



Raul Prebisch, Secretary-General of UNCTAD, signing the Final Act establishing UNCTAD in Palais des Nations, Geneva 16 June 1964 (top).

A general view of the opening of UNCTAD V in Manila, May 1979 (below).



Prebisch and UNCTAD — the unravelled myths

By Frederick F Clairmonte

Growing debt and plummeting export earnings have placed many third world countries in a desperate situation.

Frederick Clairmonte looks at the background to this crisis with a critical emphasis on the role played by UNCTAD under the leadership of its first Secretary-General Raul Prebisch.

RMR welcomes contributions to the debate opened by Dr Clairmonte.

Raul Prebisch was born in Tucuman, Argentina in 1901. His life spanned not only the century's most pregnant events; but he was also perceived as an actor that played a role in shaping the framework of one of the largest global bureaucracies, the United Nations, notably in the fifties and sixties. His life, warts and all, as distinct from the official UNCTAD hagiography¹ now pouring off the press, with its multitude of illusions, delusions, inseparable from his personal drives, remains to be written. In fact, to be dramatized and fictionalized. In him, career and careerism were indissolubly linked. He had battled his way to the summits of celebrity and the social limelight on the backs of his two stallions: the Economic Commission for Latin America (1952—1962) and the United Nations Conference on Trade and Development (1964—1969).

What this essay brings out is that during his sojourn in the United Nations system, Prebisch tragically remained trapped to a manichean world view that blindly glorified the third world while sedulously ignoring the class and corporate forces that were increasingly consigning the majority of the planet's population — and UNCTAD, to be sure — to the margins of history. It was only, however, as he touched his eighth decade and was liberated from the encumbrances of power within the system that he was able to come to grips with the sturdier realities of power that were battering not merely the underdeveloped countries but the global capitalist economies as a whole.

In commenting, in brief compass, on the tortuous and what remains a partially enigmatic trajectory of his existence and fragmented writings, I am reminded of that outward compulsion of what one biographer said of his subject: "How often", wrote Franz Mehring, "have I been compelled to content myself with a word when I would rather have written a line, with a line when I would rather have written a page, with a page when I would rather have written a

chapter."² That long life (1901—1986) of nine decades witnessed the rise and fall, or better still the degutting, of Argentina, and in so many ways the rise and fall of the Prebischian mask, or in yet more banalized terms, the woeful irrelevance of the Prebischian schemas.

Prebisch himself was never an original thinker to be branded and bracketed with a Myrdal and Kaletsky and Hans Singer. Prebisch's early renown was built upon the linkage of his name with the thesis of declining terms of trade for the underdeveloped countries. Rather, history should enshrine Prebisch as a celebrated popularizer of this concept which was developed by others in the inter-war years and which surged to prominence in the aftermath of World War II. Physically, he was a plump, paunchy little man fired with a Napoleonic ambition, who, over the embattled years, had mastered the razzmattaz of international public relations; and the showbiz techniques that were a part of his survival kit, his "bag of bones" as he so endearingly called it.

Endowed with the silver spoon by his bourgeois birth, and a plethora of credentials that came with it, he was privileged to have been born in a land, to what appeared to many at the time, of infinite promise. On the eve of the Great War (1914—1918), Argentina's foreign trade was bigger than that of Canada; a quarter of that of the United States. In the preceding four decades, it absorbed a tenth of the UK's global foreign investment; it was the world's major maize and linseed producer; the second in wool, the third in live cattle, its per capita income greater than that of Australia.³ *Riche comme un argentin* was the epithet brandished by the French to synthesize the dimensions of that national wealth, albeit highly unequally distributed. That nation, or better still that quasi colony remains a case history of the variability so preponderant a trait of the capital accumulation and disaccumulation process within global capitalism.

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Even prior to the 1929 tornado of the great capitalist depression, Argentina was the world's seventh wealthiest nation. Today, it is not even in the top 50. Argentina's slide applies to all of Latin America, with per capita GDP in real terms shrivelling rapidly: a region sunk to levels of joblessness whose numbers have ceased to be counted; its primary commodity prices on global markets shaved to a pittance; levels of indebtedness that have irrevocably shoved the region into the pawn shop of the transnational banks.

But what was true of Latin America at the time of his demise was true of other underdeveloped regions in varying degrees. Not to speak of the escalating economic wars between the major capitalist powers triggering new convulsions of violence. His death coincided in time with the equally unprecedented onslaughts against the United Nations by forces of Big Capital and their political hatchmen, springing Trojan-like from within the secretariat and outside. These he believed could be reconciled to the 'democratic process' but which, given his skewed historical vision and institutional straightjacket, he was unable to define. Hence his permanent floundering in a sea of generalities.

From his vantage point in Santiago, where he died, he witnessed daily Pinochet's fascist terrorism involving the murder, incarceration and humiliation of tens of thousands. In the last years of his life he bore witness to the bestial fury of US terrorism in Nicaragua and El Salvador and whose impresarios, sporting the badge of human rights, were exalting the genocide of over 90 000 men, women and children by mid-1986. The goal in Central America, declared Reagan with shameless mendacity, is "to replace poverty with development and distatorship with democracy". And that "the United States insists on a legitimate road to power" not rule "without the consent of the people"⁴.

The formative years

His first unpublished article, which bore the quixotic title "The Industrialization of Maize", was penned in 1918, before he entered the University of Buenos Aires from which he surfaced in 1923. His early academic career was indicative of his personal thrust, that Napoleonic relentlessness that one perceives so often in physically small men. By 1924, he had climbed to a professorship, a job which, amongst others, he continued to hold until 1948.

The twenties were the formative years that left their imprimatur: the annals of Mussolini's fascism. In view of the sheer size of the Italian immigrant community, this was to cast its shadow on Argentina, providing much of the doctrinal fodder of peronista populism. The Nazi upsurge (1933) as one of the supreme counter revolutionary forces of the thirties, and of all times, aggrandized that sinister peronista shadow over Argentina, as would the rape of Republican Spain three years later.

But Prebisch was never an anti-fascist with a coherently formulated and articulated political commitment. In embryo, the Prebisch of the fifties and sixties was already discernible in the thirties, a man of doctrinal constancy. He had, however, become a convert in those years, migrating from the unsustainable dogma of neo-classical economics in which he had been baptized to Keynesianism. As the table was told, it was to be a technocratic drift, never an ideological one.

While his writings, notably the last six years of his life, acquired a pleading, partisan-like tone, he remained true to his original trajectory. Prebisch would not be content to remain entombed in an academic milieu. Hence, the almost manic drive with which he plunged into the labyrinthine maze of the Argentine state apparatus, building brick-by-brick his contact men while, with deft political footwork, steering clear of any political moorings other than those which inflected his personal trajectory.

It was in those apprenticeship years that he learnt to navigate through the shark-ridden waters of ministerial political power. He escaped being branded a Tammany Hall politico, New York style; but he came to grips with its knifings, its double deals and above all its double talk. An apprenticeship that was to prove of inestimable value in later years as he lurched to the next rung of the international bureaucracy.

Deliberately, he shunned the commitments of party politics; he rarely articulated political views that could be construed as 'controversial', and those that he voiced were swathed in a mosaic of caveats and understatement that suggested that all pictures have many sides: it was the fundamental principle of the higher Prebischian wisdom to which all tactics and strategies were geared.

If a political label were, however, to be affixed to the younger Prebisch it would be that of an Argentinian new dealer. But even here that label would not quite stick, since there was no politico in Argentina that was akin to a promethean figure as Franklin Delano Roosevelt, and because he had imbibed through all his pores the basic lesson that any political flirtation could be deleterious to his upward mobility. From 1925 to 1927, he was Deputy Director of the Department of Statistics, a job not to his full measure since it consigned him to a subordinate role, the last he was ever to accept: the role of second fiddler was never to his cut.

Already he had acquired, as well as masterly projected, the aura of 'balance', of 'soundness', of 'cautiousness' and other such laudable attributes of the civil servant. Henceforth, he was to be a boss-man, a stance and status from which he would never budge in years to be. From 1927—1930, he acquired the directorship of economic research in the National Bank of Argentina; 1930—1932, saw him as Undersecretary of Finance; 1933—1935, chief adviser to the ministries of finance and agri-

culture; between 1935—1945, he was Director General of the Central Bank. By then the not so young Keynesian had assumed the mantle, as he would often reminisce in later years, of a technocrat, transcending the battle lines, sporting a thinly veiled but quintessential contempt for the politics that were fleshing each other with such remorseless abandon.

Perhaps his conduct and line of advance, that of the percipient sideliner, which no doubt he charted himself, fitted the transcendent British civil servant, the idealized prototype that served all masters. At times minus the pin-stripes, the homburg and furred umbrella. Armed with his cultivated urbanity and what some assumed to be aloofness, but what was, in reality, I would prefer to categorize as a highly honed pose of olympian transcendentalism, he set his sights on the conquest of other worlds.

His elevated status as a chief central banker had flung him into the wider pit of finance capital, not only in Argentina and other Latin American countries, but with major investment banks and bankers on Wall Street, the City of London and Zurich, Paris and Rome, Berlin and Geneva. By the early forties, the League of Nations was being transmuted into the United Nations. Such entrenched placemen, in the combined world of power politics and finance capital so sedulously nourished, was to prove indispensable in catapulting Prebisch into his final galaxy of power after 1945: the United Nations.

He quit Argentina in 1949, not mainly because he stood at dagger points to the peronist dictatorship, but because the United Nations, that linchpin of the international bureaucracy, was about to bestow new vistas on one whose overriding central concern was now clamouring for pastures more verdant than those of his wilted country. It was Moses on Pisgah. The promise and fulfillment of that cornucopia of power and prestige, that would outpace his wildest im-

aginings. There was yet one more element at work. He realized, after fascism's debacle in 1945, that the global mood was no longer in tune — if it ever was — with the march of fascist dictatorships, and Peron's populism fitted cozily into such an anomalous category.

The hour had struck to distance himself from Argentina and the discredited Peron, but which still had some distance to traverse before it too was given the bounce, paving the way for another batch of externally assisted military assassins. It was a moment that gave Prebisch the tone and colour, and some of the charisma, he was questing for: that of a liberal anti-fascist. When, years later, a sycophant in the Economic Commission for Latin America likened Prebisch to Thomas Mann's voluntary exile from the Nazi death camps, the Napoleonic figure nodded benignly. But the comparison was singularly invidious since he never identified himself with any political ideology, and, by extension, its political battering ram.

The second dazzling phase of Prebisch's ascendancy was now to commence. Trygve Lie, the Norwegian Secretary General of the UN, saw in Prebisch the man he sought. A man he deemed that was not only the incarnation of 'soundness' but one who grasped the social requirements of 'soundness' in the interests of the survival of the United Nations political class and its related interests. On the international scene, the rumblings of the storm clouds were deafeningly audible. In 1952, he was appointed executive director of the Economic Commission for Latin America. At last, he had marched over the frontiers of the peronista police state bringing with him what seemed to many to be the aura of the militant anti-fascist.

It was not an appointment dictated by his conspicuous talent as a social scientist, for by any such ratings he would never have surged into the ranks of the majors. At any rate, the UN political class had never been obsessed with the

quest for talent *per se*. Prebisch's great merit was that he was a marketeer of certain ideas, shrewd no doubt; but at no time an original, hardened and specialized researcher. Decisive in his selection by Lie and Hammarskjöld, (men who became his pathfinders in treading the corridors of power and whose modes of discourse, for the moment, were worthy of his emulation) was that he emanated from a non-European world.

The United Nations was in its early post-natal stage; some of its soil ready to be seeded with highly selective seed whose harvest would ultimately fill the granaries of bureaucratic power. Notably the soil of the underdeveloped world which, in 1955, would be crowned by Alfred Sauvy in France by the misleading and euro-centric designation of the third world. From 1949 to 1963, two crucial decades in the lives of ECLA and Prebisch, the groundwork was laid for economic research of sorts that never moved out of control. The gears were always meshed; the machine was always oiled.

It was research that was never shunted on lines that bore certain parallels to the Economic Commission for Europe when Gunnar Myrdal was at its helm; the golden age of ECE before it, too, had become hostage to Big Capital. But in Myrdal's heyday, for an extremely short duration, research policy and prescriptions bought out the exploitative policies of the Seven Sisters, and petroleum pricing policies. That was at the acme of McCarthyism, and Exxon's offer of an executive post to Gunnar Myrdal.

Central America: the stirrings

Indubitably, his scramble to the summit owed much to his highly personalized, well-conceived, shrewdly-timed and smoothly machined strategy. To these were added another ingredient: support by his high-powered friends in the universe of corporate finance, the international organizations, and the powerhouses of global diplomacy. But



Since its establishment UNCTAD has been trying to stabilize market prices for commodities exported from the Third World. Photo from 1979 shows unloading of Brazilian coffee in New York.

personal ambition, relentlessly deployed as it no doubt was, welded to a coterie of backers powerful as they no doubt were, would have come to nought (if not massively mitigated) had it not been further welded to a vast historical juggernaut now lumbering forward.

Just as the aftermath of the 1945 anti-fascist victory provided Prebisch with the pre-condition for breaking onto the international stage, the anti-colonial liberation struggles in the fifties and sixties provided the decisively mighty booster that made his ascension to the UNCTAD summit feasible. The man and the historical moment had now meshed. A new species of verbalism, one that assumed the omnibus sobriquet of third worldism, certainly not unflawed by ambivalences and ambiguities, myths and confusions, was now to be spawned and propagated with the speed of light.

UNCTAD's breakaway from GATT, mandatory as it may have appeared, was evaluated by some as a device for nibbling away at one of the white man's power bases in the international organizations. It gave Prebisch the grand gambit that he had been craving for: that of capitalizing on this gargantuan historical drive and, what is of the essence, harnessing it to his aspiring claims.

The fifties were bristling years in the unfinished combat against the bastions and relics of the older imperialism, a concept that found no place in his lexicon. Latin America, Asia and Africa, the latter baptized "the land of the quiet niggers" by one of Leopold's servitors in the 1880s, was in a state of convulsion. These global and regional revolutionary mutations were to exercise an enormous impact on the Latin American working class and their leading political echelons. The notion of 'core and periphery', 'dependency theory' joined to the 'terms of trade', despite their conceptual inadequacy, were mobilizing ideas. Paul Baran's major contribution on *The Political Economy of Growth*

(1956) became, as it were, overnight a renowned classic. And, to a lesser extent, the author's (1958) *Economic Liberalism and Underdevelopment: Studies in the Disintegration of an Idea*.

The year 1954 was the obliteration of Guatemala's democracy by the CIA's invasion of the 18 June from Honduras and Nicaragua, premonitory of yet greater scourges. Stirrings within ECLA had reached uncomfortable levels, and could no longer be covertly repressed. Swiftly ECLA was now to become the object of close surveillance by the special anti-subversive branch set up within the American embassy.

Well before Dr Allende's US inspired assassination, the State Department demanded that certain appropriately groomed US 'social scientists', consisting of a grim melange from the Pentagon, the CIA, the State Department itself and US Naval Intelligence, should be ensconced within the ECLA secretariat. Their numbers, and with them the ramifications of their network, were to burgeon during Allende's illusory and anaemic years of triumph, to be given a further fillip in the terrorist years that followed.

Events in Guatemala in 1954 were of seminal importance to the propagation of the revolutionary movement in all of Latin America. And of no less importance was Prebisch's reaction, or non-reaction, to these irreversible social movements. Stemming in part from a limited land reform, but even then never fully galvanized, the constitutionally elected government of President Arbenz in Guatemala was eradicated by the combined trinity of US state power and their corporate adjuncts; the Vatican; the indigenous oligarchy and military. The ferocity and sheer vindictiveness of this annihilatory drive was meticulously prepared on the basis of the experience culled by the CIA sponsored coup in 1953 in Iran.

Bankrolled and tailored to US specification, the Savak terrorist police state, encrusted within a larger customs

built US made police state, became the tested model for US imperial power and their protégé. This was the dungheap from which burst forth in such profusion the shoots of US imperial terrorism in the years ahead. But there was yet another singular event of mammoth proportions that preceded the butchery of Guatemalan democracy in June. It was destined to be the nemesis of US global terrorism, pinpointing that history's direction was moving in ways other than that which was willed by US hegemonism. The incomparable Vietnamese victory in May at Dienbienphu was to have a shattering impact on the US ruling oligarchy. After all, France, its client state had been used as a proxy with four fifths of the war's financing made by the United States since 1945.

It was this triple concatenation of events in Asia, the Middle East and Central America, all within the span of a year, that spurred some bolder spirits in ECLA to more innovative forms of thought. To what extent these revolutionary and counter-revolutionary changes left their bite-marks on Prebisch we do not know. No doubt, he may have consigned his private musings to a diary, which may or may not exist as far as I know, and which may be consulted by posterity to chart, if it does exist, the drift of his bruised liberal conscience.

But what matters for the historical record is not private rantings consigned to an extant or non-existent private diary, or unpublished papers, but public affirmations and public acts. Simply to have hollered for a land reform *in vacuo* was nothing short of fatuous evasion. For on that point the public record is eloquent; he was and remained a 'sound' international civil servant rewarded by the wages of virtue. The faith that the upper segments of the UN political class had invested in him would not be found wanting at this hour, or much later in the more than two decades after normal retirement when he was still retained as 'the elder statesman' by the UN supremos.

Certainly there was nothing in his psyche of the bifurcated soul of Dr Jekyll and Mr Hyde. As we gaze upon him in this transitional phase he had already past his half century with formal retirement looming a few years ahead. But his inner compulsions were not in one pocket and the printed pages of the ECLA *Annual Economic Survey* crammed into another. To this was added a fact that ought not to be obscured: Prebisch was, given the scale of his lifestyle, not indifferent to the perks, perquisites and pecuniary benefactions of his august office.

But apart from this what may be construed as a banal fact of life, there stood Prebisch the reformist of the transcendentalist species, an experienced meanderer in the UN corridors of power, a seasoned practitioner of the UN language of diplomacy. In the occasional indiscrete sentences, and in the memos that appeared in the float file (branded: for internal circulation only and occasionally leaked to the press) there was nothing that certified that Prebisch was not running true to his course and its anointed colours.

In the months and years that followed the razing of Guatemala's democracy, the US holocaust knew no bounds. It was to acquire an exterminatory character. The social and ethnic conscious Indian was now proclaimed the enemy of US national interests, a drive redolent of General Sherman's notorious 19th century invocation: "The only good Indian is a dead Indian." Tens of thousands of Indians and meztizos were literally butchered. Their homes napalmed, with tens of thousand more fleeing into Mexico. Listen to what *The Economist* was saying, that inveterate anti-communist organ, after more than three decades of the anti-Arbenz holocaust:

"The Guatemalan army has indeed carried out systematic massacres of Indian villagers . . . The strategy is ruthlessly simple. The army identified Indian villagers serving as support bases for the

guerillas. It then sends in soldiers, sometimes dressed in civilian clothes, to massacre the villagers — men, women and children — and then to burn their homes . . . The Indians have not become pro-government overnight. They have simply chosen survival over suicide."

If anything, this declaration of fact sins on the side of grotesque understatement. But in 1954, there were other events and other actors that were to leave their profoundest marks on the liberation struggle.

In the autumn of 1954, the Algerian liberators burst forth, followed by what must remain, up to the present, the most promethean change in the freedom struggles of the Americas: Cuba's liberation from the clutches of Batista and his imperial creator. Basic questions were being raised in ECLA, but at no point in time was Prebisch and his coterie inspirers of these questions.

During the decade of the fifties, Prebisch and ECLA invested considerable energy and resources in the preparatory meetings that led up to the 1960 creation of the now aborted Central American Common Market. What Prebisch and ECLA ignored or, more charitably, were oblivious to, was that the major beneficiaries of this common market arrangement were US-based transnational corporations. This barrage of corporate power was ideally positioned to forge links with a native oligarchy to exploit an enlarged and protected market. The nostrum of economic integration associated with Prebisch's name became little more than a mask for corporate expansion. It was many years after the scaffolding of this common market before ECLA was to embark on studies of transnational power.

Dynamics of class power

The imperatives of career advancement, and survival, dictated that ECLA's elite should follow but never lead. It had evaded burning issues as to the content

of social change. By what criteria should it be measured? And if so, by the protagonists of what social classes? What specific class interests should be concerned with the speed of change and the direction of change? What social classes stand to lose and to gain by change? After 1954, these questions could no longer be obfuscated by the sophistry of double talk for Latin America was now on the boil.

Land reform

Willy nilly, the notion of land reform crept to the fore, and, as the shadow to the substance, the reality of the distribution of political power in a monstrously inequitable, terror-ridden, class dominated society. It was not enough to discourse blandly on the inequity inherent in the terms of trade between core and periphery. Prebisch and his associates, in their public chants, were dispensing the Keynesian recipes on the need for socio-economic planning, as though widening the scope of the public sector was, in itself, the secret weapon for storming the gates of heaven.

But more prosaic questions were ignored. If one invoked the role of the state and the public sector, what then would be its function in the defence of a propertied order, of a particular social order, that is of a specific set of production relations, and of a specific pattern of class domination related to it? Further, how is such a transparently simple question, with all its ramifying implications, to be divorced from the nature of class exploitation? That is, the separation of the producers from their tools of productive creation and its corollary: the propertied concentration in the hands of capitalists, landlords and usurpers that conferred on them the legal right and ability, of gouging surplus value from their labours.

In short, a critique of the dynamics of class power and of state power in a class-dominated society. What amazed me when I recently re-read all of the back numbers of ECLAs *Latin America Eco-*

Raul Prebisch, Secretary-General of UNCTAD, in New York, February 1964.

conomic Survey as well as its sister publication, *The Cepal Review* was the manner in which these issues had been fudged in the name of conformity, and the ostensible bureaucratic rationalization of not 'rocking the boat'.

The Alliance for Progress

Nowhere was this obfuscation more blatant than ECLAs approach to the long defunct Alliance for Progress, signed twenty-five years ago at Punta del Este on 17 August 1961, outstripping in its extravagance the enthronement of a British raj. The ostentation of the hour was preceded with all the admans's ballyhoo, crocodile tears and sentimental slush that the Kennedy administration could muster. Its central message, trumpeted unabashedly with an advertising juggernaut of million of dollars, was resoundingly impressive — surface-wise. It called for, amongst its many noble offerings, a comprehensive agrarian reform "leading to the effective transformation, where required, of unjust structures and systems of land tenure and use". within the framework of representative democracy.⁵ Admirable, but if so why then did Guatemala fail to fill the bill? And Cuba then and now? And later Allende's Chile? And Nicaragua today?

Prebisch and his allies within ECLA and the United Nations system greeted the Alliance with frenzied delirium as manna from heaven, Moses entering the promised land. "Those who possess wealth and power in poor nations must accept their own responsibilities" touted Kennedy at its first anniversary. "They must lead the fight for those basic reforms which alone can preserve the fabric of their own societies. Those who make revolution impossible will make violent revolutions inevitable." Or as it would be more pungently put in Kennedy's stale aphorism: "reform from above to prevent revolution from below?"

History has already scrawled an ignominious obituary on both Kennedy

and his Alliance, but what is so appallingly wretched was to have seen the contortions of Prebisch, thrilled beyond measure, to have been received by Kennedy in the White House. The higher white and the lower white now spoke a common language. At least, on this occasion, Kennedy, that prodigious instrument of mendacity that he had become, now spoke the truth: the Alliance had no bearing on any kind of reform whatsoever; it was revolutionary to be sure, in terms of the multi-million dollar avalanche of disinformation in which it was

packaged and sold — with ECLA as one of its star peddlers.

From its onset, Cuba's revolution could never fit into the Prebischian image of moderation in all things, or lend itself to the reconciliatory parable of the lion and the sheep, and his pallid



schema for the social transformation of Latin America. One of Kennedy's aides labelled him "Mr Latin America" and, reminiscent of Shakespeare's Timon of Athens, he was flattered enough to repeat it everywhere and over the years to believe it, no doubt like the worthy pupil receiving the cherished prize from a venerated housemaster. Understandably so, for, more bluntly put, the onrush of revolutionary Cuba was visualized by Prebisch as deflecting his personal trajectory into a universe (for his native Argentina was almost exclusively peopled by whites upon the extermination of the Indians; that of Cuba overwhelmingly by blacks) that was never his; and which, to cap it all, would be politically and ideologically out of kilter with his wider ambitions.

The Prebischian myth was to survive Prebisch, fed as it was by some of his fellow Latinos in high places, notably those in the United Nations. The Alliance for Progress, pontificated Peres de Cuellar, the United Nations Secretary General at the time of his death was "essentially an inter-American endorsement, fostered by the government of the United States, of the ideas and policies which Prebisch and LA had been preaching for many years. It was so described by President Kennedy when Prebisch visited the office of the United States president for the first time in 1961."

That reflection revealed not merely a paltry understanding of his own Latin American history by the boss man of the UN political class, but which unwittingly was a critique of Prebisch himself. From yet another perspective it reminded me of what Engels once said of the yearning of English working class leadership for respectability and prestige exemplified in the person of the British trade unionist Tom Mann whose joys were ecstatic at being invited to the Lord Mayor's chambers in the 1880s.

That first visit to the White House, sequelled by others, served not only to reinforce his respectability, som might

have said obsequiousness, but was a reaffirmation of the purity of his credentials — certainly by extension to that of ECLA. The visits had laid the groundwork for the imperial patronage that propelled him into the ultimate galaxy: the secretary generalship of UNCTAD. Peres de Cuellar was wrong on a major count: the Alliance was a creation not of mutual Latin American and United States 'endorsement' since there could be no 'endorsement' between the hangman and his victim; the only mediatory connection was the rope.

Teodoro Moscosca, the first American coordinator of the programme dispensing with the familiar slush of official dollops and Prebischian euphoria, and such inanities as those of Peres de Cuellar, reached into its entrails when he acknowledged: "In supporting the Alliance, members of the traditional ruling class will have nothing to fear."⁶ The most banalized of truths, for after all the United States and the Kennedy administration, as with all other class administrations past and future, would be violently opposed to the dismantling of power oligarchies that underpinned its domination: culturally, economically, militarily, strategically.

"Agrarian reform", underlined Moscosco, who understood that the Alliance was engineered to facilitate the deeper penetration of US trading and agribusiness transnationals", gave rise very quickly to the misconception that all that was wanted or needed was the splitting up of the large landed estates which were owned by a *few wealthy men who also played a progressive role in controlling the political destiny of their countries*. But it is not this simple . . . I prefer rather to speak in terms of organizing agriculture. By that we do not necessarily mean taking land away, dividing up and redistributing it, but orderly reorganization, including possible

changes in land tenure, supervised credit and extension service and farm to market roads . . . This is the rational way in which the Alliance is tackling the problems of agriculture."⁷

The alliance as a monstrous embezzlement, however, had nothing to do with 'rationality' of any kind but exclusively with profit and power. But more to the point is not that the success or failure of the Alliance and its refurbished rationalizations exercised a mesmerizing impact on Prebisch, but that Prebisch and his ECLA coterie were manipulated into believing that they had an influence in shaping its destiny. This is no doubt what Peres de Cuellar meant, mistakenly, by his invocation of the world 'endorsement'. Or was his recourse to cheap buzz words of this cover up for his own designs on matters that best remain plastered in ambivalence?

How nauseous it is to hear Prebisch's hosannas to the Alliance in view of the abortive attempts at land reform preceding it, and in the quarter of a century following it. On listening to Reagan's anti-Sandinista droolings on representative 'democracy' in Central America, one gets the feeling that the record got stuck somewhere along the road. Not merely in its fatuous contents, but the very words and sentences are no less identical. What, of course, has changed is the Rambo-like escalation of the struggle so graphically and feelingly depicted by Tom Wicker of *The New York Times*:

"How can the Reagan administration defend arming, training and supporting these surviving elements of the Somoza government, one of the most corrupt and repressive the hemisphere had experienced? How can Washington pretend that an 'insurgency, so tainted can develop anything like popular support among Nicaraguans? How can the people of the United States accept without

protest a gangster operation that shames rather than defends democracy?"⁸

But what Prebisch knew, and deliberately chose to bypass, was that there was one country in which a genuine national land reform had been driven through, in the teeth of fierce opposition from domestic Latifundistas and the transnational agri-business plantations, of whom the leader was the United Fruit Company, amidst once again the boisterous protests by the US embassy. And that was in Fidel Castro's Cuba, a sin of horrendous dimensions in the eyes of the Rambos of US imperial policy. A sin that was to be punished by more than eight unsuccessful attempts against the life of Cuba's revolutionary leader, bacteriological warfare, sanctions and permanent embargos. Almost all intellectuals and millions of workers and peasants knew that the Alliance and its claims were a fraud. Including many in ECLA. In short, the Alliance was precisely a counter revolutionary riposte in response to the revolutionary movement, a commonplace to be acknowledged, time and time again, in future years, by its designers. But in this, as much else, Prebisch was to remain a prisoner of his own shaky premises.

For the historian, past, present and future, the juxtaposition of the two dates serve to highlight the causal relationship: the Bay of Pigs invasion was smashed between the 15—17 April 1962; and the formal signing of the Alliance at Punta del Este was rushed through with the alacrity of a desperate gambler on 17 August 1962.

At the very moment that the US ruling oligarchy and their satraps had become the cheerleaders of land reform, Kennedy was on the point of plunging into an irreversible escalation of the Vietnam war. There, an Alliance was also to be forged. An Alliance of capitalists, landlords, militarists generating less than ten years later, at the very minimum, one million dead, maimed, homeless, a land raped, plun-

dered, plundered. Without a single penny for reparations. The bitter irony of it all was that this was occurring just at the point that the US power oligarchy and their satraps had become the self-confessed converts of 'land reform'.

Indeed, Prebisch's effusive encomiums to the Alliance were one of the most sordid renderings in the postwar annals of international organizations. His stance on the Alliance was of a different order from that of one of his protectors, Dag Hammarskjöld, who, indirectly, contributed to the CIA assassination (via Mobutu) of Patrice Lumumba. For many in Latin America, and those in ECLA that had not been corrupted or chewed up by the political machine, there came the dawn that the Alliance and its cankered promises could only bear fruit within an order that blasted the chains of domestic oligarchies and US hegemonial interests.

Prebisch, a few years before his death, lamented that the Alliance "came to grief". It was a timorous nod that meant well. Not a matter of being too little or too late for that it unmistakably was, but rather such 'grief' called for an unflinching analysis of why this came to pass. And of how Prebisch came to play the role of being one of its avid hustlers in his prime time as ECLA's master of ceremonies.

If I have somewhat belaboured the Alliance, it was not because it was an external imposition, economically bankrupt and ethically obnoxious, for that is a pedestrian avowal. Rather, the Alliance, and this is the crux, was an autopsy on Prebisch himself. But was he capable of learning from what the Chinese have labelled negative example? Indeed, the study of all ramifications of the Alliance is still, in our times, of key importance for all United Nations bodies since its lessons transcend, in their generality, Latin America. Whether Prebisch learnt or did not learn is of minor importance at this juncture; more to the point is that, as an emissary of the UN decisional elite he was not position-

ed to come to grips with the concrete and historical forces at work.

Both factually and symbolically, the Alliance was symptomatic, to couch it in the most mellifluous phrasings, proof abundant of Prebisch's historical irrealism and mode of analysis. The sheer tragedy of the Alliance — and not only symbolically — was that Prebisch migrated to UNCTAD with all the illusions and delusions of the Alliance implanted in his skull. Which meant that UNCTAD, his much vaunted creation, was a prolongation of the Alliance with other actors, with other rosy verbalisms that were to become so unpalatably familiar, so commonplace, so ubiquitous as the years jogged on. The Integrated Programme for Commodities and the Technology Code of Conduct were leaders of the empty rhetorical pack, and its phoney barrel chested evangelism. And both were to be smashed to smithereens, as all mindless utopias are, by the joint juggernaut of corporate and imperial imperatives.

UNCTAD: The final lap

With his ascent to UNCTAD's Secretary-Generalship in 1964, Prebisch flung himself into the final lap that would end five years later. Henceforth, there was only one place to go: downhill. His tenure-span was a quiescent period of global capitalism that yielded myths and mystagoges of all stripes. Democrat Kennedy's New Frontiers had given way to Democrat Lyndon Johnson's Great Society: their common 'democratic' denominator was Democrat Teddy Roosevelt's big stick that had nothing to do with democracy of any kind.

There was still ample room for celebration on a grand scale; the Vietnam war was being lavishly bankrolled by the savings of non-Americans. From 1939 to 1969, the average rosy growth of the US economy was 4.1 per cent, but that included three wars, fat profits for some, and a blood price that came with the tag for many. The chickens had not yet come to roost. But they would, and

Delegates at the inaugural ceremony of UNCTAD IV in Nairobi 5-31 May 1976.

the United States and global capitalism would no longer be the same, neither would UNCTAD.

In but just a few years after Prebisch's exodus, the gimcrack financial system imposed on global capitalism in 1945, to beat back the spectre of the depression years of the thirties, would be in shambles. Cast adrift with a floating exchange rate system, the dollar, like a chronic drunk, would begin to shuffle from one lamppost to another; and Allende's dream would be metamorphosed into Kafkaesque nightmare by his slaughter; the death camps scaffolded in record-breaking time by the US/Pinochet syndicate. By then Prebisch had ceased to be in the international ball park, although he lingered on (formal retirement in the UN system is 60),

thanks to his unimpaired connections, as editor of the *CEPAL Review* in Santiago up to his final moment.

In deference to his person, he was no longer billed Dr Prebisch, but Don Raul, a patriarch in his own right. The summit would fling open to him with the same swiftness that he had flung himself to its conquest, the prizes he had long quested for. Franz Fanon, the black psychiatrist, author of *The Wretched of the Earth*, had limned the Prebischian prototype, the quasi-colonial aspirant whose inner compulsions whipped him to the aura of the summit.

His victory dictated that the choice of location was to be Central Europe. Such a locational plum was not fortuitous. Apart from its well-publicized and formal locational edge over its other com-

petitors, UNCTAD's presence in the Palais des Nations was to be the measure of the man's reach who once again passed muster. He was entering the white man's domain. Presumably, he may have installed mechanisms in his mind to tell him that he was an equal; a belief that had some credence inasmuch as he entered the main portals and not the servant's entrance.

Geneva was the tumultuous challenge, the choicest of morsels: the heartland of Central Europe, the reservoir of Big Capital writ large, the bastion of major transnational corporations, the locus of all permanent UN political missions with their dealings and wheelings, the seat of the past architectural splendour that was the League of Nations, and now the European Headquarters of the



United Nations. In sum and in short, the strategic repository of power, the commodity of commodities, in all its complex and glittering facets that he had warred for for four decades.

Superimposed on these attributes was that Geneva also exuded special significance for him as a major centre of French culture. Of the essence was not what Prebisch did for UNCTAD for on that score, as the record so poignantly pinpoints, his stewardship was undistinguished. As were those of his successors. Basically, his contribution was that of a public relations impresario. The myriad pickings that UNCTAD offered to an aspiring man in his mid-sixties were lush. What came to assume overriding importance for him was the attainment of the summit: an end of ends. As the years wore on, the homilies of Prebisch, and those of his successors, thrown to the gallery with such repetitive ennui, rang hollow to listeners that were no longer listening. The well-intentioned generalities had been distilled into the babbling of regressive infantilism.

There are critics that could have assimilated his muscle and seizure of the summit to that of Rastignac in Honoré de Balzac's novel *Father Goriot*, when, in that grand climacteric of ecstatic joy, the irrepressible provincial bourgeois hurls down his challenge to the city of Paris. While Prebisch and Rastignac, at a primitive gut level of motivational ambition, would seem to be look-alikes, their scales were different. For Prebisch, at this nodal point in his transition even as a quasi-colonial was not and could not be shaved to the level of a provincial come-to-town dazzled by the shimmering El Dorado of Paris of the 1840s; rather, and with reason, he staked his claims to be of planetary significance, engulfing the tri-partite division of advanced capitalist, centrally-planned and underdeveloped regions.

The ideological quest

The Prebischian schema on trade an

development was to remain, until the mid-seventies, a fragmented concoction of received ideas, nostrums and wishful thinking. After that time span, such fragments were scuttled by the march of time. Certainly, Prebisch did project to the underdeveloped world an ideology of sorts, although it bore kinship to the markings of a high powered sales pitch: interventionist and Keynesian in its formal packaging. But the basic question still remained to be answered: by what means was this ideology, enfeebled and spindly as it was, to be beaten into an offensive weapon for radically re-vamping our universe that had been traumatized, brutalized, twisted and manipulated by the rapacity of B Group imperial power, in conjunction with the transnational corporation, in its oligopolistic and conglomerate manifestations?

A tissue of developmental generalities, homilies and pieties on multilateralism and the supposed manna that would emanate from a beatific negotiating process would and could not do the trick as his offspring were to discover. It was this conjuncture of circumstances and ideological thrusts that dragged UNCTAD to the brink, and literally shoved it over the abyss.

An operational ideology may be schematically defined as consisting of two major elements: first, a goal in which analysis highlights the socio-economic and political forces that contribute to, or detract from, the reaching of that goal; secondly, the configuration of socio-economic and class forces which, guided by theoretical and empirical understanding, march towards the achievement of a concrete goal. If Prebisch had an ideology it could best, perhaps, be charitably encapsulated in a single epithet: Keynesian romanticism.

He staked, quite rightly, no proprietary claims to the notion of core and periphery. After all, its pedigree harked back to John Stuart Mill and even his mercantilist predecessors that labelled it colony and metropolis. In this sanguine

view of things, the romantic war would be fought out, and the battle ostensibly turned in favour of the underdeveloped universe by a battery of resolutions that would turn the tide, and alter the contours of the global economy. Such sweet and delectable fruits of multilateralism, whose diseased and shallow roots were never examined, would usher in the new international economic order: that grand phalanx of underdeveloped countries that would be led by knights in shining armour with the Napoleonic figure leading the charge.

The Benthamite and utilitarian social dogmas of minority and majority which Marx had pilloried, and unceremoniously dumped into the dustbin of history, was recycled once again by Prebisch and his protagonists. But what had been amputated — and here the analogy of the Alliance makes its spectral appearance once again — was the complex set of class relationships that should have been woven between these two polarities. In UNCTAD, the notion of 'majority and minority' were never thrown on the historical table for dissection.

They could never be seen as class categories. On the proviso that these class categories were posited and analyzed in all their complex facets, it would have ineluctably led into the passageways that unmasked the nature and mechanisms that generated antagonistic class relationships at both the national and international level. From this point on, it would be one step further to shift into the dynamics of class exploitation and, further, by extension, into the deeper social layers of exploiters and exploited.

But such a schema, so rich in its promise, yet so lethal in its political implications for its expositors, could not be articulated by Prebisch, the office holder, or by any of his clone-like progeny. Che Guevara, an Argentinian kinsman, said to Prebisch after listening to his inaugural discourse at UNCTAD (1964) that their ends were common, but the means

to reach these ends diverged. Guevara, the revolutionary, was wrong on both ends and means; or, more benignly construed, he was being courteous at a solemn moment of the man's enthronement.

UNCTAD after Prebisch was to be jettisoned from the still waters of a pre-recession era to the epicentre of economic stagnation in which the advanced capitalist countries, beleaguered as they had become, were now to make it explicit that the honeymoon was over; with no time for multilateral palaverings even of the most innocuous sorts. And so one international UNCTAD conference debacle rolled and smashed into each other with metronomic regularity; the euphoric cacaphony of UNCTAD III became the prelude to the annihilation of Dr Allende's social democratic experiment. The seventies were to bring to the fore (it had already done so in Indochina) the global design of imperial power in which UNCTAD, and UNESCO to a far greater extent, were not to be ignored.

The political class

Today, a degouted UNCTAD secretariat grovels in its ruins, an empty shell of lavishly paid functionaries by any mortal norm, a secretariat not only revealing the symptoms of utter demoralization, for that has been around for some time, but one whose long tremulous spark has blown out. For certain exalted spirits, it is a fount of unconcealed joy. At the latest Trade and Development Board meeting (August 1986) the US delegate administered a supreme insult, notwithstanding that UNCTAD's political class had kneeled in all positions, and at all points of the compass, to the B Group delegations, and specifically to the US mission.

And all this in a secretariat that never took a militant stance on any substantive issue, certainly not comparable to that of UNESCO's platform that stood unequivocally for a New International Information Order. The US delegate af-

firmed that the board and the agenda was nothing but a waste of time, and with a yawn that added impetus to his loathing, declared, now that he was in Geneva, he intended to have a real good time.

Several delegations were struck by its callousness, but it was dubious if UNCTADs hegemonial class were sensitive enough to grasp fully the portentous significance of this jokey statement — accurate as it undoubtedly was — on the part of a little man. But this was not an off-the-cuff quip by an official clown; indubitably it was a brazen, coldly calculating, deadly serious remark that mirrored the altered configuration of power and attitudes.

Hence, it was not an individual crack, but a collective statement of intentions. What the political class may have had glimmerings of was that this ultimatum — for that it was designed to be — spuked out with the utmost contempt, and garbed as an individualized utterance, represented a battery of collectivized power — state and corporate: and understandably the big — little man received the public plaudits of the B Group.

For the normally desensitized UNCTAD political class (now badgered by salary cuts and executive dismissals) such ultimatums were signals of grimmer forebodings. It was also redolent of the verdict of Ho Chi Minh on reactionaries as a social class: "they are animals so created that if you spit in their face they'll call it rain." The ascendancy, triumph, and now sullen disarray of UNCTAD's supremos was only in part a Prebischian creation. He had played his role in shaping its format, blueprinting its now totally archaic divisional structures, and what was casually to be designated as work programmes.

In Prebisch's initial blueprint for UNCTAD there were four major divisions: commodities, manufactures, invisibles (e.g. shipping and insurance) and trade with socialist countries, the latter a product of a political deal. To these

were later added money and finance, shipping, technology, economic co-operation among developing countries and other special programmes.

As tightly guarded fiefdoms emerged in these divisions, with close ties to the major missions of the capitalist countries, it became prescribed practice that socio-economic research had to remain within the confines of a single division's mandate with the concomitant emasculation of almost all research. Hence, when two researchers in the commodities division were assigned to produce a study on the marketing and distribution of cotton, they were informed that synthetic fibres, the role of the corporate chemical oligopoly, textiles, apparel, textile engineering, retailing and financial services — all of which have a direct bearing on cotton production and pricing — were beyond the purview of the designated study.

The parochial divisional approach could perhaps have been justified in the nineteenth century. By the onset of the 1960s, however, it ignored a century of the concentration and centralization of corporate capital. For what had transpired over this period was the evolution of the modern corporation from single product line firms through vertical and horizontal integration to oligopolistic and subsequently conglomerate forms that organized operations on a colossal global scale. Specifically, Unilever (1986 sales: 28 G USD) owns extensive plantations in Asia and Africa which grow tea only to be marketed in ships by another Unilever subsidiary: blended, branded and advertised by yet another Unilever subsidiary; and bankrolled by big transnational banks with which Unilever has prodigious credit lines.

Prebisch's divisional structure, both from an administrative and conceptual perspective, place enormous barriers to the investigation of the successive linkages of the corporate networks and their highly integrated decision making powers. Thus, UNCTAD's hands were,

as ECLAs before, tied from its inception in understanding — let alone changing — the corporate forces that increasingly dominated primary commodity, manufacturing and service sectors the world over.

In quick time, the political class generated a momentum of its own, its ideas, as its parallel bureaucracy, became calcified. As a class it had already become entrenched when Prebisch was offloaded on the threshold of his seventieth birthday; it surfaced as a chosen instrument by which the Prebischian vision of things was to be shunted onto the tracks of reality. But the only genuine tracks on which UNCTAD was to be shunted onto was that it came to be dominated — not least of all by their Secretary-Generals — by Oxbridge creations of varying hues of the colour spectrum.

In complex ways they operated behind the Prebischian mask in their homogeneous mouthings on third worldism. At no moment, however, would the political class be free from antagonisms tearing at the secretariat's vitals. They were the conceptual embodiment and illustration of Vilfredo Pareto's changing constellation of elites. Given the lush pickings within the secretariat epitomized by non-taxed automobiles, cheap petrol, subsidized booze and a wide plethora of tax-free bonanzas, the battles of cliques and counter cliques raged within this class to reach toxic proportions.

The genesis of these antagonisms owed nothing to ideological schisms as commonly understood, for all factions within it, and at various niches of the power structure were overwhelmingly united on one platform: sheer survival and the grabbing of the wider pickings of power. In this embattled snake pit, the *omnium bellum contra omnes*, certain segments of the political class were buttressed by their accomplices in certain permanent UN missions who naturally expected, at their chosen moment in time, that such succour would be

reciprocated. Failure at putting ideas across, failure at all managerial levels, failure at the negotiating table were nonetheless matched by corresponding successes at yet other levels of the big banquet.

The class and many of its leading echelons were the incarnation of a self-perpetuating caste. It had spawned, by its gimcrack recruitment procedures and the career handouts and perquisites that marched to its drums, what came to be accurately designated, not without a dash of humour, as the 'suck-off complex' (SOC). The leadership of the SOC which prevailed not simply at the executive levels, but at the divisional levels as well, deployed strategies and stratagems that reinforced their maze and foxholes at all points.

Directors and deputy directors, with few exceptions, were seldom selected on the basis of their sustained working powers, awareness, intelligence, expertise and managerial skills, a salient contributory factor in the gross mismanagement of UNCTAD's resources over the years. Their reading, by and large, did not go beyond *The International Herald Tribune* and a perfunctory perusal of the float file. And, to be sure, they were not, as mainly public relations figures, expected to draft.

In much the same manner as there aren't round pegs in square holes, it would have been anachronistic to have had a mediocre director with an able deputy since such a placement would have jeopardized the former's status. There was another variant of this: a breed of directors, prima donnas, direct descendants of Prebisch, who chose to rule without deputies thereby dispensing, at a stroke, with one level of accountability. Although not exhaustive, it was one crucial rationale of the suck-off complex.

These intimate and symbiotic linkages, born of the complex, had become a permanent in-built institutional feature in that appointments, tenured and short-term, were fabricated not

primarily because of performance capability — indeed imaginative research capabilities were considered negative attributes since it would have aroused the ire of the political class, and on occasions did so, by directly and indirectly switching a focused light on the motive force of the suck-off complex.

The complex became self-reinforcing as it was engineered to assist the recruiter and his protégé in soliciting the support, in the widest possible ways, of a given UN delegation and of the major Group related to that delegation. The SOC strode harmoniously with the ethical aspirations of Tammany Hall — minus the sawed-off shotguns. As with Tammany Hall, and its other global emulators, the upshot on the secretariat was stunning: it was to be filled by emissaries, in so many cases mislabelled professionals, with anaemic inability to draft a straightforward sentence, without it being edited, not to speak of research capabilities.

To compensate for this monstrous level of ineptitude, consultants had to be hired to do a job that should normally have been done by in-house professionals. But here again, as the Commodities Division (and that is only one Division) so starkly disclosed over several years, consultants themselves were pulled into the suck-off complex: tens of thousands of dollars ignominiously went down the drain on reports (including bounteous travel mission funds) that were scrapped since several of them could not even meet the low threshold of acceptability of the political class.

By definition, the suck-off complex could not be held accountable since it was — certainly not at the formal level — a law unto itself. No one in the political class could be expected to say as Harry Truman did: "passing the buck stops here". But, of course, passing the buck and the cover-up were part of the same game, although it was not always seen as such by most of its militant practitioners.

The cover-up

The cover-up in its several odious manifestations became one of the most lethal, anti-intellectual stratagems resorted to by the dominant oligarchy. Vigorous memoranda had drawn attention to this absence of accountability by certain officials endowed with permanent contracts that held the political class and the SOC in contempt; but their memoranda, for the most part, were shrugged off with some of the concerned officials being informed that on these matters they best lay off. The SOC was part of a protection racket. For short-term appointees, denunciation of these practices and their practitioners would have entailed instantaneous reprisals and spelt a non-renewal of contract; for tenured officials non-promotion and other intimidatory modes of action were on the agenda as grim reminders.

The suck-off complex, while not identical at all moments with the Oxbridge coterie, dovetailed with it. Leaving aside the miasma of the recruitment process, recruitment followed, at least on the surface, the familiar principle that Prebisch had long perceived and practiced: that of 'soundness'; the pulling in of 'gentlemen' that had known the Oxbridge spires; and their US counterparts that had been immersed in the higher party post-graduate economic academies of neo-classical metaphysics. And who, ineluctably, on landing in UNCTAD lost no time in cultivating a cozily rewarding old school-tie network with appropriate officials in selected permanent missions.

Recruitment followed the trajectory, not altogether successfully, of the earlier injunctions of Sir Eric Drummond of the League of Nations that Oxbridge and their public schools feeder-base, were "the best of the blood and of the breed". But in the sixties and seventies recruitment could not always be framed in such Kiplingesque phrasings. Crucial in all this was that the hegemonial class had lost its moorings with the underdeveloped world.

This recruitment policy bore certain similarities with the practices of large British imperial corporations. As *Business Week* described the conglomerate and trading giant John Swire and Sons, "John Swire, like many of his forebears, was educated at Eton and Oxford. And one former employee says Swire, who keeps close tabs on his interests from London and personally recruits new people selects only Cambridge and Oxford graduates. 'They look for people like themselves', says the former employee. 'If you can identify people like you are, then you are not going to have a wild disagreement about policy.'"⁹

The offspring of the political class are educated in the public schools of the United Kingdom and other developed metropolises. Pathetically, these had become, for the most part, cultural cast-offs from the struggles of their own countries, and in many cases, racially biased against their own peoples. It would be difficult to ask, however, the beneficiaries of the SOC that were speculating in real estate and/or who drove the largest and most glitzy of Mercedes Benzes and Jaguars, to dream, let alone to act, in concert with the aspirations of their native countries afflicted by multiple tragedies. As black US Congressman Powell once said of all of his fellow congressmen: "If there was a choice between the black Cadillac and their mother, the choice would be an easy one."

It was comic in such a belligerent milieu, where fangs are always bared, to see Prebisch, in the deep winter of his life — now caught in the throes of his own radical revivalism — sending his articles to UNCTAD officialdom¹⁰ with the hope that they would evince some slight interest in his outpourings. Particularly at a moment when Prebisch's titles themselves were regarded as 'provocative and controversial'. And this, at a time, when the elite considered such titles — despite the anodyne nature of their contents — as out of joint with the times. Prebisch, from the distant vant-

age point of Santiago, and no doubt the delusions of his advanced age helping, could not perceive that his ideas, as being presently formulated, were anathema to the suck-off complex.

Perhaps it hardly mattered that the octogenarian seer was wholly unaware of the transpirings within the secretariat. The political class at any rate had become a quivering hostage to Big Capital, and its extensions the permanent political missions; living in dread at the quarterly preachments of the Heritage Foundation. Little did the supercilious drafters of the Heritage Foundation newsletters realize that they were widely off target. For UNCTAD had become a cleansed and tranquil abode: in fact, one worthy of the eulogies of the masters and paymasters of The Heritage Foundation, but they failed, as in all else, to grasp that pivotal point.

In much the same way as Lenny Bernstein, the bourgeois philharmonic conductor, had invited to his home Black Panther leaders in the sixties as demonstrable proof of his radical chic, so the political class used Prebisch as a booster to UNCTAD's tumbling fortunes. He was being coralled as an alibi to give his audience that touch and nostalgia of the old school-tie of the sixties — the spirit of the sixties as branded by certain cognoscenti — was still there. But like much else, it was a stunt to make believe that time present was the same as time past. Or in the worlds of the American philosopher Santayana, the political class had now lost all conscience of chronology.

The script had forgotten to say that UNCTAD's future, or rather non-future, was becoming less probable with the passing of every day. The venerable seer dutifully made his appearance, his bows, voiced his *obiter dicta*, rousingly applauded by the political class and then quickly ushered into a waiting taxi at gate number 41. As one wag pithily put it: his presence was needed as a sales pitch, but not for too long.

For some within the secretariat the performance reeked of an embezzlement, but that was too speedy a judgment inasmuch as Prebisch, although dragged away protestingly from the UNCTAD bureaucracy in 1969, had never ceased to crave the limelight of Geneva. His radical chic, orchestrated by UNCTAD's ceremonialists, belted out at these chosen moments suited both parties to the game full well. In his wizened benignity, which appeared to have grown since he had been cast into the shadows of time, the uncharitable idea may never have traversed his mind that his presence bestowed a veneer of charisma on the political class and its suck-off complex.

The unabashed ritualising personality cult edified with such panache was an occurrence that pre-dated Prebisch's demise. The wonder of it all was that, in life as in death, he was still in centre stage, put there and mounted as a dead butterfly, by the recruited memorialists and hagiographers. A personality cult had been consecrated. The dead man was still alive in that his corpse, at this mournful moment, was being pulled figuratively into the vortex of what is historically a futureless bureaucracy to perpetuate the interests of UNCTAD's defunct political class and its suck-off complex.

At the same moment that Prebisch ascended into his eight decade, UNCTADs oligarchy was seeking what was to be labelled by them "the active dialogue" with the iron phalanx of B Group countries. More prosaically, the nostrum of an 'active dialogue' was to be translated into the very simply and timeless bureaucratic wording of "not rocking the boat". In practice, it meant that awkward studies should be trimmed to facilitate easier contact with more congenial brethren in other agencies as the FAOs commodity division, and within the secretariat itself. To take a random example, UNCTADs monograph on the stranglehold of corporate

power in the world banana industry (strenuously opposed by the FAO and its allies in the three major banana TNCs) was finalized in the mid-seventies. But it was not the unique source of anguish.

For what the 'active dialogue' professed to both corporate power and selective political missions in Geneva was a change in tone, and in substance, mirrored at once by the opportunistic mutations within the office of the Secretary General. Critical research work on transnationals within the service sector would not appear as official UNCTAD documents but merely in the highly marginalized *UNCTAD Review*. Burning issues on the nature of corporate capital should and were conveniently skirted, scourges which Erich Jacoby of the FAO had bitterly experienced and fought, not altogether unsuccessfully, over several years.

UNCTADs negotiators in the Commodity's Division were mainly composed of un-knowlegeable figures negotiating commodity agreements with an exiguous grasp of the ramifications of commodity power and commoditized relations inherent in the transnational corporation. It was not free of soap opera overtones as when a Brooke Bond (prior to its gobbling up by Unilever) salesman drew the attention of the political class within the Commodities Division to the contents of *The Fibres and Textile Study* insinuating that it could imperil the so-called negotiation process.

Never mind that tea and fibres were separate commodities. The Brook Bond representative (working within the B Group) received the mendacious UNCTAD ripost that the offending monograph was not an 'official study' but rather one that "reflected merely the author's opinions". In this venture he was shielded, notwithstanding the protests of the authors of the report, by an effective cover-up at an executive level. To paraphrase Noam Chomsky's description of the US ruling oligarchy, the political class and its SOC, and this by

no means exclusively within the Commodities Division, had tangled itself in a deliberate web of lies and self deceit from which it could not extricate itself.

Well before the onset of the eighties, the secretariat fell victim to its self-inflicted and escalating spiral of paralysis speeded up by the onslaughts from the fiercest segments of the B Group. Despite their paroxysmal ferocity, they came to fear a debilitated and cerebrally infirm UNCTAD, not for what it actually is and had been, but for its potential to move in an unwanted direction with rigorous leadership. By the very contradictions, however, generated by the violence of inter-imperialist rivalries, cracks and fissures within the B Group became palpable.

Many of their fire-spouting ideologists of the Friedmanite cabal nourished the fatuous fallacy that UNCTAD (as distinct from certain targeted individuals, who voiced and printed their research findings in all public media, in most cases without authorization) "harboured ideas and perverse frames of mind"¹¹ inimical to international propertied interests, i.e. the transnational corporation. But while the merger of these two currents reverberated throughout UNCTAD's corridors, it was trailed by another more sinister apparition: the rise of quisling elements that had earlier dissembled their views. They now denounced regulatory and interventionist techniques that called into question the role of the transnational corporation.

This line of conduct was a bare-faced drive to align the secretariat more firmly to the dictates, euphemistically categorized as guidelines, of the World Bank and GATT. The quisling elements came to identify themselves with the untrammelled operation of what was moronically designated as "world market forces". But such flashes of Reaganite inspired wisdom were inseparable from a concealed witchhunt. Certain B Group overseers demanded that they should have the right not only to peruse

the end product of research before publication, but the outlines as well even before the work was kicked off.¹²

Such loathsome gyrations would not have been feasible without the complicity of certain individuals acting in concert with corporate capital and their adjuncts in certain political missions. This turn of events was related to career advancements and power consolidation at certain executive levels. They were of a design that matched the permanent skullduggery that had become so repulsive a feature of the FAO and UNIDO landscape.

This is not to imply — notwithstanding these spasms of pathological hatred — that there was no self-criticism within UNCTAD by certain staff members. Earlier the first UNCTAD *Trade and Development Report* scathingly commented in a luminous paragraph on some of the elements that had conspired to batter UNCTAD to its knees. At once an obituary and an epitaph. Or better still, a desperat shriek that would remain unheeded, for a resurrected UNCTAD built on alternative ethical and realistic foundations.

"The ability of the OECD countries to obtain full employment on a sustained basis was not questioned. Consequently, emphasis was placed on the other requirements for a favourable *external environment* (italics mine). The measures proposed in this report have been of a reformist character. Commodity agreements, the generalized system of preferences, codes of conduct and the like (liner conferences, transfer of technology, restrictive business practices), compensatory financing and the ODA target do no challenge the foundations of the international economic system centred on the Bretton Woods agreement and the GATT. In fact, it may be argued that such measures serve to strengthen the functioning of the present system?"

The chief editor of that report was Gerry Arsenis, later a minister in Papan-dreou's cabinet. But the political class and its external partisans could not be expected to accept truths of this order articulated with such unequivocal bluntness. As to be expected, the upshot was that subsequent numbers of *The Trade and Development Report* were transmogrified into little more than the trivialized scissors and paste cuttings of *The Financial Times* stitched with innocuously supercilious texts. To ensure its respectability and sales pitch, certain journalists of *The Financial Times* were hired, no doubt, to ensure that its packaging and contents were marketable. In this — if nothing else — the Oxbridge coterie and their US headmen had triumphed — at a price.

Such a critique revealed in the Arsenis report signaled not only the bankruptcy of what had been marketed as the negotiating process, but brought out other operational factors. Symptomatic of UNCTAD's terminal disease was that the toxic ridden cells had ramified into the wider confines of its body. These events could no longer be depicted as a Manichean epic of good and evil, but rather as another dimension of UNCTAD's pathology.

Many staff members hailing from the underdeveloped regions were selected by their own elites. The latter had long made common cause with the spokesmen and claims of Big Capital to which they swirled like iron filings to a magnet. None has described with more militant dignity this high drama and low farce better than Robert Ramsay. He had involved for sixteen years with the secretariat, first as a member of the permanent Australian mission and then as one of the leading luminaries and rebels in the shipping division, as division that was important in itself as it was one of the few that endeavoured to move from airy generalities to something more tangible.

The backdrop to the Arsenis report, and the debacle of the negotiating pro-

cess, dramatized a state of affairs in which some of the more intelligent staff members were at least implicitly aware of. "There is a strong community of interest between the rich people of the rich countries, and the rich people of the poor countries. The governments of poor countries are virtually all controlled by rich people, who have more in common with the rich people who control the Group B corporations than they have with their poverty stricken fellow countrymen",¹³ wrote Ramsay in a beautifully simple sentence that spoke volumes, at a time when he was still in the organization.

In Ramsay's perspective, the secretariat could have become more potent generating sound policy proposals. But here one could part company in a genteel manner with a man of such nobility of character and principle as Ramsay. Indeed, what was demanded was not technical and drafting expertise *per se*, but ideological commitment. There were few that could say with General Vo Nguyen Giap at the height of the battle of Dienbienphu: "We have stood up".

At any rate, competence was of minor importance and Ramsay hit the bullseye when he thundered that "most of the secretariat's reports have been notable for little but their length, verbosity and obscurity, often being issued too late so be even read, let alone considered, before the relevant meetings. Insofar as it has enunciated any general philosophy, the secretariat has talked about the need to 'change the structure of the world economy' and proposed 'development strategies' to bring about a 'New International Economic Order' (but all in the vaguest terms). Few of the secretariat's proposals have served as a basis for taking specific action . . . As an inevitable consequence, most UNCTAD discussions have degenerated into an exchange of generalities."

These gangrenous areas diagnosed by Ramsay applied also to the Prebisch era, but were reinforced over time by the suck-off complex. Drift was one of the

lower prices to be paid for mismanagement. Ramsay's indictment is a horrendous portrayal of the degenerative processes at work:

"People have been hired with no real qualifications to serve the organization; others have been engaged to undertake assignments that could not possibly serve the organization's aims; others have arrived at the Palais des Nations to find themselves pitifully underemployed. Staff are permitted to develop all sorts of proposals for 'further studies', proposals that are designed to serve not so much the interests of the developing countries as the personal needs of the staff in justifying extensions of their employment contracts. Vast sums of money are wasted on unnecessary work (and on paying people who do not really work at all) and do the inevitable worldwide air travel to which so many UN officials have been addicted."

There was another aspect that Ramsay and others consistently hammered. Bedevilled by a tattered reputation for pervasive mismanagement, many of the upper strata do what incompetent civil servants do all over the world: they switch to matters of organization and procedure. "Many deliberately shun a study of real power structures in the global economy and turn away from looking at brutal issues and bury themselves in technical assistance projects." While the bulk of these projects are of dubious value to the recipient underdeveloped countries, they are of "decided financial value to the bureaucrats and to the vast army of 'experts' who have made technical assistance their profession".

Prebisch: The rebound

By the threshold of the eighties, UNCTAD's institutional structures and poli-

cies were ossified. At this nodal point one perceives that the hitherto asymptotic trajectory of Prebisch and UNCTAD diverged. Prebisch, as he stepped into the eighties, exhibited a turbulent twist and vivacity of mind. His lengthy essays acquired a pressing, almost proselytizing tone, revealing a grieved and stricken soul striving to unshackle himself from the incubus of the office holder. From the mid-seventies, glimpsed in his contributions to the *CEPAL Review*, his vision had become sharper. The final decade was a time when he had been severed — though by no means entirely — from the roots, if not of power, of officialdom it demarcates the publicist and his *obiter dicta* from earlier decades, purposefully projecting a more militant stance. Such a stance entailed the perceptible junking of Keynesian phraseology and the substitution of another, that of Marx — minus the unmentionable name.

The voice took on a new tone, the colours and the strokes of the prose more strident and more bracing. He was refracting his ideas through a Marxist conceptual and linguistic prism conceived as the most appropriate medium for achieving a more enduring symbiotic relationship with his audience, specifically a more militant Latin American one. It was a catharsis that strove to distance itself from the big and petty opportunisms of other times. He was now using an explosively radicalized language. His reiteration of the word "masses" had acquired a sharper cutting edge in a manner that could be grasped by the revolutionary poblaciones (shantytowns in Santiago). Judged only by this criterion — but there were more — Prebisch had cut his moorings from UNCTAD's officialdom. Earlier he had shunned the shadow and the substance of Marxism.¹⁴ Now he was dappling in it, and coupling it to his populist strides and refurbished image.

This is not to suggest that his umbilical cord to his past had been scissored, for Prebisch, while ex-

uberantly pursuing the tracks of Marxian political economy, would never be a Marxist. He was to remain a liberal, lavishly sprinkled with Marxist influence; a sensibility steeled by the repression coupled to the intolerable and mounting levels of pauperization of his region.

The rebound of Prebisch — even with the aid of the Marxist engine — did not signify that he came to understand the intricate inner workings of transnational corporate power: the institutional epicentre of global capital. Yet he was not unaware of their imbrications with political power, notably agribusiness and mining TNC and financial conglomerates. Rather, his selected target was neo-classicism and its perverse fatuities. His assaults would be backed by more concentrated firepower. This time his target would be publicly acknowledged, for his guns would henceforth be permanently trained on Hayek and Friedman. Another major moment in his life which served to demarcate him, once again, from UNCTAD's hegemonial class.

The flaws

Prebisch's compositions could still be faulted on several grounds: repetitive, verbose, unstructured, tedious and, on occasion, waffling like a big fat American novel seen at international airports. As with much of his earlier writings, there were few references, and even fewer acknowledgements, no footnotes, few numbers and non-existent bibliographies. It was an expositional quality that oft bore the imprimatur of streams of consciousness.

On what may appear to be of fundamental changes within global capital, his newly acquired Marxian target markers were not always deployed to optimal effect. "It must be acknowledged", he wrote, "that the system is in crisis", having "strayed from its path and is suffering structural imbalances which cannot be dealt with by ideas and forms of action that have been over-

taken by events.¹⁵ A promising postulate but one not free from equivocation, for if capitalism has "strayed from its path" were we to infer that "its normal path" is one of unbroken capital accumulation, generating permanent growth and prosperity? What Prebisch, both in his earlier and later incarnations, had inadequately done was to differentiate what levels of abstraction he was pitching his exposition. What was the distinguishing trait of the "normal path" of an earlier and far more competitive capitalist era, and its subsequent mutations characterized by mountainous waves of capitalist concentration, and sustainedly massive bouts of economic stagnation? Or does the normal path further assume an inherent harmony of interests (the centrepiece of Say's law of the markets) within global capitalism, not only between labour and capital at the general global and country-specific level, but between major economic groupings themselves?

Sustaining his thesis is his recourse to Schumpeter's seminal ideas on the business cycle¹⁶ (with as usual no reference to the man and his work) and his contention that technical innovation as the mainspring of the accumulation engine indicates no signs of sputtering. It is out of place to enter into a detailed commentary on Schumpeter's theory of innovations which made a salient contribution to economic theory in the thirties and forties, and one which has not entirely lost its relevance to our times.

Rather, what the critic would have expected from Prebisch or any other to the debate would not have been the wilting or deceleration of technical innovations and their repercussions on opening up new sources of investment; but on the impact of technology in exacerbating inter-imperialist rivalries between Japan, the EEC and the USA, that tripod of imperialism and geo-political power. And one whose by-products is the intensified marginalization and exploitation of the underdeveloping regions.

These are vital issues which Prebisch, in his ultimatum of ultimate laps, could not have been expected to tackle, despite the regenerative symptoms of a spiritual rebirth. But what he was able to assail with boldness and brio, and which I believe, and hope, will remain his more positive legacy, was to have exposed the lethal pollutants of Friedman, Hayek¹⁷ and their power complexes.

Friedman and Hayek

Indubitably, it remains one of the most trenchant essays that Prebisch had ever penned. In it, we see him probing into the labyrinth and dimensions of power at the domestic and international levels. In its Friedmanian guises it was not only a wretched doctrinal replay of nineteenth century Manchester economic liberalism that goaded Prebisch into action; but what he finally came to see as sinister forces operating behind the masks of 'human rights' and 'market freedom'. At last, he was naming names and pointing his contemptuous finger at imperialism, albeit in a still gentlemanly tone.

"It seems astonishing that the aim now should be to return to it (the neo-classical or colonial theory of the international division of labour) and as regards development, put back the clock. Similarly, the play of interests explains the fervour with which certain social groups in our countries cling to Milton Friedman's doctrine, inasmuch as it repudiates the disturbing action of trade union movement. What is more, in the name of the freedom of the market, the doors are opened to the transnational corporations, which are not exactly the most genuine expression of free competition.

That is why the propagation of neo-classicism has at the present moment the impressive backing of the United States television, which, with great skills in driv-

ing home its message, broadcasts far and wide over Latin America, certain ideologies whose dissemination is not usually (sic) inspired by authentically scientific purpose."¹⁸

His critique of the ideological foundations of the Chicago school straddled in brief compass the operation of market laws, the price system and disparities of income distribution; the dynamics of the economic surplus; trade union power and the allocation of resources. The choice of themes was spatially exhilarating, abetted by his shrewd use of the Socratic dialogue.

His views on wages and the trade union movement were at once a two pronged defence against the Pinochet's liquidation of the labour movement and, the current endeavours, not always uncrowned with success, of bleeding if not eliminating the trade union movement in the salient capitalist bastions themselves, in the name of sustaining a global competitive edge.

The unifying themes of all fascisms ranging from the Hitlerite—Pinochet to the neo-fascist anti-labour thrusts of Reagan, has been that the trade unions, by arbitrarily setting wages, prevent the employment of other workers. The Friedman—Hayek duo ideologically underpins the fascist drive not by recourse to novel ideas, but by resurrecting the subsistence theory of wages of such 'vulgar economists' as Jean Baptiste Say, Nassau Senior and James Mill. Economic liberalism in its pristine emanations, the once ascendant ideology of a combative and emergent industrial capitalism, is being used (as against the interventionist doctrinal currents of Hitler's national socialism) as an accomplice to resurgent fascism.

In short, fascism in world and in act, was henceforth to be identified implicitly with the higher drives and manifestations of freedom. Unemployment, according to this union busting, stems from excessive and artificial wage

claims by the abusive use of trade union power; hence, wages should be clipped to maintain an equilibrium between demand and supply of labour. As a corollary, institutions advocating such "excesses and artificialities" should accordingly be dealt with.

What Prebisch riposted was that by this reasoning if wages went down, according to alleged market laws, prices would have to go down. But this was not happening. Rather, the economic surplus going to the capitalist was moving up, a phenomenon which, in Prebisch's view, remains inexplicable without taking into account the social structure; and which could not be rolled under the carpet by glib references to 'market imperfections'. It was not difficult for Prebisch to demonstrate that if prices do not fall, notwithstanding productivity boosts, the major reason was explainable 'oligopolistic combinations'.

The Socratic dialogue technique encompassing a wide swathe of argument and counter argument was simple yet eloquent, firm yet compassionate. "We must counteract", urged Prebisch "the penetration of ideologies . . . in this case we are not talking about just one of the many episodes of intellectual dissemination from the capitalist centres. This is clearly a phenomenon of deliberate propagation. Visits, interviews and conferences, ardently supported by a free-spending and well-organized campaign in the mass media. There is more, much more, behind this than pure apostolic zeal!"

And here was Prebisch, the old man grown young, flailing the zealous apostles of market and human rights fascism in an idiom, or better still a manifesto, in which there was little place for ambiguity and the double talk of UNCTAD's political class.

"Let Milton Friedman understand. Let Friedrich von Hayek also understand. A genuine process of democratization was moving forward in our Latin America, with great difficulty and frequent

delays. But its incompatibility with the system of accumulation and distribution of income is leading towards crisis . . .

What a paradox you involve. You praise political freedom and individual rights. But don't you realize in these lands of the periphery, your preaching can only bear fruit through the suppression of that freedom and the violation of those rights? Because, not only do the ideologies you preach perpetuate and aggravate social inequalities, they also conspire flagrantly against the effort that must be made to reach new forms of understanding . . . The damage you're doing with your dogma is immeasurable!"

And so the final lap was run — minus UNCTAD — in a dazzling display of virtuosity. Prebisch had stood up and was counted in his war against market-freedom cum human rights-fascism in a language understandable to all. Prebisch was reborn all right for he was targeting an implacable enemy that he wanted to be recognized as such, and one to be uncompromisedly fought. At last he was finally on course and on target.

Notes:

¹ See the anonymous *History of UNCTAD: 1964—1984*. United Nations, 1985. It is just as well that this document remains anonymous. It was written within the secretariat on command of the political class and, of course, as a fraudulent piece of hack writing blithely skips over the issues that tore UNCTAD apart.

² Franz Mehring, *Karl Marx: The Story of His Life* (Berlin, 1918), London 1936, p XII.

³ See David Rock, *Argentina 1516—1982*:

From Spanish Colonization to the Falklands War, London 1986 and Leslie Bethell (Ed), *The Cambridge History of Latin America*, Vols IV and V (1870—1930).

⁴ *International Herald Tribune*, 1982-03-14. For one of the most perspicacious historical monographs of the region see Noam Chomsky, *Turning the Tide: The US and Latin America*, Montreal, 1986.

⁵ See Jenny Pearce, *Under the Eagle: US Intervention in Central America and the Caribbean*, London 1982, p 41.

⁶ Jenny Pearce, *op.cit.*

⁷ Jenny Pearce, *op.cit.*

⁸ *The New York Times*, 1983-04-19.

⁹ *Business Week*, 1986-03-10.

¹⁰ See *CEPAL Review*, "The Crisis of Capitalism and International Trade," No 20.

¹¹ This felicitous turn of phrase was used by one B Group delegate.

¹² Certain developing countries were informed of this complicity. It was a state of affairs that occurred long before the "unwillingness of developing countries, supported by Group D and China, to accept a Group B demand that detailed outlines of all future UNCTAD secretariat studies on restrictive business practices be submitted in advance to governments." *UNCTAD Press Release*, 1986-10-27. This prevented consensus on the results of a meeting of an Intergovernmental Group of Experts on RBPs which ended on 1986-10-24.

¹³ Robert Ramsay, UNCTAD's failures: the rich get richer, *International Organization*, No 28, April 1984.

¹⁴ On one occasion we find an oblique reference to Marx injected, one presumes, with a queasy feeling.

¹⁵ *CEPAL Review*, "The crisis of capitalism and international trade", No 20.

¹⁶ See Joseph Schumpeter, *Business cycles: A theoretical, historical and statistical analysis of the capitalist process*, New York, 1939, and *Capitalism, Socialism and Democracy*, 2nd edition, New York, 1947.

¹⁷ *CEPAL Review*, "Dialogue on Friedman and Hayek from the standpoint of the periphery". No 15.

¹⁸ *CEPAL Review*, No 15, *op.cit.* This is expanded in his longer essay. *Capitalismo periférico. Crisis y transformación*, Mexico, 1981. ■