 'Charter on the Economic Rights and Duties of States' which had been drafted by President Luis Echeverría of Mexico. This declared that every state had 'the sovereign and inalienable right' to choose its own economic, political, social and cultural systems without any outside interference and should exercise 'full permanent sovereignty' over its

wealth, natural resources and economic activities. The developing nations were to have the sole right to decide for themselves the terms for compensating expropriated foreign enterprises.

These demands brought North-South relations in the organization to a new low. Most of the larger industrialized countries resented the verbal attacks and far-reaching demands of the majority. They were unwilling to abandon the existing economic system. If additional aid was to be made available for development, the countries of the North would have to provide most of it. As oil importers they were already making a massive transfer of financial resources to the OPEC countries and they now demanded that these should share in any major programmes to assist those less developed. The session ended in disarray.

The developing countries dismissed the proposal put forward by the West German Chancellor, Helmut Schmidt, that instead of the same old long catalogue of impossible demands they should draw up a list of the things they wanted in some order of priority so that negotiations could start. The representatives of the Third World alone rejected it as patchwork politics where radical action was needed.

Nevertheless, as the months passed, as a result of constant interchanges at the UN passions cooled and more moderate views emerged. A seventh special session of the General Assembly was held in the first half of September 1975. The contrast with its predecessor was remarkable. The developed countries, and particularly the United States, had evidently decided that a purely negative posture would help neither party. In a highlight speech the American Secretary of State, Henry Kissinger, put forward a number of promising proposals in a spirit of reconciliation. Kissinger had begun to recognize the usefulness of the UN for Washington's foreign policies and obviously wanted to make a gesture to reduce Third World sceptism towards the United States.

He outlined a broad range of new international machinery, with offers of additional financial resources in response to the developing countries' needs in the fields of commodities, trade, finance, industrialization and food production. Others adopted a similarly conciliatory tone and an intensive effort began to reach common ground. The special session reached its conclusions by consensus and its work contributed to an improvement of economic relations between North and South.

In all candour I would have to admit that the promise of the seventh special session has not been realized in anything like the form then envisaged.

It was the merit of Henry Kissinger that the relationship between the United Nations and the Nixon administration, which had previously been

overshadowed by the controversy over Vietnam, improved progressively, although Nixon himself remained in the background. My relations with the President had been ambivalent. During my first year of office I had put out a public statement concerning the alleged American bombing of the dykes around Hanoi. I appealed on humanitarian grounds to cease operations that led to so much suffering. President Nixon had reacted in sharp tones. The Vietnam War was becoming extremely unpopular and doubtless my intervention was unwelcome, particularly in the period leading up to his second election. Thereafter our contacts remained distinctly cool and distant.

He gave an official luncheon for me at the White House but although we met several times there was never an in-depth exchange of views on world problems. He had little regard for the United Nations. However, I am obliged to say that as to his views and actions in the field of foreign policy one could not but appreciate his knowledge, vision and skill. Of the four presidents with whom I have dealt, he was the best prepared for his diplomatic responsibilities.

I particularly admired the way in which he managed the opening-up of American attitudes towards the People's Republic of China, so ably furthered by Henry Kissinger. I doubt that any American President who did not have strong backing from American conservatives could have run such a high political risk. I also appreciated his management of the *détente* policy towards the Soviet Union. Both these initiatives contributed materially to an improvement in international relations at the time and their effect was quickly and beneficially evident at the United Nations.

I do not know where Nixon's input ended in these and other policies of his administration, and where Henry Kissinger's began. There was no doubt, however, of Kissinger's encompassing influence on American foreign policy during the first half of my tenure at the United Nations.

He also came to office as no friend of the United Nations, indeed as someone highly sceptical of its usefulness. He was certainly no believer in a universal world political order. Yet under the stress of the critical days of the October War of 1973, he began to understand how useful the United Nations could be. He recognized the constructive role the Security Council had played during the crisis and the way it quickly took action to send UN forces as a buffer between the belligerents. As he was fully aware, their prompt dispatch helped to avoid a direct military confrontation between the USA and the Soviet Union.

The reasons for his success and influence are complex. First of all he is a very intelligent man, far above the average, and is aware of his skills. He is a well-trained scholar and historian. Because of his European and Jewish background he has a more specific understanding than many statesmen of

world history and the problems of the Middle East.

Even so, in world politics intelligence alone is not the determining factor. What counts is power. It is unrealistic to believe that the era of *Machtpolitik*, the politics of power, is over. The supreme quality of Henry Kissinger was that he had, and knew how to use, power in a productive fashion. In civilized discussion and negotiation he used this power in order to press the parties to accept the proposals he made. Without any bombast or threat, he conveyed to his partners in discussion that he represented the greatest power in the world and that if they did not use the opportunity he was offering, they would get nothing out of the whole exercise. A tough politician, he was able to convince most of his interlocutors that he was sincere and that he genuinely wanted a peaceful settlement; and he never shrank from the heart of the matter. He has an engaging sense of humour, and he never left anyone in any doubt as to where the bottom line in his position lay. His attitude was: 'If you want a solution, I shall go on'; otherwise he made it clear that he would return to Washington. His political power visibly grew with the downfall of Nixon during the Watergate scandal and, of course, afterwards during President Ford's short term in office. The limits which Nixon set on him in the early days of his governmental career became obvious to me in connection with the American bombing of the Vietnamese dykes. When I discussed my public criticism of the US air raids over the phone with Kissinger, he assured me that my statement was well understood and would not have any negative impact on my relations with the President. The next day, however, Nixon convened a special press conference vigorously rejecting my statement and calling me 'naive'.

Kissinger's Egyptian negotiating partner, Foreign Minister Ismail Fahmi, whom I consider one of the best brains in the Arab world, later on blamed him for his 'tendency to manipulate people, his overbearing vanity and his determination to be at centre-stage'. But I personally had no reason to complain about him. Although I was fully aware that he was not in love with the UN, he regularly visited me in my office on the thirty-eighth floor, and made a point of giving joint press briefings after our meetings in front of the famous Chagall window in the UN lobby. Whatever he said on such occasions, I admired his skill in public relations.

Although the seventh special session of the UN Assembly – with Kissinger's thought-provoking speech – in 1975 introduced a greater degree of tolerance and understanding between the developing world and the industrialized nations, this encouraging start did not in itself guarantee a satisfactory outcome. There was still too much suspicion for anything like a complete meeting of minds to occur. I felt very strongly that this

favourable beginning must not be frittered away. Worried about the inertia that had characterized these negotiations, in the autumn of 1975 I sent private letters to Kissinger, Foreign Minister Kiichi Miyazawa of Japan, and the Italian Foreign Minister, Mariano Rumor, in his capacity as a president of the European Economic Community, urging them to spare no effort to reach a consensus on the outstanding policy issues. Their replies, although phrased in general terms, were reassuring.

The major resolution that emerged from the seventh special session had been in effect a revision of the Declaration on the establishment of a New International Economic Order of the previous year. Covering most of the same ground, it was couched in a spirit of common effort by the two sides rather than in the peremptory demands of the original declaration and its accompanying programme of action. It stressed the need for greater co-operation between states and proposed 'concerted' action to achieve the goals of the new economic order.

One swallow does not make a summer. The deep-seated difference between North and South was not to be overcome between one month and the next. There was no adequate follow-up. In an attempt to get things moving, the focus of the North-South debate was shifted from the unwieldly General Assembly to a smaller group outside the United Nations – the Conference on International Economic Co-operation, consisting of twenty-seven representatives drawn from both sides, including seven members of OPEC. This body had been organized and convened on the initiative of Giscard d'Estaing and met in Paris. There were high hopes that it might bring about a breakthrough. I attended its initial phase in December 1975, but was soon obliged to come to the conclusion that it was faced with the same problems we had encountered in the United Nations and with the same uncompromising attitudes of the two sides.

The industrialized nations were interested primarily in discussing the energy problem but the developing countries insisted on linking it with general commodity, finance and development issues. The discussions dragged on for eighteen months, with relatively little to show for the effort. The basis was laid for a common fund to assist raw material producers and some money was made available for development programmes. The results were nevertheless meagre.

Ignoring for a moment the strict chronology of this book, I think it would be helpful here to recount later developments in the North-South dialogue. After the disappointing outcome of the Paris talks, the scene of action, if it can be called that, shifted back once more to the United Nations. Over the next few years the developing countries increasingly focused the Assembly's attention on what are called 'global negotiatons' covering the major aspects of economic co-operation and development.

During the last two years of my term of office, I made strenuous efforts to give these negotiations practical form. Working in formal and informal groups, the delegates to the General Assembly tried one expedient after another in search of a formula to enable further progress to be made.

The main thrust of the Third World countries was to attain their ends by seeking radical changes in the United Nations system as at present organized. Currently the levers of financial power lie in the hands of the World Bank, the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT), where the voting strength closely reflects economic and financial power. The South would like somehow to shift the venue of decision-making in these matters to the General Assembly, where they have the majority vote. In this they have been unsuccessful, since the specialized agencies concerned were created by separate treaties and are not subordinate to the United Nations. All the exhortations contained in the General Assembly resolutions adopted on these subjects have, by their ineffectiveness, only compounded the frustrations of the developing countries and the irritation of the developed.

I do not mean to imply that all the fault in these attitudes lies on one side. If the developing countries are too rigid in their approach, the industrialized nations have hardly responded with excessive generosity to the proposals of the impoverished South. Their official development aid lags far behind the levels they have themselves accepted as targets. They have been more inclined to stand pat on their negative response to the new international economic order than to make concrete and constructive counter-proposals.

When Rüdiger von Wechmar, Ambassador of the Federal Republic of Germany to the United Nations, became President of the 1980 General Assembly, he made the effort to get a set of global negotiations under way as the central theme of his term of office. There was no one better suited to the task. Wechmar was a disciple of the former German Chancellor Willy Brandt, perhaps the leading Western protagonist of the Third World's development cause. Wechmar represented one of the West's most successful and prosperous countries, enjoying great influence in the counsels of the North.

It was towards the end of the General Assembly in 1980 that some of the leading representatives of the Third World, together with Rüdiger von Wechmar, visited me in my office in an atmosphere of despair, telling me that all their efforts to work out a compromise solution for global negotiations had failed. They referred to my good personal relations with President Jimmy Carter and asked me to intervene with him in order to get America's consent to the latest compromise proposals of the Group of 77. The timing was hardly auspicious. The presidential election was only a

few weeks away. Nevertheless I had a long telephone conversation with the President and asked him to take a good look at the proposals, bearing in mind that the developing countries believed that America was the major obstacle in the way of starting negotiations.

This the President said he would do, but he reminded me that it was a difficult period for him. He made three main points. First, he said, the United States could not accept anything that would give the United Nations General Assembly any sort of authority over the IMF, the World Bank or GATT. Second, we should bear in mind that the American Congress took a jaundiced view of the United Nations, so much so that he had serious problems in getting funds appropriated by the Congress for the American contribution. Thirdly, he remarked that because of being in an election campaign he had to be cautious. If we were not careful, our actions could become counter-productive, he warned. It was in the interests of the United Nations not to push him too far.

What alarmed me was that the emotions engendered by the strident demands of the Third World and the recalcitrance, if not indifference, of the West, were destroying the credit of the United Nations and might ultimately even tear it apart. This, I considered, would be a tragedy. Virtually every country in the West agreed in theory that the abyss yawning between the rich and the poor peoples was an evil to be combatted. They agreed also that the process of development would bring benefits to the North as well as to the South. If only both sides were guided by this underlying common interest, I felt that a dialogue could eventually produce at least partial results.

It was Willy Brandt himself who suggested a possible formula. As the head of a distinguished group of former statesmen, including Edward Heath of Great Britain and leading private citizens, he had been instrumental in drawing up an exhaustive, widely publicized report on the need to re-order North-South relations to meet the challenges of the new decade. It envisaged a global agreement resulting from a joint effort of political will and a high degree of trust among the negotiating partners, with a common conviction of mutual interest. An essential step in achieving this objective would be a summit meeting of some twenty world leaders, representative of the major groupings, to produce guide-lines and a new impetus for future negotiations.

The former Chancellor came to see me in New York in February 1980 and handed me a copy of his Commission's report with a request to circulate it to all members. He asked me if I would organize the summit meeting envisaged. I was obliged to tell him that due to the lack of a mandate from any organ of the UN I could not act as the convenor of such a conference. Moreover, it was not for me to select the participants as I knew